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中国铁建
中國鐵建股份有限公司
China Railway Construction Corporation Limited
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1186)

(Listed Debt Securities Code: 5581, 40686 and 40687)

ANNOUNCEMENT OF 2023 INTERIM RESULTS

The Board of the Company is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2023. This announcement, containing the full text of the 2023 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of the interim results. Printed version of the Company's 2023 Interim Report will be sent to H shareholders of the Company and available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and of the Company at <http://www.crcc.cn> on or before 30 September 2023.

Important Notice

- I. The Board and the Supervisory Committee of the Company and the directors, supervisors and members of the senior management warrant the truthfulness, accuracy and completeness of the contents herein and confirm that there are no misrepresentations or misleading statements contained in, or material omissions from, this interim report, and accept several and joint legal responsibilities.
- II. All directors of the Company attended the Board meetings.
- III. The interim report was unaudited.
- IV. WANG Jianping, person in charge of the Company and CFO (function in an acting capacity), and Wang Lei, Head of the Finance Department (person in charge of accounting), warrant the truthfulness, accuracy and completeness of the financial report contained in this interim report.
- V. The profit distribution plan or reserves-to-equity transfer plan during the Reporting Period as considered and approved by the Board.

None

- VI. Disclaimer of forward-looking statements

Applicable Not applicable

Forward-looking statements, including future business plan, contained in this report do not constitute substantive commitments to investors by the Company. The investors and relevant persons should maintain sufficient risk awareness in this regard, and should understand the differences among plans, forecasts and commitments. Investors should be reminded of such investment risks.

- VII. Whether the Controlling Shareholder or its associates has misappropriated the Company's funds for purposes other than for business

No

- VIII. Whether the Company has provided external guarantees in violation of any prescribed decision-making procedures

No

- IX. Whether more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the interim report disclosed by the Company

No

- X. Reminder of significant risks

The significant risks the Group may encounter mainly include international operation risk, project operation and management risk, cash flow risk, safety risk and investment risk. Please refer to "(II) Potential Risks" in "V. Other Disclosure" under "Section III Management Discussion and Analysis (Report of Directors)". Investors are reminded of such risks.

- XI. Others

Applicable Not applicable

The 2023 interim financial report of the Company was prepared according to the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and the related provisions (hereinafter referred to as "PRC GAAP Standards"), which was reviewed and a relevant review report was issued by Deloitte Touche Tohmatsu CPA LLP. The reporting currency of this interim report is RMB, unless otherwise specified.

The contents of this interim report are in compliance with all the requirements in relation to information to be disclosed in interim report under the SSE Listing Rules and the Hong Kong Listing Rules. In addition, this interim report will be simultaneously published in Mainland China and Hong Kong. Should there be any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

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DOCUMENTS FOR INSPECTION	<ol style="list-style-type: none">1. Full text of the interim report signed by the person in charge of the Company;2. Financial statements signed and sealed by the person in charge of the Company, chief financial officer and head of the accounting department (person in charge of accounting);3. Original copies of all documents and announcements of the Company which had been disclosed to the public during the Reporting Period;4. The Company's 2023 Interim Report published on the Main Board of Hong Kong Stock Exchange.	

Section I Definitions

Unless otherwise stated in context, the following terms should have the following meanings in this report:

DEFINITIONS OF FREQUENTLY USED TERMS

“The Company, Parent Company, Company”	China Railway Construction Corporation Limited
“Group or CRCC”	China Railway Construction Corporation Limited and its wholly-owned and controlled subsidiaries
“Controlling Shareholder”	China Railway Construction Corporation (中國鐵道建築集團有限公司)
“General Meeting”	A general meeting of China Railway Construction Corporation Limited
“Board”	The board of directors of China Railway Construction Corporation Limited
“Independent Director”	A person who assumes no duties in the Company except the duty of director, and has no relation with the Company and its substantial shareholders which could hinder his or her independent and objective judgments
“Supervisory Committee”	The supervisory committee of China Railway Construction Corporation Limited
“Articles of Association”	The articles of association of China Railway Construction Corporation Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SSE Listing Rules”	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“CSRC”	China Securities Regulatory Commission
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules
“Company Law”	The Company Law of the People’s Republic of China
“Securities Law”	The Securities Law of the People’s Republic of China

Section I Definitions (continued)

“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Reporting Period”	The period from January to June 2023
“End of the Reporting Period”	30 June 2023
“Corresponding Period of Last Year”	The period from January to June 2022
“End of Last Year”	31 December 2022
“CRCHI”	China Railway Construction Heavy Industry Corporation Limited



Section II Basic Corporate Information and Key Financial Indicators

I. CORPORATE INFORMATION

Chinese name of the Company	中國鐵建股份有限公司
Chinese abbreviation	中國鐵建
English name of the Company	China Railway Construction Corporation Limited
English abbreviation	CRCC
Legal representative of the Company	WANG Jianping

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Joint Company Secretaries	Representative of Security Affairs
Name	JING Jing	JING Jing, LAW Chun Biu	XIE Huagang
Correspondence address	CRCC Bureau Building, East, No. 40 Fuxing Road, Haidian District, Beijing	CRCC Bureau Building, East, No. 40 Fuxing Road, Haidian District, Beijing	CRCC Bureau Building, East, No. 40 Fuxing Road, Haidian District, Beijing
Telephone	010-52688600	010-52688600	010-52688600
Fax	010-52688302	010-52688302	010-52688302
E-mail	ir@crcc.cn	ir@crcc.cn	ir@crcc.cn

III. CHANGES IN BASIC INFORMATION

Registered office of the Company	East, No. 40 Fuxing Road, Haidian District, Beijing
Historical changes of the Company's registered address	N/A
Principal place of business	East, No. 40 Fuxing Road, Haidian District, Beijing
Postal code of principal place of business	100855
Principal place of business in Hong Kong	23/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong
Website of the Company	www.crcc.cn
E-mail	ir@crcc.cn
Index to changes during the Reporting Period	During the Reporting Period, there was no change in basic corporate information of the Company.

Section II Basic Corporate Information and Key Financial Indicators (continued)

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times
Website for publishing the interim report	Website of Shanghai Stock Exchange: www.sse.com.cn Website of Hong Kong Stock Exchange: www.hkex.com.hk
Place of inspection of the interim report of the Company	Office of the Board of CRCC, East, No. 40 Fuxing Road, Haidian District, Beijing
Index to changes during the Reporting Period	During the Reporting Period, there was no change in information disclosure and place of inspection of the Company.

V. BASIC INFORMATION OF THE SHARES OF THE COMPANY

Class of share	Place of listing	Stock abbreviation	Stock code	Stock abbreviation before change
A Share	Shanghai Stock Exchange	China Rail Cons	601186	-
H Share	Hong Kong Stock Exchange	China Rail Cons	1186	-

VI. OTHER RELEVANT INFORMATION

Applicable Not applicable

1. Auditor appointed by the Company

Name	Deloitte Touche Tohmatsu CPA LLP
Office address	30/F, 222 East Yan'an Road, Huangpu District, Shanghai

2. Legal advisers appointed by the Company

As to the PRC law	Name	Beijing Deheng Law Office
	Office address	12/F, Tower B, Focus Place, No. 19 Finance Street, Beijing
As to Hong Kong law	Name	Baker & McKenzie
	Office address	14/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

3. Share registrar of the shares of the Company

Share registrar of A shares of the Company	Name	China Securities Depository and Clearing Corporation Limited (CSDC) Shanghai Branch
	Office address	No. 188 Yanggao South Road, Pudong New Area, Shanghai
Share registrar of H shares of the Company	Name	Computershare Hong Kong Investor Services Limited
	Office address	Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Section II Basic Corporate Information and Key Financial Indicators (continued)

VII. KEY ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Key accounting data

Unit: '000 Currency: RMB

Key accounting data	Reporting Period (from January to June)	Corresponding period of last year		Change as compared to the corresponding period of last year (%)
		After adjustment	Before adjustment	
Revenue	541,059,991	540,496,534	540,496,534	0.10
Net profit attributable to shareholders of the listed company	13,648,610	13,490,009	13,473,989	1.18
Net profit deducting non- recurring profit or loss attributable to shareholders of the listed company	12,897,085	12,783,010	12,766,990	0.89
Net cash flows generated from operating activities	-19,342,977	-19,604,382	-19,604,382	N/A

	As at the end of the Reporting Period	As at the end of last year		Change as compared with the end of last year (%)
		After adjustment	Before adjustment	
Net assets attributable to shareholders of the listed company	302,477,646	290,398,039	290,483,983	4.16
Total assets	1,647,065,257	1,523,913,581	1,523,951,052	8.08

Section II Basic Corporate Information and Key Financial Indicators (continued)

(II) Key financial indicators

Key financial indicators	Reporting Period (from January to June)	Corresponding period of last year		Change as compared to the corresponding period of last year (%)
		After adjustment	Before adjustment	
Basic earnings per share (RMB per share)	0.91	0.89	0.89	2.25
Diluted earnings per share (RMB per share)	0.91	0.89	0.89	2.25
Basic earnings per share after deduction of non- recurring profit or loss (RMB per share)	0.86	0.84	0.84	2.38
Weighted average return on net assets (%)	5.23	5.72	5.71	Decreased by 0.49 percentage point
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	4.91	5.38	5.37	Decreased by 0.47 percentage point

Explanations on the key accounting data and financial indicators of the Company

Applicable Not applicable

The basic earnings per share and diluted earnings per share for the Reporting Period were calculated after deducting the interests for holders of other equity instruments of RMB1,254,088 thousand.

VIII. ACCOUNTING INFORMATION DIFFERENCES BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable Not applicable

Section II Basic Corporate Information and Key Financial Indicators (continued)

IX. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Applicable Not applicable

Unit: '000 Currency: RMB

Non-recurring profit or loss items	Amount
Profit or loss from disposal of non-current assets	51,695
Government grants recognised through profit or loss (other than government grants which are closely related to the Company's normal business operations, comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity)	316,594
Profit or loss from debt restructuring	56,912
Profit or loss from change in the fair value of the held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities held by the Company and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investments other than the valid hedging services related to the normal operating activities of the Company	142,628
Reversal of the provisions for impairment of receivables and contract assets subject to impairment test separately	296,563
Other non-operating income and expenses other than the above items	107,518
Less: Impact on income tax	160,388
Effect of minority interests (after tax)	59,997
Total	751,525

For the non-recurring profit or loss items defined in accordance with the definition of "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-recurring Profit or Loss" and the non-recurring profit or loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public – Non-recurring Profit or Loss" defined as recurring profit or loss items, the reasons shall be explained.

Applicable Not applicable

X. OTHERS

Applicable Not applicable

Section III Management Discussion and Analysis (Report of Directors)

I. DESCRIPTION OF THE COMPANY'S INDUSTRY AND MAIN BUSINESS DURING THE REPORTING PERIOD

CRCC is one of the most powerful and largest ultra-large comprehensive construction groups in the world. Its business comprises construction operations, planning, design and consultancy, investment operations, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries.

(I) **Construction operations**

In the first half of 2023, the development scale of construction operations in China was still at record high, and the industrial concentration ratio continuously grew. The state continued to support major projects to promote coordinated regional development and the construction of the “new infrastructure, new urbanisation initiatives and major projects”. Traditional infrastructures such as transportation, energy and water conservancy continued to exert their strength. New infrastructures such as data center, high-speed rail transit, 5G, automobile charging pile have become important starting points for the conversion from old to new kinetic energy. The Guiding Opinions on Positively and Steadily Promoting the Transformation of Urban Villages in Megacities was considered and passed at the executive meeting of the State Council, which will give better play to the role of the government to increase the policy support for the transformation of urban villages in the relevant key cities, actively innovate the transformation mode, and encourage and support the joint participation of private capital. At the same time, China will promote the urbanisation construction with county towns as an important carrier, constantly improve municipal and public facilities in county towns, consolidate the foundation for industrial development in county towns, and improve the public service system in county towns. The development of construction operations in China has entered a period of high-quality development and transformation opportunities.

Construction operations are the core and traditional business of the Group, which cover multiple fields, such as railways, highways, rail transits, water conservancy and hydropower, housing construction, municipal engineering, bridges, tunnels, airports and wharfs. Its construction operations mainly take the forms of construction contract and financing contract.

(II) **Planning, design and consultancy**

In the first half of 2023, the traditional market of domestic railway, highway, urban rail, housing construction, municipal and port, airport, electric power and other fields where the planning, design and consultancy operations are located continued to maintain stable growth, and the emerging market fields such as rural construction, utility tunnel, sponge city, environmental protection and pollution control are in the ascendant. At the same time, under the influence of the technological revolution such as 5G, big data, artificial intelligence, cloud computing and Beidou application and the industrial changes, planning, design and consultancy, as a technology-intensive industry, have put forward higher requirements for technological applications such as BIM and GIS, and the development of the industry will be faced with new opportunities and challenges of digital and intelligent transformation. In the future, China's planning, design and consultancy in general will maintain a sustained growth trend, and the industry competition will be more intense, with higher requirements for the innovation ability and scientific and technological strength of enterprises.

Section III Management Discussion and Analysis (Report of Directors) (continued)

Planning, design and consultancy is an important industry for the Group to control the upstream of the industrial chain and move towards the high end of the value chain. It mainly comprises 4 large design institutes with comprehensive Grade A qualifications for engineering design and 24 professional design institutes (excluding the subsidiaries and branches of the 4 large design institutes), with the scope of business covering the provision of planning, design and consultancy services for the fields of railway, urban rail transits, highways, municipal administration, industrial and civil buildings, magnetic levitation, water transport, hydropower, airports, civil air defence and other areas whilst keeping expanding into the emerging industries and areas, such as intelligent transport, modern tramcar, urban utility tunnel, urban underground space, ecological environment and environmental protection. The basic business model of planning, design and consultancy operations is to complete the planning, design and consultancy and related services of engineering projects as contracted through market competition, and to operate general design contracting projects and general engineering contracting projects by fully leveraging on the business advantages of the Group.

(III) Investment operations

In the first half of 2023, the national fixed asset investment (excluding farm households) was RMB24,311.3 billion, representing a year-on-year increase of 3.8%, of which state-controlled enterprises recorded a year-on-year increase of 8.1%, while private investment recorded a year-on-year decrease of 0.2%. China's urbanisation construction has entered a stable period, and the growth rate of the investment in domestic transportation infrastructure has begun to moderate. Since the "14th Five-Year Plan", water-related and energy-related businesses such as the national water network construction, hydropower development and new energy have become the fastest-growing areas; the development of mineral resources has ushered in a counter-cyclical recovery and growth; the construction of airports, ports and terminals has been accelerated in order to improve weak links; and new infrastructures such as environmental protection, health care for the elderly, renovation of old residential districts and network information infrastructure are in the ascendant. Such emerging industries and businesses are about to form new points of growth in investment in the coming period, becoming an important support for maintaining the investment in fixed assets in the domestic market together with traditional infrastructure investment.

The investment and operation is an important engine for the transformation and upgrade of the Group, an important grasp for structural adjustment and an important source of benefit growth. The Group has been continuously adhering to the principle of "setting foot in main business, properly diversifying", always relying on main business, strengthening leading by investment surrounding the main business, optimising investment structure and layout, strictly controlling investment risks. While strengthening and optimising its traditional investment businesses such as urban rail transit, highways, municipal services and comprehensive urban development, the Group has been accelerating the expansion of investment businesses in emerging fields such as water conservancy and new energy, aiming to create a new engine for investment and efficiency. The Group vigorously develops environmental protection investment businesses such as water environment treatment, sponge city, pumped storage, dual-carbon industry and construction waste recycling, leading the green upgrade of infrastructure. The Group explores other investment fields such as cultural tourism and recreation,

Section III Management Discussion and Analysis (Report of Directors) (continued)

eco-agriculture and mineral exploitation in an orderly manner, so as to broaden the development space for investment business. At the same time, the Group vigorously expands the “investment +” business, cultivates the operational assets with continuous benefit creating capacity, and endeavours to promote the transformation from “investment-driven” to “investment to create benefit, investment to boost business”, and promotes the transformation of operation business towards professional operation. Currently, operational roads and urban rail transit projects have accounted for over 80% of operated projects, and the project operation has been robust. In the first half of 2023, the Group followed closely the requirements of the national reform of the investment and financing system, accelerated the optimisation of investment layout and structural adjustment, and realised the healthy and orderly development of capital operation business.

(IV) Real estate development

Since 2023, there are certain expectations of recovery for China’s real estate industry, but under the constraints of both supply and demand, the overall performance of the first half of 2023 was relatively flat, the momentum of the recovery of the property market slowed down, and the scale of investment and turnover remained stable at a low level. According to data released by the National Bureau of Statistics, in the first half of 2023, the national real estate development investment was RMB5,855.0 billion, representing a year-on-year decrease of 7.9%, among which, residential investment was RMB4,443.9 billion, representing a year-on-year decrease of 7.3%. The construction area of real estate developers was 7,915.48 million square meters, representing a year-on-year decrease of 6.6%, among which, the residential construction area was 5,570.83 million square meters, representing a decrease of 6.9%. The sales area of commodity housing was 595.15 million square meters, representing a year-on-year decrease of 5.3%, among which, the residential sales area decreased by 2.8%. The sales of commodity housing were RMB6,309.2 billion, representing an increase of 1.1%, among which, the residential sales increased by 3.7%. As of the end of June 2023, the unsold area of commodity housing was 641.59 million square meters, representing a year-on-year increase of 17.0%, among which, the unsold area of residential properties increased by 18.0%. Looking ahead to the second half of 2023, following the Central Political Bureau’s meeting to set the tune of “timely adjustment and optimisation of real estate policy” and the Ministry of Housing and Urban-Rural Development clarifying the direction of policy support, many places have begun to intensively state and speak out, and real estate policy support is expected to further increase. At the same time, the stabilisation and recovery of the market also depends on the process of economic recovery and the recovery of residents’ confidence. In the medium and long term, the fundamentals supporting the development of the real estate industry are still relatively stable, the trend of urban differentiation will continue, and the real estate market will still have a better development space for high-level cities with economic growth, population inflow and industrial support.

Section III Management Discussion and Analysis (Report of Directors) (continued)

Real estate development is an important industry for the Group to co-ordinate its resources, leverage synergies and drive the development of the entire industry chain. As one of the 16 enterprises directly under the central government taking real estate development as principal business as confirmed by the SASAC, the Group mainly focuses on the urban clusters including Yangtze River Delta, Pearl River Delta, Beijing-Tianjin-Hebei Region, Chengdu-Chongqing Region, Middle Reaches of Yangtze River and Coastal Regions of Guangdong, Fujian and Zhejiang for exploration and in-depth development. The Group adopts the business model of “giving priority to residential development supplemented by other industries” for real estate development industry, and actively participates in the development and construction of government-guaranteed housing and repurchased housing. The Group will further expand emerging business areas such as future communities and TOD, give full play to the advantages of the entire industrial chain of the Company, strengthen resource integration, and continuously improve the development quality of real estate development business while strengthening traditional residential development business. In the first half of 2023, facing the continuous downward pressure from overall market and external environment, the Company’s real estate sector realised sales amount of RMB53.37 billion, ranking 16th among the real estate enterprises across China.

(V) Manufacturing

In recent years, the investment in transport infrastructure construction has slowed down slightly, and the traditional general engineering machinery is affected by overcapacity, resulting in increasingly fiercer market competition. However, the high-end equipment manufacturing is embracing a golden period of prosperous development, and intelligent manufacturing development will be promoted in an all-round manner. The continuously improved core equipment supply capacity and the accelerated localisation of major technology equipment in China in China will offer great opportunity to high-end equipment manufacturing.

Manufacturing is an important industry for the Group to synergise the development of its main business, enhance the height of the industry and perfect the industrial chain. After years of development, there has formed three core businesses: equipment manufacturing, material production and precast concrete production. The principal business scope covers large railway track maintenance machinery, underground construction equipment, rail construction equipment, concrete equipment, lifting equipment, bridge construction equipment, compacting equipment, concrete products, bridge steel structures, turnout and spring bar fastener, and electric contact wire and parts. Leveraging its whole chain advantage, the Group actively promotes operating synergy and industry synergy and builds an integrated operation mode that incorporates multiple industries, so as to improve the competitiveness of the Company, expand the brand influence, and enhance overall profitability. The Group strives to improve businesses of less advantage, makes greater achievements in bridge steel structure manufacturing and installation technologies, and fosters new growth engines. The “Dream”, the world’s largest shaft boring machine independently developed by the Group, was selected as one of the “Top Ten Nation’s Machines of Central Enterprises in 2022”.

(VI) Materials and logistics

At present, China's materials and logistics industry has entered a critical period of logistics system formation. The China Commodity Index (CBMI) released by the China Federation of Logistics and Purchasing in June 2023 stood at 102.8%, representing a month-on-month increase of 2.1 percentage points, while the China Logistics Prosperity Index stood at 51.7%, representing a month-on-month increase of 0.2 percentage point. The changes in the indexes showed that, as domestic economic operation maintained a recovery trend and the expectation of stable growth policies was strengthened, demand in the commodity market recovered, purchasing, production and other business activities were active, the turnover of logistics inventories accelerated, and the activity of the logistics market increased.

Materials and logistics is an important business for the Group to support its core business, provide coordinated services, reduce costs and improve efficiency. The Group has regional business outlets, 1,330,000 square meters of logistics sites, more than 40,000 linear meters of special railroad lines, and 32,550 cubic meters of storage capacity of refined oil products in important cities and logistics node cities. The Group provided integrated supply chain service through improvement of an efficient IT-based logistics system, and regional and market-oriented service system. The Group formulated different development road maps and business models in accordance with the characteristics of the internal and external markets of the materials and logistics business. The internal market is the fundamental market for the development of materials and logistics business, adhering to the principle of "Maintaining Supply, Assuring Quality, Reducing Cost and Improving Value", centralising internal demand, and realising volume-for-price swap to enhance the capability of obtaining quality resources and market competitiveness. The external market is an expanding market for the development of materials and logistics business, which adheres to the principles of "optimising layout, clustering resources, exploring markets, enhancing profitability and promoting brand", and strengthens upstream and downstream extension services to achieve value enhancement and gain value returns in the process of services.

(VII) Environmental protection

The Guidance on Promoting Central Enterprises' High-quality Development and Working Well on Carbon Peak and Carbon Neutrality issued by SASAC in 2022 clearly set out the objectives of central enterprises in carbon peak and carbon neutrality during the "14th Five-Year Plan" period and the year 2030, and deployed key tasks such as promoting the green and low-carbon transformational development, establishing a green and low-carbon recycling industrial system, constructing a clean, low-carbon, safe and efficient energy system, strengthening the scientific and technological research on green and low-carbon technologies and their innovative application, and establishing a comprehensive carbon emission management mechanism, which provided a clear guideline of action for the work of central enterprises in carbon peak and carbon neutrality.

Section III Management Discussion and Analysis (Report of Directors) (continued)

Environmental protection is a new key industry for the Group in the “14th Five-Year Plan” period. The Group actively responded to the overall strategic deployment of carbon peak and carbon neutrality, focused on carrying out project investment, construction and operation in sub-sectors such as watershed management, comprehensive water environment management, construction waste recycling, pumped storage, offshore wind power, photovoltaic, wastewater treatment, etc. in accordance with major national ecological and environmental protection strategies and regional ecological and environmental objectives, leading the green upgrade of infrastructure, building industrial ecosystems, and enabling the environmental protection operations to gradually become a new important growth point for the Company. The business model of environmental protection is mainly to generate project contracting income through the construction of environmental protection projects.

(VIII) Industrial finance

In the first half of 2023, the People’s Bank of China maintained a prudent monetary policy, increased counter-cyclical adjustments, maintained reasonable and abundant liquidity, with stable growth in money and credit, and a steady decline in the cost of financing for the real economy. With the establishment of the National Administration of Financial Regulation, China’s financial supply-side reform will continue to advance, and strict and detailed financial supervision will be further strengthened. Recently, the Provisions on the Supervision and Administration of Private Investment Funds have been issued by the State Council, the revised Measures for the Registration and Filing of Private Investment Funds and supporting guidelines have been issued by the Asset Management Association of China, and the new requirements for the industrial and financial supervision of central enterprises have also been introduced by the SASAC.

Industrial finance is a strategic industry for the Group to revitalise the stock of capital, serve the real industry and promote the integration of production and financing. Following the principle of serving the main business and focusing on the core positioning of “integrated financial service platform”, the Group gives full play to the main functions of “financial service provision, financial industry operation, financial resource allocation and financial risk prevention and control”, and actively builds financial professional platforms such as centralised management platform for bills, supply chain finance and innovative financial service platform, centralised management platform for insurance resources, financial leasing service platform and fund management platform. Industrial finance mainly includes a number of financial products and services such as insurance brokerage, insurance agency, insurance adjustment, operating lease, financial lease, commercial factoring, supply chain finance, asset securitisation, financial technology, and industrial funds, giving full play to the advantages in business integration and linkage to create a closed-loop industrial financial ecosystem integrating “finance, investment, loan, insurance and lease”, and realising the financial service of “whole system, whole subject, whole scene and whole cycle”.

II. ANALYSIS OF THE CORE COMPETITIVENESS DURING THE REPORTING PERIOD

Applicable Not applicable

(I) *Prominent advantages in technology*

CRCC continued to maintain its industry leadership in fields of engineering design and construction for high-speed railways, plateau railways, alpine railways, expressways and urban rail transits, and the technologies of deep underground and underwater engineering construction, magnetic levitation engineering construction and E&M system integration have achieved a leading level in the industry. “National Key Laboratory of Intelligent Construction and Maintenance of Geotechnical and Tunnel Engineering in Extreme Environments” was approved for construction by the Ministry of Science and Technology. The Group took the lead in undertaking 10 national key R&D projects, presided over 38 national scientific research projects and undertook 3 national key core technology research tasks, and steadily improved the quantity and quality of independent intellectual property rights, with remarkable results of achievement transformation, forming a series of high-value technical products such as comprehensive monitoring of rail transport infrastructure operation.

(II) *Continuous industry-leading position*

The Group is one of the strongest and largest-scale integrated construction groups in China and in the world. The Company has been continuously selected as one of the Fortune “Global 500” and ranked 43rd in 2023; and has been ranked among the top 3 in the “Top 250 Global Contractors” published by Engineering News-Record (ENR) magazine in the United States. The Group has an A+H listed platform, sufficient bank credit, and the highest international rating for construction companies. Its business covers 32 provinces, autonomous regions and municipalities in China, as well as 140 countries and regions in the world.

(III) *Fully complete industry chain and layout*

The Group has completed comprehensive layout along the construction industry chain, with the business covering the construction, planning, design and consultancy, investment operations, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging businesses. With full industry-chain service capabilities in railway, highway, urban rail transit, housing construction, municipal administration and other fields, the Group has preliminarily achieved a transformation from a traditional contractor to a contractor-oriented contractor with equal emphasis as an investor, developer and operator, and is able to provide the “CRCC construction model” and “CRCC construction plan” with the whole process, whole cycle, personalisation, customisation and high quality for owners of different fields, types and needs.

Section III Management Discussion and Analysis (Report of Directors) (continued)

(IV) Continuous optimisation of management system

The Group combined the optimisation of organisation management structure with the disposal of non-core business and non-advantageous business and quality and efficiency improvement and other tasks, strictly controlled newly-established business entities, and vigorously reduced the number of subsidiaries with weak capacity and weak synergy with the core business. According to the principle of being scientific, reasonable, capable and efficient, the Company also optimised the organisational structure, reduced the overlapping of departments and functions, and strictly controlled department and staff composition. The Company continuously adjusted and optimised the institutional setup of the headquarters and built a management system and operation mechanism with clear responsibility, strong control and smooth operation.

(V) Long-term and stable customer base

Adhering to the management principle of “people-oriented, trustworthy and law-abiding, being in harmony with nature, building quality products”, the Group has been intensively cultivating in the domestic and overseas construction industry and relevant industries. It has established the corporate value of “eternal integrity and innovation, equal emphasis on quality and integrity”, formed long-term and stable government relations, market resources and customer groups, and provided strong market support for the Company to expand its diversified business and export its “CRCC services” in more fields.

(VI) International well-known brand reputation

With a glorious history of over 70 years, the Group has designed and constructed over 50% of the high-speed and normal-speed railways, over 40% of the urban rail transit lines and approximately 30% of the high-grade and above highways in China. The Group has formulated the construction standard of more than 50% for high-speed railway in China, constructed more than 1,000 overseas projects, repeatedly set new records for the highest single contract value of China’s foreign engineering contracts, won a high corporate reputation, and built two international well-known brands, namely CRCC and CCECC. In the first half of 2023, CRCC actively promoted the brand leading action and carried out a series of brand building, display and dissemination activities to further consolidate the foundation of brand building and accelerate the process of brand enhancement across the Group. CRCC ranked 101st in the “Top 500 Global Brand Value Report for 2023” published by Brand Finance, a globally well-known brand valuation and consultation institution.

(VII) Refreshing and carrying forward the culture of railway corps

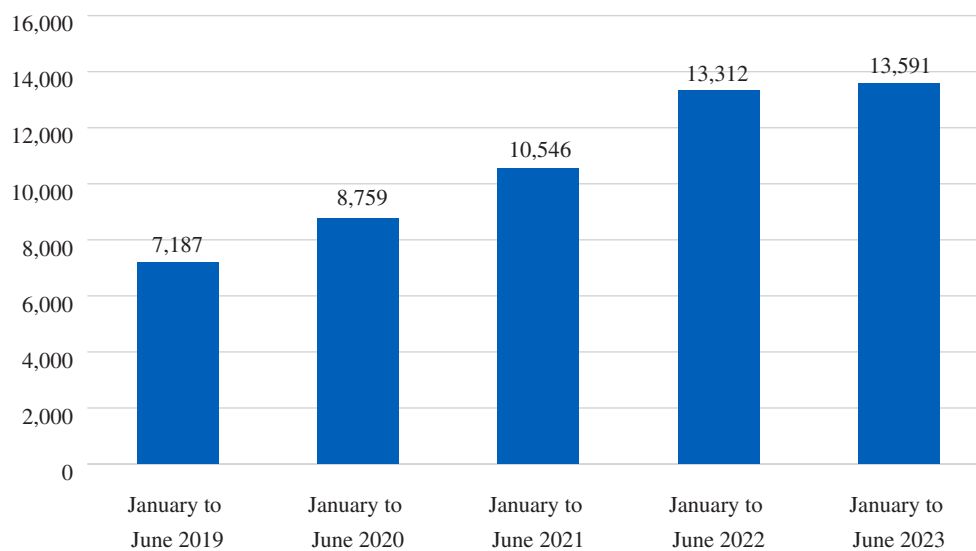
The Group has continued to inherit and carry forward the spirit of railway corps, and endeavoured to construct and lead the brand construction with the CRCC culture system in the new era, so as to promote its high-quality development. In the first half of 2023, CRCC continued to promote the supervision of cultural construction and the creation and dissemination of excellent stories, deepened the implementation of culture of CRCC in the new era, and guided the employees to practice and implement its core values, so as to gather more powerful forces for the construction of the most trustworthy world-class comprehensive construction industry group.

III. DISCUSSION AND ANALYSIS ON BUSINESS OPERATIONS

In the first half of 2023, in the presence of complex and severe internal and external situation and increasingly fierce market competition, CRCC deeply implemented the spirit of the 20th CPC National Congress, adhered to the primary task of high-quality development, strengthened the market research and analysis and management supervision, continued to optimise the market layout, further rationalised the internal management relationship, and optimised the operating assessment and evaluation system, with the operating effectiveness and order quality increased steadily.

**Value of newly-signed contracts for the first half of the year
of the Company over the past five years**

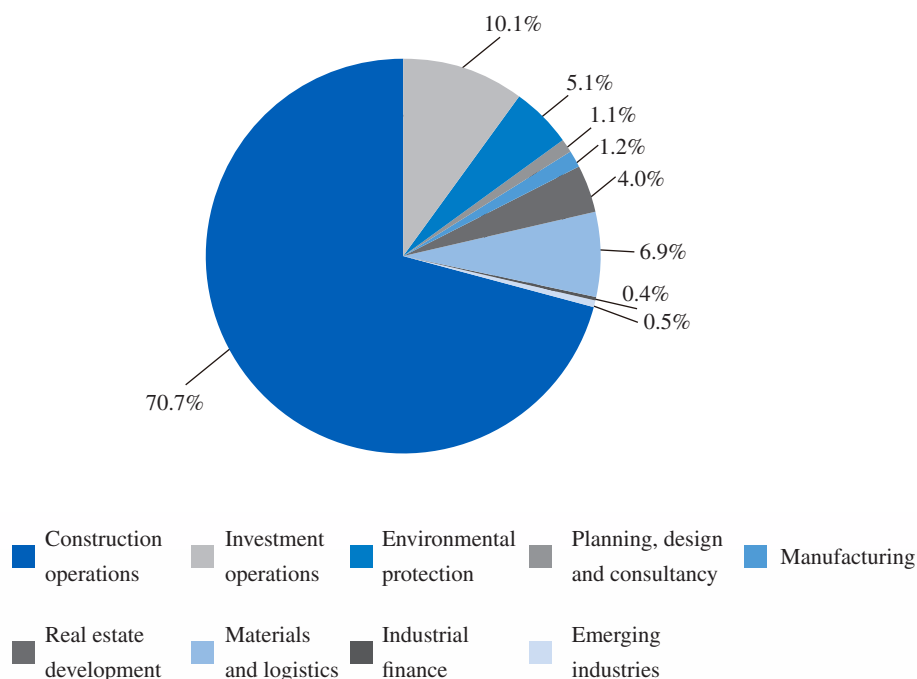
Unit: RMB'00 million Currency: RMB



Section III Management Discussion and Analysis (Report of Directors) (continued)

From the beginning of the year to the end of the Reporting Period, the total value of newly-signed contracts of the Group amounted to RMB1,359.0749 billion, achieving 41.06% of the Group's annual goal, representing a year-on-year increase of 2.09%, among which, the value of newly signed contracts for domestic business amounted to RMB1,276.4206 billion, accounting for 93.92% of the total value of the newly-signed contracts, representing a year-on-year increase of 4.29%; and the value of newly-signed contracts for overseas business amounted to RMB82.6543 billion, accounting for 6.08% of the total value of the newly-signed contracts, representing a year-on-year decrease of 22.99%. As of 30 June 2023, the total value of outstanding contracts for the Group amounted to RMB7,011.013 billion, representing an increase of 10.19% as compared to the end of last year, of which, the total value of outstanding domestic contracts amounted to RMB5,782.6705 billion, accounting for 82.48% of the total value of outstanding contracts; and the total value of outstanding overseas contracts amounted to RMB1,228.3425 billion, accounting for 17.52% of the total value of outstanding contracts. Indicators of the value of newly-signed contracts for each industry are as follows:

Proportion of value of newly-signed contracts for each industry



Section III Management Discussion and Analysis (Report of Directors) (continued)

Statistics on value of newly-signed contracts by industry

Unit: RMB'00 million Currency: RMB

No.	Type of industry	Value of newly-signed contracts from the beginning of the year to the end of the Reporting Period	Year-on-year increase/decrease (%)	Explanation
1	Construction operations	9,609.102	28.54	/
2	Investment operations	1,373.263	-53.94	The year-on-year substantial decrease was mainly attributable to the decrease in the total number of tenders for PPP projects and other tenders during the Reporting Period as compared to the same period last year due to market impact.
3	Environmental protection	699.217	-16.75	/
4	Planning, design and consultancy	145.146	-17.72	/
5	Manufacturing	159.381	-12.34	/
6	Real estate development	537.275	38.97	The year-on-year substantial increase was mainly due to the market rebound as compared to the same period last year.
7	Materials and logistics	937.593	-20.87	/
8	Industrial finance	54.206	10.95	/
9	Emerging industries	75.566	104.36	The fluctuations were normal due to the relatively small overall scale.
Total		13,590.749	2.09	/

Section III Management Discussion and Analysis (Report of Directors) (continued)

From the beginning of the year to the end of the Reporting Period, the value of newly-signed contracts for infrastructure construction projects in the industries such as construction operations, investment operations and environmental protection amounted to RMB1,168.1582 billion, accounting for 85.95% of the total value of the newly-signed contracts, representing a year-on-year increase of 3.41%. Indicators of the value of newly-signed contracts for each business of infrastructure construction projects are as follows:

Statistics on value of newly-signed contracts for infrastructure construction projects by business

Unit: '00 million Currency: RMB

No.	Type of business	Value of newly-signed contracts from the beginning of the year to the end of the Reporting Period	Year-on-year increase/decrease (%)	Explanation
1	Railway construction	1,070.846	4.20	/
2	Road projects	1,833.271	22.10	/
3	Urban rail transit	376.226	18.76	/
4	Housing construction	4,981.952	2.80	/
5	Municipal engineering	1,618.539	-10.67	/
6	Mining	135.793	-56.64	The fluctuations were normal due to its relatively small overall scale.
7	Water conservancy and water transportation projects	391.087	20.16	/
8	Airport engineering	41.307	107.87	The fluctuations were normal due to its relatively small overall scale.
9	Electric engineering	589.498	4.90	/
10	Other engineering	643.063	12.40	/
Total		11,681.582	3.41	/

Significant changes in the Company's operating conditions during the Reporting Period, as well as events that have a significant impact on the Company's operating conditions during the Reporting Period and are expected to have a significant impact in the future

Applicable Not applicable

Section III Management Discussion and Analysis (Report of Directors) (continued)

IV. MAJOR OPERATIONAL PARTICULARS DURING THE REPORTING PERIOD

(I) Analysis of main businesses

1. Analysis of changes in financial statements related subjects

Unit: '000 Currency: RMB

Subjects	Amount for the Reporting Period	Amount for the corresponding period of last year	Change (%)
Revenue	541,059,991	540,496,534	0.10
Cost of sales	492,871,297	493,654,422	-0.16
Selling and distribution expenses	3,316,927	2,906,896	14.11
General and administrative expenses	10,536,637	9,688,514	8.75
Finance costs	1,598,169	1,591,577	0.41
Research and development expenses	8,293,309	8,396,894	-1.23
Net cash flows generated from operating activities	-19,342,977	-19,604,382	N/A
Net cash flows generated from investing activities	-28,350,429	-38,426,563	N/A
Net cash flows generated from financing activities	60,936,418	84,242,244	-27.67

The change in revenue was mainly due to: the increase in manufacturing and materials and logistics operations during the Reporting Period.

The change in cost of sales was mainly due to: the decrease in the cost of sales of construction operations, planning, design and consultancy during the Reporting Period.

The change in selling and distribution expenses was mainly due to: the increase in the amount of newly-signed contracts signed as a result of the increased investment in business contracting during the Reporting Period.

The change in general and administrative expenses was mainly due to: the increase in business scale during the Reporting Period.

The change in finance costs was mainly due to: the increase in interest expenses during the Reporting Period.

The change in research and development expenses was mainly due to: the decrease in investment of R&D activities during the Reporting Period.

Section III Management Discussion and Analysis (Report of Directors) (continued)

The change in net cash flows generated from operating activities was mainly due to: the increase in cash received for the sale of goods or the rendering of services during the Reporting Period.

The change in net cash flows generated from investing activities was mainly due to: the decrease in cash paid for the external investment during the Reporting Period.

The change in net cash flows generated from financing activities was mainly due to: the increase in cash repayments for borrowings during the Reporting Period.

2. Performance of main businesses by segment and region

During the Reporting Period, the Group recorded an operating revenue of RMB541.06 billion, representing a year-on-year increase of 0.10%. The businesses of the Group cover construction operations, planning, design and consultancy, investment operations, real estate development, manufacturing, materials and logistics, environmental protection, industrial finance and other emerging industries and its operating scope covers 32 provinces, autonomous regions and municipalities in China, as well as 140 countries and regions in the world.

Main Businesses by Segment and by Region

Unit: '000 Currency: RMB

By segment	Revenue	Cost of sales	Main Businesses by Segment			
			Gross profit margin	Increase/decrease in revenue as compared to the corresponding period of last year	Increase/decrease in cost of sales as compared to the corresponding period of last year	Increase/decrease in gross profit margin as compared to the corresponding period of last year
			(%)	(%)	(%)	(%)
Construction operations	483,400,441	446,992,868	7.53	-0.26	-0.72	Increased by 0.43 percentage points
Planning, design and consultancy operations	8,385,164	4,978,124	40.63	-7.94	-14.29	Increased by 4.39 percentage points
Manufacturing operations	12,164,688	9,320,770	23.38	12.61	15.51	Decreased by 1.93 percentage points
Real estate development operations	21,411,451	18,772,562	12.32	0.13	4.74	Decreased by 3.86 percentage points
Logistics and materials trading and other businesses	45,244,161	41,576,703	8.11	1.63	1.33	Increased by 0.28 percentage point
Inter-segment elimination	-29,545,914	-28,769,730	/	/	/	/
Total	541,059,991	492,871,297	8.91	0.10	-0.16	Increased by 0.24 percentage point

Section III Management Discussion and Analysis (Report of Directors) (continued)

Main Businesses by Region						
By region	Revenue	Cost of sales	Gross profit margin (%)	Increase/decrease in revenue as compared to the corresponding period of last year (%)	Increase/decrease in cost of sales as compared to the corresponding period of last year (%)	Increase/decrease in gross profit margin as compared to the corresponding period of last year (%)
Mainland China	511,771,460	465,430,386	9.06	-0.41	-0.77	Increased by 0.33 percentage point
Overseas	29,288,531	27,440,911	6.31	10.07	11.47	Decreased by 1.17 percentage points
Total	541,059,991	492,871,297	8.91	0.10	-0.16	Increased by 0.24 percentage point

Notes:

1. Due to the unique nature of the business of the Group, the main businesses of the Group are analysed by segment.
2. The data of the main business segments are still classified as construction operations, planning, design and consultancy, manufacturing, real estate development, materials and logistics and other businesses.

Explanation on Main Businesses by Segment

- (1) Construction operations

Construction Operations (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year	Growth rate (%)
Revenue	483,400,441	484,668,462	-0.26
Cost of sales	446,992,868	450,235,637	-0.72
Gross profit	36,407,573	34,432,825	5.74
Gross profit margin (%)	7.53	7.10	Increased by 0.43 percentage point
Selling and distribution expenses	1,469,648	1,271,061	15.62
General and administrative expenses and research and development expenses	15,225,529	14,565,540	4.53
Profit before tax	13,913,519	12,450,108	11.75

Section III Management Discussion and Analysis (Report of Directors) (continued)

(2) Planning, design and consultancy operations

Planning, Design and Consultancy Operations (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year	Growth rate (%)
Revenue	8,385,164	9,108,403	-7.94
Cost of sales	4,978,124	5,807,824	-14.29
Gross profit	3,407,040	3,300,579	3.23
Gross profit margin (%)	40.63	36.24	Increased by 4.39 percentage points
Selling and distribution expenses	437,511	412,017	6.19
General and administrative expenses and research and development expenses	988,628	950,245	4.04
Profit before tax	2,115,078	2,067,429	2.30

(3) Manufacturing operations

Manufacturing Operations (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year	Growth rate (%)
Revenue	12,164,688	10,802,719	12.61
Cost of sales	9,320,770	8,069,041	15.51
Gross profit	2,843,918	2,733,678	4.03
Gross profit margin (%)	23.38	25.31	Decreased by 1.93 percentage points
Selling and distribution expenses	340,917	310,644	9.75
General and administrative expenses and research and development expenses	1,072,025	1,069,428	0.24
Profit before tax	1,525,593	1,488,242	2.51

Section III Management Discussion and Analysis (Report of Directors) (continued)

(4) Real estate development operations

Real Estate Development Operations (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year	Growth rate (%)
Revenue	21,411,451	21,382,902	0.13
Cost of sales	18,772,562	17,922,786	4.74
Gross profit	2,638,889	3,460,116	-23.73
Gross profit margin (%)	12.32	16.18	Decreased by 3.86 percentage points
Selling and distribution expenses	621,698	548,753	13.29
General and administrative expenses and research and development expenses	574,693	519,788	10.56
Profit before tax	996,414	1,744,609	-42.89

The change in total profit of the real estate development operation was mainly due to: the decrease in gross profit from sales and the increase in finance costs.

Section III Management Discussion and Analysis (Report of Directors) (continued)

(5) Materials, logistics and other businesses

Materials and Logistics and Other Businesses (Before Elimination of Inter-Segment Transactions)

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year	Growth rate (%)
Revenue	45,244,161	44,519,392	1.63
Cost of sales	41,576,703	41,032,023	1.33
Gross profit	3,667,458	3,487,369	5.16
Gross profit margin (%)	8.11	7.83	Increased by 0.28 percentage point
Selling and distribution expenses	447,153	364,421	22.70
General and administrative expenses and research and development expenses	969,071	980,407	-1.16
Profit before tax	1,585,278	1,934,097	-18.04

3. Particulars of material changes in business type, profit composition or source of the Company during the period

Applicable Not applicable

(II) Explanation on material changes in profit due to non-core businesses

Applicable Not applicable

Section III Management Discussion and Analysis (Report of Directors) (continued)

(III) Analysis of assets and liabilities

Applicable Not applicable

1. Assets and liabilities

Unit: '000 Currency: RMB

Name of item	Amount at the end of the Reporting Period	Percentage of amount at the end of the Reporting Period to the total assets (%)	Amount at the end of last year	Percentage of amount at the end of last year to the total assets (%)	Percentage of change in the amount at the end of the Reporting Period as compared to the end of last year (%)	Explanation
Cash and bank balances	171,268,703	10.40	158,424,810	10.40	8.11	
Held-for-trading financial assets	876,295	0.05	961,298	0.06	-8.84	
Bills receivables	5,854,056	0.36	8,495,031	0.56	-31.09	Mainly due to the decrease in the proportion of settlement through commercial acceptance bill by customers during the Reporting Period.
Receivables at FVTOCI	2,286,504	0.14	3,321,965	0.22	-31.17	Mainly due to the decrease in the proportion of settlement through bank acceptance bill by customers during the Reporting Period.
Trade receivables	169,744,350	10.31	141,229,619	9.27	20.19	
Advances to suppliers	30,610,626	1.86	27,473,837	1.80	11.42	
Other receivables	74,492,428	4.52	66,050,468	4.33	12.78	
Inventories	315,450,180	19.15	299,818,526	19.67	5.21	
Contract assets	277,641,725	16.86	254,463,518	16.70	9.11	
Other current assets	31,077,953	1.89	23,674,072	1.55	31.27	Mainly due to the increase in the reverse repurchase of treasury bonds by the Group during the Reporting Period.
Other non-current financial assets	10,562,097	0.64	8,387,687	0.55	25.92	
Other equity instrument investment	12,227,467	0.74	11,940,051	0.78	2.41	

Section III Management Discussion and Analysis (Report of Directors) (continued)

Name of item	Amount at the end of the Reporting Period	Percentage of amount at the end of the Reporting Period to the total assets	Amount at the end of last year	Percentage of amount at the end of last year to the total assets	Percentage of change in the amount at the end of the Reporting Period as compared to the end of last year	Explanation
		(%)		(%)	(%)	
Long-term receivables	88,611,524	5.38	80,554,812	5.29	10.00	
Long-term equity investments	137,010,027	8.32	127,985,238	8.40	7.05	
Fixed assets	67,375,811	4.09	66,085,799	4.34	1.95	
Right-of-use assets	6,984,300	0.42	5,154,357	0.34	35.50	Mainly due to the increase in leasing of leased buildings and machinery during the Reporting Period.
Intangible assets	63,851,338	3.88	62,530,742	4.10	2.11	
Short-term loans	97,385,071	5.91	51,367,562	3.37	89.58	Mainly due to the replenishment of working capital by the Group during the Reporting Period.
Bills payable	75,347,237	4.57	89,607,342	5.88	-15.91	
Trade payables	457,515,511	27.78	425,568,938	27.93	7.51	
Advances from customers	375,402	0.02	311,908	0.02	20.36	
Contract liabilities	170,484,144	10.35	164,118,787	10.77	3.88	
Other payables	114,925,662	6.98	100,528,887	6.60	14.32	
Other current liabilities	32,174,572	1.95	31,594,097	2.07	1.84	
Long-term loans ^{Note 1}	180,480,199	10.96	153,547,310	10.08	17.54	
Bonds payable ^{Note 2}	40,807,837	2.48	45,194,975	2.97	-9.71	
Lease liabilities	4,014,647	0.24	2,451,292	0.16	63.78	Mainly due to the increase in leasing of leased buildings and machinery during the Reporting Period.
Long-term payables	38,331,533	2.33	34,800,914	2.28	10.15	
Employee benefits payable ^{Note 3}	13,384,398	0.81	14,026,058	0.92	-4.57	

Notes:

1. "Long-term loans" includes "current portion of long-term loans".
2. "Bonds payables" includes "current portion of bonds payable".
3. "Employee benefits payable" is the sum of the "employee benefits payable" in the current liabilities and the "long-term employee benefits payables" in the non-current liabilities plus the "current portion of post-employment benefits".

Section III Management Discussion and Analysis (Report of Directors) (continued)

2. Overseas assets

Applicable Not applicable

(1) Assets scale

Including: overseas assets 85,943,686 (Unit: '000 Currency: RMB), accounting for 5.22% of the total assets.

(2) Explanation for high proportion of overseas assets

Applicable Not applicable

3. Restriction on assets as at the end of the Reporting Period

Applicable Not applicable

4. Other explanation

Applicable Not applicable

(IV) Liquidity and capital resources (disclosure pursuant to the requirements of the Hong Kong Listing Rules)

1. Cash flow of the Group

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year	Change as compared to the corresponding period of last year during the Reporting Period
Net cash flow generated from operating activities	-19,342,977	-19,604,382	261,405
Net cash flow generated from investing activities	-28,350,429	-38,426,563	10,076,134
Net cash flow generated from financing activities	60,936,418	84,242,244	-23,305,826

During the Reporting Period, the net cash flow generated from operating activities of the Group were net cash outflow amounting to RMB19.3430 billion, representing a decrease of RMB0.2614 billion in net cash outflow as compared with the corresponding period of last year, mainly attributable to the increase in cash received for the sales of goods or the rendering of services during the Reporting Period.

Section III Management Discussion and Analysis (Report of Directors) (continued)

During the Reporting Period, the net cash flow generated from investing activities of the Group were net cash outflow amounting to RMB28.3504 billion, representing a decrease of RMB10.0761 billion in cash outflow as compared to the corresponding period of last year, mainly attributable to the decrease in cash paid for the external investment during the Reporting Period.

During the Reporting Period, the net cash flow generated from financing activities of the Group were net cash inflow amounting to RMB60.9364 billion, representing a decrease of RMB23.3058 billion in cash inflow as compared with the corresponding period of last year, mainly attributable to the increase in cash repayments for borrowings during the Reporting Period.

2. Capital expenditures

The Group incurred capital expenditures mainly for the construction of contracting projects, purchase of equipment, expansion and technology upgrade of facilities, and construction of investment projects such as PPP and BOT projects. During the Reporting Period, the Group's capital expenditures were RMB14.988 billion, representing a year-on-year decrease of RMB0.0382 billion or 0.25%.

Unit: '000 Currency: RMB

Item	Reporting Period	Corresponding period of last year
Construction operations	10,076,013	9,670,237
Planning, design and consultancy operations	67,869	60,631
Manufacturing operations	1,743,845	622,547
Real estate development operations	97,752	696,165
Other businesses	3,002,479	3,976,543
Total	14,987,958	15,026,123

Section III Management Discussion and Analysis (Report of Directors) (continued)

3. Working capital

(1) Trade Receivables

Trade receivables of the Group increased from RMB141.2296 billion as at 31 December 2022 to RMB169.7444 billion as at 30 June 2023, representing an increase of RMB28.5148 billion. The Board of the Company considered that adequate provisions for credit losses have been made.

The following table sets forth the aging analysis of trade receivables as at the balance sheet date indicated:

Unit: '000 Currency: RMB

Aging	30 June 2023	31 December 2022
Within 1 year	130,419,021	106,339,111
1–2 years	33,351,471	29,563,912
2–3 years	10,868,743	10,679,319
Over 3 years	10,969,131	9,863,060
Subtotal	185,608,366	156,445,402
Less: Impairment of credit losses	15,864,016	15,215,783
Total	169,744,350	141,229,619

The following table sets forth the turnover days of the trade receivables and trade payables of the Group as at the balance sheet dates indicated:

Item	30 June 2023	31 December 2022
Turnover days of trade receivables ^{Note 1}	57	54
Turnover days of trade payables ^{Note 2}	161	146

Notes:

- The number of turnover days of trade receivables is derived by dividing the arithmetic mean of the closing balance of the Reporting Period and the closing balance of last year by revenue and multiplied by 180 days (365 days for the number as at 31 December 2022).
- The number of turnover days of trade payables is derived by dividing the arithmetic mean of the closing balance of the Reporting Period and the closing balance of last year by cost of sales and multiplied by 180 days (365 days for the number as at 31 December 2022).

Section III Management Discussion and Analysis (Report of Directors) (continued)

(2) Trade payables

Trade payables of the Group increased from RMB425.5689 billion as at 31 December 2022 to RMB457.5155 billion as at 30 June 2023, representing an increase of RMB31.9466 billion, mainly due to the expansion of business scale during the Reporting Period, resulting in the increase in accounts payable.

The following table sets forth the aging analysis of trade payables as at the balance sheet date indicated:

Unit: '000 Currency: RMB

Item	30 June 2023	31 December 2022
Within 1 year	446,703,105	416,162,468
1–2 years	7,478,271	6,496,421
2–3 years	2,216,056	1,986,922
Over 3 years	1,118,079	923,127
Total	457,515,511	425,568,938

4. Advances to suppliers and other receivables

The advances to suppliers and other receivables of the Group increased from RMB93.5243 billion as at 31 December 2022 to RMB105.1031 billion as at 30 June 2023, representing an increase of RMB11.5788 billion or 12.38%.

5. Other payables and accruals

As at the end of the Reporting Period, other payables and accruals of the Group including advances from customers, contract liabilities, other payables, employee benefits payable (including long-term employee benefits payable), taxes payable and deferred income amounted to RMB306.4677 billion, representing an increase of RMB17.4891 billion or 6.05% as compared to the end of last year, mainly due to the increase in amounts due to related parties and dividends payable.

Section III Management Discussion and Analysis (Report of Directors) (continued)

6. Indebtedness

(1) Loans

The short-term loans of the Group as at the end of the Reporting Period and the end of last year were as follows:

Unit: '000 Currency: RMB

Item	30 June 2023	31 December 2022
Credit loans	93,742,063	47,492,300
Guaranteed loans	2,812,360	3,243,900
Pledged loans	830,648	631,362
Total	97,385,071	51,367,562

Current portion of long-term loans of the Group as at the end of the Reporting Period and the end of last year were as follows:

Unit: '000 Currency: RMB

Item	30 June 2023	31 December 2022
Credit loans	13,982,950	14,627,311
Guaranteed loans	2,965,889	1,962,563
Mortgaged loans	4,397,744	2,445,305
Pledged loans	1,054,759	1,096,703
Total	22,401,342	20,131,882

Section III Management Discussion and Analysis (Report of Directors) (continued)

The long-term loans of the Group as at the end of the Reporting Period and the end of last year were as follows:

Unit: '000 Currency: RMB

Item	30 June 2023	31 December 2022
Credit loans	76,313,846	59,532,386
Pledged loans	41,422,449	38,557,624
Mortgaged loans	27,718,754	24,220,319
Guaranteed loans	12,623,808	11,105,099
Total	158,078,857	133,415,428

The bonds payable of the Group as at the end of the Reporting Period and the end of last year were as follows:

Unit: '000 Currency: RMB

Item	30 June 2023	31 December 2022
Bonds payable	28,200,843	28,096,696
Current portion of bonds payable	12,606,994	17,098,279
Total	40,807,837	45,194,975

As at the end of the Reporting Period and the end of last year, the Group's gearing ratio was 68% and 66%, respectively. Gearing ratio is calculated by dividing net liabilities by the sum of total equity plus net liabilities. Net liabilities include the net amount of the sum of all loans, due to customers, other current liabilities, bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions), and other non-current liabilities less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests.

Section III Management Discussion and Analysis (Report of Directors) (continued)

(2) Commitments

As at the end of the Reporting Period, the commitments made by the Group amounted to RMB79.0841 billion, representing an increase of RMB6.9680 billion or 9.66% as compared to the end of last year, which was mainly due to the increase of the investment commitments during the Reporting Period.

Unit: '000 Currency: RMB

Item	30 June 2023	31 December 2022
Contracted but not provided for		
Capital commitments	2,826,229	2,131,496
Investment commitments	76,257,832	69,984,621
Total	79,084,061	72,116,117

(3) Material Contingent liabilities

During the Reporting Period, the Group had no material contingent liabilities.

7. Mortgage and pledge of assets

As at the end of the Reporting Period, the mortgage and pledge of assets made by the Group amounted to RMB153.5304 billion, representing an increase of RMB12.8344 billion or 9.12% as compared to the end of last year, which was mainly due to the increase in borrowings mortgage of intangible assets during the Reporting Period. The following table sets forth the mortgage and pledge of assets as of the balance sheet date:

Unit: '000 Currency: RMB

Category	30 June 2023	31 December 2022
Intangible assets	50,802,172	43,881,171
Inventories	61,018,112	59,933,128
Cash and bank balances	13,148,740	13,480,644
Other non-current assets	18,761,970	14,937,347
Fixed assets	2,690,519	2,636,141
Trade receivables	2,127,258	1,757,880
Construction in progress	3,591,539	2,868,791
Bills receivable	220,000	23,850
Long-term receivables	1,170,107	1,177,072
Total	153,530,417	140,696,024

Section III Management Discussion and Analysis (Report of Directors) (continued)

Please see “64. Assets with title restrictions” in Note V to the financial report of this report for details of mortgage and pledge.

8. Foreign exchange risks and profit or loss on exchange

The major production and operation activities of the Group are located in the PRC and the principal operations are settled in RMB. The assets and liabilities in foreign currency recognised by the Group and the transactions to be denominated in foreign currencies in the future are subject to foreign exchange risks. As for the cash and bank balances, trade receivables, other receivables, short-term loans, trade payables, other payables, long-term loans and bonds payable denominated in foreign currencies (primarily in US dollar, Euro, HKD, Algerian Dinar, Tanzanian Shilling and so on) held by the Group as at the end of the Reporting Period, please see “65. Foreign currency monetary items” in Note V to the financial report of this report for details.

The management of the Company closely monitors the impact of changes in exchange rate on the exchange risks. Although no significant forward exchange contracts have been entered into, the finance department of the Company which is responsible for monitoring exchange risks will hedge material exchange risks when necessary. Please see “3. Financial instrument risks” in Note VIII to the financial report of this report for the exchange rate risks.

Section III Management Discussion and Analysis (Report of Directors) (continued)

(V) Analysis of investment

1. Overall analysis of investment in external equities

Applicable Not applicable

As at the end of the Reporting Period, the Group's carrying amount of long-term equity investment was RMB137.0592 billion, representing an increase of RMB9.0248 billion or 7.05%, which was mainly due to the increase in the joint ventures and associates during the Reporting Period.

(1) Major equity investment

Applicable Not applicable

(2) Major non-equity investment

Applicable Not applicable

(3) Financial assets measured at fair value

Applicable Not applicable

Unit: '000 Currency: RMB

Assets class	Amount at the beginning of the period	Profit or loss from changes in fair value for the period	Accumulated fair value changes recognised in equity	Impairment provided for the period	Amount of purchase for the period	Amount of redemption for the period	Other changes	Amount at the end of the period
Stock	2,897,300	3,707	1,126,285	-	-	-	-140,057	2,760,950
Bonds	4,971,219	-	-3,395	-	6,000,000	7,000,000	112,071	4,083,290
Trust products	7,900	-	-	-	-	-	-	7,900
Private fund	3,740,133	12,000	-	-	1,848,231	-	-	5,600,364
Others	7,063,810	-2,505	901	-	10,225,300	12,097,000	65,221	5,254,826
Total	18,680,362	13,202	1,123,791	-	18,073,531	19,097,000	37,235	17,707,330

Section III Management Discussion and Analysis (Report of Directors) (continued)

Investment in securities

Applicable Not applicable

Unit: '000 Currency: RMB

Type of securities	Stock code	Abbreviated stock name	Initial investment cost	Source of funds	Profit or			Amount of purchase for the period	Amount of disposal for the period	Profit or		Accounting
					Carrying value at the beginning of the period	loss from changes in fair value for the period	Accumulated fair value changes recognised in equity			loss from investments for the period	Carrying value at the end of the period	
Stock	HK03969	CRSC	136,128	Fund on hand	57,169	7,730	-	-	-	-	67,074	Held-for-trading financial assets
Stock	HK01258	CHINF Mining	59,138	Fund on hand	130,253	-10,447	-	-	-	-	124,692	Other non-current financial assets
Stock	601618	MCC	58,167	Fund on hand	15,907	2,528	-	-	-	-	19,057	Held-for-trading financial assets
Stock	600028	SINOPEC	533	Fund on hand	281	449	-	-	-	-	731	Other non-current financial assets
Stock	600515	Hainan Airport	107,055	Fund on hand	116,648	-21,694	-	-	-	-	94,954	Held-for-trading financial assets
Stock	600221	Hainan Holdings	829	Fund on hand	954	-144	-	-	-	-	811	Held-for-trading financial assets
Stock	600115	CEA	300,000	Fund on hand	300,000	25,285	-	-	-	-	325,285	Held-for-trading financial assets
Stock	601328	BCM	68,481	Fund on hand	191,143	-	165,407	-	-	-	233,888	Other equity instrument investments
Stock	601211	Guotai Junan	8,597	Fund on hand	100,915	-	95,289	-	-	3,936	103,866	Other equity instrument investments
Stock	688009	CRSC	69,466	Fund on hand	56,709	-	-800	-	-	-	68,666	Other equity instrument investments
Stock	600809	Shanxi Fenjiu	708	Fund on hand	159,594	-	102,931	-	-	-	103,639	Other equity instrument investments
Stock	600322	Tianjin Realty Development	160	Fund on hand	190	-	30	-	-	-	190	Other equity instrument investments
Stock	600061	SDIC Capital	263,849	Fund on hand	592,405	-	396,232	-	-	8,573	660,081	Other equity instrument investments
Stock	600885	Hongfa	2,502	Fund on hand	71,508	-	65,667	-	-	-	68,169	Other equity instrument investments
Stock	000759	Zhongbai Holdings Group	1,934	Fund on hand	5,836	-	2,388	-	-	-	4,322	Other equity instrument investments
Stock	002159	Sante Cableway	2,387	Fund on hand	20,885	-	19,322	-	-	-	21,709	Other equity instrument investments

Section III Management Discussion and Analysis (Report of Directors) (continued)

Type of securities	Stock code	Abbreviated stock name	Initial investment cost	Source of funds	Carrying value at the beginning of the period	Profit or loss from changes in fair value for the period	Accumulated fair value changes recognised in equity	Amount of purchase for the period	Amount of disposal for the period	Profit or loss from investments for the period	Carrying value at the end of the period	Accounting accounts
Stock	834898	Zhuzhou Department Stores	360	Fund on hand	1,583	-	958	-	-	-	1,318	Other equity instrument investments
Stock	688187	Times Electric	9,800	Fund on hand	534,786	-	400,428	-	-	5,390	410,228	Other equity instrument investments
Stock	600928	Xi'an Bank	100	Fund on hand	691	-	591	-	-	37	691	Other equity instrument investments
Stock	000630	Tongling Non-ferrous Metals	51,836	Fund on hand	234,749	-	166,608	-	-	3,762	217,444	Other equity instrument investments
Stock	HK00687	Taisheng Group	319,393	Fund on hand	16,574	-	-305,447	-	-	760	14,511	Other equity instrument investments
Stock	600657	Cinda Real Estate	236	Fund on hand	12,623	-	10,068	-	-	102	10,304	Other equity instrument investments
Stock	001227	Bank of Lanzhou	201,687	Fund on hand	275,897	-	7,613	-	-	-	209,300	Other equity instrument investments
Fund	000652	Bosera-Yulong Hybrid	17,370	Fund on hand	64,529	-2,988	-	-	-	-	61,541	Held-for-trading financial assets
Fund	519606	Guotai Jinxin	3,908	Fund on hand	6,511	482	-	-	-	-	6,994	Held-for-trading financial assets
Trust products	/	Yue Cai Trust - CMB China Railway Urban Construction Single Fund Trust Scheme	6,900	Fund on hand	6,900	-	-	-	-	-	6,900	Other non-current financial assets

Section III Management Discussion and Analysis (Report of Directors) (continued)

Type of securities	Stock code	Abbreviated stock name	Initial investment cost	Source of funds	Carrying value at the beginning of the period	Profit or loss from		Amount of purchase for the period	Amount of disposal for the period	Profit or loss from investments for the period	Carrying value at the end of the period	Accounting accounts
						changes in fair value for the period	Accumulated fair value changes recognised in equity					
Trust products	/	CITIC Trust – CRCC Blue Ocean Pooled Fund Trust Scheme (No. 28)	1,000	Fund on hand	1,000	-	-	-	-	76	1,000	Held-for-trading financial assets
Others	/	/	939,800	Fund on hand	811,500	-	-	225,300	97,000	27,776	939,800	Other non-current financial assets
Others	/	/	4,000,000	Fund on hand	4,971,219	-	-3,395	6,000,000	7,000,000	15,824	4,083,290	Other debt investments
Total	/	/	6,632,324	/	8,768,959	1,201	1,122,890	6,225,300	7,097,000	66,236	7,860,475	/

Explanation of investment in securities

Applicable Not applicable

Section III Management Discussion and Analysis (Report of Directors) (continued)

Explanation of investment in private funds

Applicable Not applicable

Unit: '000 Currency: RMB

Name of investee	Amount of initial investment	Shareholding ratio (%)	Carrying value at the end of the period	Profit/loss during the Reporting Period	Changes in owner's equity during the Reporting Period		Source of funds
					Accounting		
Jinan Jiayue Transportation Investment and Development Partnership (Limited Partnership)	1,603,520	/	1,603,520	17,576	-	Other non-current financial assets	Fund on hand
Guangxi Transportation Investment Phase 21 Transportation Construction Investment Fund Partnership (Limited Partnership)	944,255	6.67	944,255	6,033	-	Other non-current financial assets	Fund on hand
Tsingtao Metro Line 4 Investment Fund (Limited Partnership)	906,000	24.97	915,000	49,201	-	Other non-current financial assets	Fund on hand
Mutual Infrastructure FOF Phase I Private Fund	383,180	/	383,180	-	-	Other non-current financial assets	Fund on hand
Chongqing Pilot Expressway No. 7 Equity Investment Fund Partnership (Limited Partnership)	226,035	/	226,035	-	-	Other non-current financial assets	Fund on hand
Mutual Infrastructure Investment Private Fund No. 8	180,000	/	180,000	-	-	Other non-current financial assets	Fund on hand
CROC PPP Tianfu Private Investment Fund	173,860	/	173,860	1,829	-	Other non-current financial assets	Fund on hand
Shaanxi Yideruzhi Equity Investment Partnership (Limited Partnership)	154,990	/	154,990	-	-	Other non-current financial assets	Fund on hand
Shenzhen Shengao Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	140,000	/	140,000	-	-	Other non-current financial assets	Fund on hand
Tianjin Railway Construction No. 1 Construction Investment Partnership (Limited Partnership)	130,464	/	130,464	3,094	-	Other non-current financial assets	Fund on hand
China Railway Construction Government Enterprise Private Equity Investment Fund Environmental Governance No.1	110,390	10.45	110,390	-	-	Other non-current financial assets	Fund on hand
Guangde CROC Blue Ocean Hualan Investment Centre (Limited Partnership)	97,235	35.22	97,235	5,027	-	Other non-current financial assets	Fund on hand
Xinyu CROC Guangrong Investment Partnership (Limited Partnership)	93,713	18.44	93,713	-	-	Other non-current financial assets	Fund on hand
Fujian Haisi Expressway Phase IV Equity Investment Partnership (Limited Partnership)	92,787	/	92,787	-	-	Other non-current financial assets	Fund on hand
Xinheng Yintong Fund Management (Beijing) Co., Ltd. - Ziyang Linkong Economy Zone Industry New City - PPP Private Investment Fund	80,167	15.46	80,167	-	-	Other non-current financial assets	Fund on hand
CROC-China PPP Fund Private Investment Fund No. 1 Highway Construction Fund	67,180	/	67,180	4,427	-	Other non-current financial assets	Fund on hand

Section III Management Discussion and Analysis (Report of Directors) (continued)

Name of investee	Amount of initial investment	Shareholding ratio (%)	Carrying value at the end of the period	Profit/loss during the Reporting Period	Changes in owner's equity during the Reporting Period		Source of funds
					Accounting		
China Railway Construction Government Enterprise Private Equity Investment Fund Inland Navigation No.1	53,300	9.09	53,300	3,549	-	Other non-current financial assets	Fund on hand
Haitong Securities Co., Ltd. - Nuo'an Capital Haizi Lake No.1 Private Investment Fund	45,000	/	45,000	-	-	Other non-current financial assets	Fund on hand
CRCC Jical Hong'ao Private Investment Fund	39,410	/	39,410	2,562	-	Other non-current financial assets	Fund on hand
Tianjin Railway Transportation Industry Fund Partnership (Limited Partnership)	20,000	/	20,000	-	-	Other non-current financial assets	Fund on hand
China Railway Construction Private Equity Investment Fund Integrated Management Gallery No. 1 Fund	10,341	/	10,341	-	-	Other non-current financial assets	Fund on hand
China Securities Capital - Tiejian Runxin No. 3 Private Equity Investment Fund	10,000	/	10,000	-	-	Other non-current financial assets	Fund on hand
China Securities Capital - Dongfang Runxin Private Equity Investment Fund	10,000	/	10,000	-	-	Other non-current financial assets	Fund on hand
CRCC Mutual Infrastructure Investment Private Fund No. 2	6,137	/	6,137	-	-	Other non-current financial assets	Fund on hand
Chongqing Pilot Expressway No. 10 Private Equity Investment Fund Partnership (Limited Partnership)	2,000	/	2,000	-	-	Other non-current financial assets	Fund on hand
Chongqing Pilot Expressway No. 5 Railway Construction Private Equity Investment Fund Partnership (Limited Partnership)	2,000	/	2,000	70	-	Other non-current financial assets	Fund on hand
Others	9,400	/	9,400	134	-	Other non-current financial assets	Fund on hand
Total	5,591,364	/	5,600,364	93,502	-	/	/

Explanation of investment in derivatives

Applicable Not applicable

Section III Management Discussion and Analysis (Report of Directors) (continued)

(VI) Disposal of significant assets and equity interest

Applicable Not applicable

(VII) Analysis of major companies controlled and invested in by the Company

Applicable Not applicable

1. Major subsidiaries

During the Reporting Period, the major subsidiaries of the Company are as follows:

Unit: '000 Currency: RMB

Name of Company	Major financial indicators as at 30 June 2023					Principal operations	Industry
	Registered capital	Total assets	Net assets	Net profit			
China Civil Engineering Construction Corporation	3,000,000	33,218,811	9,855,810	509,534	Construction	Construction	
China Railway 11th Bureau Group Co., Ltd.	6,162,382	76,958,435	16,375,146	871,796	Construction	Construction	
China Railway 12th Bureau Group Co., Ltd.	5,060,677	74,015,549	14,413,106	734,728	Construction	Construction	
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	3,200,000	55,044,685	8,351,424	317,951	Construction	Construction	
China Railway 14th Bureau Group Co., Ltd.	3,110,000	89,903,780	15,585,606	649,485	Construction	Construction	
China Railway 15th Bureau Group Co., Ltd.	3,000,000	49,321,757	4,969,448	257,299	Construction	Construction	
China Railway 16th Bureau Group Co., Ltd.	4,400,000	70,569,648	7,063,643	141,859	Construction	Construction	
China Railway 17th Bureau Group Co., Ltd.	3,021,226	65,027,943	7,821,528	185,278	Construction	Construction	
China Railway 18th Bureau Group Co., Ltd.	3,000,000	58,803,473	11,878,955	701,521	Construction	Construction	
China Railway 19th Bureau Group Co., Ltd.	5,080,000	59,589,259	7,662,289	191,028	Construction	Construction	
China Railway 20th Bureau Group Co., Ltd.	3,130,000	59,827,173	10,892,771	501,163	Construction	Construction	
China Railway 21st Bureau Group Co., Ltd.	2,038,000	45,659,909	5,767,166	173,715	Construction	Construction	
China Railway 22nd Bureau Group Co., Ltd.	2,000,000	42,397,970	6,293,281	238,978	Construction	Construction	
China Railway 23rd Bureau Group Co., Ltd.	2,000,000	36,867,752	5,567,703	179,922	Construction	Construction	
China Railway 24th Bureau Group Co., Ltd.	2,000,000	36,701,072	4,970,477	244,807	Construction	Construction	
China Railway 25th Bureau Group Co., Ltd.	2,000,000	33,900,493	3,670,313	119,224	Construction	Construction	
China Railway Construction Group Co., Ltd.	3,502,971	109,091,066	13,689,364	194,230	Construction	Construction	
China Railway Urban Construction Group Co., Ltd.	2,789,839	37,907,247	7,564,761	419,543	Construction	Construction	
China Railway Construction Electrification Bureau Group Co., Ltd.	3,800,000	30,876,723	13,088,642	924,141	Construction	Construction	
CRCC Harbour and Channel Engineering Bureau Group Co. Ltd.	2,500,000	18,731,353	2,520,353	87,372	Construction	Construction	
China Railway Construction Corporation (International) Limited	3,012,500	12,134,928	4,023,311	69,990	Construction	Construction	
China Railway Construction Real Estate Group Co., Ltd.	7,000,000	254,884,474	42,586,103	111,979	Real estate development and operation	Real estate	

Section III Management Discussion and Analysis (Report of Directors) (continued)

Name of Company	Major financial indicators as at 30 June 2023				Principal operations	Industry
	Registered capital	Total assets	Net assets	Net profit		
China Railway First Survey and Design Institute Group Co., Ltd.	1,000,000	18,881,969	6,399,042	540,160	Survey and design	Consultancy
China Railway SIYUAN Survey and Design Group Co., Ltd.	1,052,500	31,951,879	14,153,973	1,341,437	Survey and design	Consultancy
China Railway Fifth Survey and Design Institute Group Co., Ltd.	175,000	5,938,497	2,500,933	221,249	Survey and design	Consultancy
China Railway Shanghai Design Institute Group Co., Ltd.	130,000	3,218,949	1,865,437	206,495	Survey and design	Consultancy
China Railway Material Group Co., Ltd.	3,000,000	37,380,375	4,804,547	430,227	Purchase and sales of goods and materials	Logistics and trade
China Railway Construction Heavy Industry Corporation Limited	5,333,497	25,563,925	15,981,486	1,025,555	Manufacturing	Industry
CRCC High-Tech Equipment Corporation Limited	1,519,884	8,964,415	5,821,317	45,066	Manufacturing	Industry
China Railway Construction Investment Group Co., Ltd.	12,067,086	170,524,924	37,059,214	1,641,087	Project investment	Investment
CRCC Kunlun Investment Group Co., Ltd.	5,087,166	75,460,289	22,862,136	1,561,276	Project investment	Investment
CRCC Capital Holdings Group Co., Ltd.	9,000,000	45,843,900	12,840,610	468,349	Financial services	Finance
CRCC Finance Company Limited	9,000,000	116,236,465	13,445,400	533,909	Financial services	Finance

2. Major companies in which the Group invested

For details about companies in which the Group invested in, please refer to Note V to the financial statements attached to this report, “14. Long-term Equity Investments” and Note VII to the financial statements, “2. Equity in Joint Ventures and Associates”. The changes in the assets, operation results and other financial indicators of such companies in which the Group invested in have no significant effects on the assets, operation results and other financial indicators of the Group in the current and future years.

(VIII) Status of the structured entity controlled by the Company

Applicable Not applicable

V. OTHER DISCLOSURE

(I) Discussion and analysis of the Company's future development (disclosure pursuant to the requirements of the Hong Kong Listing Rules)

There was no significant change in the discussion and analysis of the Company's future development as compared with those disclosed in the 2022 annual report.

(II) Potential risks

Applicable Not applicable

Through a comprehensive assessment of the changes in the domestic and overseas situation and the internal and external risk levels, as well as in-depth study and judgment by means of information technology, the Group identifies the following risks as the material risks it will be subject to: international operation risks, project operation and management risks, cash flow risks, safety risks and investment risks.

1. International operation risks

As the international environment becomes increasingly complex, regional conflicts intensify, and instability and uncertainty increase, the Group is facing greater external risks in its international operations. The Group will pay close attention to the international political and economic situation, take system implementation as the key, implement the requirement of reporting and approving projects in advance, strengthen internal and external operation coordination, ensure orderly competition in the international business, and prevent various risks in overseas business from the source. On the basis of increasing practical experience in the international market and in respect of specific countries, the Group has established indicators at various levels for early warning of national risks, as well as an information feedback system for risk events and domestic and international risk control linkage system, and through systematic sorting and analyses, it has focused on the management of national risks, legal risks, non-traditional security risks, exchange rate risks, labour risks and environmental risks as the major risks faced by its international operations. At the same time, the Group strengthens business process compliance management, performs the daily compliance management and supervision of overseas business, promotes the compliance of business process with the improvement of the institutional system, ensures the compliance of the whole process of overseas business from contracting to implementation, and ensures the healthy and orderly development of the overseas market.

Section III Management Discussion and Analysis (Report of Directors) (continued)

2. Project operation and management risks

With the gradual implementation of economic stabilisation policies, the Group's business development has made steady progress, business areas have been steadily expanded, and the project model has been compliant and stable. However, due to the impact of accelerated tightening of liquidity globally, the capital turnover in certain industries has slowed down, the domestic real estate market has continued to slump, and the risks of project operation and management have become increasingly prominent, which posed serious challenges for the high-quality development of enterprises. During the project contracting stage, the Group will strengthen its awareness of rules, strictly implement the code of conduct for operation, proactively integrate into the national strategy, closely follow the policy guidance, comprehensively carry out business operations, and adhere to the emphasis on both quality and quantity and quality priority, so as to ensure the effective improvement of quality and reasonable growth of quantity from the source of business. Meanwhile, the Group will continue to strengthen the risk management and control of projects under construction and steadily promote the project operation and management work; strengthen the cost control during the construction of the projects and ensure the project revenue; pay great attention to the safety risks during the implementation of the projects, properly execute project contract presentation and risk planning, strengthen the on-site construction control, and carry out detailed assessments of the status quo of the structures, underground pipelines, demolition works, confined spaces and the surrounding environmental conditions prior to the commencement of the construction work; pay attention to the risks of using large-scale and specialised equipment; pay high attention to the legal compliance of subcontracting management at all levels.

3. Cash flow risks

Due to the increasingly fierce competition in the construction market, the problem of shortage of funds was generally prominent, which brought greater pressure on production and operation. The Group is facing challenges in the safety and security of its capital chain, which, if not properly managed and controlled, will adversely affect the Group and restrict its long-term development. Taking into account the changes in the macroeconomic and capital market environment, the Group will continue to strengthen the management of various types of capital receipts and expenditures, further increase the sources of income and cut down on expenditure, improve the operating cash flow situation, and strictly control the financing and liquidity, so as to ensure the safety of the capital chain and realise high-quality development. Firstly, we will strive to improve the quality of business contracting, optimise the payment terms of the contract, and strive to realise the "profitability of income and cash profit"; secondly, we will continue to clean up the inefficient assets, strengthen the revitalisation of assets, accelerate the recovery of funds, and improve the asset turnover; thirdly, we will make all payments in a compliant and coordinated manner, strictly keep expenditure within the limits of income, make excellent capital planning and execution control, and reasonably plan expenditures; fourthly, we will control the pace of investment, smooth out the pressure on the funds, and strictly prohibit investments beyond our own financial capacity; fifthly, we will strengthen our management control, continue to enrich the financing channels, innovate the financing methods and reserve the financing amount, so as to ensure the security of the fund chain and to ensure that the risks of the cash flow are controllable.

Section III Management Discussion and Analysis (Report of Directors) (continued)

4. Safety risks

Due to the characteristics of the industry and the complex working environment, high turnover of personnel, and long management chains, etc., currently the production safety situation of the Group is still complicated and severe, and there are still certain hidden dangers and weaknesses in production safety management. The Group adheres to the safety concept of “life first, prevention first”, will firmly establish the goal of “double-zero” production safety, strengthen the construction of safety production system and mechanism, implement the safety responsibility of all employees, strengthen the safety education and training of basic level employees, and further promote the standardisation of production safety. The Group will carry out special actions to strengthen safety management, strengthen special rectification of major safety hazards, strictly control safety risks, and strengthen terminal safety control. The Group fully implements “more mechanical, less manual, automation substitution and information empowerment”, and improves the essential safety level. The Group makes every effort to promote emergency management of production safety, handles accidents seriously, and promotes the safe and stable development of enterprises.

5. Investment risks

Investments business of the Group are concentrated in property and PPP projects, which feature large scales, long construction periods, a wide range of sectors, high complexity, strict construction deadlines and high-quality requirements. In the internal and external environment characterised by international macro-environment, greater policy control by the central and local governments, tightening financial regulation, increasing debt pressure and intensifying competition, the execution and operation of investment projects above may expose the Group to certain risks at each stage, which may affect the expected benefits and the realisation of strategic goals. The Group adheres to the prevention and resolution of major investment risks as a prerequisite for the high-quality development of the investment business, resolutely curbing the incremental risks and effectively resolving the stock risks. With regard to the risk management and control of capital operation investment, the Group adheres to the prudent investment and operation orientation, performs the decision-making procedures of investment projects more strictly, strictly prohibits investment behaviours beyond its financial capacity, adheres to prudent decision making, calculates for the win before bidding and acts according to its ability, and reduces the overall risk of the investment projects in a reasonable manner in advance by analysing and judging the potential risk factors of the investment projects. At the same time, the Group routinely carries out the annual organisation of capital operation projects, focusing on the progress and profitability of the construction period of the projects as well as the recovery of funds during the operation (recovery) period to carry out self-inspection and self-correction.

The Group has always been committed to improving the “big risk control” system, which is mainly based on legal compliance control and covers all employees, all aspects and the whole process, and has made full use of information technology, digitisation and other means to speed up the promotion of resource integration, information sharing and common prevention and common governance, and has formulated major risk management and control plans on a regular basis, strengthened the sense of the bottom line and the sense of the red line, reinforced the requirements of the whole process of control and enhanced the efficiency of the work of risk control.

(III) Other disclosable matter

Applicable

Not applicable

Section IV Corporate Governance

I. BRIEF INTRODUCTION TO SHAREHOLDERS' GENERAL MEETINGS

Session of the meeting	Date of meeting	Inquiry index at designated website for which the resolutions were published	Disclosure date of the resolutions	Resolutions at meeting
2022 Annual General Meeting	28 June 2023	The website of the Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkex.com.hk)	29 June 2023	11 resolutions were considered and approved at the meeting, including the Resolution on the Work Report of the Board of Directors for 2022.

Request for convening of extraordinary general meeting by preference shareholders with recovered voting rights

Applicable Not applicable

Explanation on the General Meetings

Applicable Not applicable

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY DURING THE REPORTING PERIOD

Applicable Not applicable

Name	Position	Change
LI Ning	Member of the standing committee of the Party committee and vice president	Resignation
ZHAO Jinhua	Chief economist	Resignation

Particulars of changes in directors, supervisors and senior management of the Company during the Reporting Period

Applicable Not applicable

On 27 March 2023, Mr. LI Ning ceased to be the member of the standing committee of the Party committee and vice president of the Company due to his age.

On 28 April 2023, Mr. ZHAO Jinhua ceased to be the chief economist of the Company due to his age.

Changes in biographical details of directors, supervisors and president of the Company during the Reporting Period (disclosure pursuant to the requirements of the Hong Kong Listing Rules)

Mr. Zhao Wei, chairman of the Supervisory Committee of the Company, ceased to concurrently hold the position of general manager of the corporate management department of the Company from 21 June 2023. During the Reporting Period, there were no changes in biographical details of other directors, supervisors and president of the Company.

III. CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG LISTING RULES)

The Company has adopted a code of conduct regarding securities transactions by the directors, supervisors and relevant employees (the “Required Standard”) on terms no less exacting than the required standard for dealing in securities transactions by the directors, supervisors and relevant employees set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules. After specific enquiries with all directors and supervisors of the Company, the Company confirmed that the Required Standard had been complied with during the Reporting Period.

IV. PROFIT DISTRIBUTION PLAN OR RESERVE-TO-EQUITY TRANSFER PLAN

The proposed profit distribution plan or reserve-to-equity transfer plan for the half year

Whether to distribute profit or transfer reserves	No
Number of bonus shares for every 10 shares (<i>share</i>)	0
Amount of dividend for every 10 shares (<i>RMB</i>) (<i>tax inclusive</i>)	0
Number of shares transferred for every 10 shares (<i>share</i>)	0
Explanation on profit distribution or reserve-to-equity plan	N/A

V. INFORMATION ABOUT THE COMPANY’S SHARE INCENTIVE PLAN, EMPLOYEE STOCK OWNERSHIP PLAN OR OTHER EMPLOYEE INCENTIVE MEASURES AND THEIR IMPACTS

(I) Related share incentive events which were disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable Not applicable

(II) Incentive events which were not disclosed in the temporary announcements or with subsequent progress

Information on share incentive

Applicable Not applicable

Other explanation

Applicable Not applicable

Information on employee stock ownership plan

Applicable Not applicable

Other incentive measures

Applicable Not applicable

Section IV Corporate Governance (continued)

VI. EMPLOYEES OF THE COMPANY AND THEIR REMUNERATION AND TRAINING (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG LISTING RULES)

During the Reporting Period, there were no significant changes in the total number, composition, remuneration and training of the employees of the Group since the disclosure of the 2022 annual report.

VII. COMPLIANCE WITH CORPORATE GOVERNANCE CODE (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG LISTING RULES)

During the Reporting Period, the Company strictly complied with the Company Law, the Securities Law, relevant laws and regulations of Hong Kong and all the code provisions of the Corporate Governance Code in Appendix 14 to the Hong Kong Listing Rules. In the meantime, in accordance with relevant laws and regulations issued by the regulatory department, the Company conducted corporate governance activities, and constantly improved corporate governance structure.

VIII. SIGNIFICANT SUBSEQUENT EVENTS

(I) *Changes of Directors, Supervisors and Senior Management of the Company*

1. The Company received a written letter of resignation from Mr. CHEN Dayang, an executive director of the Company, on 1 August 2023. Mr. CHEN Dayang applied to the Board of the Company for resignation from his positions as an executive director and a member of the Nomination Committee of the Board due to his age, with effect from the date of delivery of the letter of resignation to the Board of the Company. After his resignation, Mr. CHEN Dayang no longer holds any position in the Company. For details, please refer to the relevant announcement published by the Company dated 2 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).
2. The Company received a written letter of resignation from Mr. WANG Xiuming, the chief accountant, on 1 August 2023. Mr. WANG Xiuming applied for resignation from his position as the chief accountant of the Company due to his age, with effect from the date of delivery of the letter of resignation to the Board of the Company. After his resignation, Mr. WANG Xiuming no longer holds any position in the Company. For details, please refer to the relevant announcement published by the Company dated 2 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).
3. The Company received a written letter of resignation from Mr. ZHUANG Shangbiao, an executive director and the president, on 29 August 2023. Mr. ZHUANG Shangbiao applied to the Board of the Company for resignation from his positions as an executive director, the president and a chairman of the Strategy and Investment Committee of the Board due to his age, with effect from the date of delivery of the letter of resignation to the Board of the Company. After his resignation, Mr. ZHUANG Shangbiao no longer holds any position in the Company. For details, please refer to the relevant announcement published by the Company dated 30 August 2023 on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of Shanghai Stock Exchange (www.sse.com.cn), the website of Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

Section V Environmental and Social Responsibility

I. ENVIRONMENTAL INFORMATION

(I) **Explanation on environmental protection of companies and their significant subsidiaries classified as the key pollutant discharging units announced by the environmental protection department**

Applicable Not applicable

(II) **Environmental issues of companies other than those classified as the key pollutant discharging units**

Applicable Not applicable

1. Administrative punishments due to environmental issues

Applicable Not applicable

During the Reporting Period, a total of 34 projects under construction by the Group were punished by relevant local authorities due to dust and noise caused by earthwork construction, with a total fine of approximately RMB2,871,200. Relevant entities of each project had paid the fine in full and conducted rectification and acceptance in a timely manner. The above mentioned violations did not cause serious environmental pollution, heavy casualties or social impacts, were not major violations of environmental protection laws and regulations, and the relevant penalties did not have a significant adverse impact on the Company's normal production and operation.

2. Disclosure of other environmental information by companies with reference to the key pollutant discharging units

Applicable Not applicable

In the course of business, the Group strictly abides by the national environmental protection related policies, as well as laws and regulations, resolutely implements the national laws and regulations such as Environmental Protection Law of the People's Republic of China and the Air Pollution Prevention and Control Law of the People's Republic of China, and controls pollution from the source. The Group has always practiced the environmental management concept of "reasonable energy use and green construction", made continuous innovations in environmental protection work with the help of science and technology, and consciously fulfilled and assumed the social responsibility of environmental protection to strengthen the notion for green development, striving to become a "resource-saving and environmentally-friendly" enterprise and to promote the enterprise to achieve high-quality and sustainable development and contributing to the construction of ecological civilisation of the state. The major emissions of the Group in the course of business are CO₂ and non-hazardous construction wastes. The Group was listed in companies other than those classified as the key pollutant discharging units in China as it seldom produced hazardous wastes, oxynitride and oxysulfide due to the nature of the industry.

3. Reasons for non-disclosure of other environmental information

Applicable Not applicable

Section V Environmental and Social Responsibility (continued)

(III) Explanation of the subsequent progress of or changes in the disclosure of environmental information during the Reporting Period

Applicable Not applicable

(IV) Relevant information that contributes to ecology protection, pollution prevention, and fulfillment of environmental responsibility

Applicable Not applicable

CRCC practices the “eco-friendly CRCC, green development” concept, striving to achieve high-quality and sustainable development of the enterprise by “staying away from the red line, keeping the bottom line and creating highlights”. To adapt to the new era, new trend and new requirements, the Company has formulated and issued, in accordance with the national laws and regulations for energy conservation and ecological environmental protection, the “Administrative Measures for Energy Conservation and Ecological Environmental Protection” and the “Implementing Rules for Assessment and Evaluation of Environmental Protection Targets and Indicators for Engineering Projects”. The Company has continuously carried out the elimination of potential ecological and environmental risks, further strengthened the supervision and management system for energy conservation and ecological and environmental protection, implemented “energy saving, land saving, water saving, material saving and environmental protection” and “six 100% standardisation measures of the construction sites” on project sites, practically performed the entity responsibility for energy conservation and environmental protection, made efforts to establish a resource-saving and environmental-friendly enterprise.

(V) Measures taken on the decline of carbon emission and their impacts during the Reporting Period

Applicable Not applicable

CRCC has put into practice Xi Jinping’s thoughts on ecological civilisation, stood on a new development stage to implement new development philosophy and establish new development pattern, and adhered to the general principle of “top-level design, coordinated development, high priority of resources conservation and orderly promotion” to actively and steadily promote carbon peak and carbon neutrality. Firstly, enhancing organisational leadership and system construction, formulating the CRCC’s carbon peak action plan, putting forward the “123456” green and low carbon development strategy, and clarifying the goal of carbon emission peak by 2030; secondly, proactively adjusting the energy utilisation structure to cut down the consumption of energy with high carbon dioxide content; thirdly, actively adopting clean energy and promoting clean production strategy; fourthly, accelerating the elimination of obsolete capacity and process, and purchasing energy-saving and advanced equipment; fifthly, continuously optimising the construction plan to develop technology innovation and promote the “four new” results of energy saving as well as reduce energy consumption; sixthly, strengthening the management of material and equipment to improve the efficiency in the use of turnover materials, the recycling of resources, reduce the vacancy rate of equipment, and reduce energy consumption; seventhly, strengthening publicity and education, and actively participating in the “activities of national energy conservation publicity weeks and national low-carbon days”.

II. DETAILS OF CONSOLIDATING THE ACHIEVEMENTS OF POVERTY ALLEVIATION AND RURAL REVITALISATION

Applicable Not applicable

CRCC conscientiously and thoroughly studies and implements the spirit of General Secretary Xi Jinping's important expositions and instructions on "Sannong", comprehensively enforces and implements the spirit of the 20th National Congress of the Party, the spirit of the Central Rural Work Conference, and the decisions and deployments of the SASAC of the State Council, adheres to the working policy that "the poverty-relief counties will not shake off poverty without responsibilities, policies, assistance, and supervision", and actively promotes the implementation of various assignments of rural revitalisation based on its own characteristics.

The headquarters of the Company provided targeted poverty alleviation assistance to Wanquan District and Shangyi County, Zhangjiakou, Hebei Province, and Gande County in Guoluo State, Qinghai Province. The related subsidiaries provided assistance to 24 regions or villages, including Xiacunba Village in Baiguo Township, Enshi City and Dagou Village, Huanglong Town, Zhangwan District, Shiyan City in Hubei Province, Shahukou Village in Youyu County, Dianping Village and Qingxiang Village in Fenxi County, Shanxi Province, Bairenzhuang Village, Xiao'anshan Town, Liangshan County, Jining City and Beigushan Village, Boshan District, Zibo City in Shandong Province, Wutai Village, Guanghuojie Town, Ningshan County, Ankang City, Beiguan Village, Long County, Baoji City and Weinan City in Shaanxi Province, Liugou Village, Guozhuang Village and Hancha Village, Dagou Town, Huining County, and Lama Village and Balang Village, Lvjing Town, Min County in Baiyin City, Gansu Province, Tiantai Village, Yuelai Town, Guang'an District and Tongxin Village, Xiangyan Town, Pingwu County, Mianyang City in Sichuan Province, Chengjia Village, Chengjia Yao Township, Yangshan County, Qingyuan City, Guangdong Province, Shibitang Village, Jianghua Yao Autonomous County and Qiaotou Village, Xiaoxu Zhuang Township in Yongzhou City, Hunan Province, Tianjin Binhai New Area, and Yuanzhou District, Guyuan City, Ningxia, with a total of 47 assistance cadres dispatched.

(I) Major work

In the first half of 2023, CRCC invested RMB27.0009 million as assistance funds, among which RMB15.6876 million was invested without compensation and RMB11.3133 million was invested with compensation. CRCC purchased agricultural products of RMB6.5837 million from poverty alleviation areas, helped sell agricultural products of RMB1.6254 million in poverty alleviation areas, and invested RMB0.0555 million in consolidating the achievement of "no worry about food and clothing and access to compulsory education, basic medical services, and safe housing", and helped build six rural revitalisation demonstration points.

1. **Boosting industrial revitalisation.** CRCC introduced poverty alleviation projects for the targeted poverty alleviation counties to help rural characteristic industries grow and expand, promote the integrated development of primary, secondary and tertiary industries, and help poverty-stricken people stabilise their jobs. In the first half of 2023, CRCC introduced assistance funds and investment promotion of RMB21.3 million, introduced 3 poverty alleviation projects or enterprises, supported 3 leading enterprises, helped establish 4 assistance workshops and supported 8 rural cooperatives, helped 257 out-of-poverty people transfer employment, and recruited 8 out-of-poverty people.

Section V Environmental and Social Responsibility (continued)

2. **Boosting talent revitalisation.** In the first half of 2023, 121 grassroots cadres at county, township and village levels, 72 rural revitalisation leaders and 71 professional and technical talents were trained.
3. **Boosting cultural revitalisation.** CRCC helped strengthen the ideological and moral construction and public cultural construction in rural areas, and invested RMB3.439 million in cultural revitalisation funds.
4. **Boosting ecological revitalisation.** CRCC helped improve the rural living environment and facilities, and create a beautiful village. In Wanquan District, Hebei Province, CRCC introduced assistance funds of RMB7 million for the road hardening project in Sanlizhuang Village, Jiubao Township, to improve the living environment, connect the village roads into a network, and improve the road level to facilitate the travel of villagers.
5. **Supporting revitalisation of organisations.** CRCC guided targeted poverty alleviation counties to strengthen Party building and promote rural revitalisation, deepened pair-by-pair construction of Party branches, and facilitated the construction of grass-roots Party organisations and Party members. In the first half of 2023, 15 Party branches and 19 poverty alleviation villages were established through the pairing-up, and the Party members and cadres made financial and material donations amounting to RMB42,800.

(II) Follow-up assistance plan

1. **Improving ideological understanding and strengthening organisational promotion.** Firstly, CRCC strengthened the organisational leadership, to maintain a steady and strong assistance work, a steady increase in assistance efforts, and an increase rather than decrease in assistance effectiveness. According to the annual assistance plan and actual work completion status, CRCC adjusted and improved the assistance work in a timely manner, to ensure the completion of the annual target task. Secondly, CRCC strengthened its efforts to actively participate in the adjustment of the partnerships of the targeted assistance, specialise in the rural revitalisation, strengthen business training, and strive to improve the quality of cadres and talents, to create an assistance team with excellent quality and conduct. Thirdly, CRCC strengthened investigation, research and guidance, organised site visits to each of the targeted poverty alleviation counties to strengthen work guidance, and coordinated planning and advancement of the work. Fourthly, CRCC strengthened supervision and inspection, and strictly regulated the process control of the establishment of assistance projects, the investment of assistance funds, and the use of assistance funds.
2. **Maintaining investment of funds and improving quality of utilisation.** Firstly, CRCC maintained a steady increase in capital investment to ensure that the overall level of capital invested in rural revitalisation during the “14th Five-Year Plan” period would not be lower than that of during the “13th Five-Year Plan” period, striving to maintain a considerable increase in capital investment year after year. Secondly, CRCC enhanced the quality of fund utilisation, reasonably grasped the pace of fund allocation, and ensured that more than 80% of the annual fund allocation was completed by the end of September. CRCC also increased the amount and proportion of fund utilisation for industrial assistance.

Section V Environmental and Social Responsibility (continued)

3. **Deepening consumption assistance and supporting development of enterprises.** CRCC actively participated in various activities such as the “week of agricultural development” and the “celebrating the spring festival with consumption assistance”, and organised and mobilised each unit of CRCC to actively purchase and sell agricultural and sideline products from poverty alleviation areas.
4. **Strengthening the summary and publicity and creating a favorable atmosphere.** Focusing on the brand building of assistance work, CRCC refined and summarised typical experiences and characteristic practices in a timely manner, and strengthened publicity and reporting. In various books and magazines, meetings and trainings, CRCC promoted good experiences and practices. CRCC actively made use of media platforms, such as websites, WeChat and newspapers, to tell the story of enterprises assistance, interpret the spirit of enterprises assistance and create a favorable social atmosphere.



Section VI Significant Events

I. THE PERFORMANCE OF UNDERTAKINGS

(I) Undertakings during or carried forward to the Reporting Period by actual controller, shareholders, related parties, acquirers of the Company and the Company and other related parties

Applicable Not applicable

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time and term of undertakings	Is there a term for fulfillment	Is there strict fulfillment in a timely manner	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
Undertaking related to the share reform								
Undertaking in acquisition report or report on changes in equity								
Undertaking associated with major asset reorganisation								
Undertaking associated with IPO								
Undertaking associated with refinancing	Others	China Railway Construction Corporation	If CRCC violates the laws and regulations due to failure in disclosing idle land or other reasons, causing loss to CRCC and its investors, China Railway Construction Corporation shall bear the civil liability of compensation for CRCC and its investors pursuant to the laws. For more details, please refer to relevant announcements published on 13 May 2015 by the Company, on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).	Long-term	No	Yes		

Section VI Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time and term of undertakings	Is there a term for fulfillment	Is there strict fulfillment in a timely manner	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
Undertaking associated with share incentive	Others	Directors and senior management of the Company	If CRCC violates the laws and regulations due to failure in disclosing idle land or other reasons, causing loss to CRCC and its investors, the directors and senior management shall bear the civil liability of compensation for CRCC and its investors pursuant to the laws. For more details, please refer to relevant announcements published on 13 May 2015 by the Company, on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).	Long-term	No	Yes		
Other Undertaking made to minority shareholders of the Company								
Other Undertaking	Resolving ownership defects of lands and other properties	China Railway Construction Corporation	Obtaining land certificate and property ownership certificate, covering the costs of obtaining the aforesaid certificates and losses caused thereby. For more details, please refer to relevant announcements published on 29 March 2014 and 19 June 2014 by the Company, on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).	Long-term	No	Yes		

Section VI Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time and term of undertakings	Is there a term for fulfillment	Is there strict fulfillment in a timely manner	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
Shares subject to restriction of sales	China Railway Construction Corporation	China Railway Construction Corporation	For undertakings on the spin-off and listing of the restricted sales of shares of CRCHI, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	Within 36 months from the listing of CRCHI	Yes	Yes		
	Others	The Company	For undertakings on the spin-off and listing of the restricted sales of shares of CRCHI and stabilizing the stock price, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	Within 36 months from the listing of CRCHI	Yes	Yes		

Section VI Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time and term of undertakings	Is there a term for fulfillment	Is there strict fulfillment in a timely manner	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
	Others	The Company	For undertakings on the spin-off and listing of the purpose of intention and reduction of shareholding of shares after the end of the shares lock-up period of CRCHI, please find more details in the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科創板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	Within 2 years from the end of Lock-Up Period	Yes	Yes		
	Others	China Railway Construction Corporation	For undertakings on the authenticity, accuracy and completeness of spin-off and listing of the restricted sales of shares of CRCHI, undertakings on no fraudulent issuance of shares buyback, undertakings on no misrepresentations or misleading statements contained in, or material omissions in the Prospectus, Letter of Undertaking to Make up for Diluted Immediate Returns, Letter of Undertaking to Reduce and Regulate Related Party Transactions, undertakings on binding measures in the event of not observing undertakings, the Letter of Undertaking to Avoid Horizontal Competition please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科創板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科創板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	Long-term	No	Yes		

Section VI Significant Events (continued)

Undertaking background	Undertaking category	Undertaken by	Undertaking contents	Time and term of undertakings	Is there a term for fulfillment	Is there strict fulfillment in a timely manner	If the undertaking fails to be fulfilled in due time, please explain the specific reasons for the failure	If the undertaking fails to be fulfilled in due time, please state the plan in the next step
	Others	The Company	For undertakings on the authenticity, accuracy and completeness of spin-off and listing of the restricted sales of shares of CRCHI, the undertakings on reduction of shareholding of shares, no fraudulent issuance of shares buyback, there are no misrepresentations or misleading statements contained in, or material omissions in the Prospectus, Letter of Undertaking to Make up for Diluted Immediate Returns, Letter of Undertaking to Reduce and Regulate Related Party Transactions, undertakings on binding measures in the event of not observing undertakings, the Letter of Undertaking to Avoid Horizontal Competition, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020, and the Prospectus for Initial Public Offering and Listing on the Science and Technology Innovation Board of China Railway Construction Heavy Industry Corporation Limited (《中國鐵建重工集團股份有限公司首次公開發行股票並在科创板上市招股說明書》) released on the website of Shanghai Stock Exchange (www.sse.com.cn) by CRCHI on 16 June 2021.	Long-term	No	Yes		
	Others	Directors, supervisors and senior management of the Company	For undertakings on the authenticity, accuracy and completeness of spin-off and listing of the restricted sales of shares of CRCHI, please find more details in the Plan for the Spin-off and Listing of China Railway Construction Heavy Industry Corporation Limited (a subsidiary of the Company) on the Science and Technology Innovation Board of China Railway Construction Corporation Limited (Revised) (《中國鐵建股份有限公司關於分拆所屬子公司中國鐵建重工集團股份有限公司至科创板上市的預案(修訂稿)》) released on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.crcc.cn) on 3 April 2020.	Long-term	No	Yes		

II. THE CONTROLLING SHAREHOLDER OF THE COMPANY OR ITS ASSOCIATES HAS MISAPPROPRIATED THE COMPANY'S FUNDS FOR PURPOSES OTHER THAN FOR BUSINESS DURING THE REPORTING PERIOD

Applicable Not applicable

III. NON-COMPLIED GUARANTEES

Applicable Not applicable

IV. INFORMATION IN RELATION TO THE AUDITING IN THE INTERIM REPORT

Applicable Not applicable

V. INFORMATION IN RELATION TO THE REVIEW ON THE INTERIM REPORT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE (DISCLOSURE PURSUANT TO THE REQUIREMENTS OF THE HONG KONG LISTING RULES)

The Audit and Risk Management Committee of the Board of the Company has reviewed the interim financial statements of the Group for the six months ended 30 June 2023, which have been reviewed by Deloitte Touche Tohmatsu CPA LLP, and has also discussed with the management of the Company on the adopted accounting policies and practices, internal control and other matters.

VI. CHANGES AND HANDLING ON MATTERS RELATED TO NON-STANDARD AUDIT OPINIONS OF LAST YEAR'S ANNUAL REPORT

Applicable Not applicable

VII. EVENTS REGARDING BANKRUPTCY AND RESTRUCTURING

Applicable Not applicable

VIII. MATERIAL LITIGATION AND ARBITRATION

The Company had material litigation and arbitration during the Reporting Period
 The Company had no material litigation and arbitration during the Reporting Period

IX. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY THE LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS, ACTUAL CONTROLLER SUSPECTED OF VIOLATING LAWS AND REGULATIONS

Applicable Not applicable

X. EXPLANATION ON CREDIBILITY OF THE COMPANY AND ITS CONTROLLING SHAREHOLDERS AND ACTUAL CONTROLLER DURING THE REPORTING PERIOD

Applicable Not applicable

XI. MATERIAL RELATED-PARTY TRANSACTIONS

(I) *The related-party transactions in relation to the ordinary operations*

1. Events disclosed in temporary announcements and with no progress or change in subsequent implementation

Applicable Not applicable

Summary of the events

Inquiry index

The 49th meeting of the third session of the Board of the Company was held on 30 October 2017. At the meeting, the Resolution on Renewal of the Property Leasing Framework Agreement and the Proposed Caps for Continuing Connected Transactions for 2018–2019 was considered and approved; the Company agreed to renew the Property Leasing Framework Agreement with the Controlling Shareholder and to determine caps of the relevant related-party transactions. According to the Property Leasing Framework Agreement entered into between the Company and the Controlling Shareholder, the annual caps of expenditures in respect of leasing of all properties and lands from the Controlling Shareholder by the Company are RMB300 million. Prior to submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors. During the Board review process, independent non-executive directors also gave independent opinions in favor of the resolution. The 31st meeting of the fourth session the Board of the Company was held on 18 December 2019. At the meeting, the Resolution on Renewal of the Property Leasing Framework Agreement and the Proposed Caps for Continuing Connected Transactions for 2020–2022 was considered and approved; the Company agreed to renew the Property Leasing Framework Agreement with the Controlling Shareholder and to determine caps of the relevant related-party transactions. Prior to submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors. During the Board review process, independent non-executive directors also gave independent opinions in favor of the resolution. The eleventh meeting of the fifth session of the Board of the Company was held on 28 October 2022. At the meeting, the Resolution on Renewal of the Property Leasing Framework Agreement for 2023 and the Proposed Caps for Continuing Related (Connected) Transactions for 2023 was considered and approved; the Company agreed to renew the Property Leasing Framework Agreement with the Controlling Shareholder and to determine caps of the relevant related-party transactions. Prior to submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors. During the Board review process, independent non-executive directors also gave independent opinions in favor of the resolution.

For details, please refer to the announcements of the Company dated 31 October 2017, 19 December 2019 and 28 October 2022 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

Section VI Significant Events (continued)

Summary of the events

The 12th meeting of the fourth session of the Board of the Company was held on 30 October 2018. At the meeting, the Resolution on Adjustment to Cap for Daily Related-party Transactions for 2018 was considered and approved; the Company agreed to adjust the cap for daily related-party transactions under the Service Provision Framework Agreement entered into with the Controlling Shareholder. The 14th meeting of the fourth session of the Board of the Company was held on 13 December 2018. At the meeting, the Resolution on Renewal of Service Provision Framework Agreement and Proposed Caps for Continuing Connected Transactions for 2019–2021 was considered and approved. Pursuant to the Service Provision Framework Agreement entered into between the Company and the Controlling Shareholder, the proposed annual caps for 2019–2021 shall not exceed RMB2 billion. Before submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors; in the review process by the Board, independent non-executive directors also gave independent opinions for approving the resolution. The 1st meeting of the fifth session of the Board of the Company was held on 21 December 2021. At the meeting, the Resolution on Renewal of Service Provision Framework Agreement and Proposed Caps for Continuing Connected Transactions for 2022–2024 was considered and approved, and the proposed annual caps for 2022–2024 shall not exceed RMB2 billion. Before submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors; in the review process by the Board, independent non-executive directors also gave independent opinions for approving the resolution.

Inquiry index

For details, please refer to the announcements of the Company dated 31 October 2018, 14 December 2018 and 22 December 2021 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

Section VI Significant Events (continued)

Summary of the events

Inquiry index

The 14th meeting of the fourth session of the Board of the Company was held on 13 December 2018. At the meeting, the Resolution on Renewal of the Financial Services Agreement and Determination of Caps of Continuing Connected Transactions for 2019–2021 was considered and approved; CRCC Finance Company Limited, being a subsidiary controlled by the Company, was approved to renew the Financial Services Agreement with the Controlling Shareholder, and to provide deposit, loan, clearing and other financial services to the Controlling Shareholder and its subsidiaries (excluding the Company) based on the agreement. Before submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors; in the review process by the Board, independent non-executive directors also gave independent opinions for approving the resolution. The 1st meeting of the fifth session of the Board of the Company was held on 21 December 2021. At the meeting, the Resolution on Renewal of the Financial Services Agreement and Determination of Caps of Continuing Connected Transactions for 2022–2024 was considered and approved; CRCC Finance Company Limited, being a subsidiary controlled by the Company, was approved to renew the Financial Services Agreement with the Controlling Shareholder, and to provide deposit, loan, clearing and other financial services to the Controlling Shareholder and its subsidiaries (excluding the Company) based on the agreement. Before submission to the Board of the Company for review, the resolution has been approved by independent non-executive directors; in the review process by the Board, independent non-executive directors also gave independent opinions for approving the resolution.

For details, please refer to the announcements of the Company dated 14 December 2018 and 22 December 2021 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

During the Reporting Period, the abovementioned related-party transactions in relation to ordinary operations have been conducted in accordance with provisions of the agreements, and no change has been made. During the Reporting Period, actual execution of the abovementioned related-party transactions is as follows:

Section VI Significant Events (continued)

(1) *Related-party transactions with the Controlling Shareholder in relation to ordinary operations of the Group*

Unit: '000 Currency: RMB

Related party	Related party transactions type	Related party transactions content	Pricing principle of related party transactions	Related party transactions price	Related party transactions amount	Proportion in similar transaction (%)	Settlement method of related party transactions	Market price	Reason for the difference between transaction price and market price
12 companies including Shaanxi Railway Engineering Investigation Co., Ltd.	Expenditure for labour service	Survey, design and consultation operations	Agreement pricing	-	168,211	0.03	Cash	-	-
Controlling Shareholder and associates	Property leasing expense	Property lease	Agreement pricing	-	7,475	0.002	Cash	-	-

(2) *Continuing related-party transaction between CRCC Finance Company Limited, a controlled subsidiary of the Company, and the Controlling Shareholder*

See "Claims and liabilities between related parties" in XI (IV) of this section for details.

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable Not applicable

3. Events not disclosed in temporary announcements

Applicable Not applicable

Section VI Significant Events (continued)

(II) Related-party transactions from acquisition of assets and acquisition and disposal of equity interests

1. **Events disclosed in the temporary announcements with no progress or change in subsequent implementation**

Applicable Not applicable

2. **Events disclosed in the temporary announcements but with progress or change in subsequent implementation**

Applicable Not applicable

3. **Events not disclosed in temporary announcements**

Applicable Not applicable

4. **If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed**

Applicable Not applicable

(III) Significant related-party transactions on the joint external investment

1. **Events disclosed in the temporary announcements with no progress or change in subsequent implementation**

Applicable Not applicable

2. **Events disclosed in the temporary announcements but with progress or change in subsequent implementation**

Applicable Not applicable

3. **Events not disclosed in temporary announcements**

Applicable Not applicable

Section VI Significant Events (continued)

(IV) Claims and liabilities between related parties

1. **Events disclosed in the temporary announcements with no progress or change in subsequent implementation**

Applicable Not applicable

2. **Events disclosed in the temporary announcements but with progress or change in subsequent implementation**

Applicable Not applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Provision of funds to related party by the listed company			Provision of funds to the listed company by related party		
		Opening balance	Accrual	Closing balance	Opening balance	Accrual	Closing balance
China Railway Construction Corporation ^{Note 1}	Controlling Shareholder	1,400,000	250,000	1,650,000	1,297,366	-	1,297,366
China Railway Construction Corporation ^{Note 2}	Controlling Shareholder	-	-	-	292,709	20,415	313,124
China Railway Jinli Assets Management Co., Ltd. ^{Note 2}	Wholly-owned subsidiary of the Controlling Shareholder	-	-	-	756,517	19,747	776,264
Total		1,400,000	250,000	1,650,000	2,346,592	40,162	2,386,754

Section VI Significant Events (continued)

During the Reporting Period, the amount of funds provided to the Controlling Shareholder and its subsidiaries by the Company (in RMB'000) 250,000

Cause to claims and liabilities between related parties Claims and liabilities between the Company and the related parties were claims and liabilities resulted from operations.

Settlement of claims and liabilities between related parties Settlement by normal progress.

Undertakings related to claims and liabilities between related parties None

Impact of such claims and liabilities between related parties on the Company's operating result and financial position No significant impact.

Notes:

1. The funds provided by the listed company to the related parties are the principal of the loan provided from CRCC Finance Company Limited, a subsidiary of the Group, to the Controlling Shareholder. The funds provided by the related parties to the listed company are mainly the amount granted by the Ministry of Finance to the Controlling Shareholder, and deemed as the Controlling Shareholder's entrusted loan to the Company, and the interest rate of such entrusted loans is determined according to the loan prime rate (LPR) announced by the National Interbank Funding Center.
2. The amount mainly includes deposits of the Controlling Shareholder and its subsidiaries in CRCC Finance Company Limited.

3. Events not disclosed in temporary announcements

Applicable Not applicable

Section VI Significant Events (continued)

(V) The financial businesses between the Company and the related financial company, the Company's holding financial company and the related party

Applicable Not applicable

1. Deposit service

Applicable Not applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	The maximum daily deposit limit	Interest rate on deposit	Opening balance	Accrual this period		Closing balance
					Total amount deposited during the period	Total amount drawn during the period	
China Railway Construction Corporation	Controlling Shareholder	/	0.50%-2.85%	292,709	923,153	902,738	313,124
China Railway Jinli Assets Management Co., Ltd.	Wholly-owned subsidiary of the Controlling Shareholder	/	0.50%-2.85%	756,517	697,005	677,258	776,264
Total	/	/	/	1,049,226	1,620,158	1,579,996	1,089,388

2. Loan services

Applicable Not applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Loan facility	Interest rate on loan	Opening balance	Accrual this period		Closing balance
					Total amount lent during the period	Total amount repaid during the period	
China Railway Construction Corporation	Controlling Shareholder	4,000,000	2.70%	1,400,000	269,991	19,991	1,650,000
Total	/	/	/	1,400,000	269,991	19,991	1,650,000

Section VI Significant Events (continued)

3. Facilities businesses and other financial businesses

Applicable Not applicable

Unit: '000 Currency: RMB

Related party	Related party relationship	Business type	Total amount	Actual amount
China Railway Construction Corporation	Controlling Shareholder	Entrusted loan fee	50,000	–
China Railway Construction Corporation	Controlling Shareholder			
China Railway Jinli Assets Management Co., Ltd.	Wholly-owned subsidiary of the Controlling Shareholder	Settlement service fee	50,000	–
Total	/	/	100,000	–

4. Other explanation

Applicable Not applicable

(VI) Other material related-party transactions

Applicable Not applicable

(VII) Other

Applicable Not applicable

Section VI Significant Events (continued)

XII. MATERIAL CONTRACTS AND PERFORMANCE

(I) Trusteeship, contracting and leasing matters

Applicable Not applicable

(II) Major guarantees performed and outstanding during the Reporting Period

Applicable Not applicable

Unit: '000 Currency: RMB

Guarantees (Other than guarantees for subsidiaries)															
Guarantor	Relationship between the guarantor and listed company		Guarantee amount	Date of guarantee occurrence (date of signing the agreement)			Guarantee type	Principal debt	Guarantee object (if any)	Performance completed or not	Overdue or not	Overdue amount	Counter guaranteed or not	Guarantee by related party	Related party relationship
	Party guaranteed			starting date	Guarantee starting date	Guarantee due date									
The Company	The Company itself	CRCC-Tongguan Investment Co., Ltd.	213,522	17 March 2014	17 March 2014	30 December 2023	General Guarantee	Normal	No	No	No	No	No	Yes	Associate
The Company	The Company itself	CRCC-Tongguan Investment Co., Ltd.	22,250	20 May 2015	20 May 2015	20 November 2023	General Guarantee	Normal	No	No	No	No	No	Yes	Associate
The Company	The Company itself	ECUACORRIENTE S.A.	411,083	22 June 2020	10 August 2020	9 July 2025	Joint Responsibility Guarantee	Normal	No	No	No	No	Yes	No	
China Railway Construction Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Wuhan Zhaorui Real Estate Co., Ltd.	352,800	9 July 2021	9 July 2021	27 March 2024	Joint Responsibility Guarantee	Normal	No	No	No	No	No	Yes	Associate
China Railway Construction Real Estate Group Co., Ltd.	Wholly-owned subsidiary	Wuhan Zhaorui Real Estate Co., Ltd.	239,610	22 July 2022	17 August 2022	26 July 2025	Joint Responsibility Guarantee	Normal	No	No	No	No	No	Yes	Associate
China Railway 20th Bureau Group Co., Ltd.	Controlled subsidiary	Guizhou Wengma Railway Co., Ltd.	630,635	31 March 2016	31 March 2016	31 March 2039	Joint Responsibility Guarantee	Normal	No	No	No	No	No	Yes	Associate
China Railway 16th Bureau Group Co., Ltd.	Wholly-owned subsidiary	Oriental Anzhen (Beijing) Hospital Management Co., Ltd.	66,182	24 May 2021	25 May 2021	14 December 2039	Joint Responsibility Guarantee	Normal	No	No	No	No	No	No	
China Civil Engineering Group Co., Ltd.	Wholly-owned subsidiary	Jiangxi Copper Corporation Limited	40,965	31 May 2021	31 May 2021	22 June 2028	Joint Responsibility Guarantee	Normal	No	No	No	No	No	No	

Section VI Significant Events (continued)

Guarantees (Other than guarantees for subsidiaries)															
Guarantor	Relationship between the guarantor and listed company	Party guaranteed	Guarantee amount	Date of guarantee occurrence	Guarantee starting date	Guarantee due date	Guarantee type	Principal debt	Guarantee object (if any)	Performance completed or not	Overdue or not	Overdue amount	Counter guaranteed or not	Guarantee by related party	Related party relationship
				(date of signing the agreement)											
CRCC International Investment Co., Ltd.	Wholly-owned subsidiary	Jiangxi Copper Corporation Limited	81,930	31 May 2021	31 May 2021	22 June 2028	Joint Responsibility Guarantee	Normal	No	No	No		No	No	
China Railway Construction Group Properties Co., Ltd.	Controlled subsidiary	Pengruiliyunmen (Hangzhou) Real Estate Co., Ltd.	319,815	14 June 2022	14 June 2022	21 December 2031	Joint Responsibility Guarantee	Normal	No	No	No		No	Yes	Associate
The Company	The Company itself	Chuantie (Luzhou) Tielu Co., Ltd.	0	28 December 2006	28 December 2006	28 December 2026	General Guarantee	Settled	No	Yes	No		No	No	
The Company	The Company itself	Chuantie (Luzhou) Tielu Co., Ltd.	0	16 April 2008	16 April 2008	16 April 2028	General Guarantee	Settled	No	Yes	No		No	No	
China Railway Construction Investment Group Co., Ltd.	Controlled subsidiary	CRCC-Tongguan Investment Co., Ltd.	0	13 June 2019	13 June 2019	13 June 2024	Joint Responsibility Guarantee	Settled	No	Yes	No		Yes	Yes	Associate

Section VI Significant Events (continued)

Total amount of guarantees for the Reporting Period (exclusive of the guarantees for subsidiaries)	-175,433
Closing balance of guarantees for the Reporting Period (A) (exclusive of the guarantees for subsidiaries)	2,378,792

Guarantees for subsidiaries by the Company

Total amount of guarantees for subsidiaries for the Reporting Period	2,559,907
Closing balance of guarantees for subsidiaries for the Reporting Period (B)	110,886,950

Total guarantees by the Company (inclusive of such guarantees to its subsidiaries)

Total guarantees (A+B)	113,265,742
The proportion of total guarantees in net assets of the Company (%)	37.45
Among which:	
The amount of guarantees for the Company's shareholders, actual controller and their related parties (C)	-
Debt guarantees directly or indirectly to the party guaranteed with the gearing ratio higher than 70% (D)	106,488,445
Of total guarantees, the portion in excess of 50% net assets of the Company (E)	-
Total of the above three categories of guarantees (C+D+E)	106,488,445
Explanation on the potential joint liability arising from the immature guarantees	N/A

Explanation on the guarantees

As at the end of the Reporting Period, the total balance of guarantees provided by the Company and its wholly-owned and controlled subsidiaries was RMB113.2657 billion (excluding mortgage guarantees provided to small homeowners for home purchases as a result of real estate operations). The total balance of guarantees provided by the Company and its wholly-owned and controlled subsidiaries to the subsidiaries amounted to RMB110.8869 billion, among which the balance of guarantees provided by the Company to its wholly-owned and controlled subsidiaries amounted to RMB11.9415 billion, the balance of guarantees provided by wholly-owned and controlled subsidiaries of the Company to its subsidiaries amounted to RMB98.9454 billion. The balance of guarantees provided to entities outside the consolidated statements of the listed company (excluding small homeowners for home purchases) by the Company and its wholly-owned and controlled subsidiaries was RMB2.3788 billion. The Company had no overdue guarantees.

The Company has fulfilled its decision-making procedures and information disclosure obligations in strict accordance with the relevant regulatory documents and corporate governance measures in the provision of external guarantees, and there were no guarantees provided in violation of regulations.

Section VI Significant Events (continued)

(III) Other material contracts

Applicable Not applicable

1. Domestic business contract

Unit: '00 million Currency: RMB

No.	Date of contract	Name of project	Contract amount	Contracting party of the Company	Term of performance
1	February 2023	Section GZZQ-14 of Pre-construction Work of Pearl River Delta International Airport of Newly-built Guangzhou-Zhanjiang High Speed Railway (新建廣州至湛江高速鐵路珠三角樞紐機場站前工程GZZQ-14標段)	44.45	China Railway 12th Bureau Group Co., Ltd.	1,035 calendar days
2	February 2023	Zhengzhou South Railway Station Hub Industrial Park Project (鄭州南站樞紐產業園區項目)	303.27	China Railway Construction Kunlun Investment Group Co., Ltd., China Railway Construction Zhongyuan investment and Construction Co., Ltd., China Railway 11th Bureau Group Co., Ltd., China Railway 12th Bureau Group Co., Ltd., China Railway 16th Bureau Group Co., Ltd., China Railway 21st Bureau Group Co., Ltd., China Railway 22nd Bureau Group Co., Ltd., China Railway Construction Group Co., Ltd., China Railway Fifth Survey and Design Institute Group Co., Ltd.	15 years
3	April 2023	Work of Northbound Extension Passage of Qiaocheng East Road (Section II) (橋城東路北延通道工程(二標段))	54.79	Shenzhen China Railway Great Bay Area Investment and Construction Co., Ltd., China Railway 12th Bureau Group Co., Ltd., China Railway 16th Bureau Group Co., Ltd., China Railway 25th Bureau Group Co., Ltd.	1,891 calendar days
4	May 2023	General Contracting for Construction of Nansha-Zhuhai (Zhongshan) Intercity (Wanqingsha-Xingzhong Section) and Simultaneous Implementation Works (Section NZZ-3) (南沙至珠海(中山)城際(萬頃沙—興中段)及同步實施工程施工總承包(NZZ-3標))	68.11	China Railway Construction Corporation Limited, CRCC South China Investment Co., Ltd., China Railway 11th Bureau Group Co., Ltd., China Railway Construction Bridge Engineering Bureau Group Co., Ltd., China Railway Construction Electrification Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 20th Bureau Group Co., Ltd., China Railway 25th Bureau Group Co., Ltd.	913 calendar days
5	April 2023 ^{Note 1}	General Contracting (EPC) Project (Phase II) of Gaoyazitan 1,500,000-kWh Wind Power-Photovoltaic Power-Power Storage Integration Base in Gaotai County (高台縣高崖子灘150萬千瓦時風光儲一體化大基地EPC總承包項目(二期))	34.95	China Railway 11th Bureau Group 1st Engineering Co., Ltd.	3 years

Section VI Significant Events (continued)

No.	Date of contract	Name of project	Contract		Term of performance
			amount	Contracting party of the Company	
6	June 2023 ^{Note 1}	General Contracting (EPC) Project for Construction of Science & Engineering School (Phases II and III) of Xinyang Normal University and Suxin Industrial Park (Phase I), Talent Apartment (Phase II) and Huang River Ecological Comprehensive Management (Phase II) in Southeast Henan High-tech Zone (信陽師範學院理工學院(二、三期)暨豫東南高新區蘇信產業園(一期)、人才公寓(二期)、潢河生態綜合治理(二期)建設項目EPC總承包)	69.24	China Railway 15th Bureau Group Co., Ltd., Tianjin University Research Institute of Architectural Design and Urban Planning Co., Ltd., Henan Water & Power Engineering Consulting Co., Ltd., Henan Communications Planning & Design Institute Co., Ltd. (consortium)	36 months
7	June 2023 ^{Note 1}	Jiangjin-Yibin (within Sichuan) via Luzhou Expressway Project (江津瀘州至宜賓(四川境)高速公路項目)	195.23	China Railway Construction Kunlun Investment Group Co., Ltd., China Railway First Survey and Design Institute Group Co., Ltd., CRCC Investment Funds Management Co., Ltd. (consortium)	Estimated construction period being 36 months and operation period being 29 years and 285 days
8	July 2023 ^{Note 2}	Lump Sum Contract for Construction of Section WYZQ-1 of Pre-construction Work of Hankou to Hanchuan East Section of Wuhan-Yichang Section of the Newly Built Shanghai-Chongqing-Chengdu Highspeed Railway (新建滬渝蓉高速鐵路武漢至宜昌段漢口至漢川東站前工程WYZQ-1標段施工總價承包)	33.48	China Railway 12th Bureau Group Co., Ltd., China Railway 12th Bureau Group 3rd Engineering Co., Ltd. (consortium)	857 calendar days

Notes:

1. The dates listed were the bid-winning time for these projects, and the contracts have not been signed as of the end of the Reporting Period.
2. The bid for this project was won during Reporting Period, and the contract has been signed as of the date of this report.

Section VI Significant Events (continued)

2. Overseas operation contracts

Unit: '00 million Currency: RMB

No.	Date of contract	Name of project	Contract amount	Contracting party of the Company	Term of performance
1	May 2023	Al Habtoor Tower, Al Habtoor City, Dubai, U.A.E. – Main Works Package (迪拜哈勃圖爾豪華公寓項目)	36.28	China Railway 18th Bureau (Dubai) Co., Ltd.	Approximately one year for Phase I of the project and 1,095 days in contract for Phase II

XIII. EXPLANATION ON OTHER SIGNIFICANT EVENTS

Applicable Not applicable

The *Accounting Standards for Business Enterprises Interpretation No. 16* was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to multiple assets and liabilities arising from a single transaction. The Group has applied the interpretation retrospectively since 1 January 2023 to the individual transaction occurred between the beginning of the earliest comparative period presented and 1 January 2023, and financial statements of comparative periods have been restated. The above adjustments did not have a material impact on the Group's financial statements.

Please see "35. Significant changes in accounting policies" in Note III to the financial report of this report for details.

Section VII Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) *Table of changes in shares*

1. **Table of changes in shares**

The Company's total shares and share capital structure had no changes during the Reporting Period.

2. **Particulars of changes in shares**

Applicable Not applicable

3. **Effect of changes in shares on financial indicators such as earnings per share and net assets per share within the period from the end of the Reporting Period to the disclosure date of the interim report (if any)**

Applicable Not applicable

4. **Other contents that the Company deemed necessary or securities regulatory authorities require to disclose**

Applicable Not applicable

(II) *Changes in shares subject to trading moratorium*

Applicable Not applicable

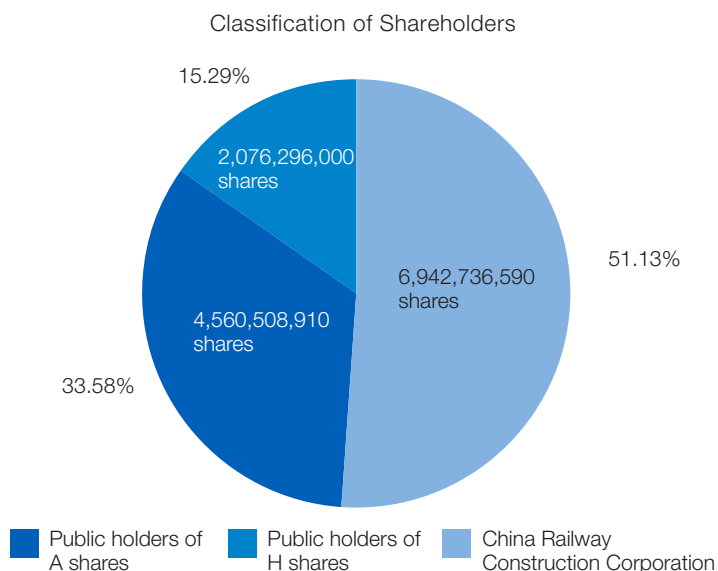
(III) *Repurchase, sales or redemption of securities of the Company (disclosure pursuant to the requirements of the Hong Kong Listing Rules)*

During the Reporting Period, neither the Company nor its subsidiaries had repurchased, sold or redeemed any securities of the Company.

Section VII Changes in Shares and Particulars of Shareholders (continued)

II. PARTICULARS OF SHAREHOLDERS

(I) **Share capital structure (disclosure pursuant to the requirements of the Hong Kong Listing Rules)**

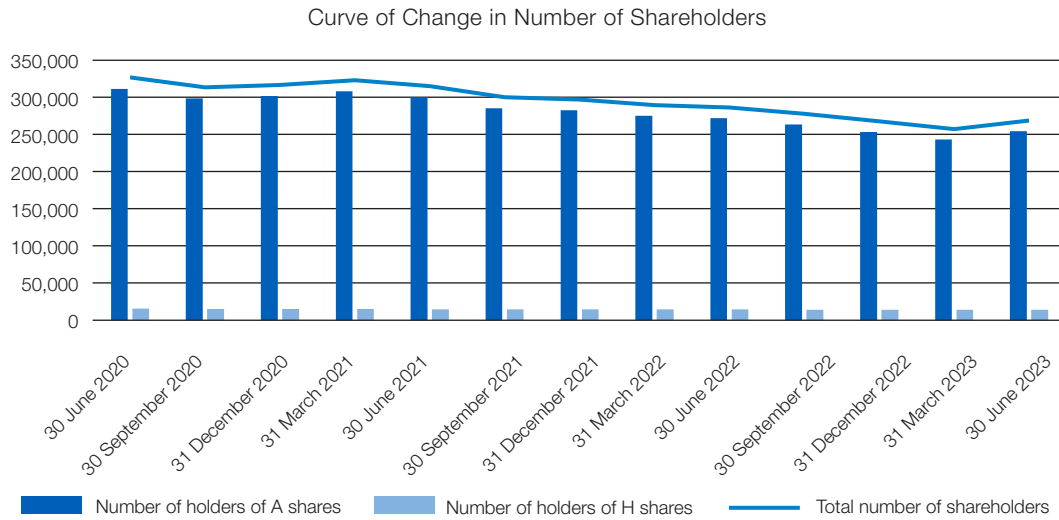


As at 30 June 2023, the share capital structure of the Company is set out as follows:

Name of shareholder	Class of shares	Number of shares (share)	Percentage of total issued share capital (%)
China Railway Construction Corporation	A shares	6,942,736,590	51.13
Public holders of A shares	A shares	4,560,508,910	33.58
Public holders of H shares	H shares	2,076,296,000	15.29
Total	/	13,579,541,500	100.00

Section VII Changes in Shares and Particulars of Shareholders (continued)

(II) Total number of shareholders



As at 30 June 2023, the total number of shareholders of the Company was 268,827, of which 254,737 were holders of A shares and 14,090 were holders of H shares.

Total number of ordinary shareholders as at the end of the Reporting Period (<i>holder</i>)	268,827
Total number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (<i>holder</i>)	N/A

Section VII Changes in Shares and Particulars of Shareholders (continued)

(III) Particulars of shareholdings of the top ten shareholders and the top ten shareholders of tradable shares (or shareholders not subject to trading moratorium) as at the end of the Reporting Period

Unit: share

Particulars of shareholdings of the top ten shareholders

Name of shareholder (full name)	Change of Shareholding during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged, tagged or frozen		Nature of shareholder
					Condition of shares	Number	
China Railway Construction Corporation	0	6,942,736,590	51.13	0	Nil	0	State-owned legal person
HKSCC NOMINEES LIMITED	904,500	2,061,103,332	15.18	0	Unknown		Overseas legal person
China Securities Finance Corporation Limited	0	323,087,956	2.38	0	Nil	0	Other
Central Huijin Asset Management Corporation Limited (中央匯金資產管理有限責任公司)	0	138,521,000	1.02	0	Nil	0	Other
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
E Fund – Agricultural Bank of China – E Fund CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
Da Cheng Fund – Agricultural Bank of China – Da Cheng CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
GF Fund – Agricultural Bank of China – GF CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
Zhong Ou Fund – Agricultural Bank of China – Zhong Ou CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
China Asset Management – Agricultural Bank of China – China Asset Management CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
CSAM – Agricultural Bank of China – CSAM CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Assets Management Scheme	0	81,847,500	0.60	0	Nil	0	Other

Section VII Changes in Shares and Particulars of Shareholders (continued)

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium

Name of shareholder	Number of tradable shares held not subject to trading moratorium	Class	Class and number of share Number
China Railway Construction Corporation	6,942,736,590	RMB ordinary share	6,942,736,590
HKSCC NOMINEES LIMITED	2,061,103,332	Overseas listed foreign share	2,061,103,332
China Securities Finance Corporation Limited	323,087,956	RMB ordinary share	323,087,956
Central Huijin Asset Management Corporation Limited (中央匯金資產管理有限責任公司)	138,521,000	RMB ordinary share	138,521,000
Bosera Fund – Agricultural Bank of China – Bosera CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
E Fund – Agricultural Bank of China – E Fund CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Da Cheng Fund – Agricultural Bank of China – Da Cheng CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Harvest Fund – Agricultural Bank of China – Harvest CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
GF Fund – Agricultural Bank of China – GF CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Zhong Ou Fund – Agricultural Bank of China – Zhong Ou CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
China Asset Management – Agricultural Bank of China – China Asset Management CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Yinhua Fund – Agricultural Bank of China – Yinhua CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
CSAM – Agricultural Bank of China – CSAM CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
ICBC Credit Suisse Fund – Agricultural Bank of China – ICBC Credit Suisse CSI Financial Assets Management Scheme	81,847,500	RMB ordinary share	81,847,500
Explanations on the repurchase of special accounts among the top ten shareholders		N/A	
Explanation of the above-mentioned shareholders' entrusting voting rights, entrusted voting rights, and waiver of voting rights		N/A	
Explanations on the connected relationship or concerted action among the above shareholders	The Company has no information on whether there exists any related-party relationship between the top ten shareholders not subject to trading moratorium and the top ten shareholders and whether the shareholders are persons acting in concert as specified in the Measures for the Administration of the Acquisition of Listed Companies.		
Explanation on the preference shareholders with voting right restored and their shareholdings		N/A	

Note: The H shares held by HKSCC Nominees Limited were held for and on behalf of numerous clients. As at the end of the Reporting Period, HKSCC Nominees Limited held 2,061,103,332 shares of the Company. However, details regarding whether the shares were pledged or frozen were unknown.

Section VII Changes in Shares and Particulars of Shareholders (continued)

Number of shares held by the top ten shareholders subject to trading moratorium and conditions of such trading moratorium

Applicable Not applicable

(IV) Top ten shareholders from strategic investors or general legal persons participating in the placing of the new shares

Applicable Not applicable

(V) Particulars of shareholdings of substantial shareholders disclosed in accordance with the SFO (disclosure pursuant to the requirements of the Hong Kong Listing Rules)

So far as the directors of the Company are aware, as at 30 June 2023, the persons other than directors, supervisors or chief executive of the Company who have interests or short positions in the shares or underlying shares of the Company which are required to be recorded in the register referred therein under Section 336 of Part XV of the SFO were as follows:

Name of substantial shareholder	Class of share	Capacity	Number of shares interested (share)	Percentage of issued share capital of the relevant class of shares	Percentage of total issued share capital
China Railway Construction Corporation	A Share	Beneficial owner	6,942,736,590	60.35%	51.13%

III. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(I) Changes in shareholding of current and resigned directors, supervisors and senior management during the Reporting Period

Applicable Not applicable

Explanation for other matters

Applicable Not applicable

(II) The equity incentives granted to the directors, supervisors and senior management during the Reporting Period

Applicable Not applicable

(III) Other explanation

Applicable Not applicable

1. Directors', supervisors' and senior management's interests in the securities of the Company (disclosure pursuant to the requirements of the Hong Kong Listing Rules)

As at the end of the Reporting Period, none of the directors, supervisors or members of senior management of the Company held any shares of the Company, nor were they granted any share options or restricted shares of the Company.

As at the end of the Reporting Period, none of the directors, supervisors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are (a) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (b) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Appendix 10 to the Hong Kong Listing Rules.

IV. CHANGES IN THE CONTROLLING SHAREHOLDER OR ACTUAL CONTROLLER

Applicable Not applicable

Section VIII Particulars of Preference Shares

Applicable Not applicable

Section IX Particulars of Corporate Bonds

I. ENTERPRISE BONDS, CORPORATE BONDS AND NON-FINANCIAL CORPORATE DEBT FINANCING INSTRUMENTS

Applicable Not applicable

(I) Enterprise bonds

Applicable Not applicable

(II) Corporate bonds

Applicable Not applicable

1. Basic Information of Corporate Bonds

Unit: '000 Currency: RMB

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	19 CRCC Y2	155869	28 October 2019	29 October 2019	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	499,775	4.30	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (second tranche) (variety II) for qualified investors	19 CRCC Y4	155856	15 November 2019	18 November 2019	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,499,319	4.39	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2019 public offering of renewable corporate bonds (third tranche) (variety II) for qualified investors	19 CRCC Y6	163970	16 December 2019	17 December 2019	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,495	4.20	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2020 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	20 CRCC Y1	175209	24 September 2020	25 September 2020	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	2,198,759	4.43	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2020 public offering of renewable corporate bonds (second tranche) (variety I) for qualified investors	20 CRCC Y3	175547	14 December 2020	15 December 2020	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	2,498,645	4.37	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	21 CRCC Y1	188252	17 June 2021	18 June 2021	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,799,083	3.73	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	21 CRCC Y2	188253	17 June 2021	18 June 2021	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,299,337	4.00	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety I) for qualified investors	21 CRCC Y3	185039	22 November 2021	23 November 2021	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,998,684	3.30	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (second tranche) (variety II) for qualified investors	21 CRCC Y4	185038	22 November 2021	23 November 2021	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,342	3.64	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety I) for qualified investors	21 CRCC Y5	185120	9 December 2021	10 December 2021	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	499,611	3.20	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (third tranche) (variety II) for qualified investors	21 CRCC Y6	185119	9 December 2021	10 December 2021	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,223	3.58	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety I) for qualified investors	21 CRCC Y7	185198	29 December 2021	30 December 2021	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,346	3.17	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2021 public offering of renewable corporate bonds (fourth tranche) (variety II) for qualified investors	21 CRCC Y8	185196	29 December 2021	30 December 2021	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,346	3.50	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety I) for qualified investors	22 CRCC Y1	185731	22 April 2022	25 April 2022	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	2,198,695	3.17	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (first tranche) (variety II) for qualified investors	22 CRCC Y2	185732	22 April 2022	25 April 2022	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	799,525	3.55	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety I) for qualified investors	22 CRCC Y3	137533	15 July 2022	18 July 2022	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,499,101	2.98	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of renewable corporate bonds (second tranche) (sustainable linkage) (variety III) for qualified investors	22 CRCC Y4	137534	15 July 2022	18 July 2022	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,499,101	3.37	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance		Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
			date	Value date								
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (first tranche) (variety I) for qualified investors	CRCC YK01	138759	20 December 2022	21 December 2022	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	2,998,221	3.95	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2022 public offering of STI renewable corporate bonds (second tranche) (variety I) for qualified investors	CRCC YK03	138800	28 December 2022	29 December 2022	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	1,998,692	3.75	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (first tranche) (variety I) for qualified investors	CRCC YK05	115551	16 June 2023	20 June 2023	The basic term of the bonds will be 3 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 3 years) when the issuer exercises the option to renew. The renewable corporate bonds will become due if the issuer decides not to exercise the option to renew and the full amount is repaid.	999,383	3.08	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Issuance date	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited on 2023 public offering of STI renewable corporate bonds (first tranche) (variety II) for qualified investors	CRCC YK06	115552	16 June 2023	20 June 2023	The basic term of the bonds will be 5 years. At the end of the agreed basic term and the end of the cycle of each renewal period, the issuer is entitled to exercise the option to renew. The maturity date will extend one cycle (i.e. an extension of 5 years) when the issuer exercises the option to renew. The renewable corporate bonds will be paid in full if the issuer decides not to exercise the option to renew.	1,499,074	3.45	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Shanghai Stock Exchange	Qualified investors	Auction, quote, inquiry and agreement transaction	No

Company's response to the risk of termination of listing and trading of bonds

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Explanations on overdue debts

Applicable Not applicable

2. Triggering and implementation of issuers' or investors' option terms and investors' protection terms

Applicable Not applicable

3. Adjustment of credit rating results

Applicable Not applicable

Section IX Particulars of Corporate Bonds (continued)

4. Implementation and changes in the status of guarantees, debt service plans and other debt service guarantees and their impact during the Reporting Period

Applicable Not applicable

5. Other explanations on corporate bonds

Applicable Not applicable

During the Reporting Period, the Company's renewable corporate bonds did not exercise renewal options, interest rate jumps, deferred interest and mandatory interest payment. The issuance of renewable corporate bonds by the Company complies with the definition and classification conditions of equity instruments under the relevant accounting standards and shall be accounted as other equity instruments.

(III) Non-financial corporate debt financing instruments in the inter-bank bond market

Applicable Not applicable

1. Non-financial corporate debt financing instruments

Unit: '000 Currency: RMB

Bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal and interest repayment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited – Second issue of medium-term notes in 2019 (variety II)	19 CRRC MTN002B	101901637	28 November 2019	29 November 2019	It shall exist for a long term before the issuer redeems in accordance with the terms of issue, and shall expire when the issuer redeems in accordance with the terms of issue.	1,495,643	4.35	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Inter-bank bond market	Domestic qualified investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited – First issue of medium-term notes in 2020	20 CRCC MTN001	102001987	23 October 2020	26 October 2020	It shall exist for a long term before the issuer redeems in accordance with the terms of issue, and shall expire when the issuer redeems in accordance with the terms of issue.	2,991,242	4.42	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Inter-bank bond market	Domestic qualified investors	Auction, quote, inquiry and agreement transaction	No

Section IX Particulars of Corporate Bonds (continued)

Bond	Short name	Code	Date of issuance	Value date	Maturity date	Balance of the bond	Interest rate (%)	Method of principal repayment and interest payment	Exchange platform	Investor suitability arrangements (if any)	Trading mechanism	Whether there is a risk of terminating the listing transaction
China Railway Construction Corporation Limited - First issue of medium-term notes in 2021	21 CRCC MTN001	102101658	24 August 2021	25 August 2021	It shall exist for a long term before the issuer redeems in accordance with the terms of issue, and shall expire when the issuer redeems in accordance with the terms of issue.	1,994,120	3.30	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Inter-bank bond market	Domestic qualified institutional investors	Auction, quote, inquiry and agreement transaction	No
China Railway Construction Corporation Limited - First issue of medium-term notes in 2022	22 CRCC MTN001	102282224	11 October 2022	12 October 2022	It shall exist for a long term before the issuer redeems in accordance with the terms of issue, and shall expire when the issuer redeems in accordance with the terms of issue.	2,995,372	2.79	Bond interest will be paid once a year if the Company does not exercise the option of deferred interest payment.	Inter-bank bond market	Domestic qualified institutional investors	Auction, quote, inquiry and agreement transaction	No

Company's response to the risk of termination of listing and trading of bonds

Applicable Not applicable

Overdue bonds

Applicable Not applicable

Explanations on overdue debts

Applicable Not applicable

2. Triggering and implementation of issuers' or investors' option terms and investor protection terms

Applicable Not applicable

Section IX Particulars of Corporate Bonds (continued)

3. Adjustment of credit rating results

Applicable Not applicable

4. Implementation and changes in the status of guarantees, debt service plans and other debt service guarantees and their impact during the Reporting Period

Applicable Not applicable

5. Other explanations on non-financial corporate debt financing instruments

Applicable Not applicable

During the Reporting Period, the Company's debt financing instruments had no matters such as the exercise of renewal option, interest rate jumps, deferred interest and mandatory interest payment. The debt financing instruments issued by the Company meet the definition and classification conditions of equity instruments under the relevant accounting standards and shall be accounted as other equity instruments.

(IV) The loss within the scope of consolidated statements of the Company during the Reporting Period exceeds 10% of its net assets at the end of the previous year

Applicable Not applicable

(V) Key accounting data and financial indicators

Applicable Not applicable

Unit: '000 Currency: RMB

Principal indicators	At the end of Reporting Period	At the end of last year	Increase or decrease of the end of the Reporting Period as compared with the end of last year (%)	Reasons for change
Liquidity ratio	1.09	1.08	0.93	
Quick ratio	0.50	0.49	2.04	
Asset-liability ratio (%)	75.68	74.68	Increased by 1.00 percentage point	

Section IX Particulars of Corporate Bonds (continued)

	The Reporting Period (January to June)	The corresponding period of last year	Increase or decrease in the Reporting Period as compared with the corresponding period of last year (%)	Reasons for change
Net profit deducting non-recurring profit or loss	12,897,085	12,783,010	0.89	
Total debt ratio of EBITDA	2.65%	2.86%	Decreased by 0.21 percentage point	
Interest coverage ratio	3.50	3.55	-1.41	
Cash flow interest coverage	-1.38	-1.34	2.99	
Interest coverage multiples EBITDA	5.06	5.11	-0.98	
Loan repayment ratio (%)	100.00	100.00	-	
Interest repayment ratio (%)	100.00	100.00	-	

II. CONVERTIBLE BONDS OF THE COMPANY

Applicable Not applicable

III. CHANGES TO THE COMPANY'S INFORMATION DISCLOSURE AFFAIRS MANAGEMENT SYSTEM

During the Reporting Period, there were no changes to the Company's information disclosure affairs management system.

Section X Financial Report

For the six months ended 30 June 2023

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

De Shi Bao (Yue) Zi (23) No. R00043

To the shareholders of China Railway Construction Corporation Limited

We have reviewed the accompanying financial statements of China Railway Construction Corporation Limited (“the Company”), which comprise the consolidated and the Company’s statements of financial position as at 30 June 2023, and the consolidated and the Company’s statements of profit or loss and other comprehensive income, the consolidated and the Company’s statements of changes in equity and the consolidated and the Company’s statements of cash flows for the six months then ended, and the notes to the financial statements. The preparation of these financial statements is the responsibility of the management of the Company. Our responsibility is to express a report on review of these 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 financial statements are free from material misstatements. A review is limited primarily to procedures as enquiry of the entity’s 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 accompanying financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises and cannot present fairly, in all material respects, the consolidated and the Company’s financial position as at 30 June 2023, and financial performance and cash flows for the six months ended 30 June 2023.

Deloitte Touche Tohmatsu CPA LLP
Shanghai China

*Chinese Certified Public Accountant: **Chen Xi***
(Engagement partner)

*Chinese Certified Public Accountant: **Shi Xiao***
(Engagement partner)

30 August 2023

This Report on Review of Interim Financial Statements and the accompanying financial statements are English translations of the Report on Review of Interim Financial Statements prepared under accounting principles and practices generally accepted in the People’s Republic of China. These financial statements are not intended to present the financial position and financial performance and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Consolidated Statement of Financial Position

As at 30 June 2023

RMB'000

ASSETS	Note V	30 June 2023 (unaudited)	31 December 2022 (restated)
Current assets			
Cash and bank balances	1	171,268,703	158,424,810
Held-for-trading financial assets	2	876,295	961,298
Bills receivable	3	5,854,056	8,495,031
Receivables at fair value through other comprehensive income	4	2,286,504	3,321,965
Trade receivables	5	169,744,350	141,229,619
Advances to suppliers	6	30,610,626	27,473,837
Other receivables	7	74,492,428	66,050,468
Inventories	8	315,450,180	299,818,526
Contract assets	9	277,641,725	254,463,518
Held-for-sale assets		58,873	58,873
Current portion of non-current assets	10	23,136,129	26,080,161
Other current assets	11	31,077,953	23,674,072
Total current assets		1,102,497,822	1,010,052,178
Non-current assets			
Loans and advances to customers	12	1,687,350	1,445,190
Long-term receivables	13	88,611,524	80,554,812
Long-term equity investments	14	137,010,027	127,985,238
Debt investments	15	10,008,729	9,076,297
Other debt investments	16	4,052,789	4,934,663
Other non-current financial assets	17	10,562,097	8,387,687
Other equity instrument investments	18	12,227,467	11,940,051
Investment properties	19	9,581,740	9,898,342
Fixed assets	20	67,375,811	66,085,799
Construction in progress	21	8,598,992	7,593,171
Right-of-use assets	22	6,984,300	5,154,357
Intangible assets	23	63,851,338	62,530,742
Development expenditure		27,643	45,761
Goodwill	24	168,762	163,518
Long-term prepayments		766,101	791,514
Deferred tax assets	25	9,725,834	9,103,023
Other non-current assets	26	113,326,931	108,171,238
Total non-current assets		544,567,435	513,861,403
TOTAL ASSETS		1,647,065,257	1,523,913,581

The accompanying notes form part of the financial statements.

The financial statements from page 99 to page 394 have been signed by:

Chairman of the Company:

Wang, Jianping

CFO:

Wang, Jianping

Head of the Finance Department:

Wang, Lei

Consolidated Statement of Financial Position (continued)

As at 30 June 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	30 June 2023 (unaudited)	31 December 2022 (restated)
Current liabilities			
Short-term loans	27	97,385,071	51,367,562
Due to customers	28	1,442,703	3,168,603
Bills payable	29	75,347,237	89,607,342
Trade payables	30	457,515,511	425,568,938
Advances from customers		375,402	311,908
Contract liabilities	31	170,484,144	164,118,787
Employee benefits payable	32	13,278,236	13,906,737
Taxes payable	33	6,297,688	8,936,891
Other payables	34	114,925,662	100,528,887
Current portion of non-current liabilities	35	43,466,059	45,527,795
Other current liabilities	36	32,174,572	31,594,097
Total current liabilities		1,012,692,285	934,637,547
Non-current liabilities			
Long-term loans	37	158,078,857	133,415,428
Bonds payable	38	28,200,843	28,096,696
Lease liabilities	39	4,014,647	2,451,292
Long-term payables	40	38,331,533	34,800,914
Long-term employee benefits payable		74,506	80,318
Provisions		1,302,754	1,137,854
Deferred income		1,000,402	1,056,021
Deferred tax liabilities	25	1,863,374	1,624,833
Other non-current liabilities		980,544	692,626
Total non-current liabilities		233,847,460	203,355,982
Total liabilities		1,246,539,745	1,137,993,529
Shareholders' equity			
Share capital	41	13,579,542	13,579,542
Other equity instruments	42	62,458,134	59,959,677
Capital reserve	43	48,905,633	48,907,056
Other comprehensive income	44	171,184	(819,139)
Special reserve	45	-	-
Surplus reserve	46	6,789,771	6,789,771
Retained earnings	47	170,573,382	161,981,132
Total equity attributable to owners of the Company		302,477,646	290,398,039
Non-controlling interests		98,047,866	95,522,013
Total shareholders' equity		400,525,512	385,920,052
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,647,065,257	1,523,913,581

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

RMB'000

ITEM	Note V	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Revenue	48	541,059,991	540,496,534
Less: Cost of sales	48	492,871,297	493,654,422
Taxes and surcharges	49	1,512,628	1,689,653
Selling and distribution expenses	50	3,316,927	2,906,896
General and administrative expenses	51	10,536,637	9,688,514
Research and development expenses	52	8,293,309	8,396,894
Finance costs	53	1,598,169	1,591,577
Including: Interest expenses		3,127,939	3,072,171
Interest income		2,051,357	2,095,588
Add: Other income		363,403	352,394
Investment income	56	(1,814,446)	(1,166,727)
Including: Share of profits of associates and joint ventures		203,817	112,836
Losses from derecognition of financial assets measured at amortised cost		(2,504,301)	(1,592,301)
Losses on fair value changes		(12,516)	(48,209)
Impairment losses on assets	54	(636,240)	(875,062)
Impairment of credit losses	55	(1,314,307)	(1,532,523)
Gains on disposal of assets		51,953	9,173
Operating profit		19,568,871	19,307,624
Add: Non-operating income	57	449,181	496,991
Less: Non-operating expenses	58	299,826	307,216
Profit before tax		19,718,226	19,497,399
Less: Income tax expenses	60	3,226,648	3,573,625
Net profit		16,491,578	15,923,774
Classified by the continuity of operation			
Net profit from continuing operations		16,491,578	15,923,774
Net profit from discontinued operations		–	–

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the six months ended 30 June 2023

RMB'000

ITEM	Note V	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Classified by the ownership			
Net profit attributable to owners of the Company		13,648,610	13,490,009
Net profit attributable to non-controlling interests		2,842,968	2,433,765
Other comprehensive income, net of tax	44	1,006,819	365,175
Other comprehensive income attributable to owners of the Company, net of tax		990,323	333,484
Other comprehensive income not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		(94,047)	(69,221)
Others		–	20
Other comprehensive income to be reclassified to profit or loss			
Shares of other comprehensive income that will be reclassified subsequently into profit or loss by the investee under equity method		507,097	155,134
Changes in fair value of other debt investments		5,946	(22,411)
Exchange differences on translation of foreign operations		569,363	270,239
Changes in fair value of receivables at fair value through other comprehensive income		1,964	(277)
Other comprehensive income attributable to non-controlling interests, net of tax		16,496	31,691
Total comprehensive income		17,498,397	16,288,949
Including:			
Total comprehensive income attributable to owners of the Company		14,638,933	13,823,493
Total comprehensive income attributable to non-controlling interests		2,859,464	2,465,456
Earnings per share:			
Basic earnings per share (RMB/share)	61	0.91	0.89
Diluted earnings per share (RMB/share)	61	0.91	0.89

Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

RMB'000

ITEM	Note V	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or the rendering of services		540,413,537	522,472,781
Refunds of tax		1,090,597	4,021,245
Net decrease in due to customers and due to banks		(1,725,900)	(322,306)
Cash received from other operating activities	62(1)	11,136,526	9,771,345
Subtotal of cash inflows from operating activities		550,914,760	535,943,065
Cash paid for goods and services		503,318,852	493,125,899
Net increase (decrease) in loans and advances to customers		250,000	(600,000)
Net increase in balances with the central bank		268,331	727,927
Cash paid to and on behalf of employees		40,026,830	37,774,978
Cash paid for all taxes		15,888,997	15,431,053
Cash paid for other operating activities	62(2)	10,504,727	9,087,590
Subtotal of cash outflows from operating activities		570,257,737	555,547,447
Net cash flows used in operating activities	63(1)	(19,342,977)	(19,604,382)
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from disposal of investments		5,925,140	9,594,594
Cash received from investment income		703,284	400,521
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		767,518	684,094
Net decrease in cash and bank balances with title restrictions		167,825	3,024,647
Cash received from other investing activities		105,500	213,789
Subtotal of cash inflows from investing activities		7,669,267	13,917,645
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		14,987,958	15,026,123
Cash paid for acquisition of investments		19,546,355	36,712,786
Net cash payments for acquisitions of subsidiaries and other business units		197	–
Cash paid for other investing activities	62(3)	1,485,186	605,299
Subtotal of cash outflows from investing activities		36,019,696	52,344,208
Net cash flows used in investing activities		(28,350,429)	(38,426,563)

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2023

RMB'000

ITEM	Note V	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received as capital contributions		3,995,992	8,583,270
Including: Cash received from non-controlling shareholders of subsidiaries		1,497,535	5,585,050
Cash received from issuing bonds		11,900,000	10,930,699
Cash received from borrowings		147,987,926	150,040,797
Cash received from other financing activities		411,997	–
Subtotal of cash inflows from financing activities		164,295,915	169,554,766
Cash repayments for borrowings		93,167,307	75,605,609
Cash paid for distribution of dividends or profits and for interest expenses		8,941,452	8,567,305
Including: Cash paid to non-controlling shareholders for distribution of dividends by subsidiaries		2,081,623	2,035,496
Cash paid for other financing activities	62(4)	1,250,738	1,139,608
Subtotal of cash outflows from financing activities		103,359,497	85,312,522
Net cash flows generated from financing activities		60,936,418	84,242,244
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(499,625)	212,445
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		12,743,387	26,423,744
Add: Cash and cash equivalents at beginning of the period	63(2)	144,515,492	109,741,861
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	63(2)	157,258,879	136,165,605

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

RMB'000

ITEM	For the six months ended 30 June 2023 (unaudited)										
	Equity attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal			
I. As at 31 December 2022	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	162,067,076	290,483,983	95,531,880	386,015,863	
(i) Changes in accounting policies (Note III. 35)	-	-	-	-	-	-	(85,944)	(85,944)	(9,867)	(95,811)	
II. As at 1 January 2023 (restated)	13,579,542	59,959,677	48,907,056	(819,139)	-	6,789,771	161,981,132	290,398,039	95,522,013	385,920,052	
III. Increase/(decrease) during the period	-	2,498,457	(1,423)	990,323	-	-	8,592,250	12,079,607	2,525,853	14,605,460	
(i) Total comprehensive income	-	-	-	990,323	-	-	13,648,610	14,638,933	2,859,464	17,498,397	
(ii) Capital contributions and withdrawals by shareholders	-	2,498,457	(1,423)	-	-	-	-	2,497,034	1,910,955	4,407,989	
1. Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	1,497,535	1,497,535	
2. Capital contributions and withdrawals by other equity instrument holders (Note V. 42)	-	2,498,457	-	-	-	-	-	2,498,457	-	2,498,457	
3. Equity transactions with non-controlling interests	-	-	(1,423)	-	-	-	-	(1,423)	413,420	411,997	
(iii) Profit distribution	-	-	-	-	-	-	(5,056,360)	(5,056,360)	(2,244,566)	(7,300,926)	
1. Distribution to shareholders (Note V. 47)	-	-	-	-	-	-	(5,056,360)	(5,056,360)	(2,244,566)	(7,300,926)	
(iv) Special reserve (Note V. 45)	-	-	-	-	-	-	-	-	-	-	
1. Appropriated in current period	-	-	-	-	7,874,849	-	-	7,874,849	-	7,874,849	
2. Used in current period	-	-	-	-	(7,874,849)	-	-	(7,874,849)	-	(7,874,849)	
IV. As at 30 June 2023	13,579,542	62,458,134	48,905,633	171,184	-	6,789,771	170,573,382	302,477,646	98,047,866	400,525,512	

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2023

RMB'000

ITEM	For the six months ended 30 June 2022 (unaudited)									
	Equity attributable to owners of the Company									
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
I. As at 31 December 2021	13,579,542	63,253,806	44,886,585	(1,276,492)	-	6,789,771	141,556,080	268,789,292	77,703,704	346,492,996
(I) Changes in accounting policies (Note III. 35)	-	-	-	-	-	-	(124,646)	(124,646)	(12,677)	(137,323)
II. As at 1 January 2022 (restated)	13,579,542	63,253,806	44,886,585	(1,276,492)	-	6,789,771	141,431,434	268,664,646	77,691,027	346,355,673
III. Increase/(decrease) during the period	-	2,998,220	(46)	330,605	-	-	8,756,629	12,085,408	5,637,518	17,722,926
(I) Total comprehensive income	-	-	-	333,484	-	-	13,490,009	13,823,493	2,465,456	16,288,949
(II) Capital contributions and withdrawals by shareholders	-	2,998,220	(46)	-	-	-	-	2,998,174	5,538,798	8,536,972
1. Capital contributions and withdrawals by shareholders	-	-	-	-	-	-	-	-	5,585,050	5,585,050
2. Capital contributions and withdrawals by other equity instruments holders (Note V. 42)	-	2,998,220	-	-	-	-	-	2,998,220	-	2,998,220
3. Equity transactions with non-controlling interests	-	-	(195)	-	-	-	-	(195)	(46,252)	(46,447)
4. Others	-	-	149	-	-	-	-	149	-	149
(III) Profit distribution	-	-	-	-	-	-	(4,736,259)	(4,736,259)	(2,366,736)	(7,102,995)
1. Distribution to shareholders (Note V. 47)	-	-	-	-	-	-	(4,736,259)	(4,736,259)	(2,366,736)	(7,102,995)
(IV) Special reserve (Note V. 45)	-	-	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	6,994,632	-	-	6,994,632	-	6,994,632
2. Used in current period	-	-	-	-	(6,994,632)	-	-	(6,994,632)	-	(6,994,632)
(V) Others	-	-	-	(2,879)	-	-	2,879	-	-	-
IV. As at 30 June 2022	13,579,542	66,252,026	44,886,539	(945,887)	-	6,789,771	150,188,063	280,750,054	83,328,545	364,078,599

The Company's Statement of Financial Position

As at 30 June 2023

RMB'000

ASSETS	Note XIV	30 June 2023 (unaudited)	31 December 2022 (restated)
Current assets			
Cash and bank balances		26,049,657	17,919,976
Held-for-trading financial assets		68,535	71,040
Trade receivables	1	2,735,683	2,220,335
Advances to suppliers		315,107	309,918
Other receivables	2	22,022,771	26,646,967
Inventories		790	3,383
Contract assets		836,912	1,580,744
Current portion of non-current assets		15,929,431	9,570,770
Other current assets		126,421	426,861
Total current assets		68,085,307	58,749,994
Non-current assets			
Long-term receivables		34,634,366	40,287,333
Long-term equity investments	3	102,246,493	102,246,493
Other equity instrument investments		318,961	277,286
Fixed assets		36,378	26,086
Construction in progress		393,812	402,505
Right-of-use assets		19,345	32,582
Intangible assets		168,316	169,650
Long-term prepayments		4,179	2,030
Deferred tax assets		-	303
Other non-current assets		2,285,919	2,494,873
Total non-current assets		140,107,769	145,939,141
TOTAL ASSETS		208,193,076	204,689,135

The Company's Statement of Financial Position (continued)

As at 30 June 2023

RMB'000

LIABILITIES AND SHAREHOLDERS' EQUITY	<i>Note XIV</i>	30 June 2023 (unaudited)	31 December 2022 (restated)
Current liabilities			
Trade payables		7,547,596	8,217,624
Contract liabilities		846,236	869,992
Employee benefits payable		161,023	132,365
Taxes payable		109,774	188,770
Other payables	4	18,484,323	20,898,012
Current portion of non-current liabilities		2,340,337	1,247,027
Other current liabilities		528,692	556,915
Total current liabilities		30,017,981	32,110,705
Non-current liabilities			
Long-term loans	5	2,565,802	3,708,802
Lease liabilities		1,560	1,470
Long-term payables		2,079,469	2,154,374
Long-term employee benefits payable		7,357	7,394
Deferred tax liabilities		36,311	30,243
Total non-current liabilities		4,690,499	5,902,283
Total liabilities		34,708,480	38,012,988
Shareholders' equity			
Share capital	Note V. 41	13,579,542	13,579,542
Capital reserve		46,869,310	46,869,310
Other comprehensive income		73,227	41,971
Other equity instruments	Note V. 42	62,458,134	59,959,677
Special reserve		-	-
Surplus reserve	Note V. 46	6,789,771	6,789,771
Retained earnings		43,714,612	39,435,876
Total shareholders' equity		173,484,596	166,676,147
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		208,193,076	204,689,135

The Company's Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

RMB'000

ITEM	Note XIV	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Revenue	6	4,162,787	4,400,202
Less: Cost of sales	6	3,786,455	4,335,217
Taxes and surcharges		2,850	4,171
Selling and distribution expenses		261,884	12,864
General and administrative expenses		249,425	183,855
Research and development expenses		1,863	5,660
Finance costs	7	(971,588)	(761,688)
Including: Interest expenses		359,066	424,147
Interest income		1,477,692	1,588,050
Add: Other income		1,488	1,534
Investment income	8	8,615,659	9,757,794
Losses on fair value changes		(2,505)	(13,529)
Impairment gains on assets		7,905	3,772
Impairment of credit losses		(10,428)	(9,705)
Gains from disposal of assets		-	2
Operating profit		9,444,017	10,359,991
Add: Non-operating income		72	3
Less: Non-operating expenses		139	163
Profit before tax		9,443,950	10,359,831
Less: Income tax expenses		108,854	57,239
Net profit		9,335,096	10,302,592
Classified by the continuity of operation			
Net profit from continuing operations		9,335,096	10,302,592
Net profit from discontinued operations		-	-
Other comprehensive income/(expense), net of tax		31,256	(11,975)
Other comprehensive income/(expense) not to be reclassified to profit or loss			
Changes in fair value of other equity instrument investments		31,256	(11,975)
Total comprehensive income		9,366,352	10,290,617

The Company's Statement of Cash Flows

For the six months ended 30 June 2023

RMB'000

ITEM	Note XIV	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or the rendering of services		4,756,233	4,956,236
Refunds of tax		69	23,301
Cash received from other operating activities		7,080,289	12,113,502
Subtotal of cash inflows from operating activities		11,836,591	17,093,039
Cash paid for goods and services		4,746,942	6,923,588
Cash paid to and on behalf of employees		183,576	180,481
Cash paid for all taxes		11,253	10,410
Cash paid for other operating activities		4,240,368	6,969,949
Subtotal of cash outflows from operating activities		9,182,139	14,084,428
Net cash flows generated from operating activities	9(1)	2,654,452	3,008,611
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from investment income		8,116,700	8,732,713
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2	2
Subtotal of cash inflows from investing activities		8,116,702	8,732,715
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		18,723	3,785
Cash paid for acquisition of investments		-	1,300,000
Net increase in cash and bank balances with title restrictions		11,266	6,187
Subtotal of cash outflows from investing activities		29,989	1,309,972
Net cash flows generated from investing activities		8,086,713	7,422,743

The Company's Statement of Cash Flows (continued)

For the six months ended 30 June 2023

RMB'000

ITEM	Note XIV	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received as capital contributions		2,498,457	2,998,220
Cash received from borrowings		–	2,000,000
Cash receipts from issue of bonds		6,000,000	–
Subtotal of cash inflows from financing activities		8,498,457	4,998,220
Cash repayments for borrowings		11,262,968	43,000
Cash paid for distribution of dividends or profits and for interest expenses		489,880	454,648
Cash paid for other financing activities		2,031	1,562
Subtotal of cash outflows from financing activities		11,754,879	499,210
Net cash flows (used in)/generated from financing activities		(3,256,422)	4,499,010
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		25,017	89,797
5. NET INCREASE IN CASH AND CASH EQUIVALENTS		7,509,760	15,020,161
Add: Cash and cash equivalents at beginning of the period	9(2)	18,757,618	12,423,319
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9(2)	26,267,378	27,443,480

The Company's Statement of Changes in Equity

For the six months ended 30 June 2023

RMB'000

ITEM	For the six months ended 30 June 2023 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. As at 31 December 2022	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,692	166,675,963
(i) Changes in accounting policies	-	-	-	-	-	-	184	184
II. As at 1 January 2023 (restated)	13,579,542	59,959,677	46,869,310	41,971	-	6,789,771	39,435,876	166,676,147
III. Increase/(decrease) during the period	-	2,498,457	-	31,256	-	-	4,278,736	6,808,449
(i) Total comprehensive income	-	-	-	31,256	-	-	9,335,096	9,366,352
(ii) Capital contributions and withdrawals by shareholders	-	2,498,457	-	-	-	-	-	2,498,457
1. Capital contributions and withdrawals by other equity instrument holders (Note V. 42)	-	2,498,457	-	-	-	-	-	2,498,457
(iii) Profit distribution	-	-	-	-	-	-	(5,056,360)	(5,056,360)
1. Distribution to shareholders (Note V. 47)	-	-	-	-	-	-	(5,056,360)	(5,056,360)
(iv) Special reserve (Note V. 45)	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	69,254	-	-	69,254
2. Used in current period	-	-	-	-	(69,254)	-	-	(69,254)
IV. As at 30 June 2023	13,579,542	62,458,134	46,869,310	73,227	-	6,789,771	43,714,612	173,484,596

The Company's Statement of Changes in Equity (continued)

For the six months ended 30 June 2023

RMB'000

ITEM	For the six months ended 30 June 2022 (unaudited)							
	Share capital	Other equity instruments	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
I. As at 31 December 2021	13,579,542	63,253,806	46,886,474	65,236	-	6,789,771	32,095,833	162,670,662
(i) Changes in accounting policies	-	-	-	-	-	-	(70)	(70)
II. As at 1 January 2022 (restated)	13,579,542	63,253,806	46,886,474	65,236	-	6,789,771	32,095,763	162,670,592
III. Increase/(decrease) during the period	-	2,998,220	-	(11,975)	-	-	5,566,333	8,552,578
(i) Total comprehensive income	-	-	-	(11,975)	-	-	10,302,592	10,290,617
(ii) Capital contributions and withdrawals by shareholders	-	2,998,220	-	-	-	-	-	2,998,220
1. Capital contributions and withdrawals by other equity instrument holders (Note V. 42)	-	2,998,220	-	-	-	-	-	2,998,220
(iii) Profit distribution	-	-	-	-	-	-	(4,736,259)	(4,736,259)
1. Distribution to shareholders (Note V. 47)	-	-	-	-	-	-	(4,736,259)	(4,736,259)
(iv) Special reserve (Note V. 45)	-	-	-	-	-	-	-	-
1. Appropriated in current period	-	-	-	-	70,125	-	-	70,125
2. Used in current period	-	-	-	-	(70,125)	-	-	(70,125)
IV. As at 30 June 2022	13,579,542	66,252,026	46,886,474	53,261	-	6,789,771	37,662,096	171,223,170

Notes to the Financial Statements

For the six months ended 30 June 2023

I. CORPORATE INFORMATION

China Railway Construction Corporation Limited (the “Company”) is a joint stock limited company with limited liability registered in Beijing in the People’s Republic of China (the “PRC” or “Mainland China”) on 5 November 2007. The Company’s shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered address of the Company’s head office is located at East No. 40 Fuxing Road, Haidian District, Beijing, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) mainly consist of construction operations, survey, design and consultancy operations, trade and logistics, manufacturing operations and real estate development operations.

The Company’s parent and ultimate holding company is China Railway Construction Corporation (referred to as the “Controlling Shareholder”), a company registered in PRC.

These financial statements were approved and authorised for issue by the board of directors of the Company on 30 August 2023.

The scope of consolidated financial statements shall be determined on the basis of control. Refer to Note VI for the changes of consolidation scope for the period.

II. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared by the Group on a going-concern basis in accordance with *Accounting Standards for Business Enterprises* and other relevant provisions issued and revised subsequently by the Ministry of Finance of the People’s Republic of China (“Ministry of Finance”) (collectively referred to as “Accounting Standards for Business Enterprises”). In addition, the financial statements are also disclosed in accordance with *Information Disclosure and Presentation Rules for Companies Public offering Securities No. 15 – General Provisions on Financial Reporting* (revised by China Securities Regulatory Commission in 2014).

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* issued by the Hong Kong Stock Exchange in December 2010, the corresponding amendments to the Hong Kong Listing Rules, as well as the relevant documents issued by the Ministry of Finance and China Securities Regulatory Commission (“CSRC”), the Company ceased to provide financial reports prepared in accordance with *Accounting Standards for Business Enterprises and International Financial Reporting Standards* separately to A-share shareholders and H-share shareholders from the year of 2011 with the approval of the Company’s general meeting of shareholders. Instead, the Company provides all shareholders with financial reports solely prepared in accordance with *China Accounting Standards*, taking into account the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited in preparing such financial reports.

The Group has adopted accrual basis for accounting measurement. The financial statements have been presented under the historical cost, except for certain financial assets which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

According to the characteristics of its production and operation, the Group formulated a series of specific accounting policies and accounting estimates, including the impairment of receivables and contract assets, the measurement of inventories, the provisions for decline in value of inventories, the depreciation methods and the depreciation rates of the fixed assets, the amortisation methods of the intangible assets, the method of long-term assets impairment testing, and the policy for revenue recognition, etc.

1. *Statement of compliance with Accounting Standards for Business Enterprises*

The financial statements present fairly and fully the financial position of the Group and the Company as at 30 June 2023 and the consolidated and the Company's financial performance, the consolidated and the Company's changes in equity and cash flows for the six months ended 30 June 2023 in accordance with Accounting Standards for Business Enterprises.

2. *Accounting period*

The accounting year of the Group is from 1 January to 31 December of each calendar year. The reporting period for the financial statements starts from 1 January to 30 June 2023.

3. *Functional currency*

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The overseas subsidiaries of the Company may determine their own functional currencies based on their specific economic environments. The Group adopts RMB to prepare its financial statements.

4. *Business combinations*

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. *Business combinations (continued)*

4.1 **Business**

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs, and its costs or revenue generated can be calculated independently.

The sets of activities and assets acquired in the combination can be considered as business only when the sets include an input and a substantive process that together significantly contribute to the ability to create outputs.

When no output created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes, and including necessary materials, rights, other necessary economic resources and other necessary inputs, for example techniques, research and development projects, real estates, mining equity, etc.

When outputs created on the acquisition date, the acquired processes are considered substantive by the Group if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant costs.

When judging the sets of activities and assets acquired in the combination can be considered as business, the Group considers that it can be managed and operated as a business from the perspective of market participants, rather than judging by the management intention or the operating history of the acquiree.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. *Business combinations (continued)*

4.2 **Business combinations 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 combination, and that control is not transitory. For a business combination involving entities under common control, the party that, on the combination date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is a party being acquired. The combination date is the date on which the acquirer effectively obtains control of the party being acquired.

Assets and liabilities (including the goodwill recognised by the ultimate controlling party in acquisition of the acquiree) that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the combination date as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the year in which they are incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

4. *Business combinations (continued)*

4.3 **Business combinations involving entities not under common control**

A business combination involving entities not 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 combination. For a business combination involving entities not under common control, the party that, on the acquisition date, obtains control of another entity participating in the combination is the acquirer, while the other entity participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the purchase date.

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable assets. Goodwill is subsequently measured at cost deducted by accumulated provision. If the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognised in profit or loss.

If either the fair values of identifiable assets, liabilities and contingent liabilities acquired in a combination or the cost of business combination can be determined only provisionally by the end of the period in which the business combination was affected, the acquirer recognises and measures the combination using those provisional values. Any adjustments to those provisional values within twelve months after the acquisition date are treated as if they had been recognised and measured on the acquisition date.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

All intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "non-controlling interests" in the consolidated statement of financial position within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to non-controlling interests is presented as "net profit attributable to non-controlling interests" in the consolidated statement of profit or loss and other comprehensive income below the "net profit" line item.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. Consolidated financial statements (continued)

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of shareholders' equity of the subsidiary, the excess amount is still allocated against non-controlling interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under shareholders' equity. If the capital reserve is not sufficient to absorb the difference, the excess is adjusted against retained earnings.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (1) the aggregate of the consideration received on disposal and the fair value of any retained interest and (2) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognised as investment income in the period in which control is lost. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights related to administrative tasks only. The relevant activities of a structured entity are directed by means of contractual agreements. When the Group acts as an asset manager in a structured entity, the Group is required to determine whether it is exercising decision-making rights as a principal or an agent in the structured entities. If the Group (as an asset manager) is only acting as an agent, it exercises decision-making rights on behalf of the principal (other investors of the structured entities) and does not control the structured entities. If the Group (as an asset manager) is exercising decision-making rights on its own behalf, it is the principal and controls the structured entities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. *Joint arrangement and joint operations*

A joint arrangement is either a joint operation or a joint venture. 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. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In respect of joint operations, the Group as a party of joint operation recognises its interest in a joint operation: (1) its assets held individually and its share of assets held jointly; (2) its liabilities assumed individually and its share of liabilities assumed jointly; (3) its revenue from the sale of its share of the output arising from the joint operation; (4) its share of the revenue from the sale of the output by the joint operation; and (5) its expenses incurred individually and its share of expenses incurred jointly.

The Group measures its joint ventures under equity method, please refer to Note III. 12.3.2.

7. *Cash and cash equivalents*

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

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

8. *Foreign currency transactions and foreign currency translations*

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

Foreign currency transactions are initially recorded using the functional currency spot exchange rate ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the spot exchange rate ruling at the balance sheet date. All differences are recognised in profit or loss, except those related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign spot exchange rates at the transaction dates and do not change the amounts of functional currency.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange spot rate at the date the fair value is determined; the exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates functional currencies of overseas financial statements into RMB financial statements. All assets and liabilities are translated at the spot exchange rates ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the spot exchange rates ruling at the transaction dates; all items in the statement of profit or loss and other comprehensive income and items reflect amounts of profit distribution are translated at the spot exchange rates at the transaction dates. The undistributed profit at the beginning of the year/period equals the translated undistributed profit of the previous year/period; the undistributed profit at the end of the year/period is calculated according to the translated profit distribution items. Exchange fluctuations arising from the translations mentioned above are recognised as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to profit or loss in the same period.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the spot exchange rates ruling at the dates of the cash flows. The effect of changes in exchange rates on cash and cash equivalents are presented as a reconciled item separately in the statement of cash flows.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments*

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument. For the financial assets that are purchased and sold under regular ways, the assets to be acquired and the liabilities to be assumed are recognised on the trade days, and the assets sold are derecognised on the trade days.

On initial recognition, financial assets and financial liabilities are recognised at fair value. For financial assets and financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss; transaction costs relating to other categories of financial assets and financial liabilities are included in the value initially recognised. For trade receivables initially recognised that do not contain a significant financing component or a financing component included in the contracts less than one year which are not considered, which are within the scope of *Accounting Standard for Business Enterprises No. 14 – Revenue* (ASBE No. 14), transaction prices shall be adopted on initial recognition.

The effective interest method is a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation of the interest income or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates future cash flows by considering all the contractual terms of the financial asset or financial liability (for example, prepayment, extension, call option or similar options) but shall not consider the expected credit losses.

The amortised cost of a financial asset or a financial liability is the amount of a financial asset, or a financial liability initially recognised net of principal repaid, plus or less the cumulative amortised amount arising from amortisation of the difference between the amount initially recognised and the amount at the maturity date using the effective interest method, net of cumulative credit loss allowance (only applicable to financial assets).

9.1 **Classification and measurement of financial assets**

Subsequent to initial recognition, the Group's financial assets of various categories are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.1 Classification and measurement of financial assets (continued)

9.1.1 Financial assets measured as at amortised cost

If contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model of which objective is to hold financial assets in order to collect contractual cash flows, such asset is classified into financial assets measured at amortised cost. The Group's financial assets measured at amortised cost including cash and bank balances, bills receivable, trade receivables, other receivables, loans and advances to customers, long-term receivables due within one year that are presented under non-current assets due within one year and debt investments due within one year that are presented under non-current assets due within one year.

The above financial assets are subsequently measured at amortised cost using the effective interest method. Gain or loss arising from impairment or derecognition is recognised in profit or loss.

Interest income from financial assets at amortised cost and at fair value through other comprehensive income is recognised based on the effective interest method. The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial asset, except:

- (1) For the purchased or internally generated credit-impaired financial assets, the Group recognises interest income based on amortised cost and credit-adjusted effective interest rate of such financial assets since initial recognition.
- (2) For the purchased or internally generated financial assets without credit-impairment but subsequently becoming credit-impaired, the Group subsequently recognises their interest income based on amortised costs and effective interest rate of such financial assets. If the credit impairment no longer exists due to an improvement in credit risk of the financial instruments subsequently and such improvement is relevant to some events occurred after applying the policies mentioned above, the Group recognises interest income based on applying effective interest rate to gross carrying amount of the financial assets.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.1 Classification and measurement of financial assets (continued)

9.1.2 Financial assets classified as at fair value through other comprehensive income (FVTOCI)

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income: the financial asset is held within a business model of which objective is achieved by both collecting contractual cash flows and selling; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets classified as at FVTOCI are presented by the Group as other debt investments (non-current assets due within one year and are present as Current portion of non-current assets) and receivables at FVTOCI in financial statements.

Financial assets classified as at FVTOCI's relevant loss/gain on impairment and interest income based on effective interest rate are recognised in profit or loss. Except for the above circumstances, changes in fair value of such financial assets are all recognised in other comprehensive income. Such financial assets' changes that are recognised in profit or loss in each period equal to their changes that are recognised in profit or loss in each period as they are measured at amortised cost from acquisition date. Upon derecognition of the financial assets, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in profit or loss.

9.1.3 Financial assets designated as at fair value through other comprehensive income

On initial recognition, the Group may irrevocably designate non-trading equity instruments as financial assets at fair value through other comprehensive income on an individual basis. Financial assets designated as at fair value through other comprehensive income are presented by the Group as other equity instrument investments in financial statements.

The fair value changes of such financial asset is recognised in other comprehensive income. Upon derecognition of the financial asset, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings. During the period for which the Group holds the investments in equity instruments, dividend income is recognised in profit or loss for the period when the Group has right to collect dividend, the economic benefits associated with dividend will probably flow into the Group and the amount of dividend can be reliably measured.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.1 Classification and measurement of financial assets (continued)

9.1.4 Financial assets measured at fair value through profit or loss (FVTPL)

Any financial assets that do not qualify for amortised cost measurement or measurement at FVTOCI or designated at FVTOCI are classified into financial assets at FVTPL. FVTPL are presented by the Group as held-for-trading financial assets and other non-current financial assets items in the statement of financial position, based on its liquidity.

The above financial assets are subsequently measured at fair value. Gains or losses arising from fair value changes and dividends and interest income in relation to such financial assets are recognised in profit or loss for the period.

9.2 Impairment of financial assets

The Group recognises loss allowance for financial assets measured as at amortised cost, financial assets classified as at FVTOCI, lease receivables, contract assets and financial guarantee contracts based on expected credit losses (“ECL”).

The Group measures loss allowance for contract assets, trade receivables and lease receivables based on the amount of full lifetime ECL.

For other financial instruments, except for the purchased or internally generated credit-impaired financial assets, at each balance sheet date, the Group assesses changes in credit risk of relevant financial instruments since initial recognition. If the credit risk of the above financial instruments has not increased significantly since initial recognition, the Group recognises loss allowance based on 12-month ECL of the financial instrument. If the credit risk of the above financial instruments has increased significantly, the Group measures loss based on the amount of ECL for their full lifetime. The increase or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment. Except for financial assets classified as at FVTOCI, impairment of credit losses decreases the gross carrying amount of financial assets. For financial assets classified as at FVTOCI, the Group recognises credit loss allowance in other comprehensive income and does not decrease the carrying amount of such financial assets in the statement of financial position.

The Group measured loss allowance at the full lifetime ECL of the financial instruments in the prior accounting period. However, at each balance sheet date, for the above financial instruments, due to failure to qualify as significant increase in credit risk since initial recognition, the Group measures loss allowance for the financial instrument at 12-month ECL at each balance sheet date. Relevant reversal of loss allowance is included in profit or loss for the current period as gain on impairment.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.2 Impairment of financial assets (continued)

9.2.1 Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group uses available, reasonable and supportable forward-looking information, to compare 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. For financial guaranteed contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition in the application of criteria related to the financial instrument for impairment.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly: Whether the actual or expected operating results of the debtor have changed significantly; Whether supervisory, economic or technical environment for the debtor has significant detrimental changes; Whether value of collateral against debt mortgage or guarantee/credit enhancement provided by a third party has changed significantly. It is expected that the aforesaid changes are economic motives that will lower the debtor's repayment based on contractual stipulation or have an impact on probability of default; Whether the debtor's expected performance and repayment activities have changed significantly; Whether the Group's financial instrument management measures have changed, etc.

At the balance sheet date, the Group assumes that credit risk of the financial instrument has not increased significantly since initial recognition when the Group determines that the financial instrument is only exposed to low credit risk. A financial instrument is determined to have low credit risk if i) it has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the debtor to fulfil its contractual cash flow obligations.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments (continued)*

9.2 **Impairment of financial assets (continued)**

9.2.2 *Credit-impaired financial assets*

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

- (1) Significant financial difficulty of the issuer or debtor;
- (2) A breach of contract by the debtor, such as a default or overdue in interest or principal payments;
- (3) The creditor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the creditor would not otherwise consider;
- (4) It becoming probable that the debtor will enter bankruptcy or other financial reorganisations;
- (5) Other objective evidences indicating the impairment of financial assets.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.2 Impairment of financial assets (continued)

9.2.3 Measurement and recognition of ECL

The Group recognises credit losses for lease receivables and financial guarantee contracts on an individual basis. For trade receivables and contract assets, the Group individually assesses credit losses for those individually significant and credit-impaired and uses provision matrix to assess credit losses for the remaining. For other financial assets measured as at amortised cost and financial assets measured at fair value through other comprehensive income, the Group assesses credit losses on an individual basis for those individually significant and credit-impaired or those individually significant and their credit risk has increased significantly since initial recognition but not credit-impaired, besides, the Group uses provision matrix to assess credit losses for the remaining. The Group classifies financial instruments into different groups based on credit risk characteristics. Credit risk characteristics include type of financial instruments, credit risk rating, contractual billing period and industry of debtor etc.

ECL of relevant financial instruments is recognised based on the following methods:

- (1) For a financial asset, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (2) For a lease receivable, credit loss is the present value of difference between the contractual cash flows and the cash flows that the Group expects to receive.
- (3) For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- (4) For credit-impaired financial assets other than the purchased or internally generated of credit-impaired financial assets at the balance sheet date, credit loss is the difference between the gross carrying amount of financial assets and the present value of expected future cash flows discounted at original effective interest rate.

The Group's measurement of ECL of financial instruments reflects factors including unbiased probability weighted average amount recognised by assessing a series of possible results, time value of money, reasonable and supportable information related to historical events, current condition and forecast of future economic position that is available without undue cost or effort at the balance sheet date.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.2 Impairment of financial assets (continued)

9.2.4 Reduction in financial assets

The Group directly reduces the gross carrying amount of financial assets when ceasing to reasonably expect that the contractual cash flow of such financial assets may be fully or partially recoverable. Such reduction comprises derecognition of relevant financial assets.

9.3 Transfer of financial assets

The Group derecognises a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee; or (3) although the financial asset has been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it retains control of the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises an associated liability. Relevant liabilities are measured using the following methods:

- (1) For transferred financial assets carried at amortised cost, the carrying amount of relevant liabilities is the carrying amount of financial assets transferred with continuing involvement less amortised cost of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of amortised cost of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- (2) For transferred financial assets carried at fair value, the carrying amount of relevant financial liabilities is the carrying amount of financial assets transferred with continuing involvement less fair value of the Group's retained rights (if the Group retains relevant rights upon transfer of financial assets) with addition of fair value of obligations assumed by the Group (if the Group assumes relevant obligations upon transfer of financial assets). Accordingly, the fair value of relevant rights and obligations shall be measured on an individual basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments (continued)*

9.3 **Transfer of financial assets (continued)**

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference between (1) the carrying amount of the financial asset transferred at the date of derecognition and the consideration received from the transfer; and (2) the accumulated changes in fair value initially recorded in other comprehensive income is recognised in profit or loss. While regarding non-trading equity instruments designated as at fair value through other comprehensive income, cumulative gains or losses previously recognised in other comprehensive income are transferred and included in retained earnings.

If a part of the transferred financial asset qualifies for derecognition, the overall carrying amount of the financial asset prior to transfer is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts at the date of transfer. The difference between (1) the consideration received from the transfer; and (2) the cumulative changes in fair value previously recognised in other comprehensive income allocated to the part derecognised plus the carrying amount allocated to the part derecognised is recognised in profit or loss. If the Group transfers a financial asset that belongs to non-trading equity instrument investments designated as at FVTOCI, the cumulative gains or losses previously recognised in other comprehensive income allocated to the part derecognised are transferred and included in retained earnings.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group continues to recognise the transferred financial asset in its entirety and recognises the consideration received as a liability.

9.4 **Classification and measurement of financial liabilities**

The Group's financial instruments or their components are, on initial recognition, classified into financial liabilities or equity instruments on the basis of contractual terms for issuance and the economic substance reflected by such terms and in combination with definitions of financial liability and equity instruments, instead of only on the basis of the legal form.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (continued)

9.4 Classification and measurement of financial liabilities (continued)

9.4.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated as at fair value through profit or loss.

Held-for-trading financial liabilities are subsequently measured at fair value, any gains or losses arising from changes in fair value and any dividend or interest income earned on the financial liabilities are recognised in profit or loss.

9.4.2 Other financial liabilities

The Group shall classify all financial liabilities as subsequently measured at amortised cost, except for financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, gains or losses arising from derecognition, or amortisation are recognised in profit or loss for the period.

9.4.2.1 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder of the contract for a loss it incurs when a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of: (1) amount of loss provision; and (2) the amount initially recognised less cumulative amortisation amount during the guarantee period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments (continued)*

9.5 **Derecognition of financial liabilities**

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. An agreement between the Group (the debtor) and the creditor to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

9.6 **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued (including refinanced), repurchased, sold and cancelled by the Group are recognised as changes of equity. Changes of fair value of equity instruments is not recognised by the Group. Transaction costs related to equity transactions are deducted from equity.

The Group recognises the distribution to holders of the equity instruments as distribution of profits, dividends paid do not affect total amount of shareholders' equity.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments (continued)*

9.7 **Derivatives and embedded derivatives**

Derivative financial instruments related to the Group include option contracts. Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The changes in fair value are recognised in profit or loss.

For hybrid contract constituted by embedded derivatives and host contract, if the host contract is a financial asset, the embedded derivative is not separated from the hybrid contract, and the hybrid contract shall be taken as a whole to apply to the accounting standards for the classification of financial assets.

If the host contract included in the hybrid contract is not a financial asset and meets all of the following criteria, the embedded derivative shall be separated from the hybrid contract by the Group and treated as a standalone derivative:

- (1) The economic characteristics and risks of the embedded derivative are not highly related to the economic characteristics and risks of the host contract;
- (2) A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (3) The hybrid instrument is not designated as a financial asset or financial liability at fair value through profit or loss.

If the embedded derivative is separated from the hybrid contract, the host contract shall be accounted for in accordance with the appropriate standards. If the Group is unable to measure reliably the fair value of an embedded derivative on the basis of its terms and conditions, the fair value of the embedded derivative is the difference between the fair value of the hybrid contract and the fair value of the host. If the Group is still unable to measure the fair value of the embedded derivative separately either at acquisition or at a subsequent reporting date after the above methods are applied, it designates the entire hybrid contract as a financial instrument at fair value through profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments (continued)*

9.8 Convertible bonds

Convertible bonds issued by the Group that contain liability and conversion option are classified separately into respective items on initial recognition. Conversion option that is settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is accounted for as equity rather than conversion option derivatives.

Convertible bonds are initially recognised at fair value at the issue date. If the convertible bonds include equity instruments, the fair value of liability component of the convertible bonds is determined based on the market value of similar bonds which have no conversion option. The balance of issue price and the fair value of liability is the value of conversion option and is recognised in shareholders' equity. The liability and conversional-embedded derivatives of the convertible bonds which include conversional embedded derivatives are initially recognised at fair value at the issue date.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss. The conversion option classified as equity remains in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs incurred for the issue of the convertible bonds are allocated to the liability, equity and derivative financial instruments components in proportion to their respective fair values. Transaction costs relating to the liability component are included in the carrying amount of the liability component and amortised over the period of the convertible bonds using the effective interest method. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the derivative financial instruments are charged to profit or loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. *Financial instruments (continued)*

9.9 **Offsetting financial assets and financial liabilities**

Where the Group has a legal right that is currently enforceable to set off the recognised financial assets and financial liabilities, and intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset, and the net amount is presented in the statement of financial position. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

10. **Inventories**

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties held for sale. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, expenditures of land development, construction costs, infrastructure costs, costs of supporting facilities and other relevant costs.

Inventories are initially measured at actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined using the first-in first-out method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are amortised using immediate write-off, and other turnover materials are amortised based on the number of times that they are estimated to be used.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realisable value. If the cost is in excess of net realisable value, provision for inventories is recognised in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realisable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the profit or loss for the current period.

Net realisable value is the estimated selling price under normal business terms deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on a category basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. *Held-for-sale assets*

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (including an exchange of non-monetary assets with commercial substance) rather than through continuing use.

This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognised in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets is made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognised after the classification of held-for-sale category, and the reverse amount is included in profit or loss for the period. The impairment loss of assets recognised before being classified to held-for-sale category is not reversed.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortised, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognised.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments

12.1 Basis for determining joint control and significant influence

Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. 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. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

12.2 Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree on the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred, and liabilities assumed adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained earnings.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition on the date of combination. For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not under common control, this should be dealt with for whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as one transaction to acquire control. If it does not belong to 'package deal', the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. When the equity held was accounted for under equity method, relevant other comprehensive income is not accounted temporarily; when the equity held was accounted for other investments in equity instruments, the difference between the fair value and carrying amount, together with the cumulative changes in fair value recognised in other comprehensive income are included in retained earnings for the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (continued)

12.2 Determination of initial investment cost (continued)

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fee, etc. and other related administrative expenses attributable to the business combination are recognised in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously held equity investments determined in accordance with Accounting Standard for Business Enterprises No. 22 - Financial Instruments: Recognition and Measurement (ASBE No. 22) and the additional investment cost.

12.3 Subsequent measurement and recognition of profit or loss

12.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognised in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (continued)

12.3 Subsequent measurement and recognition of profit or loss (continued)

12.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence, and a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognised in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognises its share of the net profit or loss and other comprehensive income of the investee for the period as investment income or other comprehensive income respectively for the period. Meanwhile, the carrying amount of long-term equity investments will be adjusted accordingly; for the share of the investee's profit or cash dividends declared by the investee, the carrying amount of long-term equity should be decreased accordingly; for changes in owner's equity rather than the investee's net profit or loss, other comprehensive income and profit distribution, carrying amount of long-term equity investments should be adjusted and included in capital reserve. The Group recognises its share of the investee's net profit or loss based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date after making appropriate adjustments. When the investee adopts different accounting policies and accounting period with the Company's, the financial statements are adjusted in accordance with the Company's accounting policies and accounting period, and then investment income and other comprehensive income are recognised. Unrealised profits or losses resulting from the Group's transactions with its associates and joint ventures and contributions or sales of assets that do not constitute business are recognised as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated. However, unrealised profit or loss resulting from the Group's transactions with its investee which represent impairment losses on the transferred assets are not eliminated.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

12. Long-term equity investments (continued)

12.3 Subsequent measurement and recognition of profit or loss (continued)

12.3.2 Long-term equity investment accounted for using the equity method (continued)

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognised according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognised.

12.4 Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the carrying amount and the consideration shall be recorded through profit or loss in the current period. For a long-term equity investment accounted for using the equity method, if remaining shares after the disposal are still accounted for using the equity method, other comprehensive income is accounted on the basis of directly disposed related assets and liabilities of investee, recognised in profit or loss of current period and carried forward proportionately; other shareholders' equity recognised from changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution is recognised in profit or loss of current period and carried forward proportionately. For a long-term equity investment accounted for using the cost method, if remaining shares after the disposal are still accounted for using the cost method, other comprehensive income recognised before controlling the investee according to equity method or recognition and measurement of financial instruments, is accounted for on the basis of directly disposed related assets and liabilities of the investee, and recognised in profit or loss for the period and carried forward proportionately; changes of shareholders' equity except for net profit or loss, other comprehensive income and profit distribution are recognised in profit or loss for the current period and carried forward proportionately.

The Group loses control on investee due to disposal of part of shares, when preparing separate financial statement, remaining shares after disposal which can make joint control or significant influence on investee, are accounted under equity method, and are adjusted as they are accounted under equity method from acquisition date; if remaining shares after disposal cannot make joint control or significant influence on investee, they are accounted according to recognition and measurement of financial instrument, and the difference between fair value on date of losing control and carrying amount is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. *Investment properties*

Investment property is property held to earn rentals or for capital appreciation or for both purposes. It includes land use rights that are leased out; land use rights held for transfer upon capital appreciation; and buildings that are leased out.

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 subsequent expenditures can be measured reliably. Other subsequent expenditures 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 and adopts a depreciation or amortisation policy for the investment property which is consistent with that for buildings or land use rights.

When an investment real estate is disposed of or permanently retired from use and no economic benefits are expected from its disposal, the investment real estate shall be derecognised.

When an investment property is sold, transferred, retired or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

When the Group has evidence indicating the self-occupied houses and buildings are converted to leasing or leasing out its properties held for sale under operating leases, the carrying amount of such fixed assets, intangible assets or inventories before the conversion are transferred to investment properties.

When the Group has evidence indicating the property held to earn rentals or for capital appreciation are converted to self-occupation or the property intended for operating lease purpose are open for sale, the carrying amount of such properties before the conversion are transferred to fixed assets, intangible asset or inventories.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. Fixed assets

A fixed asset is a tangible asset of which useful life exceeds one accounting year and which is held for production of goods, rendering services, offering leases or operation and management. 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 expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, 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 in which it is incurred.

Fixed assets are initially measured at cost. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, the cost of the fixed asset shall be determined based on the present value of the instalment payments. The difference between the actual payment and the present value of the purchase price is recognised in profit or loss over the credit period, except for such difference that is capitalised according to *Accounting Standard for Business Enterprises No. 17 – Borrowing Costs* (ASBE No. 17).

The accelerated depreciation method is adopted for depreciation of the fixed assets specifically used for research and development. The units of production method is adopted for the depreciation of the large-scaled construction equipment. For other fixed assets, the straight-line method is adopted.

For fixed assets depreciated with the straight-line method, the estimated useful lives, estimated residual values rates and annual depreciation rates by category are as follows:

Category	Estimated residual value rates	Useful lives	Annual depreciation rates
Buildings	5%	20–35 years	2.71%-4.75%
Machinery	5%	10–25 years	3.80%-9.50%
Vehicles	5%	5–10 years	9.50%-19.00%
Production equipment	5%	5–10 years	9.50%-19.00%
Measuring and testing equipment	5%	5 years	19.00%
Others	5%	3–5 years	19.00%-31.67%

Where the individual component parts of a fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognised. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognised in profit or loss for the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14. *Fixed assets (continued)*

The Group reviews the useful life and estimates net residual value of a fixed asset and the depreciation method applied at least at the end of each year, makes adjustments and accounts for any change as a change in an accounting estimate when necessary.

15. *Construction in progress*

Construction in progress is recognised based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalised borrowing costs on related borrowings before the asset is ready for its intended use, and other related expenditures during the period of construction.

Construction in progress is transferred to fixed assets when the asset is ready for its intended use.

16. *Borrowing costs*

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortisation of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

Borrowing costs directly attributable to the construction or production of qualifying assets are capitalised and other borrowing costs are recognised as expenses. A qualifying asset is defined as a fixed asset or inventory that necessarily takes a substantially long period of time to get ready for its intended use or sale.

Capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have incurred;
- (2) borrowing costs have incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. *Borrowing costs (continued)*

During the capitalisation period, the amount of interest to be capitalised for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalisation are the actual borrowing costs incurred during the current period deducted by any temporary interest or investment income; and
- (2) for general borrowings, the borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the capital expenditure that accumulated capital expenditures exceed the specific borrowings.

Capitalisation of borrowing costs is suspended during extended periods in which the acquisition or construction of a fixed asset is interrupted abnormally, and the interruption lasts for more than three months, until the acquisition or construction is resumed. Borrowing costs incurred during the suspension period are recognised as expenses until the acquisition or construction of a fixed asset is resumed.

17. *Intangible assets*

The Group's intangible assets include land use rights, concession rights, software licenses, mining rights and others.

An intangible asset shall be recognised only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination involving entities not under common control with a fair value that can be measured reliably are recognised separately as intangible assets and measured initially at fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the traffic volume basis, straight-line basis or unit of production basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each year end.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. *Intangible assets (continued)*

17.1 Land use rights

Land use rights represent costs incurred for a certain lease period of land.

The Group accounts for its land use rights as intangible assets. The land use rights of self-developed buildings including plants are measured as intangible assets and buildings are measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortised on the straight-line basis according to the useful lives approved in the obtained land use certificates.

17.2 Concession rights

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and other construction works) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority, or the Group purchases the concession rights directly. The assets under the concession arrangements are accounted for according to their arrangement nature, and details are set out in Note III.33.

The amortisation approach, either the traffic volume method or the straight-line method, should be selected for concession operation projects based on the pattern in which the asset's future economic benefits are expected to be realised at the commencement of operations.

17.3 Software licenses

The software licenses are recorded at the price actually paid upon acquisition and are amortised equally over the estimated useful life of one to ten years.

17.4 Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortisation is calculated in adoption of the unit of production method based on proved mining reserves.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

17. *Intangible assets (continued)*

17.5 Development expenditure

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

18. *Long-term prepayments*

Long-term prepayments represent expenditures incurred which should be recognised as expenses over one year and should be allocated in current and subsequent periods, including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortised on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognised in profit or loss immediately as incurred.

19. *Provisions*

Except for contingent liabilities assumed in business combinations involving entities not under common control, the Group recognises an obligation related to a contingency as a provision when all of the following conditions are satisfied:

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at each balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Revenue

The revenue of the Group is mainly generated from business types as follows:

- The construction operations, which mainly comprises the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- The survey, design and consultancy operations, which mainly comprises the provision of survey, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- The manufacturing operations, which mainly comprises the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- The real estate development operations, which mainly comprises the development, construction and sale of residential properties and commercial properties;
- The other business operations, which mainly comprises trade and logistics, finance and insurance brokerage and highway operation.

When (or as) a performance obligation in a contract is satisfied, i.e., when (or as) the customer obtains control of relevant goods or services, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

A performance obligation is the Group's promise to transfer to a customer a good or service (or a bundle of goods or services) that is distinct, in a contract with the customer.

The Group assesses a contract at contract inception, identifies each individual performance obligation included in the contract, and determines whether the Group satisfies the performance obligation over time or the Group satisfies the performance obligation at a point in time. Revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met: (1) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; (2) the Group's performance creates or enhances an asset that the customer controls as the Group performs; or (3) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Revenue (continued)

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services. When the Group is not able to reasonably measure its performance progress, the Group recognises revenue only to the extent of the recoverable amount of costs incurred until such time that it can reasonably measure the performance progress.

For survey, design and consultancy operations, manufacturing operations, real estate development operations and other business operations, revenue is recognised over the contract period based on the performance progress or recognised at a point in time when the customer obtains control of relevant goods or services.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts that the Group expects to refund to the customer.

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved. At each balance sheet date, the Group updates the estimated transaction price.

Significant financing component

For contracts that contain significant financing components, the Group determines the transaction price based on the amount payable under the assumption that the customer pays that amount payable in cash when the control of goods or services is transferred to the customer. The difference between the transaction price and the contract consideration shall be amortised within the contract period using effective interest rate. For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Revenue (continued)

Consideration payable to a customer

If the contract includes consideration payable to a customer, the Group shall account for consideration payable to a customer as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct good or service, and shall recognise the reduction of revenue when (or as) the later of either of the following events occurs: (1) the Group recognises revenue for the transfer of the related goods or services to the customer; and (2) the Group pays or promises to pay the consideration.

If the contract includes two or more performance obligations, at contract inception, the Group allocates the transaction price to each performance obligation on a basis of relative stand-alone selling price, at which an entity would sell a promised good or service separately to a customer. When an entity has observable evidence that the contract discount or the variable consideration relates to only one or more, but not all, performance obligations in a contract, the entity shall allocate the contract discount or the variable consideration to one or more, but not all, performance obligations in the contract.

The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group shall consider all information that is reasonably available to the Group and maximise the use of observable inputs and apply estimation methods consistently in similar circumstances.

Sales with warranties

For sales with warranties, if the warranties are separate services to the customer other than serving as an assurance that the products sold comply with agreed-upon specifications, the warranties constitute single performance obligations. Otherwise, the Group accounts for warranties in accordance with the *Accounting Standards for Business Enterprises No. 13 – Contingencies* (ASBE No. 13).

Principal versus agent

The Group assesses whether it controls each specified good or service before that good or service is transferred to the customer to determine whether the Group is a principal or an agent. If the Group controls the specified good or service before that good or service is transferred to a customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. 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 some established amounts or proportions.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Revenue (continued)

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises such costs as an asset if it expects to recover these costs. The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year. Other costs of obtaining a contract are recognised in profit or loss when they occur, unless they are going to be reimbursed by customers. The asset is presented as other current assets or other non-current assets according to whether the amortisation period exceeds one normal operating period.

Costs to fulfill a contract

If the costs incurred in fulfilling a contract are not within the scope of any standards other than ASBE No. 14, the Group recognises an asset from the costs incurred to fulfill a contract only if those costs meet all of the following criteria: (1) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (3) the costs are expected to be recovered. The asset is presented as inventories or other non-current assets according to whether the amortisation period exceeds one normal operating period.

The asset mentioned above shall be amortised on a basis that is consistent with the transfer to the customer of the goods or services to which the asset relates and recognised as expenses in relevant periods.

When determining the impairment loss of assets related to the contract cost, in the first place, the impairment loss of other assets related to the contract and recognised in accordance with other relevant business accounting standards should be determined; Then, the Group shall recognise an impairment loss to the extent that the carrying amount of the asset mentioned above exceeds the difference between the following items: (1) the remaining amount of consideration that the Group expects to receive in transfer for the goods or services to which the asset relates; (2) the estimated costs that relate to transferring those goods or services and that have not been recognised as expenses.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

20. Revenue (continued)

Costs to fulfill a contract (continued)

The Group shall, after the impairment has been provided, recognise in profit or loss a reversal of some or all of an impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the asset shall not exceed the carrying amount that would have been determined if no impairment loss had been recognised previously.

Contract assets

Contract assets refer to the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Accounting policies relating to contract assets are specified in *Note III. 9.2*. The Group's unconditional (i.e., depending on the passage of time only) right to receive consideration from the customer is separately presented as receivables.

Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due from the customer. Contract assets and contract liabilities under the same contract are listed on a net basis.

21. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognised only when the Group can comply with the conditions attached and the Group would receive the grant.

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 non-monetary asset, it is measured at fair value of the asset. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognised immediately in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Government grants (continued)

21.1 Judgment basis and accounting treatments for government grants related to assets

Government grants related to assets refer to those acquired by the Group for the purpose of purchasing or constructing or forming long-term assets.

Government grants related to assets are charged against carrying amount in related assets when related assets become ready for their intended use.

21.2 Judgment basis and accounting treatments for government grants related to income

Government grants related to income refer to those other than grants related to assets.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and recognised in profit or loss over the periods in which the related expenses are recognised. If the grant is a compensation for related expenses or losses already incurred, the grant is recognised immediately in profit or loss for the period.

Government grants related to the Group's daily activities are included in other income in accordance with its economic substance. Otherwise, government grants are included in non-operating income or expense.

For repayment of a government grant already recognised, if government grants were charged against carrying amount of the related assets at initial recognition, the repayment adjusts the carrying amount of assets. If there is related deferred income, the repayment is offset against the gross carrying amount of the deferred income, and any excess is recognised in profit or loss for the period. If there is no related deferred income, the repayment is recognised immediately in profit or loss for the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21. Government grants (continued)

21.3 Relocation compensation received due to public interests

The Group receives relocation compensation directly from the government for the benefit of public interests such as urban overall planning, reservoir construction, and renovation of shanty towns and subsidence area control. The relocation compensation is paid out of financial budgets by the government and is recognised as special payable when received. Therein compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income and recognised as government grants relating to assets and government grants related to income accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

22. Income tax

Income tax expenses comprise current and deferred tax. Current tax expenses and deferred tax expenses are recognised as income or expenses in profit or loss for the current period, except for the deferred tax as an adjustment of goodwill arising from a business combination, or the current tax expenses and the deferred tax expenses to be recognised directly in other comprehensive income or shareholders' equity, which arise from transactions or events that should be recognised directly in other comprehensive income or shareholders' equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

Based on the temporary differences between the carrying amount of an asset or liability on the balance sheet date and its tax base, and the differences between the carrying amount of some items that have a tax base but are not recognised as assets and liabilities and their tax base, the Group adopts the liability method for the provision for deferred tax.

A deferred tax liability is recognised for all taxable temporary differences, except:

- (1) where taxable temporary differences arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, it affects neither accounting profit nor taxable profit or loss, but except for the single transaction giving rise to equal taxable and deductible temporary differences;
- (2) 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 by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. *Income tax (continued)*

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

- (1) where the deferred tax asset arises from a transaction that is not a business combination, at the time of the transaction, it affects neither the accounting profit nor taxable profit or loss, but except for the single transaction giving rise to equal taxable and deductible temporary differences;
- (2) deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, a deferred tax asset is 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 in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is realised or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred 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 tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilised. Unrecognised deferred tax assets are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identical asset for a period of time in exchange for consideration.

For contracts entered into, the Group assesses whether the contract is, or contains, a lease at inception. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

23.1 As a lessee

Separating components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Right-of-use assets

Except for short-term leases and leases of low-value assets, the Group recognises a right-of-use asset at the commencement date of the lease. The commencement date of the lease is the date on which a lessor makes an underlying asset available for use. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset shall include:

- (1) the amount of the initial measurement of the lease liability;
- (2) any lease payments made at or before the commencement date, less any lease incentives received;
- (3) any initial direct costs incurred by the Group; and
- (4) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease terms are depreciated from commencement date to the end of their useful lives.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Leases (continued)

23.1 As a lessee (continued)

Right-of-use assets (continued)

Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group assesses and determines whether the right-of-use asset is impaired and accounts for any impairment loss identified in accordance with *Accounting Standards for Business Enterprises No. 8 – Impairment of Assets* (ASBE No.8).

Lease liabilities

Except for short-term leases and leases of low-value assets, at the commencement date of a lease, the Group recognises the lease liability at the present value of the lease payments that are not paid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determined.

The lease payments are payments to the lessor for the right to use the underlying asset during the lease term made by the Group:

- (1) fixed payments, including in-substance fixed payments, less any lease incentives receivable, if applicable;
- (2) the exercise price of a purchase option reasonably certain to be exercised by the Group;
- (3) payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, the Group recognises interest expenses in each accounting periods during the lease, based on a constant periodic rate of interest on the remaining balance of the lease liabilities. The interest expenses are recognised into profit or loss for the current period or the cost of the related assets.

After the commencement date, if the lease term or the assessment of purchase option changes, the Group shall remeasure the lease liability, according to modified lease payments and present value with modified discount rates and make corresponding adjustments to the related right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group shall recognise any remaining amount of the remeasurement in profit or loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Leases (continued)

23.1 As a lessee (continued)

Short-term leases and leases of low-value assets

The Group elects not to recognise right-of-use assets and lease liabilities for short-term leases of machinery and vehicles and leases of low-value assets. A short-term lease is a lease that at the commencement date, has a lease term of 12 months or less and does not contain any purchase options. A lease of a low-value asset is a lease that the single underlying asset, when is new, is of low value. The Group shall recognise the lease payments associated with short-term leases and leases of low-value assets as the cost of the related assets or profit or loss on a straight-line basis over the lease term.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group reallocates the consideration in the contract, and re-measures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Leases (continued)

23.2 As a lessor

Separating components of a contract

For a contract that contains lease components and non-lease components, the Group applies ASBE No. 14 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Classification of leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Other leases which are not finance leases are operating leases.

Recognition and measurement as a lessor of an operating lease

The Group recognises lease receivables from operating leases as income on a straight-line basis over the lease term. The Group adds initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

For the contingent receivables not included in the operating lease receivables, the Group recognises into profit or loss when received.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Leases (continued)

23.3 Sale and leaseback transactions

As a seller-lessee

The Group applies the requirements of ASBE No. 14 to assess whether the sale and leaseback transaction constitutes a sale by the Group as a seller-lessee. For the sales and leaseback transaction that does not constitute a sale, the Group continues to recognise the transferred asset, and recognises a financial liability which equals to the transfer proceeds and accounts for the financial liability applying ASBE No. 22. If the sales and leaseback transaction constitute a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained, and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

24. Impairment of long-term assets

The Group determines the impairment of assets, other than the impairment of inventories, deferred tax assets, financial assets, contract assets and assets related to the costs incurred in fulfilling a contract, 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. Goodwill arising from a business combination and an intangible asset with an indefinite useful life is tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for intended use are tested for impairment each year.

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. The recoverable amount of an asset or an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

When the recoverable amount of an asset or an asset group is less than its carrying amount, the difference is recognised as a provision for impairment loss and profit or loss for the current period.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis to each of the related asset groups; if it is impossible to allocate to the related asset groups, it is allocated to each of 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 a reportable segment determined by the Group.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. *Impairment of long-term assets (continued)*

In impairment testing for goodwill, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognised any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable 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 periods.

25. *Employee benefits*

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouses, children, dependent, and families of deceased employees and other beneficiaries also belong to employee benefits.

25.1 **Short-term benefits**

In the period of employee services, short-term benefits are actually recognised as liabilities and charged to profit or loss or the related costs of assets for the current period.

25.2 **Post-employment benefits (defined contribution plans)**

If employees of the Group participate in the basic pension insurance and unemployment insurance plans managed by local governments and participate in the supplementary pension insurance of the Group as well, the relevant expenditures are recorded in the relevant capital costs and expenses in the period when incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. *Employee benefits (continued)*

25.3 Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured using the projected cumulative unit credit method.

Any re-measurement caused by the defined benefit plans, including actuarial gains or losses, is recognised in the statement of financial position immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be reversed to profit or loss in the subsequent accounting periods.

The past service costs should be recognised as current expenses at the earlier of the following dates: (1) when the Group modifies the defined benefit plans; and (2) when the Group recognises relevant restructuring costs or termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognised changes in the net defined benefit obligation as general and administrative expenses in the statement of profit or loss and other comprehensive income. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

25.4 Termination benefits

The Group recognises a liability and expenses for termination benefits at the earlier of the following dates: (1) when the Group can no longer unilaterally withdraw the offer of those benefits for proposals or suggestions for termination of employment; and (2) when the Group recognises costs or expenses for restructuring and involves the payment of termination costs or expenses.

25.5 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.

25.6 Bonus entitlements

The estimated 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 bonuses are estimated to be settled within 12 months and are measured at the amounts estimated to be paid when they are settled.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Debt restructuring

26.1 Recording of debt restructuring obligation as the debtor

When a debt is settled by an asset in a debt restructuring, the Group derecognises the relevant asset and the debt settled when the derecognition criteria for the asset and the debt are satisfied. The difference between the carrying amount of the debt settled and the carrying amount of the asset transferred is recognised in profit or loss for the current period.

When a debt is converted into an equity instrument in a debt restructuring, the Group derecognises the debt settled when the derecognition criteria for the debt are satisfied. On initial recognition, the equity instrument are recognised at fair value. When the fair value of the equity instrument cannot be measured reliably, the equity instruments are recognised at the fair value of the debt. The difference between the carrying amount of the debt and the carrying amount of the equity instrument is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the debt restructured in accordance with ASBE No. 22 and *Accounting Standard for Business Enterprises No.37 – Presentation of Financial Instruments* (ASBE No. 37).

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group recognises and measures the equity instrument and the debt restructured in accordance with the policies regarding debts settled by assets and debts converted into equity instruments, as mentioned above. The difference between the carrying amount of the debt and the sum of the carrying amount of the assets transferred, the carrying amount of the equity instrument recognised and the carrying amount of the debt restructured, is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Debt restructuring (continued)

26.2 Recording of debt restructuring obligation as the creditor

When a debt is settled by assets in a debt restructuring, on initial recognition of the assets other than financial assets, the assets are recognised at cost.

- (1) The cost of inventories includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, insurance and other costs, for bringing the assets to the current position and condition;
- (2) The cost of fixed assets includes the fair value of the debt receivable and any directly attributable expenditure, including taxes, transportation costs, handling costs, installation costs, professional service costs and other costs, for bringing the assets to working condition for intended use.

The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When the debt restructuring causes the Group to convert the debt receivable to an equity investment of joint ventures or associates, the creditor shall measure the equity investment based on the sum of the fair value of debt receivable, and any directly attributable taxes and other costs of the investment. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

When a debt restructuring involves the modification of other terms of a debt, the Group recognises and measures the restructured debt receivable in accordance with ASBE No. 22.

When a debt is settled by multiple assets or combination of various methods in a debt restructuring, the Group first recognises and measures the financial assets received and restructured debt receivable in accordance with ASBE No. 22, and then allocates the net value, which is the fair value of the debt receivable deducted by the recognised total carrying amount of financial assets received and restructured debt receivable, to the costs of non-financial assets received based on their relative fair value. The difference between the fair value and the carrying amount of the debt receivable is recognised in profit or loss for the current period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

27. *Non-monetary Transactions*

When the non-monetary assets are of commercial substance and the fair value of assets received or the assets given up can be measured reliably, the non-monetary transactions are measured at fair value. For the asset received, the fair value of the asset given up and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value and the carrying amount is recognised in profit or loss for the current period. When there is clear evidence indicating that the fair value of the received asset is more reliable, for the asset received, the fair value of the asset received and related taxes payable are recognised as the cost at initial recognition; For the asset given up, at derecognition, the difference between the fair value of the asset received and the carrying amount of the asset given up is recognised in profit or loss for the current period.

When the non-monetary transactions fail to meet criteria to be measured at fair value, the transactions are measured at carrying amounts. For the asset received, the carrying amount of the asset given up and relevant taxes payable are recognised as the cost of at initial recognition. For the asset given up, at derecognition, no profit or loss is recognised.

When several assets are received at the same time in a non-monetary transaction, if the transaction is measured at fair value, the cost of each asset other than financial assets received is determined by apportioning the net amount, which is the total fair value of all assets given up deducted by the fair value of the financial assets received, based on the proportion of the fair value of each asset received, and plus related taxes payable, at initial recognition; When there is clear evidence indicating that the fair value of the received assets is more reliable, the fair value of each asset received and related taxes payable are recognised as cost of each asset received at initial recognition; If the transaction is measured at carrying amounts, the cost of each asset received is determined by apportioning the total carrying amounts of all assets given up based on the proportion of the fair value of each asset received to the total fair value of all assets received.

When several assets are given up at the same time in a non-monetary transaction, if the transaction is measured at fair value, at each asset's derecognition, the difference between each asset's fair value and carrying amount is recognised in profit or loss for the current period; When there is clear evidence indicating that the fair value of the received assets is more reliable, the profit or loss, recognised for the current period, of derecognition of each asset given up is the net amount, which is the apportioning of the total fair value of the assets received, based on the proportion of the fair value of each asset given up to the total fair value of all assets given up, deducted by the carry amount of each asset given up; if the transaction is measured by carrying amounts, no profit or loss of derecognition of assets given up, is recognised.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

28. Profit distribution

The cash dividend of the Company is recognised as a liability upon approval in the annual shareholders' meeting.

29. Renewable corporate bonds and other financial instruments

The renewable corporate bonds and other financial instruments issued by the Group shall be classified as equity instruments if no contractual obligations of one party (the issuer) to deliver cash or another financial asset to another party (the holder), or to exchange financial assets or liabilities under conditions that are potentially unfavorable.

For renewable corporate bonds and other financial instruments classified as equity instruments, distribution of interests and dividends are recognised into distribution of equity. Its repurchase and cancellation are recognised as changes of equity and transaction costs related to equity transactions are deducted from equity.

30. Production safety expenses

The Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2022] No.136) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the Ministry of Emergency Management. Before 21 November 2022, the Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation* (Cai Qi [2012] No.16) and the *Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilisation*, issued by the Ministry of Finance and the State Administration of Work Safety.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period and provided as a fund in the special reserve. When the expenditures are utilised as expenses, they should be recognised in the statement of profit or loss and other comprehensive income and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognised in the cost of fixed assets, which will be recognised when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31. *Fair value measurement*

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. Regardless of whether that price is directly observable or estimated using another valuation technique, fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that they can access at the measurement date;

Level 2: Inputs are inputs, other than quoted process included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

32. *Asset securitisation*

The Group has securitised a portion of receivables (“underlying assets”) where underlying assets are sold and transferred to a special purpose entity (“SPE”). The SPE issues senior and subordinate assets-backed securities to investors, while the Group holds some portion of subordinate assets-backed securities which are not transferrable until the principal and interests of the senior assets-backed securities have been repaid. The Group acts as an asset service provider to provide services such as asset management and collection, contract revision and other services. The cash received from the underlying assets during the periods of collection, after paying SPE taxation and relevant fees, will be firstly used to repay the principal and interests of the senior assets-backed securities; the remaining cash after paying the principal and interests in full is treated as income from subordinate assets-backed securities. The Group shares relevant income based on its proportion of subordinate assets-backed securities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

32. *Asset securitisation (continued)*

When applying the accounting policy of securitisation of financial assets, the Groups has already taken into account the extent of transfer of the risks and rewards of those assets transferred to the other entity, as well as the extent of control over such entity by the Group:

- (1) When the Group has transferred substantially all the risks and rewards of ownership of a financial asset, it shall derecognise the relevant financial asset;
- (2) When the Group has retained substantially all the risks and rewards of ownership of a financial asset, it shall continue to recognise the relevant financial asset;
- (3) When the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it shall determine whether it has retained control of the financial asset transferred. If the Group has not retained control, it shall derecognise the financial asset and recognise the rights retained or obligations arising from the transfer as an asset or a liability respectively. If the Group has retained control, it shall recognise the financial asset to the extent of its continuing involvement in the transferred financial asset.

The Group securitised a portion of the retention receivables by selling and transferring the retention receivables to a special-purpose entity. The above accounting policy for securitised financial assets is applied by reference to the condition that the performance obligations relating to the construction of the project have been completed and the contractor has undertaken to complete the performance obligations relating to the liability for defects.

33. *Public – Private – Partnership (“PPP”) project contract*

The PPP project contract represents the contract entered into between the private party and the government in respect of the Public-Private-Partnership project (hereinafter referred to as the “PPP project”) in accordance with the laws and regulations. The PPP project contract shall meet the following two characteristics (hereinafter referred to as the “Dual characteristics”): (1) the private party shall utilise the PPP project assets so as to provide public goods and services on behalf of the government during the operation period stipulated in the contract; (2) the private party shall be compensated for the public goods and services it provides during the period stipulated in the contract. The PPP project contract shall also meet the following two conditions (hereinafter referred to as the “Dual controls”): (1) the government shall have control over the type, object and price of the public goods and services that must be provided by the private party through the utilisation of the PPP project assets; (2) the government shall control the significant residual interest in the PPP project assets through ownership, right to income or other forms of rights upon termination of the PPP project contract.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

33. *Public – Private – Partnership (“PPP”) project contract (continued)*

The Group, as the private party, has entered into PPP project contracts with the government. According to such contracts, the Group shall provide construction services (including construction, renovation and expansion, similarly hereinafter), contract out the construction to other parties or perform other obligations. And the Group shall account for such contracts and recognise contract assets based on the determination that whether it is an agent or a principal in accordance with ASBE No. 14 – Revenue.

If the Group provides multiple services (for example, provide both construction services for PPP project assets and the operation and maintenance services upon the completion of the construction) in accordance with the contract, it shall identify the single performance obligation included in the contract and allocate the transaction price to each performance obligation in accordance with the proportion of the stand-alone selling price of each performance obligation in accordance with the provisions of ASBE No. 14 – Revenue.

During the operation period of the project, if the Group has the right to receive fees from the party which obtains the public goods and services in accordance with the PPP project contract, but the amount of the fees cannot be determined, the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project will be recognised as an intangible asset and presented as concessions under the line of intangible assets in the balance sheet when the PPP project assets are ready for intended use.

During the operation of the project, if the Group has the right to receive a determinable amount of cash (or other financial assets), the Group can recognise the amount as a receivable when it has the right to receive such cash (such right only depends on the passage of time) in accordance with the PPP project contract. The Group recognises the difference between the consideration for the PPP project assets or the amount of construction revenue recognised in respect of the project and the determinable amount of cash (or other financial assets) that the Group has the right to receive as an intangible asset when the PPP project assets are ready for intended use.

For the portion of the Group’s consideration or construction revenue recognised for relevant PPP project assets that has been included in intangible assets and the contract assets recognised during the construction period, they are presented in the concessions under the line item of intangible assets; for other contract assets recognised during construction period, they are presented under the line item of contract assets or other non-current assets, depending on whether they are expected to be realised within one year since the balance sheet date.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Significant accounting judgments and estimates

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

At the balance sheet date, accounting estimates that probably lead to significant future adjustments on the carrying amount of assets and liabilities are as follows:

Revenue from construction operations

For most of the Group's construction operations, the Group completes satisfaction of the relevant performance obligations over time and the revenue is recognised during the contract period based on the performance progress, which is determined by input method. The Group's management makes reasonable estimates on the expected total contract revenue and total contract costs based on the budgets prepared for construction operations to determine the performance progress and identify onerous contracts. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Due to the nature of activities associated with construction, the Group has to continuously review and revise budget prepared for each construction operation throughout the contract period. Revision may have effect on revenue, profit and other items related to construction operations during the period when the revision incurred.

Impairment of trade receivables and contract assets

For trade receivables and contract assets scoped in ASBE No. 14, the Group measures loss allowances for trade receivables and contract assets based on lifetime ECL. For trade receivables and contract assets which are individually significant and credit-impaired, the Group's management assesses credit losses individually, based on the evidence of credit-impairment and forward-looking information. Except for trade receivables and contract assets which are individually significant and credit-impaired, the Group's management classifies the trade receivables and contract assets into different portfolios based on credit risk characteristics and uses provision matrix to assess expected credit losses. The provision rates are based on the Group's historical actual loss rates, taking into consideration forward-looking information. The impairment of trade receivables and contract assets involves management's accounting estimations and judgements. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of trade receivables and contract assets during the period when the reassessment incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Significant accounting judgments and estimates (continued)

Impairment of other financial assets

For financial assets which are not scoped in ASBE No. 14, the Group assesses changes in credit risk of relevant financial instruments since initial recognition at each balance sheet date and calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime. The calculation of ECL involves management's judgment on whether significant increase in credit risk and management's estimation on future contractual cash flows. If the result of reassessment is different from the current estimation, such differences may have influence on the profit and carrying amount of financial assets during the period which the reassessment incurred.

Impairment of properties under development and completed properties held for sale

The Group has to evaluate the net realisable values for properties under development and completed properties held for sale at each balance sheet date. When the net realisable values are lower than the carrying amounts, a provision is made by the Group.

The principal assumptions for the Group's estimation of the net realisable values of the properties under development include those related to prevailing market prices for similar properties in the same location and condition, estimated costs to be incurred to completion of the properties and discount rates.

The Group estimates the net realisable value for completed properties held for sale based on the selling price, sales projections, sales expenses to be incurred and relevant tax expenses, with reference to the current market prices and actual sale progress.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

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

Impairment of long-term equity investments

The Group assesses at the balance sheet date whether there is any indication that long-term equity investments may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss.

The recoverable amount of long-term equity investment is based on the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from long-term equity investment. The present value of the estimated future cash flow is based on the investee's present value of the future cash flow, that is, the amount of the estimated future cash flow generated by the investee in the process of continuous operation and discounted at the appropriate discount rate.

Impairment of concession rights

The Group assesses at the balance sheet date whether there is any indication that the concession rights may be impaired. If there is any indication of impairment, the Group will estimate the recoverable amount and perform the impairment test. The provision for impairment loss is recognised according to the difference where the recoverable amount of an asset is less than its carrying amount and charged to the impairment loss on assets.

The recoverable amount of the franchise rights is the higher of its fair value less costs of disposal and the present value of the estimated future cash flows. The present value of estimated future cash flows is determined based on the present value of estimated future cash flows during the period of the concession rights, i.e. based on the estimated future cash flows generated by the concession rights in the continuous use and discounted to the present value by selecting the appropriate discount rates. The estimated future cash flows are estimated based on the expected revenue of services rendered under concession arrangements and other income from the concession rights, net of necessary maintenance expenses and operating costs.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Significant accounting judgments and estimates (continued)

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the probable obligations have been made based on management's best estimates and judgments.

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and residual values of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of fixed assets are less than previous estimation. Useful lives and residual values are reviewed, at each balance sheet date, based on changes in circumstances.

Amortisation of concession rights of highways

If the assets under the concession arrangement acquired by the Group's participating in the construction of the highway is applicable to intangible asset model, the concession rights is amortised at the early stage of operation period based on expected realisation approach of associated economic benefits using traffic volume method or straight-line method. In the case of traffic volume method amortisation (namely, calculating the total annual amortisation amount based on the percentage of actual traffic volume in the current period in the estimated total traffic volumes), amortisation calculation is initiated since the operation of the relevant turnpike highways.

The Group's management made judgments on the proportion of actual traffic volume in the total estimated traffic volume. Where the difference between the actual amount and the estimation is substantial, the management will re-estimate the total estimated traffic volume based on the actual traffic volume and adjust the amortisation of annual provisions for standard traffic volumes in subsequent years.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

34. Significant accounting judgments and estimates (continued)

Income tax and deferred tax assets

The Company and its subsidiaries are subject to income taxes in numerous jurisdictions in domestic provinces and certain overseas countries. In order to reliably estimate and judge, the income tax provision is required to be determined based on existing tax laws, regulations and practices, if the relevant affairs of income tax have not yet been confirmed by relevant tax authorities. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current period income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. In cases where the actual future profits generated are different from the estimation, such difference will influence on or change the deferred tax assets and income tax recognised in the relevant period.

Impairment of goodwill

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

35. Significant changes in accounting policies

The *Accounting Standards for Business Enterprises Interpretation No. 16* (the "Interpretation No. 16") was issued by the Ministry of Finance on 30 November 2022, which stipulated the accounting treatment concerning the exemption of initial recognition of deferred income tax relating to multiple assets and liabilities arising from a single transaction.

Interpretation No. 16 revised the scope of deferred income tax initial recognition exemption in the *Accounting Standards for Business Enterprises Interpretation No. 18 – Income Tax*, and specified that the temporary difference arising from the initial recognition (other than in a business combination) of assets and liabilities in a single transaction that affect neither taxable profit nor accounting profit (or deductible tax losses) and at the time of the transaction giving rise to equal taxable and deductible temporary differences were not applied for the deferred income tax initial recognition exemption in *Accounting Standards for Business Enterprises Interpretation No. 18 – Income Tax*.

The Group has applied the interpretation retrospectively since 1 January 2023 to the individual transaction occurred between the beginning of the earliest comparative period presented and 1 January 2023, and financial statements of comparative periods have been restated.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant changes in accounting policies (continued)

The details of the impacts of the implementation of Interpretation No. 16 on consolidated statement of financial position and consolidated statement of profit or loss are as follows:

RMB'000

Item	31 December 2021	Impact of Interpretation No. 16	31 December 2021 (restated)
Current assets:			
Total current assets	908,399,727	–	908,399,727
Non-current assets:			
Deferred tax assets	8,075,138	(61,640)	8,013,498
Total non-current assets	444,570,279	(61,640)	444,508,639
Total assets	1,352,970,006	(61,640)	1,352,908,366
Current liabilities:			
Total current liabilities	832,081,325	–	832,081,325
Non-current liabilities:			
Deferred tax liabilities	1,507,553	75,683	1,583,236
Total non-current liabilities	174,395,685	75,683	174,471,368
Total liabilities	1,006,477,010	75,683	1,006,552,693
Shareholders' equity:			
Retained earnings	141,556,080	(124,646)	141,431,434
Total equity attributable to owners of the Company	268,789,292	(124,646)	268,664,646
Non-controlling interests	77,703,704	(12,677)	77,691,027
Total shareholders' equity	346,492,996	(137,323)	346,355,673
Total liabilities and shareholders' equity	1,352,970,006	(61,640)	1,352,908,366

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant changes in accounting policies (continued)

RMB'000

Item	31 December 2022	Impact of Interpretation No. 16	31 December 2022 (restated)
Current assets:			
Total current assets	1,010,052,178	–	1,010,052,178
Non-current assets:			
Deferred tax assets	9,140,494	(37,471)	9,103,023
Total non-current assets	513,898,874	(37,471)	513,861,403
Total assets	1,523,951,052	(37,471)	1,523,913,581
Current liabilities:			
Total current liabilities	934,637,547	–	934,637,547
Non-current liabilities:			
Deferred tax liabilities	1,566,493	58,340	1,624,833
Total non-current liabilities	203,297,642	58,340	203,355,982
Total liabilities	1,137,935,189	58,340	1,137,993,529
Shareholders' equity:			
Retained earnings	162,067,076	(85,944)	161,981,132
Total equity attributable to owners of the Company	290,483,983	(85,944)	290,398,039
Non-controlling interests	95,531,880	(9,867)	95,522,013
Total shareholders' equity	386,015,863	(95,811)	385,920,052
Total liabilities and shareholders' equity	1,523,951,052	(37,471)	1,523,913,581

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

35. Significant changes in accounting policies (continued)

RMB'000

Item	For the six months ended 30 June 2022 (unaudited)	Impact of Interpretation No. 16	For the six months ended 30 June 2022 (unaudited) (restated)
Profit before tax	19,497,399	–	19,497,399
Less: Income tax expenses	3,593,565	(19,940)	3,573,625
Net profit	15,903,834	19,940	15,923,774
Classified by the continuity of operation:			
Net profit from continuing operations	15,903,834	19,940	15,923,774
Net profit from discontinued operations	–	–	–
Classified by the ownership:			
Net profit attributable to owners of the Company	13,473,989	16,020	13,490,009
Net profit attributable to non-controlling interests	2,429,845	3,920	2,433,765
Total comprehensive income	16,269,009	19,940	16,288,949
Including:			
Total comprehensive income attributable to owners of the Company	13,807,473	16,020	13,823,493
Total comprehensive income attributable to non-controlling interests	2,461,536	3,920	2,465,456

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION

1. Major categories of taxes and respective tax rates

Category	Tax basis	Tax rate
Value-added tax ("VAT")	Sales revenue and construction installation income in accordance with relevant tax law	3%, 6%, 9%, 13%
Enterprise income tax ("EIT")	Taxable income	All enterprises are subject to EIT at 25% except for some domestic subsidiaries qualified for tax preferential (Note IV. 2) and overseas subsidiaries that are subject to EIT in accordance with the local tax laws applicable to the jurisdiction where the company was registered.
City maintenance and construction tax ("CCT")	Based on the actual VAT and circulation tax payment	1%, 5%, 7%
Educational surcharge	Based on the actual VAT and circulation tax payment	3%
Local educational surcharge	Based on the actual VAT and circulation tax payment	2%
Land appreciation tax ("LAT")	Calculate LAT based on the appreciation amount arising from the transfer of properties and the extra progressive tax rate	Extra progressive tax rate: 30%, 40%, 50%, 60%

IV. TAXATION (CONTINUED)

2. *Tax preferential*

Super deduction of research and development (R&D) expenses

Pursuant to Chapter IV, Item 1 of Article 30 of the Law of the PRC on Enterprise Income Tax Law (the “New EIT Law”), the Notice of the Ministry of Finance, the State Administration of Taxation and the Ministry of Science and Technology on Improving the Policies for the Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2015] No. 119) and the Announcement of the Ministry of Finance and the State Taxation Administration on Further Improving the Policies Regarding Weighted Pre-tax Deduction of Research and Development Expenses (Cai Shui [2023] No. 7), with respect to research and development (R&D) expenses of the Company and its subsidiaries that complies with the above provisions, an extra 100% of the actual amount of expenses is deductible before tax.

Tax preferential for the Western Region Development

Pursuant to the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on Continuing the Enterprise Income Tax Policies for Western Development Strategies (Cai Shui [2020] No. 23), the tax preference for the Western Region Development are valid until 2030. According to the Circular, “from 1 January 2021 to 31 December 2030, enterprise income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises of which principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region, the income of which accounts for more than 60% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region has been issued by National Development and Reform Commission. If the catalogue is modified during the period of the announcement, the modified version shall apply since the date of implementation.”

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Tax preferential for the Western Region Development (continued)

At present, the Catalogue of Encouraged Industries in the Western Region has been approved by the State Council and has been implemented since 1 October 2014. Certain subsidiaries of the Company, including China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司), China Railway 11th Bureau Group Tibet Engineering Co., Ltd. (中鐵十一局集團西藏工程有限公司), China Railway 11th Bureau Group Xi'an Construction Co., Ltd. (中鐵十一局集團西安建設有限公司), China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司), China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司), China Railway 12th Bureau Group (Tibet) Engineering Co., Ltd. (中鐵十二局集團(西藏)工程有限公司), China Railway 12th Bureau Group Hanzhong Xudong Engineering Co., Ltd. (中鐵十二局集團漢中旭東工程有限公司), China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司), China Railway Construction Chongqing Construction Technology Co., Ltd. (中鐵建重慶建築科技有限公司), China Railway 15th Bureau Group Tibet Engineering Co., Ltd. (中鐵十五局集團西藏工程有限公司), China Railway 16th Bureau Group Tibet Engineering Co., Ltd. (中鐵十六局集團西藏工程有限公司), China Railway 17th Bureau Group 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司), China Railway 17th Bureau Group 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司), China Railway 17th Bureau Group Tibet Engineering Co., Ltd. (中鐵十七局集團西藏工程有限公司), China Railway 18th Bureau Group Tibet Engineering Co., Ltd. (中鐵十八局集團西藏工程有限公司), China Railway 19th Bureau Group Tibet Engineering Co., Ltd. (中鐵十九局集團西藏工程有限公司), China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司), China Railway 20th Bureau Group Electrification Engineering Co., Ltd. (中鐵二十局集團電氣化工程有限公司), China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司), China Railway 20th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十局集團市政工程有限公司), Chongqing Qinyu Property Management Co., Ltd. (重慶秦渝物業管理有限公司), China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司), China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司), China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司), China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司), China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司), China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司), China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司), China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司), China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司), China Railway 23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司), China Railway 23rd Bureau Group Tibet Engineering Co.,

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Tax preferential for the Western Region Development (continued)

Ltd. (中鐵二十三局集團西藏工程有限公司), China Railway 23rd Bureau Group Rail Transit Sichuan Engineering Co., Ltd. (中鐵二十三局集團軌道交通四川工程有限公司), China Railway 25th Bureau Group (Ganzhou) Engineering Co., Ltd. (中鐵二十五局集團(贛州)工程有限公司), China Railway Construction Electrification Bureau Group Xi'an Electrification Product Co., Ltd. (中鐵建電氣化局集團西安電氣化製品有限公司), China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司), Shaanxi Xing'an Runtong Electrification Engineering Co., Ltd. (陝西興安潤通電氣化工程有限公司), Gansu Runtong Telecom and Automated Control Engineering Co., Ltd. (甘肅潤通電信與自動化控制工程有限公司), Lanzhou Railway Survey and Design Institute Co., Ltd. (蘭州鐵道設計院有限公司), Railway SIYUAN (Hubei) Engineering Supervision Consulting Co., Ltd., Nanning Branch (鐵四院(湖北)工程監理諮詢有限公司南寧分公司), China Railway Material Group Southwest Co., Ltd. (中鐵物資集團西南有限公司), China Railway Material Group Chongqing Railway Construction Trading Co., Ltd. (中鐵物資集團重慶鐵建貿易有限公司), China Railway Material Group Yunnan Co., Ltd. (中鐵物資集團雲南有限公司), China Railway Highway China Petroleum (Sichuan) Energy Co., Ltd. (鐵建高速中油(四川)能源有限公司), China Railway Construction Guizhou Anzi Highway Co., Ltd. (中鐵建貴州安紫高速公路有限公司), CRCC Chongqing Rail Transit Loop Line Construction Co., Ltd. (中鐵建重慶軌道環線建設有限公司), China Railway Construction Kunlun Metro Investment Construction Management Co., Ltd. (中鐵建崑崙地鐵投資建設管理有限公司), CRCC Kunlun Investment Co., Ltd. (中鐵建崑崙投資集團有限公司), China Railway Construction Yunnan Investment Co., Ltd. (中鐵建雲南投資有限公司), Chengdu CRCC Kunlun Rail Engineering Co., Ltd. (成都中鐵建崑崙軌道工程有限公), Chengdu CRCC Kunlun Zhenrong Eco-construction Co., Ltd. (成都中鐵建崑崙振蓉生態建設有限公司), Jintang CRCC Kunlun City Construction Co., Ltd. (金堂中鐵建崑崙城市建設有限公司), Chengdu CRCC Chengzi Rail Transit Development Co., Ltd. (成都中鐵建成資軌道交通發展有限公司), China Railway Construction Rongcheng Development Co., Ltd. (中鐵建融城發展有限公司), Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司), Chongqing China Petroleum & Railway Construction Industrial Co., Ltd. (重慶中油鐵建實業有限公司), CRCC Chongqing Investment Group Co., Ltd. (中鐵建重慶投資集團有限公司), CRCC Chongqing Petrochemical Sales Co., Ltd. (中鐵建重慶石化銷售有限公司), Chongqing Jinlu Traffic Engineering Co., Ltd. (重慶金路交通工程有限責任公), CRCC Ecological Environment Co., Ltd. (中鐵建生態環境有限公司), China Railway Construction Northwest Investment & Construction Co., Ltd. (中鐵建西北投資建設有限公司), and China Railway Construction (Yinchuan) City Development Co., Ltd. (中鐵建(銀川)城市發展有限公司), China Railway Construction Yunnan Transportation Construction Management Co., Ltd. (中鐵建雲南交通建設管理有限公司), CRCC Beibuwan Construction and Investment Co., Ltd. (中鐵建北部灣建設投資有限公司), China Railway Longchang Materials Co., Ltd. (中鐵隆昌鐵路器材有限公司), met conditions set out in the above document and were subject to the preferential tax policy for Western Region Development in 2022, with a preferential income tax rate of 15%. While the above enterprises are expected to meet requirements the above documents in 2023, they will continue to enjoy the preferential income tax rate of 15% during the period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Preferential Tax Policy for Building A Guangdong-Macao In-Depth Cooperation Zone In Hengqin

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui [2022] No. 19), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

- (1) The principal business of the enterprise meets the requirements of Preferential Enterprise Income Tax Catalogue for the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (2021), and its income accounts for more than 60% of the total income;
- (2) the actual management organisation of the enterprise is located in Guangdong-Macao In-Depth Cooperation Zone in Hengqin, and it conducts substantive and comprehensive management and control over the production and operation, personnel, accounting, property, etc. of the enterprise.

China Railway Construction Investment Group Co., Ltd. (中國鐵建投資集團有限公司), subsidiary of the Company, is eligible for the preferential income tax policy of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin and is subject to a preferential corporate income tax rate of 15% starting from 1 January 2022.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries

China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司): (1) its subsidiaries including China Railway 11th Bureau Group 1st Engineering Co., Ltd. (中鐵十一局集團第一工程有限公司), China Railway 11th Bureau Group 2nd Engineering Co., Ltd. (中鐵十一局集團第二工程有限公司), China Railway 11th Bureau Group 3rd Engineering Co., Ltd. (中鐵十一局集團第三工程有限公司), China Railway 11th Bureau Group 4th Engineering Co., Ltd. (中鐵十一局集團第四工程有限公司) and China Railway 11th Bureau Group City Rail Engineering Co., Ltd. (中鐵十一局集團城市軌道工程有限公司) have been recognised as High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 11th Bureau Group Bridge Engineering Co., Ltd. (中鐵十一局集團橋樑有限公司) has been recognised as a High-tech Enterprise by Jiangxi Provincial Science and Technology Department, Jiangxi Provincial Department of Finance, and Jiangxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiaries including China Railway 11th Bureau Electric Engineering Co., Ltd., (中鐵十一局電務工程有限公司), China Railway 11th Bureau Group Hanjiang Heavy Industry Co., Ltd. (中鐵十一局集團漢江重工有限公司), China Railway 11th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十一局集團建築安裝工程有限公司) have been recognised as a High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

China Railway 12th Bureau Group Co., Ltd. (中鐵十二局集團有限公司): (1) its subsidiaries including China Railway 12th Bureau Group 2nd Engineering Co., Ltd. (中鐵十二局集團第二工程有限公司) and China Railway 12th Bureau Group 3rd Engineering Co., Ltd. (中鐵十二局集團第三工程有限公司) have been recognised as High-tech Enterprises by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 12th Bureau Group 7th Engineering Co., Ltd. (中鐵十二局集團第七工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 12th Bureau Group Electrification Engineering Co., Ltd. (中鐵十二局集團電氣化工程有限公司) has been recognised as a High-tech enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司): (1) China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) and its subsidiary China Railway Construction Bridge Engineering Bureau Group Construction Assembly Technology Co., Ltd. (中鐵建大橋工程局集團建築裝配科技有限公司) have been recognised as High-tech enterprises by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Jinqiao Engineering Testing Co., Ltd. (中鐵津橋工程檢測有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Bureau, Jilin Province Bureau of Finance, and Jilin Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Modern Survey and Design Institute Co., Ltd. (中鐵現代勘察設計院有限公司) has been recognised as a High-tech Enterprise by Jilin Provincial Science and Technology Department, Department of Finance of Jilin Province, and Jilin Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 14th Bureau Group Co., Ltd. (中鐵十四局集團有限公司): (1) its subsidiaries including China Railway 14th Bureau Group 1st Engineering Development Co., Ltd. (中鐵十四局集團第一工程發展有限公司), China Railway 14th Bureau Group Electrification Engineering Co., Ltd. (中鐵十四局集團電氣化工程有限公司), Tiezheng Testing Technology Co., Ltd. (鐵正檢測科技有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 14th Bureau Group 3rd Engineering Co., Ltd. (中鐵十四局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiaries China Railway 14th Bureau Group Great Shield Machine Engineering Co., Ltd. (中鐵十四局集團大盾構工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Jiangsu Province, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary CRCC North China Construction Technology Co. Ltd (中鐵建華北建築科技有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway 14th Bureau Group Qingdao Engineering Construction Co., Ltd. (中鐵十四局集團青島工程建設有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; and (6) its subsidiary China Railway 14th Bureau Group Fangshan Bridge Corporation Limited (中鐵十四局集團房橋有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 15th Bureau Group Co., Ltd. (中鐵十五局集團有限公司): (1) its subsidiary China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Shaanxi Province, Shaanxi Provincial Finance Department, and Shaanxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 15th Bureau Group 3rd Engineering Co., Ltd. (中鐵十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 15th Bureau Group 4th Engineering Co., Ltd. (中鐵十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Henan Province, Henan Provincial Finance Department, and Henan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway 15th Bureau Group 5th Engineering Co., Ltd. (中鐵十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiary China Railway 15th Bureau Group Electrification Engineering Co., Ltd. (中鐵十五局集團電氣化工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司): (1) China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司) and its subsidiaries China Railway 16th Bureau Group 1st Engineering Co., Ltd. (中鐵十六局集團第一工程有限公司) and China Railway 16th Bureau Group Co., Ltd. Metro Engineering Co., Ltd. (中鐵十六局集團地鐵工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 16th Bureau Group 2nd Engineering Co., Ltd. (中鐵十六局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiaries including China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司), China Railway 16th Bureau Group Beijing Metro Engineering Co., Ltd. (中鐵十六局集團北京軌道交通工程建設有限公司) and China Railway 16th Bureau Group Electrification Engineering Co., Ltd. (中鐵十六局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 16th Bureau Group 5th Engineering Co., Ltd. (中鐵十六局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (5) its subsidiary China Railway 16th Bureau Group Tieyun Engineering Co., Ltd. (中鐵十六局集團鐵運工程有限公司) has been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司): (1) its subsidiary China Railway 17th Bureau 1st Engineering Co., Ltd. (中鐵十七局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiaries including China Railway 17th Bureau Group Construction Engineering Co., Ltd. (中鐵十七局集團建築工程有限公司) and China Railway 17th Bureau Group Electrification Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司) have been recognised as High-tech Enterprises by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 17th Bureau Group Shanghai Rail Transit Engineering Co., Ltd. (中鐵十七局集團上海軌道交通工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway 17th Bureau Group City Construction Development Co., Ltd. (中鐵十七局集團城市建設有限公司) has been recognised as a High-tech Enterprise by Guizhou Provincial Department of Science and Technology, Guizhou Provincial Department of Finance, and Guizhou Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (5) its subsidiary China Railway 17th Bureau Group 6th Engineering Co., Ltd. (中鐵十七局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司): (1) its subsidiary China Railway 18th Bureau 3rd Engineering Co., Ltd. (中鐵十八局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 18th Bureau Group 4th Engineering Co., Ltd. (中鐵十八局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 18th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十八局集團建築安裝工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiary China Railway 18th Bureau Group Tunnel Engineering Co., Ltd. (中鐵十八局集團隧道工程有限公司) has been recognised as a High-tech Enterprise by Chongqing Municipal Science and Technology Bureau, Chongqing Finance Bureau, and Chongqing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司): (1) its subsidiary China Railway 19th Bureau Group 3st Engineering Co., Ltd. (中鐵十九局集團有限公司第三工程有限公司) has been recognised as High-tech Enterprises by Department of Science & Technology of Liaoning Province, Liaoning Province Finance Department, and Liaoning Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 19th Bureau Group 5th Engineering Co., Ltd. (中鐵十九局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Dalian Science and Technology Bureau, Dalian Municipal Bureau of Finance, and Dalian Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (3) China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司) and its subsidiaries including China Railway 19th Bureau Group Rail Transit Engineering Co., Ltd. (中鐵十九局集團軌道交通工程有限公司) and China Railway 19th Bureau Group Mining Investment Co., Ltd. (中鐵十九局集團礦業投資有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司): (1) its subsidiary China Railway 20th Bureau Group 1st Engineering Co., Ltd. (中鐵二十局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司) has been recognised as a High-tech Enterprise by Shaanxi Provincial Department of Science and Technology, Shaanxi Provincial Department of Finance, and Shaanxi Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway Guizhou Engineering Co., Ltd. (中鐵貴州工程有限公司) has been recognised as a High-tech Enterprise by Guizhou Provincial Department of Science and Technology, Guizhou Provincial Department of Finance, and Guizhou Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction & Installation Engineering Design Institute Co., Ltd. (中鐵建安工程設計院有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (6) its subsidiary China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司): (1) its subsidiary China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Xinjiang Uygur Autonomous Region, Xinjiang Uygur Autonomous Region Finance Bureau, and Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (3) its subsidiary China Railway 21st Bureau Group Electric and Chemical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Gansu Province, Gansu Province Finance Bureau, and Gansu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司): (1) China Railway 22nd Bureau Group Co., Ltd. (中鐵二十二局集團有限公司) and its subsidiaries including China Railway 22nd Bureau Group Metro Co., Ltd. (中鐵二十二局集團軌道工程有限公司) and China Railway Jingcheng Engineering Testing Co., Ltd. (中鐵京誠工程檢測有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science and Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway 22nd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十二局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Xiamen Municipal Science and Technology Bureau, Xiamen Finance Bureau, and Xiamen Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway 22nd Bureau Group 4th Engineering Co., Ltd. (中鐵二十二局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary Heilongjiang Tiecheng Engineering Testing Co., Ltd. (黑龍江鐵誠工程檢測有限責任公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Heilongjiang Province, Heilongjiang Province Finance Bureau, and Heilongjiang Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (5) its subsidiary China Railway 22th Bureau Group Municipal Engineering Co., Ltd. (中鐵二十二局集團市政工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Guangdong Province, Guangdong Province Finance Bureau, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司): (1) its subsidiary China Railway 23rd Bureau Group 1st Engineering Co., Ltd. (中鐵二十三局集團第一工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Shandong Province, Shandong Province Finance Bureau, and Shandong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 23rd Bureau Group Construction Design Institute Co., Ltd. (中鐵二十三局集團建築設計研究院有限公司) has been recognised as a High-tech Enterprises by Sichuan Provincial Science and Technology Department, Sichuan Provincial Department of Finance, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 23rd Bureau Group Electric Engineering Co., Ltd. (中鐵二十三局集團電務工程有限公司) has been recognised as a High-tech Enterprise by Tianjin Municipal Science & Technology Commission, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (4) its subsidiary China Railway 23rd Bureau Group (Hubei) Blasting Co., Ltd. (中鐵二十三局集團(湖北)爆破有限公司) has been recognised as a High-tech Enterprises by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司): its subsidiary China Railway 24th Bureau Group Shanghai China Railway Construction Engineering Co., Ltd. (中鐵二十四局集團上海鐵建工程有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway 25th Bureau Group Co., Ltd. (中鐵二十五局集團有限公司): (1) its subsidiary China Railway 25th Bureau Group 1st Engineering Co., Ltd. (中鐵二十五局集團第一工程有限公司) has been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway 25th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十五局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway 25th Bureau Group 4th Engineering Co., Ltd. (中鐵二十五局集團第四工程有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway 25th Bureau Group 5th Engineering Co., Ltd. (中鐵二十五局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Qingdao Science and Technology Bureau, Qingdao Municipal Bureau of Finance, and Qingdao Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (5) its subsidiaries including China Railway 25th Bureau Group Electric Engineering Co., Ltd. (中鐵二十五局集團電務工程有限公司) and China Railway Construction Dawan District Construction Co., Ltd. (中鐵建大灣區建設有限公司) have been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Group Co., Ltd. (中鐵建設集團有限公司): (1) its subsidiaries including China Railway Construction Group Infrastructure Construction Co., Ltd. (中鐵建設集團基礎設施建設有限公司) and China Railway Construction Group Electromechanical Installation Co., Ltd. (中鐵建設集團機電安裝有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway Construction Group South Engineering Co., Ltd. (中鐵建設集團南方工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiaries including Beijing China Railway Decoration Engineering Co., Ltd. (北京中鐵裝飾工程有限公司), Beijing China Railway Elevator Engineering Co., Ltd. (北京中鐵電梯工程有限公司), Beijing China Railway Construction Technology Co., Ltd. (北京中鐵建建築科技有限公司) and China Railway Construction Group Beijing Engineering Co., Ltd. (中鐵建設集團北京工程有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway Construction Group East China Engineering Co. Ltd. (中鐵建設集團華東工程有限公司) has been recognised as a High-tech Enterprises by Department of Science & Technology of Jiangsu Province, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (5) its subsidiary China Railway Construction Group Construction Development Co., Ltd. (中鐵建設集團建築發展有限公司) has been recognised as a High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司): (1) China Railway Construction Electrification Bureau Group Co., Ltd. (中國鐵建電氣化局集團有限公司) and its subsidiary Beijing China Railway Construction Electrification Design Institute Co., Ltd. (北京中鐵建電氣化設計研究院有限公司) have been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway Construction Electrification Bureau Group 1st Engineering Co., Ltd. (中鐵建電氣化局集團第一工程有限公司) has been recognised as a High-tech Enterprise by Henan Provincial Science and Technology Department, Henan Provincial Department of Finance, and Henan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (3) its subsidiary China Railway Construction Electrification Bureau Group 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司) has been recognised as a High-tech Enterprise by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (4) its subsidiary China Railway Construction Electrification Bureau Group 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司) has been recognised as a High-tech Enterprise by Science & Technology Department of Sichuan Province, Sichuan Provincial Finance Department, and Sichuan Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (5) its subsidiary China Railway Construction Electrification Bureau Group Technology Co., Ltd. (中鐵建電氣化局集團科技有限公司) has been recognised as High-tech Enterprises by Hebei Provincial Department of Science and Technology, Hebei Provincial Department of Finance, and Hebei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (6) its subsidiary China Railway Construction Electrification Bureau Group Rail Transit Equipment Co., Ltd. (中鐵建電氣化局集團軌道交通器材有限公司) has been recognised as High-tech Enterprises by Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (7) its subsidiary China Railway Construction Electrification Bureau Group Operation Management Co., Ltd. (中鐵建電氣化局集團運營管理有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; and (8) its subsidiary China Railway Construction Electrification Bureau Group South Engineering Co., Ltd. (中鐵建電氣化局集團南方工程有限公司) has been recognised as High-tech Enterprises by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

CRCC Harbour and Channel Engineering Bureau Group Co., Ltd. (中國鐵建港航局集團有限公司): its subsidiary CRCC Harbour & Channel Engineering Bureau Group Survey & Design Institute Co., Ltd. (中鐵建港航局集團勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023;

China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司): (1) China Railway Urban Construction Group Co., Ltd. (中鐵城建集團有限公司) has been recognised as a High-tech Enterprise by Hunan Provincial Science and Technology Department, Hunan Provincial Department of Finance, and Hunan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (2) its subsidiary China Railway Urban Construction Group 1st Engineering Co., Ltd. (中鐵城建集團第一工程有限公司) has been recognised as a High-tech Enterprise by Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, and Shanxi Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway Urban Construction Group 2nd Engineering Co., Ltd. (中鐵城建集團第二工程有限公司) has been recognised as High-tech Enterprises by Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; and (4) its subsidiary China Railway Urban Construction Group 3rd Engineering Co., Ltd. (中鐵城建集團第三工程有限公司) has been recognised as a High-tech enterprise by Tianjin Municipal Science and Technology Bureau, Tianjin Finance Bureau, and Tianjin Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

China Railway First Survey and Design Institute Group Co., Ltd. (中鐵第一勘察設計院集團有限公司): its subsidiary Shaanxi Xing'an Runtong Electrification Engineering Co., Ltd. (陝西興安潤通電氣化有限公司) has been recognised as a High-tech enterprise by Department of Science & Technology of Shaanxi Province, Department of Finance of Shaanxi Province, and Shaanxi Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway SIYUAN Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團有限公司): (1) its subsidiary Wuhan Railway SIYUAN Engineering Consulting Co., Ltd. (武漢鐵四院工程諮詢有限公司) has been recognised as a High-tech Enterprise by Hubei Provincial Science and Technology Department, Hubei Provincial Department of Finance, and Hubei Provincial Tax Service, State Taxation Administration since 2022 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary China Railway SIYUAN Survey and Design Group Engineering Construction Co., Ltd. (中鐵四院集團工程建設有限責任公司) has been recognised as High-tech Enterprise by Department of Science and Technology of Hubei Province, Department of Finance of Hubei Province, and Hubei Provincial Tax Service, State Taxation Administration since 2021 and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023; (3) its subsidiary China Railway SIYUAN Survey and Design Group Nanning Survey and Design Institute Co., Ltd. (中鐵四院集團南寧勘察設計院有限公司) has been recognised as a High-tech Enterprise by Department of Science and Technology of Guangxi Zhuang Autonomous Region, Department of Finance of Guangxi Zhuang Autonomous Region, and Guangxi Zhuang Autonomous Region Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; (4) its subsidiary China Railway SIYUAN Survey and Design Group Southwest Survey and Design Co., Ltd. (中鐵四院集團西南勘察設計有限公司) has been recognised as a High-tech Enterprise by Yunnan Province Science and Technology Department, Yunnan Provincial Department of Finance, and Yunnan Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential income tax rate at 15% from 1 January 2021 to 31 December 2023; and (5) its subsidiary China Railway SIYUAN Survey and Design Group New Type Rail Transit Design & Research Co., Ltd. (中鐵四院集團新型軌道交通設計研究有限公司) has been recognised as High-tech Enterprise by Jiangsu Provincial Department of Science and Technology, Department of Finance of Jiangsu Province, and Jiangsu Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

China Railway Fifth Survey and Design Institute Group Co., Ltd. (中鐵第五勘察設計院集團有限公司): its subsidiary Beijing Tiecheng Construction Supervision Co., Ltd. (北京鐵城建設監理有限責任公司) has been recognised as High-tech Enterprises by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司): China Railway Shanghai Design Institute Group Corporation Limited (中鐵上海設計院集團有限公司) has been recognised as a High-tech Enterprise by Shanghai Municipal Science & Technology Commission, Shanghai Finance Bureau, and Shanghai Municipal Tax Service, State Taxation Administration since 2022, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

IV. TAXATION (CONTINUED)

2. Tax preferential (continued)

Other preferential tax for the Company's subsidiaries (continued)

China Railway Construction Heavy Industry Corporation Limited (中國鐵建重工集團股份有限公司): its subsidiary China Railway Construction Heavy Industry Xinjiang Co., Ltd. (鐵建重工新疆有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Xinjiang Uygur Autonomous Region, Xinjiang Uygur Autonomous Region Finance Bureau, and Xinjiang Uygur Autonomous Region Tax Service, State Taxation Administration since 2021, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

China Railway Construction Investment Group Corporation Limited (中國鐵建投資集團有限公司): its subsidiary Suzhou Traffic Design Research Institute Co., Ltd. (中鐵建蘇州設計研究院有限公司) has been recognised as a High-tech Enterprise by Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, and Jiangsu Provincial Tax Service, State Taxation Administration since 2022 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

CRCC High-tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司): (1) CRCC High-tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司) has been recognised as a High-tech Enterprise by Yunnan Provincial Science and Technology Department, Yunnan Provincial Department of Finance, and Yunnan Provincial Tax Service, State Taxation Administration since 2022 and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024; (2) its subsidiary Beijing Ruiweitong Engineering Machinery Co., Ltd. (北京瑞維通工程機械有限公司) has been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司): CRCC Development Group Co., Ltd. (中鐵建發展集團有限公司) and its subsidiary CRCC Cyber Information Technology Co., Ltd. (中鐵建網絡信息科技有限公司) have been recognised as a High-tech Enterprise by Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, and Beijing Municipal Tax Service, State Taxation Administration since 2022, and are entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2022 to 31 December 2024.

China Railway Construction Group South China Construction Co., Ltd. (中鐵建華南建設有限公司): its subsidiary China Railway Construction South China Construction (Guangzhou) High Tech Industry Co., Ltd. (中鐵建華南建設(廣州)高科技產業有限公司) has been recognised as a High-tech Enterprise by Department of Science & Technology of Guangdong Province, Guangdong Province Finance Bureau, and Guangdong Provincial Tax Service, State Taxation Administration since 2021, and is entitled to enjoy the preferential enterprise income tax rate at 15% from 1 January 2021 to 31 December 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Cash on hand	86,297	58,623
Cash at banks	158,026,481	144,832,184
Other cash and bank balances	8,104,203	8,750,612
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	5,051,722	4,783,391
Total	171,268,703	158,424,810

The restricted cash and bank balances of the Group are stated in Note V, 64.

As at 30 June 2023, the Group held foreign cash and bank balances amounting to RMB11,103,798,000 (31 December 2022: RMB11,507,229,000), certain cash and bank balances deposited in certain countries or regions which were subject to foreign exchange control were not freely convertible into other currencies or remitted out of those countries. As at 30 June 2023, the Group's cash and bank balances held in these countries or regions represented less than 2% (31 December 2022: less than 3%) of the cash and bank balances in the Group's consolidated statement of financial position.

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Cash and bank balances at the end of the period/year	171,268,703	158,424,810
Less: Mandatory reserves placed by CRCC Finance Company Limited with the central bank	5,051,722	4,783,391
Less: Other restricted cash and bank balances	8,097,018	8,697,253
Less: Non-pledged time deposits with original maturity of three months or more when acquired	861,084	428,674
Cash and cash equivalents at the end of the period/year	157,258,879	144,515,492

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Held-for-trading financial assets

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Equity instruments	575,716	561,719
Others	300,579	399,579
Total	876,295	961,298

3. Bills receivable

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Commercial acceptance bills	5,230,104	7,594,637
Bank acceptance bills	659,551	955,668
Less: Impairment of credit losses	35,599	55,274
Total	5,854,056	8,495,031

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable (continued)

Bills receivable and impairment of credit losses by category are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed by credit risk portfolio	5,889,655	100.00	35,599	0.60	5,854,056
Total	5,889,655	100.00	35,599	0.60	5,854,056

RMB'000

Category	31 December 2022				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	180,368	2.11	12,672	7.03	167,696
Impairment of credit losses assessed by credit risk portfolio	8,369,937	97.89	42,602	0.51	8,327,335
Total	8,550,305	100.00	55,274	0.65	8,495,031

The restricted bills receivable of the Group are stated in Note V, 64.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Receivables at FVTOCI

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Bank acceptance bills	2,286,504	3,321,965
Total	2,286,504	3,321,965

As at 30 June 2023, the Group had RMB2,149,447,000 (31 December 2022: RMB4,738,314,000) non-matured bills receivable which had right of recourse and had been discounted or endorsed to other parties. The Group derecognised those bills receivable as the Group considered that all risks and rewards of the ownership had been transferred from the discounted or endorsed bills receivable since there was extremely low risk of the acceptor's inability to cash the bills upon expiry due to the acceptor's good reputation.

5. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Aging	30 June 2023 (unaudited)	31 December 2022
Within 1 year	130,419,021	106,339,111
1 to 2 years	33,351,471	29,563,912
2 to 3 years	10,868,743	10,679,319
Over 3 years	10,969,131	9,863,060
Subtotal	185,608,366	156,445,402
Less: Impairment of credit losses	15,864,016	15,215,783
Total	169,744,350	141,229,619

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

Movements in impairment of credit losses for trade receivables is listed as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	2022
Closing balance of prior period/year	15,215,783	12,469,078
Provision for the period/year	2,084,120	4,244,393
Less: Reversal for the period/year	1,270,662	1,832,751
Less: Write-off for the period/year	1,394	87,379
Transferred from bills receivable	4,156	933,513
Others	(167,987)	(511,071)
Closing balance of current period/year	15,864,016	15,215,783

The movements in detail of impairment of credit losses for the six months ended 30 June 2023 are presented in Note VIII, 3.

Trade receivables and impairment of credit losses by category are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	32,353,340	17.43	10,428,623	32.23	21,924,717
Impairment of credit losses assessed by credit risk portfolio	153,255,026	82.57	5,435,393	3.55	147,819,633
Total	185,608,366	100.00	15,864,016	8.55	169,744,350

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

Trade receivables and impairment of credit losses by category are listed as follows: (continued)

RMB'000

Category	31 December 2022				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	30,618,497	19.57	9,983,717	32.61	20,634,780
Impairment of credit losses assessed by credit risk portfolio	125,826,905	80.43	5,232,066	4.16	120,594,839
Total	156,445,402	100.00	15,215,783	9.73	141,229,619

As at 30 June 2023, trade receivables of which impairment of credit losses were assessed individually are listed as follows (unaudited):

RMB'000

Company name	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	Reasons
Company 1	608,882	147,386	24.21	Note
Company 2	584,314	76,730	13.13	Note
Company 3	575,639	385,496	66.97	Note
Company 4	574,693	57,469	10.00	Note
Company 5	557,470	58,199	10.44	Note
Others	29,452,342	9,703,343	32.95	—
Total	32,353,340	10,428,623	32.23	—

Note: According to the recoverability of receivables, the Group recorded all or a portion of impairment of credit losses.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

As at 30 June 2023, trade receivables of which impairment of credit losses were assessed by credit risk portfolio are listed as follows:

Portfolio 1:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Provision percentage (%)
Within 1 year	77,542,828	80.77	752,880	0.97
1 to 2 years	11,523,623	12.00	621,149	5.39
2 to 3 years	4,547,274	4.74	529,386	11.64
Over 3 years	2,391,001	2.49	1,126,704	47.12
Total	96,004,726	100.00	3,030,119	3.16

Portfolio 2:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Provision percentage (%)
Within 1 year	8,510,566	81.66	72,118	0.85
1 to 2 years	1,157,374	11.11	59,923	5.18
2 to 3 years	428,049	4.11	42,739	9.98
Over 3 years	325,415	3.12	159,835	49.12
Total	10,421,404	100.00	334,615	3.21

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

As at 30 June 2023, trade receivables of which impairment of credit losses were assessed by credit risk portfolio are listed as follows: (continued)

Portfolio 3:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Provision percentage (%)
Within 1 year	4,513,950	72.89	50,095	1.11
1 to 2 years	1,072,026	17.31	60,517	5.65
2 to 3 years	282,561	4.56	34,702	12.28
Over 3 years	324,494	5.24	185,682	57.22
Total	6,193,031	100.00	330,996	5.34

Portfolio 4:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Provision percentage (%)
Within 1 year	12,594,271	88.53	61,353	0.49
1 to 2 years	1,531,495	10.77	21,810	1.42
2 to 3 years	21,019	0.15	346	1.65
Over 3 years	78,045	0.55	1,365	1.75
Total	14,224,830	100.00	84,874	0.60

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

As at 30 June 2023, trade receivables of which impairment of credit losses were assessed by credit risk portfolio are listed as follows: (continued)

Portfolio 5:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage (%)	Amount	Provision percentage (%)
Within 1 year	17,552,857	66.47	346,212	1.97
1 to 2 years	5,729,440	21.69	307,310	5.36
2 to 3 years	2,063,759	7.81	398,086	19.29
Over 3 years	1,064,979	4.03	603,181	56.64
Total	26,411,035	100.00	1,654,789	6.27

As at 30 June 2023, trade receivables from the five largest customers are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Group	Amount	Aging	Percentage of total trade receivables (%)
Company 1	Third party	1,195,465	Within 1 year	0.64
Company 2	Third party	1,133,610	Within 1 year	0.61
Company 3	Third party	1,065,067	Within 1 year	0.57
Company 4	Third party	959,265	Within 1 year	0.52
Company 5	Third party	929,103	Within 1 year	0.50
Total	—	5,282,510	—	2.84

For the six months ended 30 June 2023, the write-off of trade receivables amounted to RMB1,394,000 (For the six months ended 30 June 2022: RMB7,192,000)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Trade receivables (continued)

The analysis for transferred trade receivables that are derecognised is as following:

For the six months ended 30 June 2023, the Group derecognised trade receivables of RMB40,728,201,000 (For the six months ended 30 June 2022: RMB35,178,745,000) due to transfer of financial assets and recognised losses from derecognition of financial assets of RMB2,411,663,000 (For the six months ended 30 June 2022: RMB1,532,138,000).

Assets and liabilities recognised due to continuing involvement in the transferred asset:

As at 30 June 2023, the Group recognised assets of RMB926,272,000 and liabilities of RMB926,272,000 (As at 31 December 2022: RMB789,179,000 and RMB789,179,000) related to continuing involvement of transferred trade receivables.

The restricted trade receivables of the Group are stated in Note V, 64.

6. Advances to suppliers

An aging analysis of advances to suppliers is listed as follows:

RMB'000

Aging	30 June 2023 (unaudited)		31 December 2022	
	Gross carrying amount	Percentage (%)	Gross carrying amount	Percentage (%)
Within 1 year	30,193,693	98.64	27,084,280	98.58
1 to 2 years	257,687	0.84	311,608	1.13
2 to 3 years	138,021	0.45	68,188	0.25
Over 3 years	21,225	0.07	9,761	0.04
Total	30,610,626	100.00	27,473,837	100.00

As at 30 June 2023, there were no significant advances to suppliers aged over one year.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Advances to suppliers (continued)

As at 30 June 2023, advances to the five largest suppliers are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Group	Amount	Time for prepayment	Percentage of total advances to suppliers (%)
Company 1	Third party	966,170	Within 1 year	3.16
Company 2	Third party	328,958	Within 1 year	1.07
Company 3	Third party	290,323	Within 1 year	0.95
Company 4	Third party	252,592	Within 1 year	0.83
Company 5	Third party	252,000	Within 1 year	0.82
Total	—	2,090,043	—	6.83

7. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	30 June 2023 (unaudited)	31 December 2022
Within 1 year	48,917,550	44,440,889
1 to 2 years	15,559,286	11,367,776
2 to 3 years	5,338,645	6,056,062
Over 3 years	10,036,485	9,127,125
Subtotal	79,851,966	70,991,852
Less: Impairment of credit losses	5,359,538	4,941,384
Total	74,492,428	66,050,468

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

Movements in the impairment of credit losses are listed as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	2022
Opening balance of the period/year	4,941,384	4,733,087
Provision for the period/year	658,282	1,450,514
Less: Reversal for the period/year	279,894	527,791
Less: Write-off for the period/year	11,480	723,170
Others	51,246	8,744
Closing balance of the current period/year	5,359,538	4,941,384

- (1) As at 30 June 2023, analysis of impairment of credit losses of other receivables at phase I by credit risk portfolio are listed as follows (unaudited):

RMB'000

Nature	Gross carrying amount	Impairment of credit losses	Provision percentage (%)
Loans for cooperative development project	35,934,053	274,597	0.76
Security deposit and cash pledged	18,794,976	883,952	4.70
Advance payments	7,492,566	217,069	2.90
Others	9,254,649	348,061	3.76
Total	71,476,244	1,723,679	2.41

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

- (2) As at 30 June 2023, analysis of impairment of credit losses of other receivables at phase II are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	2,655,413	48.61	259,679	9.78	2,395,734
Impairment of credit losses assessed by credit risk portfolio	2,806,730	51.39	1,176,589	41.92	1,630,141
Total	5,462,143	100.00	1,436,268	26.29	4,025,875

Impairment of credit losses assessed individually of other receivables are listed as follows:

RMB'000

Company name	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	Reason
Company 1	2,655,413	259,679	9.78	Note
Total	2,655,413	259,679	9.78	—

Note: According to the recoverability of other receivables, the Group recorded a portion of impairment of credit losses.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

- (3) As at 30 June 2023, analysis of impairment of credit losses of other receivables at phase III are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	2,546,161	87.39	1,834,587	72.05	711,574
Impairment of credit losses assessed by credit risk portfolio	367,418	12.61	365,004	99.34	2,414
Total	2,913,579	100.00	2,199,591	75.49	713,988

Impairment of credit losses assessed individually of other receivables are listed as follows (unaudited):

RMB'000

Company name	Gross carrying amount	Impairment of credit losses	Provision percentage (%)	Reasons
Company 1	574,348	77,430	13.48	Note
Company 2	168,765	168,765	100.00	Note
Company 3	150,000	150,000	100.00	Note
Company 4	118,947	118,947	100.00	Note
Company 5	66,647	66,647	100.00	Note
Others	1,467,454	1,252,798	85.37	—
Total	2,546,161	1,834,587	72.05	—

Note: According to the recoverability of other receivables, the Group recorded all or a portion of impairment of credit losses.

For the six months ended 30 June 2023, the write-off of other receivables amounted to RMB11,480,000 (for the six months ended 30 June 2022: RMB5,414,000).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Other receivables (continued)

Other receivables categorised by nature are listed as follows:

RMB'000

Nature	30 June 2023 (unaudited)	31 December 2022
Loans for cooperative development project	38,589,466	35,395,337
Security deposit and cash pledged	21,115,873	16,282,727
Advance payments	8,399,967	7,398,929
Others	11,746,660	11,914,859
Total	79,851,966	70,991,852

As at 30 June 2023, other receivables from the five largest customers are listed as follows (unaudited):

RMB'000

Company name	Relationship with the Group	Gross carrying amount	Percentage of total gross carrying amount of other receivables (%)	Nature	Aging	Impairment of credit losses
Company 1	Third party	5,449,000	6.82	Security deposit and cash pledged	Within 1 year	27,245
Company 2	Associate	3,833,094	4.80	Loans for cooperative development project	Within 1 year	3,832
Company 3	Joint venture	2,655,413	3.33	Loans for cooperative development project	Within 5 years	259,679
Company 4	Joint venture	2,519,976	3.16	Loans for cooperative development project	Within 4 years	76,484
Company 5	Joint venture	1,657,399	2.07	Loans for cooperative development project	Within 3 years	1,715
Total		16,114,882	20.18	—	—	368,955

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories

RMB'000

Item	30 June 2023 (unaudited)		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	28,000,758	46,662	27,954,096
Work in progress	4,989,620	–	4,989,620
Finished goods	7,295,518	22,585	7,272,933
Turnover materials	11,671,164	99,514	11,571,650
Properties under development (1)	210,588,976	986,914	209,602,062
Completed properties held for sale (2)	55,688,662	1,628,843	54,059,819
Total	318,234,698	2,784,518	315,450,180

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Provision for decline in value	
Raw materials	23,988,214	34,073	23,954,141
Work in progress	4,132,887	–	4,132,887
Finished goods	8,237,127	19,083	8,218,044
Turnover materials	12,066,516	99,514	11,967,002
Properties under development (1)	200,416,121	962,053	199,454,068
Completed properties held for sale (2)	53,912,814	1,820,430	52,092,384
Total	302,753,679	2,935,153	299,818,526

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (continued)

Movements in the provision for decline in value of inventories are listed as follows:

RMB'000

Item	1 January 2023	Additions	Reductions	30 June 2023
		Provision (unaudited)	Write-off and Others (unaudited)	
Raw materials	34,073	15,018	2,429	46,662
Finished goods	19,083	3,789	287	22,585
Turnover materials	99,514	–	–	99,514
Properties under development	962,053	30,820	5,959	986,914
Completed properties held for sale	1,820,430	17,712	209,299	1,628,843
Total	2,935,153	67,339	217,974	2,784,518

RMB'000

Item	1 January 2022	Additions		Reductions		31 December 2022
		Provision	Others	Reversal	Write-off and Others	
Raw materials	24,879	9,194	–	–	–	34,073
Finished goods	83,269	2,217	–	7,163	59,240	19,083
Turnover materials	99,514	–	–	–	–	99,514
Properties under development	677,641	399,989	–	–	115,577	962,053
Completed properties held for sale	1,003,223	875,303	115,577	–	173,673	1,820,430
Total	1,888,526	1,286,703	115,577	7,163	348,490	2,935,153

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (continued)

(1) Details of the properties under development are listed as follows:

RMB'000

Project name	Construction commencement date	Estimated latest completion date	Estimated aggregate investment amount	30 June 2023 (unaudited)	31 December 2022
Wenzhou Lucheng Future Community	September 2020	December 2023	10,705,140	8,106,194	7,494,191
Tianjin Xipai Guoyin Project	October 2018	December 2023	10,569,200	5,354,644	5,707,240
CRCC Huayutang Project	December 2019	June 2024	6,830,030	4,496,814	4,162,289
Xipai Jinsha Residence Project	May 2020	December 2023	10,857,196	4,408,629	5,813,497
Chongqing Shanyu Taoyuan Project	October 2021	October 2024	5,564,884	4,126,678	3,854,485
Tiejian City Project	February 2022	December 2024	10,613,160	4,077,501	3,868,364
Xipai Tangyue Project	October 2022	December 2023	4,659,830	3,733,355	3,432,695
CRCC Huayu City Project	July 2020	October 2023	5,553,727	3,594,996	3,372,651
Shanghai Huayu Lanting Project	October 2021	December 2023	4,531,480	3,381,312	3,209,844
Xingyue Yunjian Project	August 2022	October 2024	4,393,940	3,302,184	3,135,188
Jinan Wutongyuan Project	November 2019	July 2023	5,555,000	3,243,551	3,079,237
CRCC Xinda Huayu Tianchen Project	November 2021	December 2023	3,836,220	3,240,133	3,036,145
Xinchuan Yue Project	December 2021	December 2023	4,152,000	3,176,570	3,120,407
CRCC City (Guiyang) Project	August 2020	November 2023	3,792,080	3,030,956	2,804,485
CRCC Xipai Lanan Project	May 2022	October 2025	4,879,450	3,013,229	2,817,888
Qingdao CRCC Plaza Project	September 2020	December 2023	5,040,946	3,013,115	2,818,914
Shanghai Jindi JIayuan Project	December 2021	October 2023	3,618,191	2,993,104	2,866,810
Lingxiu Mansion South Zone Project	December 2018	August 2023	3,371,423	2,916,251	2,862,214
Chenyue International Project	August 2022	December 2023	4,095,450	2,830,257	2,513,837
Wutong Bay JIayuan Project	May 2020	December 2023	3,034,150	2,809,880	2,784,676
Others	—	—	353,045,931	135,739,623	127,661,064
Total	—	—	468,699,428	210,588,976	200,416,121

As at 30 June 2023, the aggregate carrying amount of borrowing costs capitalised in properties under development was RMB15,168,573,000 (31 December 2022: RMB13,417,224,000). Borrowing costs capitalised for the six months ended 30 June 2023 amounted to RMB3,248,694,000 (for the six months ended 30 June 2022: RMB3,025,251,000). The capitalisation rates of borrowing costs ranged from 2.50% to 8.00% (for the six months ended 30 June 2022: 3.30% to 7.10%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Inventories (continued)

(2) Details of the completed properties held for sale are listed as follows:

RMB'000

Project name	Latest completion date	1 January	Additions	Reductions	30 June
		2023 Gross carrying amount			2023 Gross carrying amount
			(unaudited)	(unaudited)	(unaudited)
Xipai Chenyue Project	December 2022	1,996,428	–	837	1,995,591
Xipai Huanhua Project	December 2021	1,764,131	43,875	–	1,808,006
CRCC Nanshahaiyue International Project	April 2023	64,408	1,734,569	20,278	1,778,699
Tianjin Xipai Guoyin Project	February 2023	1,492,070	488,554	213,920	1,766,704
Tianhao Xipai Yunfeng Project	June 2023	–	4,433,780	2,858,660	1,575,120
Changchun Xipai Tangsong Project	February 2022	1,517,649	–	2,985	1,514,664
CRCC Xipai City Project	December 2021	1,450,814	–	25,041	1,425,773
Tianjin CRCC International City Project	April 2019	1,372,472	–	27,553	1,344,919
CRCC Wutong Garden Project	December 2021	1,389,008	–	81,534	1,307,474
Xi'an Xipai International Project	May 2023	–	1,498,492	225,410	1,273,082
Chengdu Beihu Xinqu Project	December 2019	1,191,890	–	27	1,191,863
Wutong Qianshan Project	June 2022	1,135,903	34,546	–	1,170,449
Guiyang CRCC International City Project	December 2019	1,173,344	–	8,392	1,164,952
Lingxiu Mansion North Zone Project	December 2020	1,467,386	–	326,315	1,141,071
Wuhan Jiangyu City Project	December 2022	1,126,474	–	3,664	1,122,810
Jinan Caojiaguan Project	June 2023	498,686	764,300	197,035	1,065,951
Tiejian Garden Project	April 2023	885,606	185,317	7,645	1,063,278
CRCC Wisdom Port Project	July 2022	1,051,170	–	2,226	1,048,944
Suzhou Zhuozheng Jiangnan Project	October 2022	1,610,430	–	653,840	956,590
Huayu Lingnan Project	March 2023	198,579	1,705,518	990,114	913,983
Others	—	32,526,366	9,546,433	13,014,060	29,058,739
Total	—	53,912,814	20,435,384	18,659,536	55,688,662

The restricted inventories of the Group are stated in Note V, 64.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets

Contract assets are from the Group's construction operations. The Group provides construction services in accordance with the construction contract entered into with customers and recognises revenue based on performance progress over the contract period. According to the contract term, customers of the Group make progress billings with the Group based on the performance progress and make payment for the progress billings within the credit term. Revenue recognised based on performance progress in excess of progress billings is presented as contract asset and is disclosed in contract assets/other non-current assets based on liquidity. While progress billings in excess of revenue recognised based on performance progress is presented as contract liabilities.

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Contract assets	284,758,393	261,146,740
Less: Impairment of credit losses	7,116,668	6,683,222
Total	277,641,725	254,463,518

Movements in impairment losses on assets for contract assets are listed as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	2022
Closing balance of prior period/year	6,683,222	5,851,536
Provision for the period/year	846,911	1,459,725
Less: Reversal for the period/year	348,029	613,084
Others	(65,436)	(14,955)
Closing balance of current period/year	7,116,668	6,683,222

The movements of impairment losses on assets for contract assets for the six months ended 30 June 2023 are presented in Note VIII, 3.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (continued)

Contract assets and impairment losses on assets for contract assets by category are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				
	Gross carrying amount		Impairment losses on assets		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	28,622,125	10.05	5,663,601	19.79	22,958,524
Impairment of credit losses assessed by credit risk portfolio	256,136,268	89.95	1,453,067	0.57	254,683,201
Total	284,758,393	100.00	7,116,668	2.50	277,641,725

RMB'000

Category	31 December 2022				
	Gross carrying amount		Impairment losses on assets		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	26,912,368	10.31	5,340,458	19.84	21,571,910
Impairment of credit losses assessed by credit risk portfolio	234,234,372	89.69	1,342,764	0.57	232,891,608
Total	261,146,740	100.00	6,683,222	2.56	254,463,518

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Contract assets (continued)

As at 30 June 2023, the status of contract assets of which impairment losses were assessed by credit risk portfolio is as follows (unaudited):

RMB'000

	Gross carrying amount	Impairment losses on assets	
		Amount	Provision percentage (%)
Portfolio 1	216,551,431	1,115,384	0.52
Portfolio 2	9,715,572	57,146	0.59
Portfolio 3	3,634,043	18,236	0.50
Portfolio 4	26,235,222	262,301	1.00
Total	256,136,268	1,453,067	0.57

10. Current portion of non-current assets

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Current portion of long-term receivables (Note V, 13)	10,382,965	10,972,741
Current portion of retention receivables (Note V, 26)	8,633,518	9,005,004
Current portion of other debt investments (Note V, 16)	4,018,695	5,959,529
Current portion of debt investments (Note V, 15)	100,951	142,887
Total	23,136,129	26,080,161

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Other current assets

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Prepaid taxes and VAT input to be deducted	24,761,334	22,408,489
Reverse repurchase of treasury bonds	5,002,990	–
Others	1,313,629	1,265,583
Total	31,077,953	23,674,072

12. Loans and advances to customers

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Loans to customers	1,687,350	1,445,190

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables

RMB'000

Item	30 June 2023 (unaudited)		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term project receivables	56,680,264	1,742,068	54,938,196
Land development receivables	13,287,560	60,795	13,226,765
PPP project receivables	9,893,996	51,367	9,842,629
Others	21,564,468	577,569	20,986,899
Total	101,426,288	2,431,799	98,994,489
Less: Current portion of non-current assets:	10,465,168	82,203	10,382,965
Including: Long-term project receivables	4,448,406	38,251	4,410,155
Land development receivables	836,193	4,181	832,012
PPP project receivables	2,470,390	27,598	2,442,792
Others	2,710,179	12,173	2,698,006
Long-term receivables due after one year	90,961,120	2,349,596	88,611,524

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (continued)

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term project receivables	49,944,925	1,678,948	48,265,977
Land development receivables	13,562,265	61,898	13,500,367
PPP project receivables	10,081,200	50,300	10,030,900
Others	20,252,001	521,692	19,730,309
Total	93,840,391	2,312,838	91,527,553
Less: Current portion of non-current assets:			
Including: Long-term project receivables	11,127,390	154,649	10,972,741
Land development receivables	3,598,206	37,751	3,560,455
PPP project receivables	1,403,083	7,015	1,396,068
Others	3,452,359	24,229	3,428,130
	2,673,742	85,654	2,588,088
Long-term receivables due after one year	82,713,001	2,158,189	80,554,812

The Group assesses ECL of long-term receivables on an individual or a collective basis of credit risk characteristics.

RMB'000

Category	30 June 2023 (unaudited)				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	3,318,220	3.27	1,263,968	38.09	2,054,252
Impairment of credit losses assessed by credit risk portfolio	98,108,068	96.73	1,167,831	1.19	96,940,237
Total	101,426,288	100.00	2,431,799	2.40	98,994,489

As at 30 June 2023, long-term receivables with significant financing component were presented in accordance with the net amount after discount. The discount rate is 3.65%-5.50% (31 December 2022:3.65%-5.50%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Long-term receivables (continued)

Movements in the impairment of credit losses of long-term receivables were as follows:

Item	RMB'000	
	For the six months ended 30 June 2023 (unaudited)	2022
Closing balance of the prior period/year	2,312,838	960,518
Provision for the period/year	207,939	1,089,866
Less: Reversal for the period/year	82,897	151,674
Less: Write-off for the period/year	–	2,778
Others	(6,081)	416,906
Closing balance of the current period/year	2,431,799	2,312,838

The analysis for transferred long-term receivables that are derecognised is as following

For the six months ended 30 June 2023, the Group had no derecognition of long-term receivables (for the six months ended 30 June 2022: RMB537,947,000) due to transfer of financial assets, and no derecognition loss was recognised (for the six months ended 30 June 2022: derecognised losses of RMB35,257,000).

Assets and liabilities recognised due to continuing involvement in the transferred long-term receivables:

As at 30 June 2023, the Group had assets of RMB10,528,000 and liabilities of RMB10,528,000 (As at 31 December 2022: assets of RMB18,321,000 and liabilities of RMB18,321,000) related to continuing involvement of transferred trade receivables from transfer of long-term receivables in previous years.

The Group's long-term receivables with restricted ownership are presented in Note V, 64.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments

RMB'000

Item		30 June 2023 (unaudited)	31 December 2022
Investments in unlisted companies – equity method			
Joint ventures	(1)	59,545,074	55,831,598
Associates	(2)	77,514,161	72,202,848
Less: Provision for impairment of long-term equity investments		49,208	49,208
Total		137,010,027	127,985,238

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(1) Investment in joint ventures

30 June 2023:

RMB'000

Investee	Investment cost	1 January 2023	Increase in investment (unaudited)	Decrease in investment (unaudited)	Changes for the period				30 June 2023 (unaudited)	Provision for impairment at the end of period (unaudited)
					Investment profits or losses under equity method (unaudited)	Other comprehensive income (unaudited)	Declaration of cash dividends (unaudited)	Others (unaudited)		
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,791,580	3,308,131	653,600	-	91,108	-	-	-	4,052,839	-
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,672,324	-	-	-	-	-	-	3,672,324	-
Sichuan Chengmian Cangba Highway Co., Ltd.	3,602,913	3,222,913	380,000	-	-	-	-	-	3,602,913	-
Sichuan Tianfu Airport Highway Co., Ltd.	3,624,600	2,995,367	-	-	(199,768)	-	-	-	2,795,599	-
Chongqing Yuxiang Double Track Highway Co., Ltd.	2,182,137	2,075,000	107,137	-	-	-	-	-	2,182,137	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,619,750	1,199,750	420,000	-	-	-	-	-	1,619,750	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	1,501,888	1,502,341	-	-	5	-	-	-	1,502,346	-
CRCC Shaanxi Highway Co., Ltd.	1,597,200	1,482,359	-	-	(25,229)	-	-	-	1,457,130	-
Sichuan Nansuitong Highway Co., Ltd.	1,358,709	1,358,709	-	-	-	-	-	-	1,358,709	-
Others	-	33,277,395	2,383,460	(3,378)	(87,344)	224,538	(242,001)	11,348	35,564,018	(49,208)
Total	-	55,782,390	3,944,197	(3,378)	(221,228)	224,538	(242,001)	11,348	59,495,866	(49,208)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(1) Investment in joint ventures (continued)

31 December 2022:

Investee	Investment cost		Changes for the year					31 December 2022		Provision for impairment at the end of year
	1 January 2022		Transfer to/ increase in investment	Decrease in investment	Investment profits or losses under equity method	Other comprehensive income	Declaration of cash dividends	Others		
Hohhot Metro Line 2 Construction & Management Co., Ltd. (Note 2)	3,610,664	3,703,600	-	-	(31,276)	-	-	-	3,672,324	-
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. (Note 1)	3,137,980	3,137,980	-	-	171,384	-	-	(1,233)	3,308,131	-
Sichuan Chengmian Cangba Highway Co., Ltd.	3,222,913	1,593,634	1,629,279	-	-	-	-	-	3,222,913	-
Sichuan Tianfu Airport Highway Co., Ltd.	3,624,600	3,520,838	-	-	(525,471)	-	-	-	2,995,367	-
Chongqing Yuxiang Double Track Highway Co., Ltd.	2,075,000	1,000,000	1,075,000	-	-	-	-	-	2,075,000	-
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	1,688,159	1,688,101	-	-	-	-	-	-	1,688,101	-
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	1,501,888	1,132,036	369,852	-	453	-	-	-	1,502,341	-
CRCC Shaanxi Highway Co., Ltd.	1,597,200	1,544,830	-	-	(62,471)	-	-	-	1,482,359	-
Sichuan Nansuitong Highway Co., Ltd.	1,358,709	1,358,709	-	-	-	-	-	-	1,358,709	-
Guiyang Changda Rail Transit Construction Co., Ltd.	1,199,750	590,000	609,750	-	-	-	-	-	1,199,750	-
Others	-	26,314,672	8,669,038	(1,663,921)	148,349	514	(234,006)	42,749	33,277,395	(49,208)
Total	-	45,584,400	12,352,919	(1,663,921)	(299,032)	514	(234,006)	41,516	55,782,390	(49,208)

RMB'000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(1) Investment in joint ventures (continued)

Note 1: According to the articles of association of Kunming Rail Transit Line 5 Construction & Operation Co., Ltd., the operation policies and investment plans made by the shareholders' meeting and the resolution of the review and approval of board of directors' report shall be subject to all voting rights of shareholders. The Group holds 54.40% shares in Kunming Rail Transit Line 5 Construction & Operation Co., Ltd. and has sent one director to the board of directors. It can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted as a joint venture of the Group.

Note 2: According to the articles of association of Hohhot Metro Line 2 Construction & Management Co., Ltd., the major decisions made in the shareholders' meeting shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.00% shares in Hohhot Metro Line 2 Construction & Management Co., Ltd., it can jointly control the entity with other shareholders but not wholly control it. Therefore, it is accounted for a joint venture of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(2) Investment in associates

30 June 2023:

RMB'000

Investee	Investment cost	1 January 2023	Increase in investment (unaudited)	Decrease in investment (unaudited)	Changes for the period				30 June 2023 (unaudited)	Provision for impairment at the end of period (unaudited)
					Investment profits or losses under equity method (unaudited)	Other comprehensive income (unaudited)	Declaration of cash dividends (unaudited)	Others (unaudited)		
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,943,766	-	-	115,254	-	-	8,146	3,067,166	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	2,240,108	-	-	227,106	270,055	-	-	2,737,269	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	2,463,800	-	-	71,477	-	(71,477)	-	2,463,800	-
Hanggu Railway Co., Ltd.	2,395,195	2,226,863	168,000	-	-	-	-	-	2,394,863	-
CRCC Ningxia Highway Co. Ltd.	2,069,873	1,647,237	422,610	-	-	-	-	-	2,069,847	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	1,975,223	-	-	(44,183)	-	-	-	1,931,040	-
CRCC Sichuan Dedu Highway Co., Ltd.	1,727,004	1,727,004	-	-	(34,665)	-	-	-	1,692,339	-
Ningxia Inter-City Railway Co., Ltd.	1,589,200	1,701,025	-	(111,825)	36,360	-	(36,360)	-	1,589,200	-
CRCC Gansu Zhangbian Highway Co., Ltd.	1,469,650	1,554,448	-	-	12,350	-	-	-	1,566,798	-
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	1,539,780	663,200	876,580	-	-	-	-	-	1,539,780	-
Others	-	53,060,174	4,373,817	(666,172)	41,346	12,504	(344,985)	(14,625)	56,462,059	-
Total	-	72,202,848	5,841,007	(777,997)	425,045	282,559	(452,822)	(6,479)	77,514,161	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(2) Investment in associates (continued)

31 December 2022:

RMB'000

Investee	Investment cost	1 January 2022	Transfer to/ Increase in investment	Decrease in investment	Changes for the year			31 December 2022	Provision for impairment at the end of year	
					Investment losses under equity method	Other comprehensive income	Declaration of cash dividends			
CRCC Financial Leasing Co., Ltd. (Note 1)	1,747,618	2,622,806	-	-	270,160	-	-	50,800	2,943,766	-
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	2,463,800	526,800	1,937,000	-	31,906	-	(31,906)	-	2,463,800	-
CRCC-Tongguan Investment Co., Ltd.	1,472,366	1,822,473	-	-	226,519	191,116	-	-	2,240,108	-
Hangqiu Railway Co., Ltd.	2,227,195	1,927,863	299,000	-	-	-	-	-	2,226,863	-
Yunnan Kunchu Highway Investment & Development Co., Ltd.	2,029,494	2,029,494	-	-	(54,271)	-	-	-	1,975,223	-
CRCC Sichuan Dedu Highway Co., Ltd.	1,727,004	-	1,727,004	-	-	-	-	-	1,727,004	-
Ningxia Inter-City Railway Co., Ltd.	1,701,025	1,812,850	-	(111,825)	80,437	-	(80,437)	-	1,701,025	-
CRCC Ningxia Highway Co. Ltd.	1,647,263	510,212	1,137,025	-	-	-	-	-	1,647,237	-
CRCC Gansu Zhangbian Highway Co., Ltd.	1,469,650	1,532,899	-	-	21,549	-	-	-	1,554,448	-
Baihe No.6 (Shenzhen) Investment Partnership (Note 2)	1,533,000	1,433,000	100,000	-	67,162	-	(67,162)	-	1,533,000	-
Hengda Real Estate (Shenzhen) Co., Ltd.	2,313,506	2,185,523	-	-	(1,845,497)	-	-	-	340,026	-
Others	-	36,175,197	18,148,373	(2,512,018)	371,869	15,796	(292,069)	(56,800)	51,850,348	-
Total	-	52,579,117	23,348,402	(2,623,843)	(830,166)	206,912	(471,574)	(6,000)	72,202,848	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Long-term equity investments (continued)

(2) Investment in associates (continued)

Note 1: According to the articles of association of CRCC Financial Leasing Co., Ltd., the decisions of amending the company's articles of association, increasing the registered capital, resolutions of the company merger, division, dissolution, changing the company form, scope of operations, issuing corporate bonds and selecting the directors shall be subject to more than two-thirds of voting rights of shareholders. Others shall be subject to more than half of voting rights of shareholders. As the Group holds 50.00% shares in CRCC Financial Leasing Co., Ltd., it can neither control nor jointly control the entity with other shareholders but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Note 2: The rules of procedure of Baihe No. 6 (Shenzhen) Investment Partnership (Limited Partnership) ("Baihe No. 6 Partnership") stipulate that: Baihe No. 6 Partnership has established the Investment Decision-making Committee ("Investment Committee"), which consists of 7 members. The resolution made by the Investment Committee shall be valid only if it is passed by more than four seventh of all the members present at the meeting. As the Group holds 9.90% of the voting rights of Baihe No. 6 Partnership and nominates one member in the Investment Committee, it can neither control nor jointly control Baihe No. 6 Partnership with other shareholders but has significant influence over the entity. Therefore, it is accounted for an associate of the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments

RMB'000

Item	30 June 2023 (unaudited)		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term loans receivable	11,293,023	1,183,384	10,109,639
Others	41	–	41
Total	11,293,064	1,183,384	10,109,680
Less: Current portion of non-current assets:	101,225	274	100,951
Including: Long-term loans receivable	101,225	274	100,951
Debt investments due after one year	11,191,839	1,183,110	10,008,729

RMB'000

Item	31 December 2022		Carrying amount
	Gross carrying amount	Impairment of credit losses	
Long-term loans receivable	10,385,271	1,166,128	9,219,143
Others	41	–	41
Total	10,385,312	1,166,128	9,219,184
Less: Current portion of non-current assets:	143,305	418	142,887
Including: Long-term loans receivable	143,305	418	142,887
Debt investments due after one year	10,242,007	1,165,710	9,076,297

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Debt investments (continued)

Debt investments and impairment of credit losses by category are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	3,383,949	29.96	1,130,537	33.41	2,253,412
Impairment of credit losses assessed by credit risk portfolio	7,909,115	70.04	52,847	0.67	7,856,268
Total	11,293,064	100.00	1,183,384	10.48	10,109,680

RMB'000

Category	31 December 2022				
	Gross carrying amount		Impairment of credit losses		Carrying amount
	Amount	Percentage (%)	Amount	Provision percentage (%)	
Impairment of credit losses assessed individually	3,334,241	32.11	1,121,306	33.63	2,212,935
Impairment of credit losses assessed by credit risk portfolio	7,051,071	67.89	44,822	0.64	7,006,249
Total	10,385,312	100.00	1,166,128	11.23	9,219,184

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Other debt investments

RMB'000

Item	1 January 2023	Decrease in investment	Accrued interest	Changes in fair value for the period	30 June 2023	Cost of investment
Bond investment	4,971,219	(1,000,000)	85,892	26,179	4,083,290	4,000,000
Interbank negotiable certificates of deposit	5,922,973	(2,000,000)	77,399	(12,178)	3,988,194	4,000,000
Total	10,894,192	(3,000,000)	163,291	14,001	8,071,484	8,000,000
Less: Current portion of other debt investments (Note V, 10)	5,959,529	—	—	—	4,018,695	—
Non-current portion of other debt investments	4,934,663	—	—	—	4,052,789	—

17. Other non-current financial assets

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Investments in unlisted fund product	5,607,448	3,747,217
Equity investments in listed companies	125,423	130,535
Others	4,829,226	4,509,935
Total	10,562,097	8,387,687

18. Other equity instrument investments

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Equity investments in unlisted companies	10,099,121	9,939,861
Equity investments in listed companies	2,128,346	2,000,190
Total	12,227,467	11,940,051

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Other equity instrument investments (continued)

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	1 January 2023	Increase of investment	Changes for the period		Others	30 June 2023	Dividends recognised for the period
			Decrease of investment	Changes in fair value			
Other equity instrument investments	11,940,051	511,289	(63,975)	(160,464)	566	12,227,467	45,791

2022:

RMB'000

Item	1 January 2022	Increase of investment	Changes for the year		Others	31 December 2022	Dividends recognised for the year
			Decrease of investment	Changes in fair value			
Other equity instrument investments	11,621,685	1,759,647	(1,140,439)	(291,314)	(9,528)	11,940,051	99,537

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties

Subsequent measurement under cost method

For the six months ended 30 June 2023 (unaudited):

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2023	11,759,746	11,759,746
Increase	227,140	227,140
Additions	100,452	100,452
Transferred from inventories	102,631	102,631
Transferred from fixed assets	22,581	22,581
Others	1,476	1,476
Decrease	554,852	554,852
Disposal	447,417	447,417
Transferred out to fixed assets	25,234	25,234
Others	82,201	82,201
30 June 2023	11,432,034	11,432,034
II. Accumulated depreciation and amortisation		
1 January 2023	1,574,348	1,574,348
Increase	164,577	164,577
Provision	163,596	163,596
Transferred from fixed assets	981	981
Decrease	100,254	100,254
Disposal	79,897	79,897
Transferred out to fixed assets	10,120	10,120
Others	10,237	10,237
30 June 2023	1,638,671	1,638,671
III. Provision for impairment		
1 January 2023	287,056	287,056
Provision	4,730	4,730
Decrease	80,163	80,163
30 June 2023	211,623	211,623
IV. Carrying amount		
Closing balance	9,581,740	9,581,740
Opening balance	9,898,342	9,898,342

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Investment properties (continued)

Subsequent measurement under cost method (continued)

2022:

RMB'000

	Buildings and land use right	Total
I. Original costs		
1 January 2022	9,586,037	9,586,037
Increase	3,273,182	3,273,182
Additions	394,019	394,019
Transferred from inventories	1,028,601	1,028,601
Transferred from fixed assets	323,856	323,856
Transferred from Construction in progress	1,526,706	1,526,706
Decrease	1,099,473	1,099,473
Disposal	934,478	934,478
Transferred out	164,995	164,995
31 December 2022	11,759,746	11,759,746
II. Accumulated depreciation and amortisation		
1 January 2022	1,299,693	1,299,693
Increase	297,470	297,470
Provision	280,835	280,835
Transferred from fixed assets	16,635	16,635
Decrease	22,815	22,815
Disposal	15,824	15,824
Transferred out	6,991	6,991
31 December 2022	1,574,348	1,574,348
III. Provision for impairment		
1 January 2022	276,696	276,696
Provision	21,259	21,259
Decrease	10,899	10,899
31 December 2022	287,056	287,056
IV. Carrying amount		
Closing balance	9,898,342	9,898,342
Opening balance	8,009,648	8,009,648

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. *Investment properties (continued)*

Subsequent measurement under cost method (continued)

As at 30 June 2023, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB257,535,000 (31 December 2022: Nil). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 30 June 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
Increase	656,481	2,758,848	665,950	6,323,830	10,405,109
Additions	59,146	1,348,196	635,224	5,673,830	7,716,396
Transferred from construction in progress	522,799	1,410,565	30,726	649,993	2,614,083
Transferred from investment properties	25,234	–	–	–	25,234
Others	49,302	87	–	7	49,396
Decrease	104,288	1,872,925	695,147	2,950,572	5,622,932
Disposal or retirement	38,165	1,342,130	367,576	2,677,500	4,425,371
Transferred to construction in progress	39,250	9,745	51,353	210,778	311,126
Transferred to investment properties	22,581	–	–	–	22,581
Others	4,292	521,050	276,218	62,294	863,854
30 June 2023	29,569,439	54,801,463	16,593,826	69,945,515	170,910,243

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (continued)

For the six months ended 30 June 2023 (unaudited): (continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
II. Accumulated depreciation					
1 January 2023	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259
Increase	456,388	1,997,400	692,274	4,962,738	8,108,800
Provision	446,268	1,997,400	692,274	4,962,738	8,098,680
Transferred from investment properties	10,120	–	–	–	10,120
Decrease	54,542	1,480,359	540,950	2,544,846	4,620,697
Disposal or retirement	27,876	1,108,449	323,701	2,366,124	3,826,150
Transferred to construction in progress	421	169	22,102	145,093	167,785
Transferred to investment properties	981	–	–	–	981
Others	25,264	371,741	195,147	33,629	625,781
30 June 2023	7,182,622	32,710,124	12,933,115	50,518,501	103,344,362
III. Provision for impairment					
1 January 2023	90,131	71,544	725	23,608	186,008
Others	4,062	–	–	–	4,062
30 June 2023	94,193	71,544	725	23,608	190,070
IV. Carrying amount					
Closing balance	22,292,624	22,019,795	3,659,986	19,403,406	67,375,811
Opening balance	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (continued)

2022:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2022	26,766,460	51,022,790	15,710,220	60,581,405	154,080,875
Increase	2,866,369	6,594,964	1,772,731	12,633,524	23,867,588
Additions	519,089	3,172,491	1,306,041	11,735,410	16,733,031
Transferred from construction in progress	2,227,463	2,230,924	346,839	793,443	5,598,669
Transferred from right-of-use assets	–	395,238	48,250	–	443,488
Others	119,817	796,311	71,601	104,671	1,092,400
Decrease	615,583	3,702,214	859,928	6,642,672	11,820,397
Disposal or retirement	255,484	2,568,267	744,366	6,611,955	10,180,072
Transferred to construction in progress	3,208	1,133,884	109,768	16,368	1,263,228
Transferred to investment properties	323,856	–	–	–	323,856
Others	33,035	63	5,794	14,349	53,241
31 December 2022	29,017,246	53,915,540	16,623,023	66,572,257	166,128,066
II. Accumulated depreciation					
1 January 2022	6,117,492	30,727,249	12,099,659	43,795,111	92,739,511
Increase	864,361	3,973,240	1,450,930	10,501,091	16,789,622
Provision	850,833	3,879,385	1,409,132	10,445,597	16,584,947
Others	13,528	93,855	41,798	55,494	204,675
Decrease	201,077	2,507,406	768,798	6,195,593	9,672,874
Disposal or retirement	167,628	1,987,192	693,927	6,170,298	9,019,045
Transferred to construction in progress	1,485	520,154	71,199	12,236	605,074
Others	31,964	60	3,672	13,059	48,755
31 December 2022	6,780,776	32,193,083	12,781,791	48,100,609	99,856,259

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

20. Fixed assets (continued)

2022: (continued)

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
III. Provision for impairment					
1 January 2022	77,580	71,544	725	23,843	173,692
Provision	3,022	–	–	–	3,022
Others	9,529	–	–	(235)	9,294
31 December 2022	90,131	71,544	725	23,608	186,008
IV. Carrying amount					
31 December 2022	22,146,339	21,650,913	3,840,507	18,448,040	66,085,799
1 January 2022	20,571,388	20,223,997	3,609,836	16,762,451	61,167,672

The restricted fixed assets of the Group are stated in Note V, 64.

As at 30 June 2023, the Group had no significant fixed assets that were temporarily idle (31 December 2022: Nil).

As at 30 June 2023, the Group was in the process of applying for and handling registration or transfer of the title certificates of certain buildings with an aggregate carrying amount of RMB1,839,631,000 (31 December 2022: RMB1,335,433,000). The Company's management is of the view that the Group is entitled to occupy and use the above-mentioned buildings lawfully and validly. The Company's management is also of the opinion that the matter did not have any adverse significant impact on the Group's financial position as at 30 June 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress

RMB'000

Item	30 June 2023 (unaudited)			31 December 2022		
	Gross carrying amount	Provision for impairment	Carrying amount	Gross carrying amount	Provision for impairment	Carrying amount
CRCC Shanghai Lingang Jiayuan project	1,638,888	-	1,638,888	1,264,371	-	1,264,371
Hengqin CRCC Plaza Project	1,203,224	-	1,203,224	1,112,895	-	1,112,895
CRCC South China Headquarters Building Project	858,222	-	858,222	836,141	-	836,141
Public Wharf of Qiwei Operating Area, Taixing Port Area, Taizhou Port	566,408	-	566,408	546,885	-	546,885
CRCC Cloud Data Center Computer Room Construction Project	352,020	-	352,020	352,020	-	352,020
Pingyao Wisdom City Cloud Data Center	191,342	-	191,342	138,180	-	138,180
Jingjiang Bridge Science and Technology Industrial Park	169,563	-	169,563	105,457	-	105,457
Renovation Project of Yuqian Railway S-1050 Shield Machine	138,964	-	138,964	118,610	-	118,610
Yanzhou International Land Port Multimodal Transport Logistics Park Project	126,348	-	126,348	125,659	-	125,659
Acrylonitrile Incinerator Compliance Unit Project	115,209	-	115,209	52,848	-	52,848
Others	3,248,548	9,744	3,238,804	2,949,668	9,563	2,940,105
Total	8,608,736	9,744	8,598,992	7,602,734	9,563	7,593,171

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (continued)

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Budget	1 January 2023	Additions	Transfer out	Others	30 June 2023	Source of funds	Proportion of investment to budget (%)
CRCC Shanghai Lingang Jiayuan Project	2,110,902	1,264,371	374,517	-	-	1,638,888	Self-funding/ loan	78
Hengqin CRCC Plaza Project	2,056,000	1,112,895	90,329	-	-	1,203,224	Self-funding/ loan	59
CRCC South China Headquarters Building Project	2,214,513	836,141	22,081	-	-	858,222	Self-funding/ loan	39
Public Wharf of Qiwei Operating Area, Taixing Port Area, Taizhou Port	662,233	546,885	19,523	-	-	566,408	Self-funding	86
CRCC Cloud Data Center Computer Room Construction Project	400,000	352,020	-	-	-	352,020	Self-funding	88
Pingyao Wisdom City Cloud Data Center	252,054	138,180	53,162	-	-	191,342	Self-funding	76
Jingjiang Bridge Science and Technology Industrial Park	229,368	105,457	64,106	-	-	169,563	Self-funding	74
Renovation Project of Yuqian Railway S-1050 Shield Machine	172,610	118,610	20,354	-	-	138,964	Self-funding	81
Yanzhou International Land Port Multimodal Transport Logistics Park Project	270,723	125,659	689	-	-	126,348	Self-funding	47
Acrylonitrile Incinerator Compliance Unit Project	120,000	52,848	62,361	-	-	115,209	Self-funding/ loan	96
Others	-	2,949,668	3,042,987	2,685,607	(58,500)	3,248,548	Self-funding/ loan	-
Total	-	7,602,734	3,750,109	2,685,607	(58,500)	8,608,736	-	-
Less: Provision for impairment	-	9,563	181	-	-	9,744	-	-
Net value at the end of the period	-	7,593,171	3,749,928	2,685,607	(58,500)	8,598,992	-	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (continued)

2022:

Item	Budget					RMB'000	
		1 January 2022	Additions	Transfer out	31 December 2022	Source of funds	Proportion of investment to budget (%)
CRCC Shanghai Lingang Jiayuan Project	2,110,902	410,815	853,556	-	1,264,371	Self-funding/loan	60
Hengqin CRCC Plaza Project	2,056,000	892,495	220,400	-	1,112,895	Self-funding/loan	54
CRCC South China Headquarters Building Project	2,214,513	784,058	52,083	-	836,141	Self-funding/loan	38
Public Wharf of Qiwei Operating Area, Taixing Port Area, Taizhou Port	662,233	374,466	172,419	-	546,885	Self-funding	83
CRCC Cloud Data Center Computer Room Construction Project	400,000	352,020	-	-	352,020	Self-funding	88
Xi'an Engineering Dispatching Building Project	184,670	120,721	23,128	-	143,849	Self-funding	78
Pingyao Wisdom City Cloud Data Center	174,876	68,837	69,343	-	138,180	Self-funding	79
Yanzhou International Land Port Multimodal Transport Logistics Park Project	270,723	90,838	34,821	-	125,659	Self-funding	46
Renovation Project of Yuqian Railway S-1050 Shield Machine	172,610	-	118,610	-	118,610	Self-funding	69
Others	-	6,189,161	3,964,396	7,189,433	2,964,124	Self-funding/loan	-
Total	-	9,283,411	5,508,756	7,189,433	7,602,734	-	-
Less: Provision for impairment	-	9,563	-	-	9,563	-	-
Net value at the end of the year	-	9,273,848	5,508,756	7,189,433	7,593,171	-	-

For the six months ended 30 June 2023, construction in progress with a carrying amount of RMB2,614,083,000 (2022: RMB5,598,669,000), RMB70,048,000 (2022: RMB63,650,000) and RMB1,476,000 (2022: RMB1,526,706,000) had been transferred to fixed assets, intangible assets and investment properties respectively.

The restricted construction in progress of the Group is stated in Note V, 64.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (continued)

The amounts of interest expenses capitalised in the balance of construction in progress and the capitalisation rates are listed as follows:

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Progress as at	Accumulated	Interest capitalised	Capitalisation rate
	30 June 2023	amount of interest capitalised as at		
	(%)	30 June 2023	during the period	during the period
				(%)
Hengqin CRCC Plaza Project	59	24,810	5,905	3.42
CRCC South China Headquarters Building Project	39	27,036	14,891	3.89
CRCC Shanghai Lingang Jiayuan Project	78	25,248	15,447	3.00
Acrylonitrile Incinerator Compliance Unit Project	96	1,429	1,429	3.65
Others	—	1,063	1,063	4.81
Total	—	79,586	38,735	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Construction in progress (continued)

2022:

RMB'000

Item	Progress as at 31	Accumulated amount	Interest capitalised	Capitalisation rate
	December 2022	of interest capitalised		
	(%)	as at 31 December	during the year	during the year
		2022		(%)
Hengqin CRCC Plaza Project	54	18,905	10,700	4.58
CRCC Shanghai Lingang Jiayuan Project	60	9,801	7,648	3.15
CRCC South China Headquarters Building Project	38	12,145	12,145	3.92
Total	—	40,851	30,493	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2023	4,103,363	5,088,933	601,419	216,527	10,010,242
Additions	1,897,112	936,360	109,728	80,193	3,023,393
Decrease	332,152	762,738	17,091	8,799	1,120,780
30 June 2023	5,668,323	5,262,555	694,056	287,921	11,912,855
II. Accumulated depreciation					
1 January 2023	1,840,661	2,563,660	375,573	75,991	4,855,885
Provision	488,810	486,629	71,220	32,929	1,079,588
Decrease	224,228	757,965	16,485	8,240	1,006,918
30 June 2023	2,105,243	2,292,324	430,308	100,680	4,928,555
III. Carrying amount					
Closing balance	3,563,080	2,970,231	263,748	187,241	6,984,300
Opening balance	2,262,702	2,525,273	225,846	140,536	5,154,357

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Right-of-use assets (continued)

2022:

RMB'000

Item	Buildings	Machinery	Vehicles	Other equipment	Total
I. Original costs					
1 January 2022	3,395,225	6,370,704	640,547	168,638	10,575,114
Additions	1,267,961	1,051,665	38,732	75,814	2,434,172
Decrease	559,823	2,333,436	77,860	27,925	2,999,044
31 December 2022	4,103,363	5,088,933	601,419	216,527	10,010,242
II. Accumulated depreciation					
1 January 2022	1,355,144	3,017,347	252,710	42,888	4,668,089
Provision	831,681	1,118,345	143,610	42,647	2,136,283
Decrease	346,164	1,572,032	20,747	9,544	1,948,487
31 December 2022	1,840,661	2,563,660	375,573	75,991	4,855,885
III. Carrying amount					
Closing balance	2,262,702	2,525,273	225,846	140,536	5,154,357
Opening balance	2,040,081	3,353,357	387,837	125,750	5,907,025

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and Others	Total
I. Original costs					
1 January 2023	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
Increase	20,384	1,894,052	175,043	93,510	2,182,989
Additions	20,384	1,526,231	104,995	79,949	1,731,559
Others	–	367,821	70,048	13,561	451,430
Decrease	21,040	–	42,411	38,347	101,798
Disposal or retirement	21,040	–	42,411	38,347	101,798
30 June 2023	9,167,697	60,816,308	1,521,106	1,777,476	73,282,587
II. Accumulated amortisation					
1 January 2023	1,947,968	3,766,111	891,867	753,532	7,359,478
Increase	106,538	529,831	127,121	69,189	832,679
Provision	106,538	489,640	127,121	69,189	792,488
Others	–	40,191	–	–	40,191
Decrease	12,367	–	31,344	28,373	72,084
Disposal or retirement	12,367	–	31,344	28,373	72,084
30 June 2023	2,042,139	4,295,942	987,644	794,348	8,120,073
III. Provision for impairment					
1 January 2023 and 30 June 2023	9,043	1,060,130	–	242,003	1,311,176
IV. Carrying amount					
Closing balance	7,116,515	55,460,236	533,462	741,125	63,851,338
Opening balance	7,211,342	54,096,015	496,607	726,778	62,530,742

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (continued)

2022:

RMB'000

Item	Land use rights	Concession rights	Software licenses	Mining rights and others	Total
I. Original costs					
1 January 2022	8,759,558	64,136,600	1,130,602	1,608,012	75,634,772
Increase	631,920	13,635,096	293,546	188,696	14,749,258
Additions	631,920	11,394,303	234,747	183,792	12,444,762
Acquisition of subsidiaries	–	1,743,463	–	–	1,743,463
Others	–	497,330	58,799	4,904	561,033
Decrease	223,125	18,849,440	35,674	74,395	19,182,634
Disposal or retirement	174,907	121,221	35,674	74,395	406,197
Disposal of subsidiaries	–	18,728,219	–	–	18,728,219
Others	48,218	–	–	–	48,218
31 December 2022	9,168,353	58,922,256	1,388,474	1,722,313	71,201,396
II. Accumulated amortisation					
1 January 2022	1,808,791	3,036,253	710,418	583,898	6,139,360
Increase	193,990	866,491	212,049	246,396	1,518,926
Provision	193,990	866,491	212,049	246,396	1,518,926
Decrease	54,813	136,633	30,600	76,762	298,808
Disposal or retirement	54,813	118,845	30,600	76,762	281,020
Disposal of subsidiaries	–	17,788	–	–	17,788
31 December 2022	1,947,968	3,766,111	891,867	753,532	7,359,478
III. Provision for impairment					
1 January 2022	9,043	1,060,130	–	165,080	1,234,253
Provision	–	–	–	76,923	76,923
31 December 2022	9,043	1,060,130	–	242,003	1,311,176
IV. Carrying amount					
Closing balance	7,211,342	54,096,015	496,607	726,778	62,530,742
Opening balance	6,941,724	60,040,217	420,184	859,034	68,261,159

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (continued)

As at 30 June 2023, the Group's intangible assets recognised through internal research and development accounted for 0.03% (31 December 2022: 0.01%) of the intangible asset balance.

The restricted intangible assets of the Group are stated in Note V, 64.

As at 30 June 2023, the Group was in the process of applying for the title certificates of certain parcels of its land in the PRC with an aggregate carrying amount of RMB64,177,000 (31 December 2022: RMB225,903,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned land, and also of the opinion that the aforesaid matter did not have any significant adverse impact on the Group's financial position as at 30 June 2023.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (continued)

The amounts of interest capitalised in the balance of intangible assets and the capitalisation rates are analysed as follows:

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Progress as at 30 June 2023 (%)	Accumulated amount of interest capitalised as at 30 June 2023 (note)	Interest capitalised during the period	Capitalisation rate during the period (%)
Sichuan Jianpu Highway Project concession rights	100	1,151,795	—	—
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT project concession rights	100	546,609	—	—
Yusui Highway Project concession rights	100	192,971	—	—
Guizhou Anshun to Ziyun Highway Project concession rights	100	165,669	—	—
Chongqing Wuxi to Shaanxi Zhenping Highway Concession Rights	96	162,242	44,693	3.45
Henan Lanyuan Highway Project concession rights	98	132,774	7,214	4.00
Guangxi Nanyuzhu Highway Yuheng Section Concession Rights	52	67,159	40,928	3.06
Beijing New Airport North Line Highway project	100	64,976	—	—
Chongqing rail transit Jiangtiao Line construction project concession rights	100	60,328	—	—
Others	—	223,238	25,719	—
Total	—	2,767,761	118,554	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Intangible assets (continued)

2022:

RMB'000

Item	Progress as at	Accumulated amount	Interest capitalised	Capitalisation rate
	31 December 2022	as at 31 December 2022		
	(%)	(note)		(%)
Sichuan Jianpu Highway Project concession rights	100	1,151,795	—	—
Guangxi Ziyuan (Meixi) to Xing'an Highway BOT project concession rights	100	546,609	—	—
Yusui Highway Project concession rights	100	192,971	—	—
Guizhou Anshun to Ziyun Highway Project concession rights	100	165,669	—	—
Henan Lanyuan Highway Project concession rights	96	125,560	80,161	4.06
Beijing New Airport North Line Highway project	100	64,976	5,023	3.95
Chongqing rail transit Jiangtiao Line construction project concession rights	100	60,328	40,440	3.73
Others	—	223,750	63,844	—
Total	—	2,531,658	189,468	—

Note: It is accumulated during the construction of the concession rights and will be amortised according to the expected realisation of the economic benefits of the project during its operation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill

For the six months ended 30 June 2023 (unaudited):

Original costs

RMB'000

Item	1 January 2023	Increase (unaudited)	Decrease (unaudited)	Exchange differences arising on translation of foreign operations unaudited	30 June 2023 (unaudited)
Acquisition of ALDESA Company (Note 1)	399,073	-	-	24,419	423,492
Acquisition of CIDEON Company (Note 2)	91,369	-	-	-	91,369
Others	43,128	-	-	-	43,128
Total	533,570	-	-	24,419	557,989

Provision for impairment

RMB'000

Item	1 January 2023	Increase (unaudited)	Decrease (unaudited)	Exchange differences arising on translation of foreign operations unaudited	30 June 2023 (unaudited)
Acquisition of ALDESA Company (Note 1)	313,378	-	-	19,175	332,553
Acquisition of CIDEON Company (Note 2)	56,674	-	-	-	56,674
Total	370,052	-	-	19,175	389,227

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Goodwill (Continued)

2022:

Original costs

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences arising on translation of foreign operations	31 December 2022
Acquisition of ALDESA Company (Note 1)	388,149	–	–	10,924	399,073
Acquisition of CIDEON Company (Note 2)	91,369	–	–	–	91,369
Others	43,128	–	–	–	43,128
Total	522,646	–	–	10,924	533,570

Provision for impairment

RMB'000

Item	1 January 2022	Increase	Decrease	Exchange differences arising on translation of foreign operation	31 December 2022
Acquisition of ALDESA Company (Note 1)	115,511	194,616	–	3,251	313,378
Acquisition of CIDEON Company (Note 2)	47,636	9,038	–	–	56,674
Total	163,147	203,654	–	3,251	370,052

Note 1: The goodwill of EUR 54,670,000 was acquired in the business combination involving entities not under common control of GRUPO ALDESA, S.A. on 8 May 2020. As at 30 June 2023, the Group cumulatively accrued impairment of the goodwill of EUR 43,130,000.

Note 2: On 29 February 2016, the Group purchased CIDEON Engineering GmbH & Co. KG, CIDEON Engineering Verwaltungs GmbH and CIDEON Schweiz AG (collectively referred to as "CIDEON Company"), which is a business combination involving entities not under common control and resulted in the increase in goodwill by EUR 11,710,000. As at 30 June 2023, the Group cumulatively accrued impairment of the goodwill of EUR 7,110,000.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities

RMB'000

Item	30 June 2023 (unaudited)		31 December 2022	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences (restated)	Deferred tax assets (restated)
Deferred tax assets				
Provision for long-term post-leaving benefits	106,162	21,490	119,321	24,514
Provision for impairment of assets and credit losses	29,173,076	5,189,304	27,291,092	4,849,872
Deductible tax losses	3,531,236	864,299	3,645,071	887,364
Lease liabilities	3,834,870	803,843	2,279,489	424,530
Revaluation surplus from restructuring	1,158,051	276,276	1,180,896	292,930
Unrealised profits of intra-group transactions	7,940,562	1,904,999	7,230,176	1,558,174
Changes in fair value of other equity instrument investments	174,134	37,572	118,549	19,245
Interest expenses that can be carried forward for deduction	734,640	183,660	692,209	173,052
Others	8,395,018	1,585,120	8,427,645	1,655,449
Total	55,047,749	10,866,563	50,984,448	9,885,130
Item	Taxable temporary differences		Deferred tax liabilities	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences (restated)	Deferred tax liabilities (restated)
Deferred tax liabilities				
Right-of-use assets	4,580,339	918,191	2,862,025	520,341
Changes in fair value of other equity instrument investments	1,166,045	229,002	1,360,596	235,224
Asset appreciation from appraisal for business combinations involving entities not under common control	377,007	93,784	316,684	79,171
Book-tax temporary differences for revenue recognition	4,186,170	1,124,236	3,918,918	1,046,440
Others	2,813,634	638,890	2,194,320	525,764
Total	13,123,195	3,004,103	10,652,543	2,406,940

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offset:

RMB'000

Item	Offset amount between deferred tax assets and liabilities at the end of the period (unaudited)	Closing balance of deferred tax assets or liabilities after offset (unaudited)	Offset amount between deferred tax assets and liabilities at the beginning of the period (restated)	Opening balance of deferred tax assets or liabilities after offset (restated)
Deferred tax assets	1,140,729	9,725,834	782,107	9,103,023
Deferred tax liabilities	1,140,729	1,863,374	782,107	1,624,833

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022 (restated)
Deductible temporary differences	12,553,929	11,904,781
Deductible tax losses	23,075,994	20,931,229
Total	35,629,923	32,836,010

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Deferred tax assets/liabilities (Continued)

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

RMB'000

Year	30 June 2023 (unaudited)	31 December 2022
2023	2,805,259	2,973,276
2024	2,206,159	2,343,634
2025	3,453,721	3,459,570
2026	4,670,776	4,923,543
2027	5,015,626	5,089,955
2028	2,851,952	294,123
2029	267,110	267,110
2030	849,306	857,374
2031	427,993	427,993
2032	294,651	294,651
2033	233,441	–
Total	23,075,994	20,931,229

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other non-current assets

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Retention receivables	73,013,655	72,427,749
Contract assets derived from land development receivables and other project receivables	44,422,802	40,678,129
Others	4,523,992	4,070,364
Subtotal	121,960,449	117,176,242
Less: Current portion of non-current assets	8,633,518	9,005,004
Including: Retention receivables	8,633,518	9,005,004
Total	113,326,931	108,171,238

Details of asset impairment of contract assets in other non-current assets are stated in note VIII, 3.

The restricted other non-current assets of the Group are stated in Note V, 64.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Short-term loans

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Credit loans	93,742,063	47,492,300
Guaranteed loans (Note 3)	2,812,360	3,243,900
Pledged loans (Note 1, Note 2)	830,648	631,362
Total	97,385,071	51,367,562

Note 1: As at 30 June 2023, short-term loans with carrying amounts of RMB610,648,000 (31 December 2022: RMB607,512,000) were secured by the pledge of the Group's trade receivables with a carrying amount of RMB610,648,000 (31 December 2022: RMB607,512,000) and all the equity and revenue under the contract to which the trade receivables belong.

Note 2: As at 30 June 2023, short-term loans with carrying amounts of RMB220,000,000 (31 December 2022: RMB23,850,000) were secured by the pledge of the Group's bills receivable with a carrying amount of RMB220,000,000 (31 December 2022: RMB23,850,000).

Note 3: As at 30 June 2023 and 31 December 2022, all guaranteed loans were guaranteed by the entities comprising the Group.

As at 30 June 2023, annual interest rates of above short-term loans ranged from 1.65% to 8.20% (31 December 2022: 1.70% to 7.03%).

As at 30 June 2023, the Group had no overdue short-term loans (31 December 2022: Nil).

28. Due to customers

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Due to customers	1,442,703	3,168,603

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Bills payable

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Bank acceptance bills	55,542,954	62,865,413
Commercial acceptance bills	19,804,283	26,741,929
Total	75,347,237	89,607,342

As at 30 June 2023, the Group had no unpaid overdue bills payable (31 December 2022: Nil).

30. Trade payables

Aging of trade payables is listed as follows:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Within 1 year	446,703,105	416,162,468
1 to 2 years	7,478,271	6,496,421
2 to 3 years	2,216,056	1,986,922
Over 3 years	1,118,079	923,127
Total	457,515,511	425,568,938

As at 30 June 2023, trade payables aged over one year amounted to RMB10,812,406,000 (31 December 2022: RMB9,406,470,000), primarily consisted of payables for construction contracts and materials. Since the progress of relevant projects had not reached the point of payments, these trade payables had not been settled.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Advances for the sale of properties <i>(Note)</i>	100,441,381	78,267,582
Advances for construction contracts	64,496,325	80,669,972
Advances for the sale of materials	3,618,767	2,970,798
Advances for the sale of goods	638,835	1,013,812
Others	1,288,836	1,196,623
Total	170,484,144	164,118,787

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (Continued)

Note: Details of advances for the sale of properties are listed as follows:

RMB'000

Project name	Percentage of accumulated pre-sales as at 30 June 2023		Estimated completion date
	30 June 2023 (unaudited)	30 June 2023 %	
Wenzhou Lucheng Future Community	7,873,108	94	December 2023
Shanghai Huayu Lanting Project	5,261,689	100	December 2023
Xingyue Yunjian Project	4,508,192	89	October 2024
Xinchuan Yue Project	4,051,560	91	December 2023
Shanghai Jindi Jiayuan Project	3,987,865	100	October 2023
Shanghai Huayu Tianjing Project	3,784,080	90	November 2023
Xipai Tangyue Project	3,421,089	74	December 2023
Chenyue International Project	3,011,942	80	December 2023
Xi'an CRCC International City III Project	2,854,231	94	December 2023
CRCC Xipai Guoyue Project	2,833,615	81	December 2023
Wutonggang Jiayuan Project	2,437,166	87	December 2023
Xipai Jinsha Residence Project	2,385,559	59	December 2023
Chengdu Qingyang Yuefu Project	2,043,287	42	December 2024
Chengdu Wuhou Yuefu Project	2,034,690	79	May 2024
CRCC Nanshahaiyue International Project	1,748,734	81	April 2023
Hangzhou Chunyong Fengheli Project	1,692,056	97	October 2023
Shuangnan Yuefu Project	1,645,843	59	December 2023
CRCC Yuhu Project	1,559,445	94	December 2023
Xipai Chengyang Project	1,434,632	78	December 2024
Cuiyu Yunzhu Project	1,431,831	57	March 2024
Others	40,440,767	--	--
Total	100,441,381	--	--

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Contract liabilities (Continued)

As at the balance sheet date, significant contract liabilities aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	30 June 2023 (unaudited)	Reasons
Company 1	Third party	670,840	Work performed but not billed
Company 2	Third party	395,191	Work performed but not billed
Company 3	Joint venture	336,735	Work performed but not billed
Company 4	Third party	322,068	Work performed but not billed
Company 5	Third party	303,335	Work performed but not billed
Total	—	2,028,169	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable

For the six months ended 30 June 2023:

RMB'000

Item	1 January 2023	Accrued (unaudited)	Paid (unaudited)	30 June 2023 (unaudited)
Short-term benefits	11,738,521	35,265,426	36,061,168	10,942,779
Post-employment benefits (defined contribution plans)	2,168,216	4,118,982	3,951,741	2,335,457
Total	13,906,737	39,384,408	40,012,909	13,278,236

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Short-term benefits	10,440,532	71,526,484	70,228,495	11,738,521
Post-employment benefits (defined contribution plans)	1,740,572	8,544,918	8,117,274	2,168,216
Total	12,181,104	80,071,402	78,345,769	13,906,737

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Short-term benefits:

For the six months ended 30 June 2023:

RMB'000

Item	1 January 2023	Accrued (unaudited)	Paid (unaudited)	30 June 2023 (unaudited)
Salaries, bonuses, allowances and subsidies	8,035,885	24,449,345	25,469,315	7,015,915
Staff welfare	–	2,092,790	2,092,790	–
Social insurance	1,302,419	2,048,183	1,934,622	1,415,980
Including: Medical insurance	1,144,269	1,855,449	1,744,281	1,255,437
Work injury insurance	116,099	155,681	148,627	123,153
Maternity insurance	42,051	37,053	41,714	37,390
Housing funds	994,463	2,158,488	2,106,907	1,046,044
Union fund and employee education fund	745,917	598,885	557,763	787,039
Others	659,837	3,917,735	3,899,771	677,801
Total	11,738,521	35,265,426	36,061,168	10,942,779

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Short-term benefits: (Continued)

2022:

Item	1 January 2022	Accrued	Paid	<i>RMB'000</i>
				31 December 2022
Salaries, bonuses, allowances and subsidies	7,282,318	49,108,099	48,354,532	8,035,885
Staff welfare	–	4,513,933	4,513,933	–
Social insurance	1,066,770	4,440,703	4,205,054	1,302,419
Including: Medical insurance	927,671	4,031,291	3,814,693	1,144,269
Work injury insurance	98,831	328,977	311,709	116,099
Maternity insurance	40,268	80,435	78,652	42,051
Housing funds	773,898	4,225,237	4,004,672	994,463
Union fund and employee education fund	683,303	1,239,814	1,177,200	745,917
Others	634,243	7,998,698	7,973,104	659,837
Total	10,440,532	71,526,484	70,228,495	11,738,521

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Employee benefits payable (Continued)

Defined contribution plan:

For the six months ended 30 June 2023:

RMB'000

Item	1 January 2023	Accrued (unaudited)	Paid (unaudited)	30 June 2023 (unaudited)
Basic pension insurance	1,491,523	3,002,657	2,905,894	1,588,286
Unemployment insurance	91,267	114,095	105,089	100,273
Supplementary pension insurance	585,426	1,002,230	940,758	646,898
Total	2,168,216	4,118,982	3,951,741	2,335,457

2022:

RMB'000

Item	1 January 2022	Accrued	Paid	31 December 2022
Basic pension insurance	1,192,473	6,150,281	5,851,231	1,491,523
Unemployment insurance	83,415	223,863	216,011	91,267
Supplementary pension insurance	464,684	2,170,774	2,050,032	585,426
Total	1,740,572	8,544,918	8,117,274	2,168,216

Defined contribution plan includes basic pension insurance and unemployment insurance managed by local governments and the Group's supplementary pension insurance. In addition to the monthly payments, the Group is no longer liable for further payments. Relevant expenditures are capitalised or expensed in the period when incurred.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Taxes payable

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
EIT	3,097,751	3,320,134
VAT	1,911,666	3,525,500
Others	1,288,271	2,091,257
Total	6,297,688	8,936,891

34. Other payables

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Payables for advances	34,610,282	33,556,384
Guarantees and deposits	30,892,698	29,152,849
Amounts due to related parties	21,413,811	12,986,906
Amounts due to cooperative parties	3,885,360	4,323,982
Dividends payable	5,862,866	1,064,805
Others	18,260,645	19,443,961
Total	114,925,662	100,528,887

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Other payables (continued)

As at 30 June 2023, significant other payables aged over one year are listed as follows:

RMB'000

Company name	Relationship with the Group	30 June 2023 (unaudited)	Reasons
Company 1	Third party	652,989	Payables not settled
Company 2	Third party	213,576	Payables not settled
Company 3	Third party	173,983	Payables not settled
Company 4	Third party	124,604	Payables not settled
Company 5	Third party	100,000	Payables not settled
Total	—	1,265,152	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Current portion of non-current liabilities

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Current portion of long-term loans (Note V, 37)	22,401,342	20,131,882
Current portion of bonds payable (Note V, 38)	12,606,994	17,098,279
Current portion of long-term payables	6,284,574	6,369,715
Current portion of lease liabilities (Note V, 39)	1,937,633	1,694,787
Current portion of provisions	203,860	194,129
Current portion of post-employment benefits payable	31,656	39,003
Total	43,466,059	45,527,795

The current portion of long-term loans is presented as follows:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Credit loans	13,982,950	14,627,311
Mortgaged loans (Note V, 37 (Note 4, 5, 6, 7))	4,397,744	2,445,305
Guaranteed loans (Note V, 37 (Note 8))	2,965,889	1,962,563
Pledged loans (Note V, 37 (Note 1, 2, 3))	1,054,759	1,096,703
Total	22,401,342	20,131,882

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Other current liabilities

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Amounts to be transferred to output VAT	31,868,681	30,397,119
Short-term unsecured financing bonds (Note 1)	–	419,247
Others	305,891	777,731
Total	32,174,572	31,594,097

Note 1: Short-term unsecured financing bonds bear a fixed interest rate. The principal and the interest will be repaid at the end of the term upon issuance or in a lump sum at the end of the term.

The movement of short-term unsecured financing bonds is listed as follows (unaudited):

RMB'000

Bond name	Par value	Issuance date	Bond term	Opening balance	Issuance during the periods	Interests accrued	Amortisation of discounts and premium and effects of exchange rate	Repayments	Closing balance
China Railway Construction Corporation Limited – 2023 first issue of ultra short-term financing bonds	RMB3 billion	12 April 2023	77 days	–	3,000,000	13,822	–	3,013,822	–
China Railway Construction Corporation Limited – 2023 second issue of ultra short-term financing bonds	RMB3 billion	13 April 2023	75 days	–	3,000,000	13,525	–	3,013,525	–
Aldesa Agrupación Empresarial, S.A.U. EUR 28.05 million short-term commercial bills	EUR 28.05 million	08 June 2022	12 months	201,690	–	–	6,593	208,283	–
Others	–	–	–	217,557	–	–	1,752	219,309	–
Total	–	–	–	419,247	6,000,000	27,347	8,345	6,454,939	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Credit loans	76,313,846	59,532,386
Pledged loans (Note 1, 2, 3)	41,422,449	38,557,624
Mortgaged loans (Note 4, 5, 6, 7)	27,718,754	24,220,319
Guaranteed loans (Note 8)	12,623,808	11,105,099
Total	158,078,857	133,415,428

Note 1: As at 30 June 2023, long-term loans with a carrying amount of RMB31,514,821,000, including current portion of long-term loans of RMB392,950,000 (31 December 2022: RMB29,260,863,000, including current portion of long-term loans of RMB440,030,000) were secured by pledges of the Group's concession rights with a carrying amount of RMB48,849,151,000 (31 December 2022: RMB43,200,375,000).

Note 2: As at 30 June 2023, long-term loans with a carrying amount of RMB1,156,231,000, including current portion of long-term loans of RMB1,917,000 (31 December 2022: RMB832,670,000, including current portion of long-term loans of RMB1,781,000) were secured by pledges of the Group's trade receivables with a carrying amount of RMB1,516,610,000 (31 December 2022: RMB1,150,368,000).

Note 3: As at 30 June 2023, long-term loans with a carrying amount of RMB9,806,156,000, including current portion of long-term loans of RMB659,892,000 (31 December 2022: RMB9,560,794,000, including current portion of long-term loans of RMB654,892,000) were secured by pledges of the Group's contract assets of BT projects with a carrying amount of RMB18,761,970,000 (31 December 2022: RMB14,937,347,000), and long-term receivables RMB1,170,107,000 (31 December 2022: RMB1,177,072,000).

Note 4: As at 30 June 2023, long-term loans with a carrying amount of RMB1,432,451,000, including current portion of long-term loans of RMB299,000 (31 December 2022: RMB828,087,000, including current portion of long-term loans of RMB3,124,000) were secured by mortgages of the Group's fixed assets with a carrying amount of RMB2,690,519,000 (31 December 2022: RMB2,636,141,000).

Note 5: As at 30 June 2023, long-term loans with a carrying amount of RMB27,755,850,000, including current portion of long-term loans of RMB4,264,123,000 (31 December 2022: long-term loans with a carrying amount of RMB23,939,079,000, including current portion of long-term loans of RMB2,421,591,000) were secured by mortgages of the Group's inventories with a carrying amount of RMB61,018,112,000 (31 December 2022: RMB59,933,128,000).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (continued)

Note 6: As at 30 June 2023, long-term loans with a carrying amount of RMB1,769,824,000, including current portion of long-term loans of RMB1,000,000 (31 December 2022: RMB1,493,647,000) were secured by mortgages of the Group's construction in progress with a carrying amount of RMB3,591,539,000 (31 December 2022: RMB2,868,791,000).

Note 7: As at 30 June 2023, long-term loans with a carrying amount of RMB1,158,373,000, including current portion of long-term loans of RMB132,322,000 (31 December 2022: RMB404,811,000, including current portion of long-term loans of RMB20,590,000) were secured by mortgages of the Group's land use rights with a carrying amount of RMB1,953,021,000 (31 December 2022: RMB680,796,000).

Note 8: As at 30 June 2023, the guaranteed borrowings, including current portion of long-term loans of RMB2,965,889,000 (31 December 2022: RMB1,962,563,000), were all internally guaranteed by the entities comprising the Group (31 December 2022: the guaranteed borrowings were all internally guaranteed by the entities comprising the Group).

As at 30 June 2023, the Group had no overdue long-term loans (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Long-term loans (continued)

The maturity profile of the long-term loans as at the end of the period/year is listed as follows:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Within one year or paid on demand (Note V, 35)	22,401,342	20,131,882
In the second year (inclusive)	39,490,423	31,883,891
In the second to fifth year (inclusive)	74,826,496	58,546,047
Over five years	43,761,938	42,985,490
Total	180,480,199	153,547,310

38. Bonds payable

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Bonds payable	40,807,837	45,194,975
Less: Current portion of bonds payable (Note V, 35)	12,606,994	17,098,279
Non-current portion of bonds payable	28,200,843	28,096,696

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 30 June 2023, balances of bonds payable are listed as follows (unaudited):

	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the period	Discountor premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2023
Bonds											
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of public placement corporate bonds to professional investors	3,590,000	15 September 2020	3+2 years	3,590,000	4.05%	3,620,343	-	72,698	5,135	-	3,698,176
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	3,075,098	-	54,750	260	109,500	3,020,608
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,768,924	-	43,875	(2,736)	87,750	2,722,313
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of public placement corporate bonds to professional investors	2,500,000	10 March 2023	3+2 years	2,500,000	3.84%	-	2,500,000	24,000	(4,230)	-	2,519,770
CRCC Hean Limited Guaranteed Note due in 2026 with principal of EUR300 million and interest rate of 0.875% (Note 2)	EUR300 million	20 May 2021	5 years	EUR300 million	0.88%	2,292,583	-	10,210	136,839	19,905	2,359,727
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of medium term note	2,200,000	9 January 2023	3+2 years	2,200,000	4.45%	-	2,200,000	40,792	(3,627)	-	2,237,265
CRCC Hean Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.875% (Note 1)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	2,088,966	-	19,879	78,898	19,788	2,167,955
China Railway Construction Real Estate Group Co., Ltd. – 2020 first issue of medium term note	2,100,000	12 March 2020	3+2 years	2,100,000	4.50%	2,147,106	-	40,425	659	67,200	2,120,990
China Railway Construction Investment Group Co., Ltd. – 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,016,308	-	35,200	400	-	2,051,908
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of medium term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,068,325	-	41,700	3,225	83,400	2,019,850

RMB'000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 30 June 2023, balances of bonds payable are listed as follows (unaudited): (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued	Interest accrued in the period	Discountor premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2023
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	1,732,807	–	31,195	144	62,390	1,701,756
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public placement corporate bonds to professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,343,183	–	24,570	264	49,140	1,318,877
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public placement corporate bonds to professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,841	–	25,675	262	51,350	1,315,428
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium term note	1,200,000	27 June 2022	3+2 years	1,200,000	3.43%	1,228,492	–	34,300	406	68,600	1,194,598
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public placement corporate bonds to professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,120,060	–	18,204	238	–	1,138,502
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	1,126,716	–	24,750	(1,702)	49,500	1,100,264
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	1,032,355	–	15,988	(24,581)	15,998	1,007,774
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium term note	900,000	15 July 2022	3+2 years	900,000	3.40%	918,178	–	25,500	304	–	943,982
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium term note	900,000	23 March 2020	3+2 years	900,000	4.30%	920,738	–	16,948	285	39,520	898,451
China Railway Construction Real Estate Group Co., Ltd. – 2022 - fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	786,241	–	16,000	297	32,000	770,538
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of green medium term note	700,000	10 April 2023	3+2 years	700,000	3.55%	–	700,000	4,142	(1,079)	–	703,063

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 30 June 2023, balances of bonds payable are listed as follows (unaudited): (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued in the period	Interest accrued in the period	Discountor premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2023
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,227	–	10,350	73	20,700	604,950
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of medium term note	500,000	24 August 2022	3+2 years	500,000	3.35%	507,268	–	13,400	160	–	520,828
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	515,762	–	9,250	147	18,500	506,659
China Railway Construction Real Estate Group Co., Ltd. – 2023 first issue of targeted placement notes	500,000	22 March 2023	3+2 years	500,000	3.90%	–	500,000	4,875	(884)	–	503,991
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of medium term note	400,000	12 October 2022	3+2 years	400,000	3.74%	402,866	–	13,090	150	–	416,106
China Railway Construction Real Estate Group Co., Ltd. – 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.68%	328,456	–	9,200	34	18,400	319,290
China Railway Construction Real Estate Group Co., Ltd. – 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.99%	308,257	–	5,550	(600)	11,100	302,107
China Railway Construction Real Estate Group Co., Ltd. 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	263,514	–	5,490	(288)	10,980	257,736
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond	1,200,000	9 April 2019	3+2 years	1,200,000	3.19%	196,725	–	3,142	5,295	3,142	202,020
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of targeted placement notes	160,000	28 March 2022	3+2 years	160,000	3.70%	167,827	–	5,985	513	11,970	162,355
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 7)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,583,404	–	72,695	(29,963)	5,636,136	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 30 June 2023, balances of bonds payable are listed as follows (unaudited): (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2023	Amount issued in the period	Interest accrued in the period	Discountor premium amortisation and exchange effects	Principal and interest paid in the period	30 June 2023
China Railway Construction Real Estate Group Co., Ltd. – 2018 first issue of medium term note	2,200,000	19 January 2018	5 years	2,200,000	5.94%	2,290,170	–	7,883	(3,453)	2,294,600	–
China Railway SIJUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium term note	1,000,000	24 April 2020	3 years	1,000,000	2.50%	1,014,722	–	10,278	25,000	1,050,000	–
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	819,052	–	6,360	28	825,440	–
China Railway Construction Investment Group Co., Ltd. – 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,982	–	4,000	18	516,000	–
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 years	100,000	5.50%	102,479	–	1,060	2,928	106,467	–
Total	–	–	–	–	–	45,194,975	5,900,000	803,419	188,919	11,279,476	40,807,837
Less: Current portion of bonds payable	–	–	–	–	–	17,098,279	–	–	–	–	12,606,994
Non-current portion of bonds payable	–	–	–	–	–	28,096,696	–	–	–	–	28,200,843

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 31 December 2022, balances of bonds payable are listed as follows:

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
CRCC Yuxiang Limited Guaranteed Note due in 2023 with principal of USD800 million and interest rate of 3.5% (Note 1)	USD800 million	16 May 2013	10 years	USD800 million	3.50%	5,114,572	-	195,049	476,906	193,123	5,593,404
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of public placement corporate bonds to professional investors	3,590,000	15 September 2020	3+2 years	3,590,000	4.05%	3,119,985	500,000	145,395	358	145,395	3,620,343
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of public placement corporate bonds to professional investors	3,000,000	18 March 2022	3+2 years	3,000,000	3.65%	-	3,000,000	82,125	(7,027)	-	3,075,098
China Railway Construction Real Estate Group Co., Ltd. - 2019 first issue of public placement Corporate bond (variety I)	2,700,000	15 March 2019	3+2 years	2,700,000	4.25%	2,780,751	-	99,570	3,353	114,750	2,768,924
China Railway Construction Real Estate Group Co., Ltd. - 2018 first issue of medium-term note	2,200,000	19 January 2018	5 years	2,200,000	5.94%	2,281,110	-	94,936	8,724	94,600	2,290,170
CRCC Hean Limited Guaranteed Note due in 2026 with principal of EUR300 million and interest rate of 0.875% (Note 2)	EUR300 million	20 May 2021	5 years	EUR300 million	0.88%	2,169,905	-	19,066	62,349	18,737	2,232,583
China Railway Construction Real Estate Group Co., Ltd. - 2020 first issue of medium-term note	2,100,000	12 March 2020	3+2 years	2,100,000	3.20%	2,146,496	-	67,200	610	67,200	2,147,106
CRCC Hean Limited Guaranteed Note due in 2026 with principal of USD300 million and interest rate of 1.675% (Note 1)	USD300 million	20 May 2021	5 years	USD300 million	1.88%	1,911,100	-	39,236	177,605	38,975	2,088,966
China Railway Construction Real Estate Group Co., Ltd. - 2021 first issue of medium-term note	2,000,000	2 March 2021	3+2 years	2,000,000	4.17%	2,057,655	-	83,400	670	83,400	2,058,325
China Railway Construction Investment Group Co., Ltd. - 2021 first issue of public placement Corporate bond	2,000,000	18 October 2021	3 years	2,000,000	3.52%	2,015,414	-	70,400	894	70,400	2,016,308

RMB'000

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of public placement corporate bonds to professional investors	1,690,000	25 March 2022	3+2 years	1,690,000	3.67%	-	1,690,000	46,793	(3,986)	-	1,732,807
China Railway Construction Real Estate Group Co., Ltd. – 2021 first issue of public corporate bonds for professional investors	1,300,000	22 January 2021	3+2 years	1,300,000	3.78%	1,342,836	-	49,140	347	49,140	1,343,183
China Railway Construction Real Estate Group Co., Ltd. – 2021 second issue of public corporate bonds for professional investors	1,300,000	3 February 2021	3+2 years	1,300,000	3.95%	1,340,541	-	51,350	300	51,350	1,340,841
China Railway Construction Real Estate Group Co., Ltd. – 2022 first issue of medium-term note	1,200,000	27 June 2022	3+2 years	1,200,000	3.43%	-	1,200,000	34,300	(5,808)	-	1,228,492
China Railway Construction Real Estate Group Co., Ltd. – 2022 fourth issue of public placement corporate bonds to professional investors	1,100,000	18 May 2022	3+2 years	1,100,000	3.30%	-	1,100,000	30,704	(3,988)	-	1,126,716
China Railway Construction Real Estate Group Co., Ltd. – 2021 third issue of public corporate bonds for professional investors	1,110,000	1 September 2021	3+2 years	1,110,000	3.28%	1,119,829	-	36,408	231	36,408	1,120,060
China Railway Construction Investment Group Co., Ltd. – 2019 first issue of public placement Corporate bond, resale of bond in 2022	1,003,000	10 April 2022	2 years	1,003,000	3.19%	-	1,003,588	28,710	57	-	1,032,355
China Railway SYUAN Survey and Design Group Co., Ltd. – 2020 first issue of medium-term note	1,000,000	24 April 2020	3 years	1,000,000	2.50%	716,736	300,000	22,986	-	25,000	1,014,722
China Railway Construction Real Estate Group Co., Ltd. – 2020 second issue of medium-term note	900,000	23 March 2020	3+2 years	900,000	3.28%	620,488	300,000	29,520	250	29,520	920,738
China Railway Construction Real Estate Group Co., Ltd. – 2022 second issue of medium-term note	900,000	15 July 2022	3+2 years	900,000	3.40%	-	900,000	21,250	(3,072)	-	918,178
China Railway Construction Investment Group Co., Ltd. – 2020 first issue of public placement Corporate bond (variety I)	800,000	11 March 2020	3+2 years	800,000	3.18%	818,664	-	25,440	388	25,440	819,052

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. - 2022- fifth issue of public placement corporate bonds to professional investors (variety I)	770,000	27 May 2022	3 years	770,000	3.20%	-	770,000	18,667	(2,426)	-	786,241
China Railway Construction Investment Group Co., Ltd. - 2020 first issue of public placement Corporate bond (variety II)	600,000	11 March 2020	5+2 years	600,000	3.45%	615,058	-	20,700	169	20,700	615,227
China Railway Construction Real Estate Group Co., Ltd. - 2022 first issue of targeted placement notes	500,000	6 January 2022	3+2 years	500,000	3.70%	-	500,000	16,968	(1,196)	-	515,762
China Railway Construction Investment Group Co., Ltd. - 2020 second issue of public placement Corporate bond (COVID-19 prevention and control bond)	500,000	16 March 2020	3+2 years	500,000	3.20%	511,741	-	16,000	241	16,000	511,982
China Railway Construction Real Estate Group Co., Ltd. - 2022 third issue of medium-term note	500,000	24 August 2022	3+2 years	500,000	3.35%	-	500,000	8,933	(1,665)	-	507,268
China Railway Construction Real Estate Group Co., Ltd. - 2022 fourth issue of medium-term note	400,000	12 October 2022	3+2 years	400,000	3.74%	-	400,000	4,363	(1,497)	-	402,866
China Railway Construction Real Estate Group Co., Ltd. - 2022 fifth issue of public placement corporate bonds to professional investors (variety II)	320,000	27 May 2022	5 years	320,000	3.66%	-	320,000	10,733	(2,277)	-	328,456
China Railway Construction Real Estate Group Co., Ltd. - 2022 third issue of public placement corporate bonds to professional investors	300,000	25 March 2022	3+2 years	300,000	3.99%	-	300,000	8,978	(721)	-	308,257
China Railway Construction Real Estate Group Co., Ltd. 2019 second issue of private placement Corporate bond	300,000	18 March 2019	3+2 years	300,000	4.90%	310,430	-	12,459	325	59,700	263,514
China Railway Construction Investment Group Co., Ltd. - 2019 first issue of public placement Corporate bond	1,200,000	9 April 2019	3+2 years	1,200,000	3.19%	1,235,657	-	11,940	(112)	1,050,760	196,725
China Railway Construction Real Estate Group Co., Ltd. - 2022 second issue of targeted placement notes	160,000	28 March 2022	3+2 years	160,000	3.70%	-	160,000	8,525	(698)	-	167,827

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

As at 31 December 2022, balances of bonds payable are listed as follows: (continued)

Bonds	Par value	Issue date	Maturity	Amount	Annual interest rate	1 January 2022	Amount issued	Interest accrued in the year	Discount or premium amortisation and exchange effects	Principal and interest paid in the year	31 December 2022
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR001	100,000	27 March 2020	3 years	100,000	5.50%	99,792	-	4,898	2,687	4,898	102,479
CRCC (Beijing) Property Management Co., Ltd. – 2017 first issue of private placement assets-backed note	960,000	13 December 2017	6 years	960,000	6.90%	503,600	-	1,311	1,076	505,987	-
China Railway Construction Real Estate Group Co., Ltd. – 2019 first issue of private placement Corporate bond (variety II)	1,500,000	10 January 2019	3+2 years	1,500,000	4.90%	1,564,531	-	6,125	2,920	1,573,576	-
China Railway 16th Bureau Group Co., Ltd. – 2019 private placement Corporate bond	1,000,000	30 October 2019	3+3+3+1 years	1,000,000	4.73%	1,007,883	-	39,419	-	1,047,302	-
China Railway Construction Real Estate Group Co., Ltd. – 2019 first phase of debt financing plan	654,000	5 December 2019	3 years	654,000	6.10%	654,000	-	28,122	-	682,122	-
China Railway Construction Real Estate Group Co., Ltd. Beijing Financial Assets Exchange debt financing plan – 20 Jing China Railway Construction Real Estate Co., Ltd. ZR002	300,000	16 April 2020	3 years	300,000	5.20%	301,427	-	5,157	1,195	307,779	-
Total	-	-	-	-	-	36,360,201	12,943,588	1,496,266	707,182	6,312,262	45,194,975
Less: Current portion of bonds payable	-	-	-	-	-	6,825,326	-	-	-	-	17,088,279
Non-current portion of bonds payable	-	-	-	-	-	29,534,875	-	-	-	-	28,096,696

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

38. Bonds payable (continued)

Note 1: The Group's overseas subsidiary issued 5-year and 10-year US dollar bonds in the international market are guaranteed by the Company with fixed interest rate, half-yearly interest payment and principal repayment at maturity.

Note 2: The Group's overseas subsidiary issued 5-year Euro bonds in the international market are guaranteed by the Company with fixed interest rate, yearly interest payment and principal repayment maturity.

Besides the long-term bonds mentioned above, others were general corporate bonds issued on Shanghai Stock Exchange, and unsecured medium-term Notes, non-public directional debt financing instruments issued in National Association of Financial Market Institutional Investors. The relevant long-term bonds were with fixed interest rates, interest repayment based on scheduled repayment dates and principal repayment at maturity. For certain bonds, at the end of third year or the fifth year, issuer have right to adjust coupon rate and redeem, and investor have right to put back option.

39. Lease liabilities

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Lease liabilities	5,952,280	4,146,079
Less: Current portion of lease liabilities (<i>Note V, 35</i>)	1,937,633	1,694,787
Non-current portion of lease liabilities	4,014,647	2,451,292

40. Long-term payables

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Retention payables and other long-term construction payables	27,942,749	24,993,442
Payables for specific items	5,691,490	4,830,684
Special payables	229,771	69,923
Others	4,467,523	4,906,865
Total	38,331,533	34,800,914

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Share capital

For the six months ended 30 June 2023:

RMB'000

Item	1 January 2023	Increase (unaudited)	Decrease (unaudited)	30 June 2023 (unaudited)
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

2022:

RMB'000

Item	1 January 2022	Increase	Decrease	31 December 2022
Unrestricted shares				
– RMB ordinary shares	11,503,246	–	–	11,503,246
– Overseas listed foreign shares	2,076,296	–	–	2,076,296
Total	13,579,542	–	–	13,579,542

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments

RMB'000

Item		30 June 2023 (unaudited)	31 December 2022
2019 & 2020 renewable loans	<i>Note 1</i>	22,200,000	22,200,000
2022 renewable corporate bonds	<i>Note 2</i>	10,993,335	10,993,335
2021 renewable corporate bonds	<i>Note 3</i>	9,593,972	9,593,972
2020 renewable corporate bonds	<i>Note 4</i>	4,697,404	4,697,404
2019 renewable corporate bonds	<i>Note 5</i>	2,998,589	2,998,589
2022 medium-term notes Phase I	<i>Note 6</i>	2,995,372	2,995,372
2020 medium-term notes Phase I	<i>Note 7</i>	2,991,242	2,991,242
2023 renewable corporate bonds	<i>Note 8</i>	2,498,457	–
2021 CRCC medium-term notes	<i>Note 9</i>	1,994,120	1,994,120
2019 CRCC medium-term notes	<i>Note 10</i>	1,495,643	1,495,643
Total		62,458,134	59,959,677

Note 1: In 2019&2020, the Company issued RMB35,600,000,000 in an aggregate principal amount of renewable loans. According to the terms of the contract above, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the loans did not satisfy the definition of financial liabilities and included the loans in other equity instruments. In 2022, the Company redeemed the principal of this renewable loan above of RMB3,000,000,000 (2021: RMB10,400,000,000).

Note 2: In 2022, the Company issued RMB11,000,000,000 in an aggregate principal amount of renewable corporate bonds. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the bonds did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB10,993,335,000, net of the relevant expenses of issuance of RMB6,665,000 were included in other equity instruments.

Note 3: In 2021, the Company issued RMB9,600,000,000 in an aggregate principal amount of four tranches of renewable corporate bonds. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the bonds did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB9,593,972,000, net of the relevant expenses of issuance of RMB6,028,000 were included in other equity instruments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42. Other equity instruments (continued)

Note 4: In 2020, the Company issued RMB4,700,000,000 in an aggregate principal amount of renewable corporate bonds. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the bonds did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB4,697,404,000, net of the relevant expenses of issuance of RMB2,596,000 were included in other equity instruments.

Note 5: In 2019, the Company issued RMB12,000,000,000 in an aggregate principal amount of three tranches of renewable corporate bonds. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the bonds did not satisfy the definition of financial liabilities and recognised the bonds as other equity instruments. The net proceeds from the issuance amounting to RMB11,994,417,000, net of the relevant expenses of issuance of RMB5,583,000 were included in other equity instruments. In 2022, the Company redeemed the principal of the renewable corporate bonds, which of RMB9,000,000,000, and the difference between the repayment of the principal and the carrying amount of RMB4,172,000 was included in the capital reserve.

Note 6: In 2022, the Company issued RMB3,000,000,000 in an aggregate principal amount of two tranches of medium-term notes. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the notes did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB2,995,372,000, net of the relevant expenses of issuance of RMB4,628,000 were included in other equity instruments.

Note 7: In 2020, the Company issued RMB3,000,000,000 in an aggregate principal amount of medium-term notes. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the notes did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB2,991,242,000, net of the relevant expenses of issuance of RMB8,758,000 were included in other equity instruments.

Note 8: In 2023, the Company issued RMB2,500,000,000 in an aggregate principal amount of renewable corporate bonds. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the bonds did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB2,498,457,000, net of the relevant expenses of issuance of RMB1,543,000 were included in other equity instruments.

Note 9: In 2021, the Company issued RMB2,000,000,000 in an aggregate principal amount of medium-term notes. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the notes did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB1,994,120,000, net of the relevant expenses of issuance of RMB5,880,000 were included in other equity instruments.

Note 10: In 2019, the Company issued RMB1,500,000,000 in an aggregate principal amount of second medium-term notes. According to the terms of the contract, the Company had no contractual obligation to deliver cash or other financial assets to the holders. The Company considered that the notes did not satisfy the definition of financial liabilities. The net proceeds from the issuance amounting to RMB1,495,643,000, net of the relevant expenses of issuance of RMB4,357,000 were included in other equity instruments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Capital reserve

For the six months ended 30 June 2023:

RMB'000

Item	1 January 2023	Increase (unaudited)	Decrease (unaudited)	30 June 2023 (unaudited)
Share premium	41,956,599	–	–	41,956,599
Relocation compensation granted by government	160,961	–	–	160,961
Equity transactions with non- controlling shareholders	6,940,137	(1,423)	–	6,938,714
Others	(150,641)	–	–	(150,641)
Total	48,907,056	(1,423)	–	48,905,633

2022:

RMB'000

Item	1 January 2022	Increase	Decrease	31 December 2022
Share premium	41,956,599	–	–	41,956,599
Relocation compensation granted by government	160,961	–	–	160,961
Equity transactions with non-controlling shareholders (<i>Note 1</i>)	2,891,541	4,048,790	194	6,940,137
Others	(122,516)	–	28,125	(150,641)
Total	44,886,585	4,048,790	28,319	48,907,056

Note 1: On 16 December 2022, the Company and its subsidiaries China Railway 14th Bureau Group Co., Ltd., China Railway 18th Bureau Group Co., Ltd., China Railway 20th Bureau Group Co., Ltd. and China Railway Urban Construction Group Co., Ltd. (“the Target Companies”) entered into Capital Contribution Agreements and Investment Agreements with several third-party investors. Pursuant to the agreements, the third-party investors respectively made capital contributions to the Target Companies in cash. Upon completion of the capital contribution, the Company’s shareholding proportion of the Target Companies decreased from 100% to 79.02%, 80.30%, 70.41% and 71.69% respectively, but the Company will not lose actual control over the Target Companies. The capitals contributions made by the third-party investors amounted to RMB10,000,000,000. These transactions resulted in an increase of capital reserve amounting to RMB3,253,352,000 and an increase of non-controlling interests amounting to RMB6,746,648,000 in the consolidated financial statements of the Group as at 16 December 2022.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income

Accumulated balances of other comprehensive income attributable to owners of the Company in the consolidated statement of financial position:

RMB'000

Item	1 January 2022	Increase/ (decrease)	Less: Other comprehensive income carried forward to retained earnings	1 January	Increase/ (decrease)	30 June 2023
				2023	(unaudited)	(unaudited)
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of investee, under the equity method	(160,250)	207,426	-	47,176	507,097	554,273
Changes in fair value of other debt investments and effect of deferred income tax	3,521	(11,684)	-	(8,163)	5,946	(2,217)
Changes in fair value of receivables at FVTOCI	(3,548)	(5,732)	-	(9,280)	2,596	(6,684)
Effect of deferred income tax from changes in fair value of receivables at FVTOCI	547	1,406	-	1,953	(632)	1,321
Exchange differences on translation of foreign operation	(1,886,349)	434,416	-	(1,451,933)	569,363	(882,570)
Changes in fair value of other equity instruments investments at FVTOCI	990,827	(261,315)	4,012	725,500	(118,596)	606,904
Effect of deferred tax from changes in fair value of other equity instruments investments at FVTOCI	(230,679)	51,789	-	(178,890)	24,549	(154,341)
Others	9,439	(4,165)	(49,224)	54,498	-	54,498
Total	(1,276,492)	412,141	(45,212)	(819,139)	990,323	171,184

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (continued)

Other comprehensive income in the statement of profit or loss:

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(160,464)	(24,549)	(94,047)	(41,868)
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	507,097	–	507,097	–
Changes in fair value of other debt investments	14,001	3,500	5,946	4,555
Changes in fair value of receivables at FVTOCI	3,387	632	1,964	791
Exchange differences on translation of foreign operations	622,381	–	569,363	53,018
Total	986,402	(20,417)	990,323	16,496

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

44. Other comprehensive income (continued)

For the six months ended 30 June 2022 (unaudited):

RMB'000

Item	Other comprehensive income before tax	Less: Income tax effect	Attributable to owners of the Company	Attributable to non-controlling interests
Other comprehensive income not to be reclassified to profit or loss				
Changes in fair value of other equity instrument investments	(114,388)	(27,475)	(69,221)	(17,692)
Others	606	586	20	-
Other comprehensive income to be reclassified to profit or loss				
Share of other comprehensive income of the investee under the equity method	155,134	-	155,134	-
Changes in fair value of other debt investments	(27,699)	(4,481)	(22,411)	(807)
Changes in fair value of receivables at FVTOCI	(456)	(68)	(277)	(111)
Exchange differences on translation of foreign operations	320,540	-	270,239	50,301
Total	333,737	(31,438)	333,484	31,691

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Special reserve

In accordance with the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* issued by Ministry of Finance and State Administration of Work Safety (Cai Qi [2012] No. 16) on 14 February 2012, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects and utilised those expenses. The Ministry of Finance and Ministry of Emergency Management revised the *Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilisation* (Cai Qi [2022] No. 136) on 21 November 2022, the Group provided for the safety production expenses at 1.5% and 2% of the cost of construction projects for construction projects which have completed the bidding and signed the contracts; and provided for the safety production expenses at 1.5%, 2.5% and 3% of the cost of construction projects for the remaining construction projects, and utilised the expenses. Further details are stated in Note III. 30.

46. Surplus reserve

For the six months ended 30 June 2023:

RMB'000

Item	1 January 2023	Increase (unaudited)	30 June 2023 (unaudited)
Statutory surplus reserve (Note)	6,789,771	–	6,789,771

2022:

RMB'000

Item	1 January 2022	Increase	31 December 2022
Statutory surplus reserve (Note)	6,789,771	–	6,789,771

Note: In accordance with the Company Law and the Company's articles of association, the Company appropriated 10% of the net profit after making up for losses to the statutory surplus reserve, which is limited to 50% of the Company's registered capital.

The Company is authorised to allocate the discretionary surplus reserve from profit after the allocation of the statutory surplus reserve. Upon the approval of the board, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

47. Retained earnings

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	2022
Retained earnings at the end of the previous year	162,067,076	141,556,080
Changes in accounting policies (<i>Note III, 35</i>)	(85,944)	(124,646)
Retained earnings at the beginning of period/year (restated)	161,981,132	141,431,434
Net profit attributable to the owners	13,648,610	26,680,796
Less: Appropriation to statutory surplus reserve	–	–
Cash dividend declared for ordinary Shares (<i>Note 1</i>)	3,802,272	3,340,567
Interest distributed to other equity instrument holders (<i>Note 2</i>)	1,254,088	2,745,319
Others	–	(45,212)
Retained earnings at the end of the period/year (<i>Note 3</i>)	170,573,382	161,981,132

Note 1: In accordance with the resolution at the 2022 annual general meeting of shareholders on 28 June 2023, the Company declared a cash dividend of RMB0.28 per share (2022: RMB0.246 per share), which amounted to RMB3,802,272,000 (2022: RMB3,340,567,000) based on 13,579,541,500 ordinary shares in issue. The dividend has been paid after the balance sheet date.

Note 2: For the six months ended 30 June 2023, the Company accrued interest of other equity instruments holders amounting to RMB1,254,088,000 (2022: RMB2,745,319,000).

Note 3: As at 30 June 2023 the Group's retained earnings did not include any amount that belonged to holders of other equity instruments (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)		For the six months ended 30 June 2022 (unaudited)	
	Revenue	Cost of sales	Revenue	Cost of sales
Revenue from principal operations	536,902,493	489,769,188	535,759,839	489,876,082
Other operating revenue	4,157,498	3,102,109	4,736,695	3,778,340
Total	541,059,991	492,871,297	540,496,534	493,654,422

(1) Revenue is listed as follows:

RMB'000

Sector	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Construction operations	473,683,965	476,753,971
Real estate development operations	21,411,451	21,382,902
Manufacturing operations	10,630,897	9,782,592
Survey, design and consultancy operations	8,358,836	9,107,781
Other business operations	26,974,842	23,469,288
Total	541,059,991	540,496,534

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Revenue and cost of sales (continued)

(2) Disaggregation of revenue:

RMB'000

	Construction operations	Real estate development operations	Manufacturing operations	Survey, design and consultancy operations	Other business operations	Total
Revenue from contracts with customers						
Over time	473,683,965	-	-	6,422,550	2,547,413	482,653,928
A point in time	-	21,369,832	10,068,073	1,936,286	23,948,891	57,323,082
Revenue arising from leases	-	41,619	562,824	-	478,538	1,082,981
Total	473,683,965	21,411,451	10,630,897	8,358,836	26,974,842	541,059,991

- (3) The construction services provided by the Group are mainly identified as single performance obligation and met the criteria of performance obligation performed over time. For the six months ended 30 June 2023, for the construction services in progress, the transaction prices allocated to their unsatisfied (including partially unsatisfied) performance obligations are based on their performance progress over the relevant construction contract periods and would be recognised as revenue based on their performance progress in future construction contract periods.

49. Taxes and surcharges

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
City maintenance and construction tax	382,093	323,590
Stamp duty	357,678	359,126
Property tax	155,572	149,121
Others	617,285	857,816
Total	1,512,628	1,689,653

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Selling and distribution expenses

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Employee compensation costs	1,641,195	1,538,092
Advertising and publicity expenses	1,068,609	845,907
Others	607,123	522,897
Total	3,316,927	2,906,896

51. General and administrative expenses

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Employee compensation costs	7,632,367	7,221,099
Office, travelling and transportation expenses	562,788	374,088
Depreciation expenses of fixed assets	480,535	456,476
Others	1,860,947	1,636,851
Total	10,536,637	9,688,514

52. Research and development expenses

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Personnel and material expenses	8,293,309	8,396,894

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Finance costs

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Interest expenses	6,533,922	6,358,723
Less: Interest income	2,051,357	2,095,588
Less: Interest capitalised	3,405,983	3,286,552
Exchange gains	(561,392)	(223,736)
Bank charges and others	1,082,979	838,730
Total	1,598,169	1,591,577

The amount of capitalised interest had been included in the balances of construction in progress (Note V, 21), intangible assets (Note V, 23) and properties under development (Note V, 8 (1)).

54. Impairment losses on assets

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Losses from impairment of contract assets	(559,096)	(706,292)
Losses from decline in value of inventories	(67,339)	(168,420)
Others	(9,805)	(350)
Total	(636,240)	(875,062)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Impairment of credit losses

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Losses from impairment of receivables	(1,306,467)	(1,537,766)
Losses from impairment of loans to customers	(7,840)	5,243
Total	(1,314,307)	(1,532,523)

56. Investment income

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Share of profits of long-term equity investments under the equity method	203,817	112,836
Investment (loss) income from disposal of long-term equity investments under the equity method	(258)	4,220
Losses from derecognition of financial assets measured at amortised cost	(2,504,301)	(1,592,301)
Investment income from holding other equity instrument investments	45,791	48,582
Investment income from disposal of held-for-trading financial assets	109,353	92,242
Investment income from holding debt investments	247,989	139,545
Others	83,163	28,149
Total	(1,814,446)	(1,166,727)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

57. Non-operating income

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)	Non-recurring profit or loss of the period (unaudited)
Approved unpayable balances	115,232	68,281	115,232
Gains on compensation, penalties and fines	146,471	181,210	146,471
Government grants	41,837	92,130	41,837
Gains on retirement of non-current assets	22,413	43,589	22,413
Others	123,228	111,781	123,228
Total	449,181	496,991	449,181

Government grants credited to profit or loss for the period are listed as follows:

RMB'000

Nature	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)	Related to assets/ income
Enterprise development funds	175,196	83,536	Related to income
Refund of taxes	49,520	13,682	Related to income
Relocation compensation and others	91,878	181,635	Related to assets/ income
Total	316,594	278,853	—
Including: Other income	274,757	186,723	—
Non-operating income	41,837	92,130	—

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Non-operating expenses

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)	Non-recurring profit or loss of the period (unaudited)
Loss on compensation, penalties and fines	201,520	220,548	201,520
Loss on retirement of non-current assets	59,505	44,300	59,505
Donations	12,957	10,040	12,957
Others	25,844	32,328	25,844
Total	299,826	307,216	299,826

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

59. Costs and expenses classified by nature

Supplementary information of the Group's costs of sales, selling and distribution expenses, general and administrative expenses, research and development expenses categorised by nature are listed as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Cost of services rendered	407,948,581	414,517,012
Cost of goods sold	47,514,363	43,056,950
Employee benefits (Note V, 32)	39,384,408	37,836,553
Depreciation expenses on fixed assets (Note V, 20)	8,098,680	7,923,583
Depreciation expenses on right-of-use assets (Note V, 22)	1,079,588	1,095,135
Amortisation expenses on intangible assets (Note V, 23)	792,488	686,676
Depreciation of investment properties (Note V, 19)	163,596	138,325

60. Income tax expenses

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Current tax expenses	3,617,348	3,955,500
Deferred tax expenses	(390,700)	(381,875)
Total	3,226,648	3,573,625

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Income tax expenses (continued)

A reconciliation of the income tax expense applicable to profit before tax is listed as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Profit before tax	19,718,226	19,497,399
Income tax at the statutory income tax rate of 25%	4,929,557	4,874,350
Tax effect of preferential tax rates for some subsidiaries	(1,264,655)	(1,005,871)
Tax effect of share of profits and losses of joint ventures and associates	(50,954)	(28,209)
Effect of non-taxable income	(93,072)	(247,523)
Effect of non-deductible expenses	162,970	158,017
Effect of utilisation of unrecognised deductible tax losses	(160,819)	(108,560)
Effect of utilisation of unrecognised temporary differences	(34,144)	(146,581)
Income tax benefits on research and development expenses	(635,512)	(577,907)
Effect of unrecognised deductible tax losses	685,298	527,783
Effect of deductible temporary differences for which the deferred tax assets were not recognised	154,405	299,579
Adjustments in respect of current income tax of previous periods	(136,938)	155,812
Interest on perpetual bonds deductible before tax	(282,942)	(184,776)
Others	(46,546)	(142,489)
Income tax expense at the Group's effective tax rate	3,226,648	3,573,625

The income tax of the Group is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other regions is calculated at the statutory tax rate according to existing laws, interpretations and practices of the country or jurisdiction in which the Group operates.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

61. Earnings per share

The basic earnings per share is calculated based on the net profit for the period attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the period.

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Earnings		
Net profit attributable to shareholders of the Company	13,648,610	13,490,009
Including: profit or loss from continuing operations	13,648,610	13,490,009
Less: attributable to holder of other equity instruments (Note V, 47)	1,254,088	1,395,692
Net profit attributable to ordinary shareholders	12,394,522	12,094,317
Shares		
Number of the outstanding ordinary shares of the Company	13,579,541,500	13,579,541,500
Basic earnings per share (RMB/share)	0.91	0.89
Diluted earnings per share (RMB/share)	0.91	0.89

62. Notes to items in the statement of cash flows

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(1) Cash received from other operating activities:		
Amounts due from/to related parties	8,426,905	3,616,439
Sale of raw materials	1,213,780	1,775,755
Others	1,495,841	4,379,151
Total	11,136,526	9,771,345

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

62. Notes to items in the statement of cash flows (continued)

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(2) Cash paid for other operating activities:		
Advertising and business promotion expenses	1,068,609	845,907
Office and travelling expenses	863,109	644,031
Repair and maintenance costs	218,309	191,392
Others	8,354,700	7,406,260
Total	10,504,727	9,087,590

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(3) Cash paid for other investing activities:		
Cash paid for advance payment for land acquisition and demolition and other investments	1,485,186	605,299
Total	1,485,186	605,299

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(4) Cash paid for other financing activities:		
Cash paid for lease liabilities	1,205,509	1,093,161
Others	45,229	46,447
Total	1,250,738	1,139,608

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the consolidated statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Reconciliation of net profit to cash flows generated from operating activities:		
Net profit	16,491,578	15,923,774
Add: Impairment losses on assets	636,240	875,062
Impairment of credit losses	1,314,307	1,532,523
Depreciation of fixed assets	8,098,680	7,923,583
Depreciation of right-of-use assets	1,079,588	1,095,135
Amortisation of intangible assets	792,488	686,676
Depreciation of investment properties	163,596	138,325
Amortisation of long-term deferred expenses	113,717	107,326
Gains from disposal or retirement of fixed assets, intangible assets and other long-term assets	(14,861)	(9,173)
Losses on fair value changes	12,516	48,209
Finance costs	2,281,810	1,852,923
Investment income	(631,494)	(421,532)
Increase in deferred tax assets	(629,241)	(474,512)
Increase in deferred tax liabilities	238,541	120,063
Increase in inventories	(15,698,993)	(17,788,025)
Increase in contract assets	(23,677,089)	(22,232,050)
Increase in operating receivables	(32,310,581)	(44,441,075)
Increase in operating payables	22,664,552	36,186,313
Increase in the deposits with the central bank	(268,331)	(727,927)
Net cash flows used in operating activities	(19,342,977)	(19,604,382)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

63. Supplementary information to the consolidated statement of cash flows (continued)

(1) Supplementary information to the statement of cash flows (continued)

Net changes in cash and cash equivalents:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Cash at the end of the period	155,736,574	134,498,439
Less: Opening balance of cash	140,774,045	102,421,626
Add: Closing balance of cash equivalents	1,522,305	1,667,166
Less: Opening balance of cash equivalents	3,741,447	7,320,235
Net increase in cash and cash equivalents	12,743,387	26,423,744

(2) Cash and cash equivalents

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Cash	155,736,574	140,774,045
Including: Cash on hand	86,297	58,623
Cash with banks without restriction	155,650,277	140,715,422
Cash equivalents	1,522,305	3,741,447
Closing balance of cash and cash equivalents	157,258,879	144,515,492

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

64. Assets with title restrictions

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022	Reason
Inventories	61,018,112	59,933,128	Mortgaged for loans
Intangible assets	50,802,172	43,881,171	Pledged for loans/ Mortgaged for loans
Other non-current assets	18,761,970	14,937,347	Pledged for loans
Cash and bank balances	13,148,740	13,480,644	Note
Bills receivable	220,000	23,850	Pledged for loans
Construction in progress	3,591,539	2,868,791	Mortgaged for loans
Trade receivables	2,127,258	1,757,880	Pledged for loans
Fixed assets	2,690,519	2,636,141	Mortgaged for loans
Long-term receivables	1,170,107	1,177,072	Pledged for loans
Total	153,530,417	140,696,024	—

Note: As at 30 June 2023, the Group held frozen deposits of RMB3,637,602,000 (31 December 2022: RMB3,789,661,000), the residual amount of RMB4,459,416,000 (31 December 2022: RMB4,907,592,000) was a deposit. CRCC Finance Company Limited placed RMB5,051,722,000 (31 December 2022: RMB4,783,391,000) in the central bank as statutory reserves.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

65. Foreign currency monetary items

As at 30 June 2023 (unaudited):

RMB'000

Item	Closing balance of foreign currencies ('000)	Exchange rate	Closing balance in RMB
Cash and bank balances			5,512,354
Including: U.S. Dollar	541,077	7.2258	3,909,712
Euro	54,496	7.8771	429,274
Hong Kong dollar	182,910	0.9220	168,639
Algeria Dinars	2,394,861	0.0533	127,737
Others			876,992
Trade receivables			4,270,922
Including: U.S. Dollar	505,444	7.2258	3,652,237
Tanzanian Shilling	22,116,685	0.0030	66,434
Thai Baht	308,336	0.2034	62,726
Uganda Shilling	28,879,971	0.0020	57,052
Others			432,473
Other receivables			184,946
Including: U.S. Dollar	9,989	7.2258	72,180
Algeria Dinars	301,586	0.0533	16,086
Others			96,680
Trade payables			1,055,146
Including: U.S. Dollar	45,541	7.2258	329,068
Singapore Dollar	25,069	5.3442	133,975
Others			592,103
Other payables			122,344
Including: Tanzanian shilling	13,521,559	0.0030	40,616
U.S. Dollar	5,516	7.2258	39,856
Others			41,872
Short-term loans			3,486,945
Including: U.S. Dollar	131,000	7.2258	946,580
Euro	322,500	7.8771	2,540,365
Long-term loans (Including long-term loans due within one year)			1,529,615
Including: Euro	102,453	7.8771	807,035
U.S. Dollar	100,000	7.2258	722,580
Bonds payable (Including bonds payable due within one year)			2,359,727
Including: Euro	299,568	7.8771	2,359,727

Note 1: The Group's main operating location is Mainland China and overseas market is spread in over 100 countries and region. There are no individually material foreign operations, and the foreign operations determined the functional currency according to the currency of the principal economic environment in which they operate. The Company, the subsidiaries and the foreign operations determined the foreign currency monetary items mentioned above in accordance with their functional currencies respectively.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VI. CHANGES OF CONSOLIDATION SCOPE

The scope of the consolidated financial statements of the Group does not change significantly compared with the prior year.

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

(1) Particulars of the principal subsidiaries of the Company are listed as follows:

Subsidiaries acquired through establishment or investment

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Civil Engineering Construction Corporation	Beijing	Beijing	Construction	3,000,000	100.00	-
China Railway 11th Bureau Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction	6,162,382	81.62	-
China Railway 12th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	5,060,677	100.00	-
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,200,000	100.00	-
China Railway 14th Bureau Group Co., Ltd.	Jinan, Shandong	Jinan, Shandong	Construction	3,110,000	79.02	-
China Railway 15th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	3,000,000	100.00	-
China Railway 16th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	4,400,000	100.00	-
China Railway 17th Bureau Group Co., Ltd.	Taiyuan, Shanxi	Taiyuan, Shanxi	Construction	3,021,226	100.00	-
China Railway 18th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	3,000,000	80.30	-
China Railway 19th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	5,080,000	100.00	-
China Railway 20th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	3,130,000	70.41	-
China Railway 21st Bureau Group Co., Ltd.	Lanzhou, Gansu	Lanzhou, Gansu	Construction	2,038,000	100.00	-
China Railway 22nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	2,000,000	100.00	-
China Railway 23rd Bureau Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Construction	2,000,000	100.00	-
China Railway 24th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	2,000,000	100.00	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(1) Particulars of the principal subsidiaries of the Company are listed as follows:(continued)

RMB'000

Company name	Principal place of business	Place of registration	Principal activities	Registered capital	Shareholding proportion %	
					Direct	Indirect
China Railway 25th Bureau Group Co., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction	2,000,000	100.00	-
China Railway First Survey and Design Institute Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Survey and design	1,000,000	100.00	-
China Railway SIYUAN Survey and Design Group Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Survey and design	1,052,500	100.00	-
China Railway Construction Group Co., Ltd.	Beijing	Beijing	Construction	3,502,971	85.64	-
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	3,800,000	100.00	-
China Railway Material Group Co., Ltd.	Beijing	Beijing	Purchase and sales of goods and materials	3,000,000	100.00	-
CRCC High-tech Equipment Corporation Limited	Kunming, Yunnan	Kunming, Yunnan	Manufacturing operations	1,519,884	63.70	1.30
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development and operation	7,000,000	100.00	-
China Railway Construction Heavy Industry Corporation Limited	Changsha, Hunan	Changsha, Hunan	Manufacturing operations	5,333,497	71.93	0.36
China Railway Construction Investment Group Co., Ltd.	Zhuhai, Guangdong	Zhuhai, Guangdong	Project investment, Construction	12,067,086	87.34	-
CRCC Finance Company Limited	Beijing	Beijing	Financial Services	9,000,000	94.00	-
China Railway Construction Corporation (International) Limited	Beijing	Beijing	Construction	3,012,500	100.00	-
CRCC Capital Holdings Group Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Financial Services	9,000,000	100.00	-
China Railway Urban Construction Group Co., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction	2,789,839	71.69	-
CRCC Kunlun Investment Group Co., Ltd.	Chengdu, Sichuan	Chengdu, Sichuan	Project investment, Construction	5,087,166	70.77	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:

As at 30 June 2023 (unaudited):

RMB'000

Subsidiary	Non-controlling shareholders shareholding proportion (%)	Net profit or loss attributable to non-controlling interests	Dividends distribute to non-controlling shareholders	Accumulated balances of non-controlling interests at the reporting date
China Railway Construction Investment Group Co., Ltd. (Note)	12.66	462,587	292,352	16,185,511
China Railway Construction Kunlun Investment Group Co., Ltd.	29.23	236,023	318,234	7,020,252
China Railway 14th Bureau Group Co., Ltd.	20.98	203,561	134,547	6,590,469
China Railway 20th Bureau Group Co., Ltd.	29.59	171,250	56,235	4,567,327
China Railway 18th Bureau Group Co., Ltd.	19.70	203,401	129,729	4,562,684
China Railway Construction Heavy Industry Corporation Limited	27.71	284,474	153,708	4,444,137

Note: The mentioned above companies issued financial instruments, such as outstanding renewable corporate bonds and medium-term notes, which are recognised in other equity instruments and presented under the line item of "non-controlling interests" in the consolidated balance sheet of the Group. The shareholding proportion of minority shareholders of these companies represents the proportion of equity interests held by minority shareholders other than holders of other equity instruments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows:
(continued)

RMB'000

Subsidiary	30 June 2023 (unaudited)					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
China Railway Construction Investment Group Co., Ltd.	35,038,278	135,486,646	170,524,924	60,403,580	73,062,130	133,465,710
China Railway Construction Kunlun Investment Group Co., Ltd.	24,207,191	51,253,098	75,460,289	38,274,235	14,323,918	52,598,153
China Railway 14th Bureau Group Co., Ltd.	60,645,175	29,258,605	89,903,780	69,205,949	5,112,225	74,318,174
China Railway 20th Bureau Group Co., Ltd.	45,834,643	13,992,530	59,827,173	46,249,365	2,685,037	48,934,402
China Railway 18th Bureau Group Co., Ltd.	40,320,293	18,483,180	58,803,473	43,269,453	3,655,065	46,924,518
China Railway Construction Heavy Industry Corporation Limited	15,863,468	9,700,457	25,563,925	8,077,252	1,505,187	9,582,439

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (continued)

RMB'000

Subsidiary	31 December 2022		Total assets	31 December 2022		Total liabilities
	Current assets	Non-current assets		Current liabilities	Non-current liabilities	
China Railway Construction Investment Group Co., Ltd.	30,479,049	127,887,909	158,366,958	61,609,926	60,050,356	121,660,282
China Railway Construction Kunlun Investment Group Co., Ltd.	18,758,259	48,592,712	67,350,971	34,063,828	11,539,857	45,603,685
China Railway 14th Bureau Group Co., Ltd.	54,147,623	26,384,402	80,532,025	61,380,500	3,759,952	65,140,452
China Railway 20th Bureau Group Co., Ltd.	42,424,598	12,742,354	55,166,952	41,959,424	2,444,033	44,403,457
China Railway 18th Bureau Group Co., Ltd.	37,829,620	16,217,593	54,047,213	39,351,363	3,060,921	42,412,284
China Railway Construction Heavy Industry Corporation Limited	15,101,461	8,685,186	23,786,647	6,977,417	1,301,978	8,279,395

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

- (2) The subsidiaries with significant non-controlling interests are listed as follows:
(continued)

RMB'000

Subsidiary	For the six months ended 30 June 2023 (unaudited)			
	Revenue	Net profit	Total comprehensive income	Net cash flows generated from operating activities
China Railway Construction Investment Group Co., Ltd.	18,754,934	1,641,087	1,612,294	942,342
China Railway Construction Kunlun Investment Group Co., Ltd.	24,618,618	1,561,276	1,561,276	2,022,556
China Railway 14th Bureau Group Co., Ltd.	43,166,649	649,485	649,485	54,116
China Railway 20th Bureau Group Co., Ltd.	23,658,307	501,163	504,368	(2,621,607)
China Railway 18th Bureau Group Co., Ltd.	39,080,840	701,521	711,505	(1,477,109)
China Railway Construction Heavy Industry Corporation Limited	5,563,802	1,025,555	1,028,918	455,822

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

(2) The subsidiaries with significant non-controlling interests are listed as follows: (continued)

RMB'000

Subsidiary	For the six months ended 30 June 2022 (unaudited)			
	Revenue	Net profit	Total comprehensive income	Net cash flows generated from operating activities
China Railway Construction Investment Group Co., Ltd.	17,299,648	1,626,449	1,583,019	922,984
China Railway Construction Kunlun Investment Group Co., Ltd.	24,379,473	1,541,607	1,541,607	5,743,391
China Railway 14th Bureau Group Co., Ltd.	46,010,923	630,595	630,595	451,339
China Railway 20th Bureau Group Co., Ltd.	21,318,800	408,859	410,122	(1,647,727)
China Railway 18th Bureau Group Co., Ltd.	40,634,763	607,839	639,364	797,168
China Railway Construction Heavy Industry Corporation Limited	5,361,899	1,014,349	1,013,993	212,467

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Subsidiaries (continued)

- (3) As at 30 June 2023, the information of financial instruments involved in equity, such as the renewable corporate bonds, medium-term notes publicly and perpetual bonds issued by the several subsidiaries, is listed as follows:

	<i>RMB'000</i>
Subsidiary	Amount
China Railway Construction Investment Group Co., Ltd.	8,591,985
CRCC Treasury Management (Hong Kong) Limited	6,726,216
China Railway 11th Bureau Group Co., Ltd.	2,497,500
China Railway Construction Asset Management Co., Ltd.	2,000,000
China Railway SIYUAN Survey and Design Group Co., Ltd.	399,790

As at 30 June 2023, financial liabilities information on the corporate bonds, medium-term notes etc. publicly issued by the above subsidiaries of the Company is listed in Note V, 38.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates

Principle joint ventures and associates

RMB'000

Name of principle joint ventures and associates	Principal place of business	Place of registration	Principal activities	Shareholding proportion %		Measurement of joint ventures and associates
				Direct	Indirect	
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Kunming, Yunan	Kunming, Yunan	Rail Transit Project Construction & Investment	54.4	–	Equity method
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Hohhot, Inner Mongolia	Hohhot, Inner Mongolia	Rail Transit Project Construction & Investment	51	–	Equity method
CRCC Financial Leasing Co., Ltd.	Tianjin	Tianjin	Finance lease	50	–	Equity method
Hangqu Railway Co., Ltd.	Quzhou, Zhejiang	Quzhou, Zhejiang	Railway Project Investment & Management	46	–	Equity method

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (continued)

Major financial information of principle joint ventures

RMB'000

	30 June 2023 (unaudited)/For the six months ended 30 June 2023 (unaudited)		31 December 2022/For the six months ended 30 June 2022 (unaudited)	
	Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Hohhot Metro Line 2 Construction & Management Co., Ltd.	Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Hohhot Metro Line 2 Construction & Management Co., Ltd.
Current assets	4,758,787	723,450	3,144,726	743,963
Including: Cash and cash equivalents	1,337,543	44,228	40,762	44,709
Non-current assets	19,442,054	14,239,006	19,806,135	14,191,119
Total assets	24,200,841	14,962,456	22,950,861	14,935,082
Current liabilities	3,542,777	1,824,751	4,506,116	1,852,377
Non-current liabilities	13,574,431	5,986,753	12,928,610	5,931,753
Total liabilities	17,117,208	7,811,504	17,434,726	7,784,130
Non-controlling interests	-	-	-	-
Total equity attributable to owners of the company	7,083,633	7,150,952	5,516,135	7,150,952
The net assets multiplied by the shareholding proportion	3,853,496	3,646,986	3,000,777	3,646,986
Adjustment issue				
— Others	199,343	25,338	307,354	25,338
Carrying amount of investments in the joint ventures attributable to the Group	4,052,839	3,672,324	3,308,131	3,672,324
Operating income	160,715	290,258	-	478,091
Financial costs	(159,545)	125,028	-	137,201
Income tax expense	(378)	-	-	-
Net profit	167,478	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	167,478	-	-	-
Dividends from joint ventures this period/year	-	-	-	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (continued)

Major financial information of principle associates

RMB'000

	30 June 2023 (unaudited)/For the six months ended 30 June 2023 (unaudited)		31 December 2022/For the six months ended 30 June 2022 (unaudited)	
	CRCC Financial Leasing Co., Ltd.	Hangqiu Railway Co., Ltd.	CRCC Financial Leasing Co., Ltd.	Hangqiu Railway Co., Ltd.
Total assets	40,078,070	14,474,830	45,066,406	13,140,929
Total liabilities	33,436,503	9,461,177	38,655,347	8,501,276
Non-controlling interests	–	–	–	–
Total equity attributable to owners of the company	6,641,567	5,013,653	6,411,059	4,639,653
The net assets multiplied by the shareholding proportion	3,320,784	2,306,280	3,205,530	2,134,240
Adjustment issue				
— Unrealised profits of intra- group transactions	(251,724)	–	(259,870)	–
— Others	(1,894)	88,583	(1,894)	92,623
Carrying amount of investments in the associates attributable to the Group	3,067,166	2,394,863	2,943,766	2,226,863
Revenue	1,846,108	–	1,764,047	–
Finance costs	902	–	–	–
Income tax expenses	76,836	–	64,108	–
Net profit	230,508	–	192,325	–
Other comprehensive income	–	–	–	–
Total comprehensive income	230,508	–	192,325	–
Dividends from associates this period/year	–	–	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in joint ventures and associates (continued)

The aggregate financial information of the individually insignificant joint ventures:

RMB'000

ITEM	30 June 2023 (unaudited)	31 December 2022
Shares of net profit of the joint ventures attributable to the Group	(312,336)	(439,140)
Shares of other comprehensive income of the joint ventures attributable to the Group	224,538	514
Shares total comprehensive income of the joint ventures attributable to the Group	(87,798)	(438,626)
Carrying amount of investments in the joint ventures attributable to the Group	51,770,703	48,801,935

The aggregate financial information of the individually insignificant associates:

RMB'000

ITEM	30 June 2023 (unaudited)	31 December 2022
Shares of net profit of the associates attributable to the Group	309,791	(1,100,326)
Shares of other comprehensive income of the associates attributable to the Group	282,559	206,912
Shares of total comprehensive income of the associates attributable to the Group	592,350	(893,414)
Carrying amount of investments in the associates attributable to the Group	72,052,132	67,032,219

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

3. *Equity in structured entities not included in the scope of the consolidated financial statements*

As at 30 June 2023, the total size of the main structured entities that the Group participated in that was not included in the consolidated financial statements was approximately RMB39,493,250,000 (31 December 2022: RMB29,555,239,000), of which the Group's subscription amount was approximately RMB12,950,856,000 (31 December 2022: RMB10,421,096,000), and the subscription amount of other investors was approximately RMB26,542,394,000 (31 December 2022: RMB19,134,143,000). The Group does not have control over these structured entities, so it has not consolidated these structured entities. As at 30 June 2023, the actual payment amount of the Group was approximately RMB5,432,974,000 (31 December 2022: RMB3,597,632,000) was accounted for as other non-current financial. The Group's largest risk exposure in these structured entities is the amount of capital contributed by the Group as at the balance sheet date. The Group has no obligation or intention to provide financial support to these structured entities.

As at 30 June 2023, the Group has issued a total of RMB85,375,000,000 (31 December 2022: RMB76,704,000,000) of asset-backed securities, and the subordinated share of related asset-backed securities amounted to RMB4,096,800,000 (31 December 2022: RMB3,551,800,000). As at 30 June 2023, the subordinated share of asset-backed securities held by the Group was RMB939,800,000 (31 December 2022: RMB811,500,000) of which RMB245,000,000 (31 December 2022: RMB344,000,000) was accounted for as held-for-trading financial assets, and RMB694,800,000 (31 December 2022: RMB467,500,000) was accounted for as other non-current financial assets. The Group has committed to provide paid temporary liquidity support to preferential investors when the cash available for distribution of the principal and expected return to preferential investors at the due date is not sufficient. As at 30 June 2023, asset-backed securities have not actually triggered the liquidity support, and the probability of triggering liquidity support in the future is very low assessed by the Group.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

1. Financial instruments by category

The carrying amounts of each category of financial instruments at the balance sheet date are as follows:

30 June 2023 (unaudited):

Financial assets

RMB'000

Item	Classified as financial assets at fair value through other comprehensive income	Designated as financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Total
Bills receivable	-	-	-	5,854,056	5,854,056
Trade receivables	-	-	-	169,744,350	169,744,350
Receivables at FVTOCI	2,286,504	-	-	-	2,286,504
Loans and advances to customers	-	-	-	1,687,350	1,687,350
Other receivables (excluding petty cash)	-	-	-	73,984,005	73,984,005
Other current assets	-	-	-	5,013,994	5,013,994
Long-term receivables	-	-	-	88,611,524	88,611,524
Cash and bank balances	-	-	-	171,268,703	171,268,703
Held-for-trading financial assets	-	-	876,295	-	876,295
Debt investments	-	-	-	10,008,729	10,008,729
Other debt investments	4,052,789	-	-	-	4,052,789
Other equity instrument investments	-	12,227,467	-	-	12,227,467
Other non-current financial assets	-	-	10,562,097	-	10,562,097
Current portion of non-current assets	4,018,695	-	-	10,483,916	14,502,611
Total	10,357,988	12,227,467	11,438,392	536,656,627	570,680,474

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (continued)

The carrying amounts of each category of financial instruments at the balance sheet date are as follows: (continued)

30 June 2023 (unaudited): (continued)

Financial liabilities

RMB'000

Item	Other financial liabilities	Total
Short-term loans	97,385,071	97,385,071
Due to customers	1,442,703	1,442,703
Bills payable	75,347,237	75,347,237
Trade payables	457,515,511	457,515,511
Other payables	114,925,662	114,925,662
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	41,292,910	41,292,910
Other current liabilities	243,000	243,000
Long-term loans	158,078,857	158,078,857
Bonds payable	28,200,843	28,200,843
Long-term payables (excluding special payables)	38,101,762	38,101,762
Other non-current liabilities	693,800	693,800
Total	1,013,227,356	1,013,227,356

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (continued)

The carrying amounts of each category of financial instruments at the balance sheet date are as follows: (continued)

31 December 2022:

Financial assets

RMB'000

Item	Classified as	Designated as	Financial assets		Total
	financial assets at fair value through other comprehensive income	financial assets at fair value through other comprehensive income	at fair value through profit or loss	Financial assets measured at amortised cost	
Bills receivable	–	–	–	8,495,031	8,495,031
Trade receivables	–	–	–	141,229,619	141,229,619
Receivables at FVTOCI	3,321,965	–	–	–	3,321,965
Loans and advances to customers	–	–	–	1,445,190	1,445,190
Other receivables (excluding petty cash)	–	–	–	65,683,626	65,683,626
Other current assets	–	–	–	17,077	17,077
Long-term receivables	–	–	–	80,554,812	80,554,812
Cash and bank balances	–	–	–	158,424,810	158,424,810
Held-for-trading financial assets	–	–	961,298	–	961,298
Debt investments	–	–	–	9,076,297	9,076,297
Other debt investments	4,934,663	–	–	–	4,934,663
Other equity instrument investments	–	11,940,051	–	–	11,940,051
Other non-current financial assets	–	–	8,387,687	–	8,387,687
Current portion of non-current assets	5,959,529	–	–	11,115,628	17,075,157
Total	14,216,157	11,940,051	9,348,985	476,042,090	511,547,283

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

1. Financial instruments by category (continued)

The carrying amounts of each category of financial instruments at the balance sheet date are as follows: (continued)

31 December 2022: (continued)

Financial liabilities

	<i>RMB'000</i>	
Item	Other financial liabilities	Total
Short-term loans	51,367,562	51,367,562
Due to customers	3,168,603	3,168,603
Bills payable	89,607,342	89,607,342
Trade payables	425,568,938	425,568,938
Other payables	100,528,887	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable, provisions and lease liabilities)	43,599,876	43,599,876
Other current liabilities	760,247	760,247
Long-term loans	133,415,428	133,415,428
Bonds payable	28,096,696	28,096,696
Long-term payables (excluding special payables)	34,730,991	34,730,991
Other non-current liabilities	466,500	466,500
Total	911,311,070	911,311,070

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

2. *Transfer of financial assets*

Transferred financial assets that are derecognised in their entirety but continuously involved

As at 30 June 2023, the Group had endorsed and discounted bank acceptance bills which are not yet due amounting to RMB2,149,447,000 (31 December 2022: RMB4,738,314,000). As at 30 June 2023, for bills within 12 months, if acceptance banks dishonored the bills, endorsees shall have the right to turn to the Group for recourse according to the Law of Bill. The Group considered the risks and rewards of the bills had been transferred. Therefore, the Group had derecognised the related bills receivable and trade payables that had been settled by the bills. The undiscounted cash flows and maximum losses of continuing involvement and repurchase equaled to the carrying amount of the bills. The Group considered the fair value of continuing involvement to be not significant.

For the six months ended 30 June 2023, the Group did not recognised any profit or loss at the date of transfer. The Group had no current or accumulated gains or expenses related to continuing involvement of financial assets which had been derecognised. The endorsement and discount happen evenly throughout the period.

Transferred financial assets that are not derecognised in their entirety

For the six months ended 30 June 2023, the Group sold underlying assets to the assets-backed specific plan which set up by the financial institute who are also the managers of the assets-backed specific plan. The managers represented the assets-backed specific plan to issue senior assets-backed securities and subordinate assets-backed securities to investors. The Group holds some portion of the subordinate assets-backed securities. Meanwhile, the Group acts as a receivables service provider to provide management services associated with receivables and their collection, contracts revision and other services to the assets-backed specific plan.

As the Group has restriction in the ability of guiding the operations of assets-backed specific plan, resulting in the degree which the Group using substantial rights to influence to obtain variable returns limited, the Group does not need to consolidate the assets-backed specific plan. Meanwhile, the Group has neither transferred nor retained substantially all the risks and rewards of the underlying assets ownership, and it retained control of the underlying assets transferred, the Group recognised the asset and associated liability to the extent of its continuing involvement in the transferred asset. As at 30 June 2023, the carrying amount of the asset the Group recognised to the extent of its continuing involvement in the underlying assets are stated in Note V.5 and Note V.13.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Financial instrument risks*

The Group's major financial instruments include loans, due to customers, bonds and other equity instruments. The purpose of these financial instruments is to support daily operations of the Group. The Group also has various financial assets and liabilities arising from operation, such as cash and bank balances, bills receivable, trade receivables, receivables at FVTOCI, other receivables, long-term receivables, bills payable, trade payables, other payables and long-term payables.

The major risks from the Group's financial instruments are credit risk, liquidity risk and market risk. The management will hold meetings at least four times a year to analyse and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from management. Generally, the Group introduces conservative strategies in risk management. As these risks for the Group are kept at a low level, the Group does not use any derivative instrument and other instruments to hedge these risks in the whole period.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Financial instrument risks (continued)*

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, the balances and collection of trade receivables, contract assets and long-term receivables are monitored on an ongoing basis to ensure that the Group's exposure to credit loss is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group. Besides, the Group reviews collections of financial assets at each balance sheet date to ensure sufficient provisions for estimated credit loss have been made for relevant financial assets.

Other financial assets of the Group include cash and bank balances, bills receivable, receivables at FVTOCI, other receivables, debt investments, other debt investments, loans and advances to customers. Credit risk of such financial assets is resulted from defaults of counterparties. The largest risk exposure equals to the carrying amount of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in Note XI, 3 to the financial statements. Substantially all of the Group's cash and bank balances are held in major financial institutions located in the PRC, which management believes are of high credit quality. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limit the amount of credit exposure to any single financial institution.

The Group adopts the provision matrix based on portfolio to assess the credit losses of trade receivables, except for trade receivables that are individually significant and credit-impaired. The Group's trade receivables involve a large number of customers. Customer type and aging information may reflect these customers' solvency in regard of such trade receivables. The Group's management classifies the trade receivables into different portfolios based on credit risk characteristics. The Group calculates the historical actual loss rate by different customer types and different aging periods based on historical data and, through regression analysis, determines the relationship between the historical actual loss rate and economic indicators, such as GDP growth, CPI. Based on the forecasted future relevant economic indicators, the Group estimates the credit loss rates. The Group's management classifies contract assets and long-term receivables into different portfolios based on their credit risk characteristics expect for contract assets or long-term receivables that are individually significant and credit-impaired. On the basis of the historical actual loss rate, the Group takes account of forward-looking information mentioned above and then determines the credit loss rates and provision matrix to evaluate expected credit losses of contract assets and long-term receivables.

For trade receivables, contract assets and long-term receivables that are individually significant and credit-impaired, the Group made separate credit loss assessment on individual basis. Based on the credit-impaired evidence and forward-looking information, the Group determines the expected credit loss by the difference between carrying amounts of these financial assets and the present value discounted by the original effective interest rate of expected cash flows.

For other financial assets, the Group calculates the ECL through default exposure and the expected credit loss rate for the next 12 months or the full lifetime.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Credit risk (continued)

As at 30 June 2023, the credit risk exposure and expected credit-impairment losses of trade receivables are disclosed as follows (unaudited):

RMB'000

Gross carrying amount	Not credit impaired	Credit impaired	Total
30 June 2023	153,255,026	32,353,340	185,608,366

Impairment of credit losses	Not credit impaired	Credit impaired	Total
1 January 2023	5,232,066	9,983,717	15,215,783
Transferred to impairment of credit losses occurred	(141,593)	141,593	–
Provision for the period	1,531,435	552,685	2,084,120
Reversal for the period	(1,041,776)	(228,886)	(1,270,662)
Write-off for the period	–	(1,394)	(1,394)
Transferred from bills receivable	–	4,156	4,156
Others	(144,739)	(23,248)	(167,987)
30 June 2023	5,435,393	10,428,623	15,864,016

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Credit risk (continued)

As at 30 June 2023, the credit risk exposure and expected credit-impairment losses of contract assets are disclosed as follows (unaudited):

RMB'000

Gross carrying amount	Not credit impaired	Credit impaired	Total
30 June 2023	256,136,268	28,622,125	284,758,393

Impairment of credit losses	Not credit impaired	Credit impaired	Total
1 January 2023	1,342,764	5,340,458	6,683,222
Transferred to impairment of credit losses occurred	(26,216)	26,216	–
Provision for the period	430,049	416,862	846,911
Reversal for the period	(293,135)	(54,894)	(348,029)
Others	(395)	(65,041)	(65,436)
30 June 2023	1,453,067	5,663,601	7,116,668

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Credit risk (continued)

As at 30 June 2023, the credit risk exposure and ECL of long-term receivables (including current portion of long-term receivables) generated from transactions scoped in ASBE No. 14 are disclosed as follows (unaudited):

RMB'000

Gross carrying amount	Not credit impaired	Credit impaired	Total
30 June 2023	67,484,123	2,483,701	69,967,824

Impairment of credit losses	Not credit impaired	Credit impaired	Total
1 January 2023	871,133	869,713	1,740,846
Provision for the period	108,151	25,257	133,408
Reversal for the period	(58,130)	(9,919)	(68,049)
Others	(2,009)	(1,333)	(3,342)
30 June 2023	919,145	883,718	1,802,863

As at 30 June 2023, the Group's contract assets in other non-current assets including retention receivables, land development receivables and other project receivables (includes retention receivables due within one year), are amounting to RMB119,961,385,000 (31 December 2022: RMB115,570,829,000), with no credit impaired. The Group recognises loss provision amounting to RMB2,524,928,000 (31 December 2022: RMB2,464,951,000) based on lifetime ECL.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. *Financial instrument risks (continued)*

Credit risk (continued)

As at 30 June 2023, external financial guarantees and mortgages for real estate development operations provided by the Group amounted to RMB2,378,792,000 and RMB33,698,206,000 respectively (31 December 2022: RMB2,554,225,000 and RMB31,799,286,000 respectively). Details of financial guaranteed contracts are set out in Note XI, 3. Management of the Group assessed overdue status of relevant borrowings, financial position of relevant debtor, and economic condition in the debtor's industry. Management is of the view that relevant credit risk of such part of financial guaranteed contract had not increased significantly since initial recognition. Therefore, loss allowance for the Group's financial guarantee contracts were not determined based on the amount of lifetime ECL but measured at the amount of the future 12-month ECL of the above financial guaranteed contracts. During the period from 1 January 2023 to 30 June 2023, the Group's assessment method and significant assumptions did not change. The Group had not recognised significant expected loss allowance for guarantees and mortgages based on management's assessment.

As the Group's major customers are PRC government agencies at the national, provincial and local levels and other state-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital-intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit facility to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, as at 30 June 2023, the Group already had banking facilities from several PRC banks.

The Group's policy is that not more than 75% of the borrowings shall mature in the following 12 months based on the carrying amount of borrowings reflected in the financial statements. As at 30 June 2023, the Group has 41.4% of loans and bonds payable that would expire within one year (As at 31 December 2022: 35.5%).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities and lease liabilities at the balance sheet date, based on the undiscounted contractual cash flows:

RMB'000

Item	30 June 2023 (unaudited)					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	98,937,406	-	-	-	98,937,406
Due to customers	1,442,703	-	-	-	-	1,442,703
Bills payable	-	75,347,237	-	-	-	75,347,237
Trade payables	-	457,515,511	-	-	-	457,515,511
Other payables	-	114,925,662	-	-	-	114,925,662
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	44,038,001	-	-	-	44,038,001
Other current liabilities	-	243,000	-	-	-	243,000
Long-term loans	-	5,774,452	44,795,555	82,742,210	56,917,753	190,229,970
Bonds payable	-	1,298,077	16,189,408	12,790,385	-	30,277,870
Long-term payables (excluding special payables)	-	-	22,428,119	11,937,632	5,262,994	39,628,745
Lease liabilities	-	-	1,539,883	1,760,165	2,284,736	5,584,784
Other non-current liabilities	-	-	195,000	498,800	-	693,800
Financial guarantees (Note XI. 3) (excluding the real estate mortgage guarantee)	2,378,792	-	-	-	-	2,378,792
Total	3,821,495	798,079,346	85,147,965	109,729,192	64,465,483	1,061,243,481

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Liquidity risk (continued)

RMB'000

Item	31 December 2022					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term loans	-	52,000,221	-	-	-	52,000,221
Due to customers	3,168,603	-	-	-	-	3,168,603
Bills payable	-	89,607,342	-	-	-	89,607,342
Trade payables	-	425,568,938	-	-	-	425,568,938
Other payables	-	100,528,887	-	-	-	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	-	46,011,572	-	-	-	46,011,572
Other current liabilities	-	760,247	-	-	-	760,247
Long-term loans	-	5,089,852	36,647,423	65,167,911	57,279,181	164,184,367
Bonds payable	-	1,596,363	13,436,378	16,150,222	-	31,182,963
Long-term payables (excluding special payables)	-	-	19,716,663	11,396,817	5,191,892	36,305,372
Lease liabilities	-	-	1,160,435	1,199,336	625,184	2,984,955
Other non-current liabilities	-	-	80,000	386,500	-	466,500
Financial guarantees (<i>Note XI, 3</i>) (excluding the real estate mortgage guarantee)	2,554,225	-	-	-	-	2,554,225
Total	5,722,828	721,163,422	71,040,899	94,300,786	63,096,257	955,324,192

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Loans, cash and bank balances are stated at amortised cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the profit or loss as earned/incurred.

As at 30 June 2023, floating interest rate loans and fixed interest rate loans accounted for approximately 81.63% and 18.37% of the Group's borrowings respectively. Management would adjust the proportion of floating and fixed rate loans based on changes in the market interest rates to reduce the significant impact arising from interest rate risk.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Market risk (continued)

Interest rate risk (continued)

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by 0.25% (For six months ended 30 June 2022: 0.25%), with all other variables held constant, the consolidated net profit would have decreased/increased by approximately RMB113,516,000 for the six months ended 30 June 2023 (For the six months ended 30 June 2022: RMB111,720,000), and there is no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2023 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated 0.25% (2022: 0.25%) of increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year from now until the end of the next annual reporting period.

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group had not entered into any hedging transactions as at 30 June 2023 in order to reduce the Group's exposure to foreign currency risk in this regard (31 December 2022: Nil).

The following table demonstrates the sensitivity at the balance sheet date to a reasonably possible change in the exchange rates of the United States dollar, Euro and Algerian dinar, with all other variables held constant, of the Group's net profit or loss and shareholder's equity net of tax.

For the six months ended 30 June 2023 (unaudited):

RMB'000

Item	Exchange Rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease)	Total equity Increase/ (Decrease)
Increase in the United States dollar rate	5%	232,292	232,292
Decrease in the United States dollar rate	(5%)	(232,292)	(232,292)
Increase in the Euro rate	5%	(220,593)	(220,593)
Decrease in the Euro rate	(5%)	220,593	220,593
Increase in the Algerian dinar rate	10%	7,848	7,848
Decrease in the Algerian dinar rate	(10%)	(7,848)	(7,848)

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

3. Financial instrument risks (continued)

Market risk (continued)

Foreign currency risk (continued)

For the six months ended 30 June 2022 (unaudited):

RMB'000

Item	Exchange Rate Increase/ (Decrease)	Net profit or loss Increase/ (Decrease) (restated)	Total equity Increase/ (Decrease) (restated)
Increase in the United States dollar rate	4%	(113,471)	(113,471)
Decrease in the United States dollar rate	(4%)	113,471	113,471
Increase in the Euro rate	3%	(113,825)	(113,825)
Decrease in the Euro rate	(3%)	113,825	113,825
Increase in the Algerian dinar rate	7%	19,064	19,064
Decrease in the Algerian dinar rate	(7%)	(19,064)	(19,064)

The sensitivity analysis above has been determined assuming that the changes in foreign exchange rates had occurred as at 30 June 2023 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in foreign exchange rates over the year from now until the end of the next annual reporting period.

4. Capital management

The Group's primary objectives for capital management are to safeguard the Group's ability to continue as a going concern and keep the capital ratio at a healthy level, so that it can support business development and maximise the value of shareholders and other equity investors.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital for the six months ended 30 June 2023 and for the six months ended 30 June 2022.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

VIII. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

4. Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes all loans, due to customers, other current liabilities, bills payable, trade payables, other payables, bonds payable, lease liabilities, long-term payables (excluding special payables), current portion of non-current liabilities (excluding the current portion of long-term employee benefits payable and provisions) and other non-current liabilities less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the balance sheet date are listed as follows:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022 (restated)
Short-term loans	97,385,071	51,367,562
Long-term loans	158,078,857	133,415,428
Due to customers	1,442,703	3,168,603
Bills payable	75,347,237	89,607,342
Trade payables	457,515,511	425,568,938
Other payables	114,925,662	100,528,887
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable and provisions)	43,230,543	45,294,663
Other current liabilities	243,000	760,247
Bonds payable	28,200,843	28,096,696
Long-term payables (excluding special payables)	38,101,762	34,730,991
Lease liabilities	4,014,647	2,451,292
Other non-current liabilities	693,800	466,500
Less: Cash and bank balances	171,268,703	158,424,810
Net debt	847,910,933	757,032,339
Attributable to shareholders' equity of the Company	302,477,646	290,398,039
Non-controlling interests	98,047,866	95,522,013
Total equity	400,525,512	385,920,052
Total equity and net debt	1,248,436,445	1,142,952,391
Gearing ratio	68%	66%

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IX. DISCLOSURE OF FAIR VALUE

1. Assets and liabilities measured at fair value

RMB'000

30 June 2023	Inputs of fair value measurement (unaudited)			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	2,286,504	–	2,286,504
Held-for-trading financial assets	575,716	–	300,579	876,295
Other debt investments	–	4,052,789	–	4,052,789
Current portion of other debt investments	–	4,018,695	–	4,018,695
Other equity instrument investments	2,128,346	–	10,099,121	12,227,467
Other non-current financial assets	125,423	–	10,436,674	10,562,097
Sum of assets under continuous measurement of fair value	2,829,485	10,357,988	20,836,374	34,023,847

RMB'000

31 December 2022	Inputs of fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Continuous measurement of fair value				
Receivables at FVTOCI	–	3,321,965	–	3,321,965
Held-for-trading financial assets	561,719	–	399,579	961,298
Other debt investments	–	4,934,663	–	4,934,663
Current portion of other debt investments	–	5,959,529	–	5,959,529
Other equity instrument investments	2,000,190	–	9,939,861	11,940,051
Other non-current financial assets	130,535	–	8,257,152	8,387,687
Sum of assets under continuous measurement of fair value	2,692,444	14,216,157	18,596,592	35,505,193

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

1. Assets and liabilities measured at fair value (continued)

Quantitative information of fair value measurement at Level 2:

RMB'000

Item	Fair value as at 30 June 2023		
	(unaudited)	Valuation technique(s)	Key input(s)
Receivables at FVTOCI	2,286,504	Discounted cash flows	Discount rates for bank acceptance bills in the same term
Other debt investments	4,052,789	Discounted cash flows	Market average rate of return with the category in the same term
Current portion of other debt investments	4,018,695	Discounted cash flows	Market average rate of return with the category in the same term
Total	10,357,988	—	—

Quantitative information of fair value measurement at Level 3:

RMB'000

Item	Fair value as at 30 June 2023		
	(unaudited)	Valuation technique(s)	Significant unobservable input(s)
Held-for-trading financial assets	246,000	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Other equity instrument investments	10,099,121	Market method	Discount rate for lack of market mobility
Held-for-trading financial assets/ Other non-current financial assets – call options for unlisted entities	3,930,893	Binomial tree option pricing model for valuation	Unlisted entities' revenue volatility and unlisted equity investments' comparable entities' stock price volatility
Other non-current financial assets – others	6,560,360	Discounted cash flows	Future cash flows discounted at rates that reflected the expected risk level
Total	20,836,374	—	—

The fair value of listed equity instruments is determined based on its quoted market price.

For the six months ended 30 June 2023, there was no transfer of fair value measurements between each level for both financial assets and financial liabilities.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

IX. DISCLOSURE OF FAIR VALUE (CONTINUED)

2. Fair value of assets and liabilities that are not measured at fair values

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the financial statements approximate to their fair values except the following items:

RMB'000

Item	Carrying amount		Fair value	
	30 June 2023 (unaudited)	31 December 2022	30 June 2023 (unaudited)	31 December 2022
Long-term loans	158,078,857	133,415,428	158,246,128	134,163,609
Bonds payable	28,200,843	28,096,696	28,227,360	28,109,170

Note: Fair value of long-term loans and bonds payable is determined by discounted future cash flow method, with market yield of other financial instruments with similar contractual terms, credit risk and remaining period, which used as the discount rate. As at 30 June 2023, its own default risk of long-term and short-term loans was evaluated as insignificant.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

Company name	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company (%)	Percentage of voting rights in the Company (%)
China Railway Construction Corporation	Beijing	Construction and management	RMB9,000,000,000	51.13	51.13

2. Subsidiaries

Please refer to Note XIV, 3(i) "Subsidiaries".

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate

Company name	Related party relationship
Beijing Jiehai Real Estate Co., Ltd.	Joint venture
Beijing Liuzhuang Real Estate Co., Ltd.	Joint venture
Beijing Ruida Real Estate Co., Ltd.	Joint venture
Beijing Xinda Real Estate Co., Ltd.	Joint venture
Changzhou Jingrui Real Estate Development Co., Ltd.	Joint venture
Chengdu Wuhou Yele Real Estate Development Co., Ltd.	Joint venture
Chengdu Tiecheng Real Estate Co., Ltd.	Joint venture
Chengdu China Railway Huafu Real Estate Co., Ltd.	Joint venture
Chengdu Zhongwan Yixing Real Estate Co., Ltd.	Joint venture
Deqing Jingsheng Real Estate Development Co., Ltd.	Joint venture
Foshan Shunde District Shunhao Real Estate Co., Ltd.	Joint venture
Fuzhou Xincheng Real Estate Co., Ltd.	Joint venture
Guangzhou Suiyun Real Estate Co., Ltd.	Joint venture
Guigang Hesi Quanyu Tourism Development Co., Ltd.	Joint venture
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	Joint venture
Guangzhou Xintie Xinjian Investment Co., Ltd.	Joint venture
Guiyang Changda Rail Transit Construction Co. Ltd.	Joint venture
Guizhou Guijin Highway Co., Ltd.	Joint venture
Guizhou Jianli Highway Co., Ltd.	Joint venture
Guizhou Qianzhong Highway Development Co., Ltd.	Joint venture
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Joint venture
Hangzhou Jingke Real Estate Co., Ltd.	Joint venture
Hohhot Metro Line 2 Construction & Management Co., Ltd.	Joint venture
Jiangsu Yancheng Tietou Construction Development Co., Ltd.	Joint venture
Jiangsu Yinbao Gangkai Construction Co., Ltd.	Joint venture
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	Joint venture
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	Joint venture
Kunming Kunlun Shouzhi Real Estate Co., Ltd.	Joint venture
Kunming Qiping Real Estate Co., Ltd.	Joint venture
Nanjing Jiangbei New Area Guanglian Pipe Gallery Construction Co., Ltd.	Joint venture
Ningbo Jingwan Investment Management Co., Ltd.	Joint venture
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	Joint venture
Shanghai Hongjun Real Estate Co., Ltd.	Joint venture
Shijiazhuang Jiasheng Pipe Gallery Engineering Co., Ltd.	Joint venture
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.	Joint venture
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.	Joint venture
Sichuan Chengmian Cangba Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
Sichuan Nansuitong Highway Co., Ltd	Joint venture
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	Joint venture
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.	Joint venture
Tianjin Wanhe Real Estate Co., Ltd.	Joint venture
CRCC Chengfa (Shangrao) Development and Construction Co., Ltd.	Joint venture
Xixian New Area Xingcheng Renju Real Estate Co., Ltd.	Joint venture
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	Joint venture
Changchun Jingde Real Estate Development Co., Ltd.	Joint venture
Changsha Yuchi River Area Development & Investment Co., Ltd.	Joint venture
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.	Joint venture
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	Joint venture
CRCC Kunlun Yunnan Real Estate Co., Ltd.	Joint venture
CRCC Shaanxi Highway Co., Ltd.	Joint venture
China Railway Construction Investment (Shenyang) Urban Development and Construction Co., Ltd.	Joint venture
China Railway Construction Investment Xi'an City Development Co., Ltd.	Joint venture
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	Joint venture
Chongqing Jianlian New Real Estate Development Co., Ltd.	Joint venture
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	Joint venture
Yunnan Luxun Highway Co., Ltd.	Joint venture
Chongqing Tiefu Jianxin Highway Co., Ltd.	Joint venture
Chongqing Tiefu Shuanghe Highway Co., Ltd.	Joint venture
Chongqing Yuxiang Double Track Highway Co., Ltd.	Joint venture
Jinan Railway Segment Manufacturing Co., Ltd.	Joint venture
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.	Joint venture
Sichuan Danei Highway Co., Ltd.	Joint venture
Suzhou Ruihua Real Estate Co., Ltd.	Joint venture
Tianjin Line 1 Rail Transit Operation Co., Ltd.	Joint venture
Wuhan Tongshui Construction & Investment Co., Ltd.	Joint venture
XiXian New Area Century Pipe Gallery Construction Management Co., Ltd.	Joint venture
Xuanwei Jingyuan Environmental Protection Co., Ltd.	Joint venture
Yangxi Yiju Ecological Construction Co., Ltd.	Joint venture
Yunnan Luqiu Guangfu Highway Investment & Development Co., Ltd.	Joint venture
China-Africa Lekkil Investment Co., Ltd.	Joint venture
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	Joint venture
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	Joint venture
CRCC Shaanxi Meitai Highway Co., Ltd.	Joint venture

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	Joint venture
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	Joint venture
CRCC Chongqing Investment (Jiangsu) Eco-environment Construction Co., Ltd.	Joint venture
Chongqing High Speed Railway Construction Wankaida Highway Co., Ltd.	Joint venture
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.	Joint venture
Chongqing Yusui Double Track Highway Co., Ltd.	Joint venture
Nanjing Jingsheng Real Estate Development Co., Ltd.	Joint venture
CRCC Chengfa (Xinchang) Development and Construction Co., Ltd.	Joint venture
Ningbo Jingsheng Real Estate Co., Ltd.	Joint venture
Changsha Zhicheng Real Estate Co., Ltd.	Joint venture
Suzhou Jingzhao Real Estate Development Co., Ltd.	Joint venture
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	Joint venture
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.	Joint venture
Sichuan Langying Highway Co., Ltd.	Joint venture
Anhui Zhenrui Construction Engineering Co., Ltd.	Joint venture
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.	Joint venture
CRCC Chengfa Future City (Huzhou) Development and Construction Co., Ltd.	Joint venture
Chengdu Jiaotou Guishancheng Industrial Co., Ltd.	Joint venture
Chengdu Chuangcheng Real Estate Co., Ltd.	Joint venture
Sichuan Suide Highway Co., Ltd.	Joint venture
Wuhu Changjiang Tunnel Co., Ltd.	Joint venture
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	Joint venture
Guizhou Tongxin Highway Development Co., Ltd.	Joint venture
Nanjing Xincheng Guanghong Real Estate Co., Ltd.	Joint venture
Baoding Hongmao Real Estate Development Co., Ltd.	Joint venture
Pingdu Characteristic Town Construction Management Co., Ltd.	Joint venture
Deyang Kunlun Tianfu Jingcheng Urban Construction and Development Co., Ltd.	Joint venture
Anqing Gaotie New Area Construction Investment Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
Chengdu Yueran Real Estate Co., Ltd.	Associate
Gansu Tietou Materials Co., Ltd.	Associate
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	Associate
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	Associate
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	Associate
Guangzhou Hongxuan Real Estate Co., Ltd.	Associate
Guangzhou Huangpu Light Rail Line 1 Investment Construction Co., Ltd.	Associate
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	Associate
Guangzhou Shengdu Investment Development Co., Ltd.	Associate
Guizhou Jinrentong Highway Development Co., Ltd.	Associate
Guizhou Wengma Railway Limited Co., Ltd.	Associate
CRCC Guizhou Engineering Investment Co., Ltd	Associate
Hangqu Railway Co., Ltd.	Associate
Hangzhou Jiandejiang Investment Co., Ltd.	Associate
Hengda Real Estate (Shenzhen) Co., Ltd.	Associate
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	Associate
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.	Associate
Jintai Infrastructure Investment (Tianjin) Partnership (Limited Partnership)	Associate
Kunming Fuyi Highway Co., Ltd.	Associate
Kunming Sanqing Highway Co., Ltd.	Associate
Liaocheng Xurui Municipal Engineering Co., Ltd.	Associate
Linyi Xinfenghuang Urban Renewal Co., Ltd.	Associate
CRCC Luoyang Guozhan Development and Construction Co., Ltd	Associate
Nanjing Yuanchen Real Estate Co., Ltd.	Associate
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	Associate
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	Associate
Qingyuan Maglev Transportation Co., Ltd.	Associate
Sichuan Jintou Project Investment Co., Ltd.	Associate
Taiyuan Airport Hub Real Estate Co., Ltd.	Associate
Tianjin China Railway Guancheng Real Estate Co., Ltd.	Associate
Wuhan Zhaorui Real Estate Co., Ltd.	Associate
Yuxi China Railway Infrastructure Construction Co., Ltd.	Associate
Yunnan Chuda Highway Investment and Development Co., Ltd.	Associate
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	Associate
Yunnan Kunchu Highway Investment & Development Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

<u>Company name</u>	<u>Related party relationship</u>
Zhejiang Jinsheng Construction Development Co., Ltd.	Associate
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	Associate
CRCC (Shandong) Deshang Highway Co., Ltd.	Associate
CRCC (Shandong) Gaodong Highway Co., Ltd.	Associate
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.	Associate
CRCC East Investment & Construction (Cixi) Co., Ltd.	Associate
CRCC Gansu Zhangbian Highway Co., Ltd.	Associate
China Railway Construction Port and Waterway Bureau Group Changshou Changjiang Second Bridge Construction Co., Ltd.	Associate
CRCC Financial Leasing Co., Ltd.	Associate
CRCC Ningxia Highway Co. Ltd.	Associate
CRCC Shandong Jixu Highway Jiyu Co., Ltd.	Associate
China Railway Construction Sichuan Dejian Highway Co., Ltd.	Associate
CRCC Tongguan Investment Co., Ltd.	Associate
CRCC Investment (Zhumadian) City Development Co., Ltd.	Associate
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	Associate
China Railway Construction Investment Huanggang Construction and Development Co., Ltd.	Associate
CRCC Investment Jizhong Development and Construction Co., Ltd.	Associate
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	Associate
China Railway Construction and Investment Shanxi Highway Co., Ltd.	Associate
CRCC Investment Weifang City Development and Construction Co., Ltd.	Associate
CRCC Xinjiang Jingxin Highway Co., Ltd.	Associate
CRCC Real Estate Co., Ltd.	Associate
Chongqing Monorail Transit Engineering Co., Ltd.	Associate
Chongqing Tiefsong Xiusong Highway Co., Ltd.	Associate
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	Associate
Chengdu Jiaotou Kunlun Construction Engineering Co. Ltd.	Associate
Foshan Road and Bridge Prefabricated Components Co., Ltd.	Associate
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.	Associate
Gansu Jinhe Highway Project Management Co., Ltd.	Associate
Gansu Jingli Highway Longnan Management Co., Ltd.	Associate
Guangxi Yujin Investment Development Co., Ltd.	Associate
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	Associate
Hubei Railway Group Dangyuan Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
Jiangxi Leshui Ecotourism Development Co., Ltd.	Associate
Nanjing Daqiao North Environmental Comprehensive Treatment Co., Ltd.	Associate
Nantong Yanglv Railway Development&Construction Co., Ltd.	Associate
Ningxia High Speed Railway Urban Development Co., Ltd.	Associate
Sanya Zhongcheng Real Estate Co., Ltd.	Associate
Sichuan Jinsuiyuan Construction Development Co., Ltd.	Associate
Tianjin Bincheng Beautiful Life Service Co., Ltd.	Associate
Tianshui Tram Co., Ltd.	Associate
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	Associate
Guangzhou Hongjia Real Estate Co., Ltd.	Associate
Guangzhou Baorui Real Estate Development Co., Ltd.	Associate
CRCC Investment (Tongxiang) Construction Management Co., Ltd.	Associate
China Railway Construction Investment Gaoyi Urban Development Co., Ltd.	Associate
Guangxi Jingcheng Real Estate Development Co., Ltd.	Associate
Maanshan Zhengpu Port Railway Co., Ltd.	Associate
CRCC Investment Jizhong Baoding Construction Co., Ltd.	Associate
CRCC Development (Rizhao) Environmental Protection Co., Ltd.	Associate
Wantong Intercity Railway Co., Ltd.	Associate
Wuwei Tongda Highway Construction Co., Ltd.	Associate
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	Associate
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.	Associate
Xuzhou Jiaokong Supply Chain Co., Ltd.	Associate
Yanji Utility Tunnel Construction and Operation Co., Ltd.	Associate
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	Associate
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	Associate
China Railway Construction Investment Jilin Changtai Highway Co., Ltd.	Associate
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	Associate
CRCC Investment Langfang Development and Construction Co., Ltd.	Associate
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.	Associate
Zhuhai Jiaojian Engineering Co., Ltd.	Associate
Zibo Economic Development Zone Bangsheng Industrial Park Management Co., Ltd.	Associate
China Railway Construction Hunan Highway Co., Ltd.	Associate

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3. Joint venture and associate (continued)

Company name	Related party relationship
CRCC Sichuan Dedu Highway Co., Ltd.	Associate
China Railway Construction Investment Guangxi Liuqin Highway Co., Ltd.	Associate
Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	Associate
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.	Associate
Shanghai Gangheng Real Estate Co., Ltd.	Associate
Ningbo Runsheng Real Estate Development Co., Ltd.	Associate
Nanjing Jingyue Real Estate Investment Co., Ltd.	Associate
Shanghai Xinfucheng Real Estate Development Co., Ltd.	Associate
Shanghai Xinruicheng Real Estate Development Co., Ltd.	Associate
Shanghai Xinjinghui Real Estate Development Co., Ltd.	Associate
Shanghai Jingmiaoxin Real Estate Co., Ltd.	Associate
Shanghai Wanjinglong Real Estate Co., Ltd.	Associate
Shaanxi Huangpu Highway Co., Ltd.	Associate
Guigang Western Outer Ring Road Highway Co., Ltd.	Associate
Shaanxi Danningdong Highway Co., Ltd.	Associate
Tianjin Ninghe Rural Roads Engineering Co., Ltd.	Associate
Yangjiang Zhongcai Railway Construction Project Management Co., Ltd.	Associate
Chifeng Chengquan Highway Engineering Management Co., Ltd.	Associate
Gansu Gonghanglv Suwutong Aviation Industry Co., Ltd.	Associate
Guangzhou Huangpu Light Rail Line 2 Investment Construction Co., Ltd.	Associate
Sichuan Tianmeile Highway Co., Ltd.	Associate

4. Other related parties

Company name	Related party relationship
CRCC Jinli Asset Management Co., Ltd.	Fellow subsidiary

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(1) Revenue from construction services		
<i>Note 1</i>		
Guizhou Qianzhong Highway Development Co., Ltd.	2,577,482	235,095
Chongqing Yuxiang Double Track Highway Co., Ltd.	2,489,618	1,682,241
Hangqu Railway Co., Ltd.	2,449,982	1,540,011
Guizhou Jianli Highway Co., Ltd.	1,922,912	1,137,073
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd.	1,713,994	1,825,921
Sichuan Chengmian Cangba Highway Co., Ltd.	1,712,203	3,405,605
Guizhou Guijin Highway Co., Ltd.	1,559,682	1,584,176
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.	1,430,376	503,303
Nantong Yanglv Railway Development&Construction Co., Ltd.	1,270,455	301,854
CRCC Ningxia Highway Co. Ltd.	1,229,082	2,853,497
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,294,649	1,476,300
China Railway Construction Investment (Liaoning) Highway Co., Ltd.	1,130,859	–
Jiangxi Leshui Ecotourism Development Co., Ltd.	1,055,557	42,655
Kunming Fuyi Highway Co., Ltd.	954,331	772,091
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	953,984	1,067,726
China Railway Construction Investment Jilin Changtai Highway Co., Ltd.	875,383	188,214
Chongqing Yusui Double Track Highway Co., Ltd.	862,690	428,392
CRCC Shaanxi Meitai Highway Co., Ltd.	824,227	568,418
Kunming Sanqing Highway Co., Ltd.	732,657	1,532,394
Guizhou Jinrentong Highway Development Co., Ltd.	730,430	667,979
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.	694,220	–
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.	676,088	845,396

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(1) Revenue from construction services (continued)		
Guigang Western Outer Ring Road Highway Co., Ltd.	648,154	135,168
Shaanxi Danningdong Highway Co., Ltd.	635,850	–
Tianjin Bincheng Beautiful Life Service Co., Ltd.	581,409	342,665
Sichuan Nansuitong Highway Co., Ltd	551,683	305,243
China Railway Construction and Investment Shanxi Highway Co., Ltd.	548,517	621,604
Zhejiang Hangyong Multiple Line Ningbo Highway Phase I Co., Ltd.	534,083	762,827
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	512,422	659,492
Guiyang Changda Rail Transit Construction Co. Ltd.	480,975	592,312
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.	461,449	255,368
CRCC Investment Shandong Xiaoqinghe Development Co., Ltd.	422,119	610,097
CRCC Luoyang Guozhan Development and Construction Co., Ltd	415,489	808,427
Gansu Jingli Highway Longnan Management Co., Ltd.	381,956	266,570
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	288,706	164,102
Chongqing Tiefa Shuanghe Highway Co., Ltd.	287,620	495,425
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.	251,804	237,842
Wuhu Changjiang Tunnel Co., Ltd.	212,447	477,850
XiXian New Area Century Pipe Gallery Construction Management Co., Ltd.	201,026	264,298
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.	201,021	34,351

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(1) Revenue from construction services (continued)		
China Railway Construction Investment Guangxi Liuqin Highway Co., Ltd.	190,345	–
Sichuan Jinsuiyuan Construction Development Co., Ltd.	182,455	59,178
Yangxi Yiju Ecological Construction Co., Ltd.	167,020	–
Hubei Railway Group Dangyuan Co., Ltd.	160,895	256,173
CRCC Shaanxi Highway Co., Ltd.	141,920	665,449
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	158,131	227,380
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.	125,597	84,693
Wuhan Tongsui Construction & Investment Co., Ltd.	111,838	256,803
Zibo Economic Development Zone Bangsheng Industrial Park Management Co., Ltd.	106,705	–
CRCC Chongqing Investment (Jiangsu) Eco-environment Construction Co., Ltd.	100,691	203,029
Tianshui Tram Co., Ltd.	90,444	233,071
Yunnan Chuda Highway Investment and Development Co., Ltd.	87,353	699,201
CRCC Xinjiang Jingxin Highway Co., Ltd.	80,079	993,163
Sichuan Suide Highway Co., Ltd.	27,343	1,046,694
Yunnan Kunchu Highway Investment & Development Co., Ltd.	46,967	444,165
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	45,123	394,967
Shaanxi Huangpu Highway Co., Ltd.	29,134	233,364
Xuanwei Jingyuan Environmental Protection Co., Ltd.	27,054	215,084
Tianjin Ninghe Rural Roads Engineering Co., Ltd.	25,295	211,570
Chengdu Chuangcheng Real Estate Co., Ltd.	4,663	224,356

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(1) Revenue from construction services (continued)		
Yangjiang Zhongcai Railway Construction Project Management Co., Ltd.	2,488	255,062
Total	38,669,131	36,395,384
(2) Revenue from sales of goods		
<i>Note 2</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.	264,067	–
CRCC Financial Leasing Co., Ltd.	283,622	277,021
Gansu Tietou Materials Co., Ltd.	5,606	25,781
Total	553,295	302,802
(3) Other income		
<i>Note 3</i>		
Chongqing Jiangtiao Line Rail Transit Operation and Management Co., Ltd.	59,500	31,500
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	50,705	55,233
Beijing Ruida Real Estate Co., Ltd.	34,555	29,337
Wuhan Zhaorui Real Estate Co., Ltd.	31,691	50,923
Beijing Jiehai Real Estate Co., Ltd.	28,737	14,076
CRCC Investment (Zhumadian) City Development Co., Ltd.	24,893	–
Kunming Qiping Real Estate Co., Ltd.	23,553	8,096
Suzhou Jingzhao Real Estate Development Co., Ltd.	22,212	–
Guangzhou Shengdu Investment Development Co., Ltd.	20,723	25,575
China Railway Construction Corporation	18,860	50,579
<i>Note 4</i>		
CRCC East Investment & Construction (Cixi) Co., Ltd.	17,466	32,119
Chengdu Tiecheng Real Estate Co., Ltd.	15,075	5,606
Taiyuan Airport Hub Real Estate Co., Ltd.	14,859	12,923
Chengdu Yueran Real Estate Co., Ltd.	14,407	18,910
Total	377,236	334,877

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

RMB'000

Item		For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
(4) Purchase of goods and receipt of services	<i>Note 5</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.		382,314	11,197
Zhuhai Jiaojian Engineering Co., Ltd.		113,039	–
Gansu Tietou Materials Co., Ltd.		20,165	128,132
Total		515,518	139,329
(5) Other expenses	<i>Note 5</i>		
Guangzhou Xintie Xinjian Investment Co., Ltd.		77,767	68,543
China Railway Construction Corporation	<i>Note 4</i>	22,000	24,567
CRCC Jinli Asset Management Co., Ltd.	<i>Note 4</i>	8,384	8,541
CRCC Xinjiang Jingxin Highway Co., Ltd.		3,255	–
CRCC Ningxia Highway Co. Ltd.		2,619	–
Chongqing Monorail Transit Engineering Co., Ltd.		494	54,679
Total		114,519	156,330

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

(6) Related party leasing

As the lessee:

RMB'000

Lessor	Leasing asset types	Accrued for the six months ended 30 June 2023 (unaudited)	Accrued for the six months ended 30 June 2022 (unaudited)
CRCC Financial Leasing Co., Ltd.	<i>Note 6</i> Machinery	935,781	990,421
China Railway Construction Corporation	<i>Note 4, Note 6</i> Buildings	7,475	9,444
Total	—	943,256	999,865

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

(7) Guarantees granted to a related party

30 June 2023 (unaudited):

RMB'000

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	630,635	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	352,800	9 July 2021	27 March 2024	No
Wuhan Zhaorui Real Estate Co., Ltd.	239,610	17 August 2022	26 July 2025	No
Pengruili Yunmen (Hangzhou) Real Estate Co., Ltd.	319,815	14 June 2022	21 December 2031	No
CRCC Tongguan Investment Co., Ltd.	213,522	17 March 2014	30 December 2023	No
CRCC Tongguan Investment Co., Ltd.	22,250	20 May 2015	20 November 2023	No
Total	1,778,632	-	-	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

(7) Guarantees granted to a related party (continued)

31 December 2022:

Secured party	Amount of guarantee	Inception of guarantee	Termination of guarantee	<i>RMB'000</i>
				Whether the guarantee is fulfilled
Guizhou Wengma Railway Limited Co., Ltd.	637,761	31 March 2016	31 March 2039	No
Wuhan Zhaorui Real Estate Co., Ltd.	371,102	9 July 2021	27 March 2024	No
Wuhan Zhaorui Real Estate Co., Ltd.	245,000	17 August 2022	26 July 2025	No
CRCC Tongguan Investment Co., Ltd.	411,608	17 March 2014	30 December 2023	No
Pengrui Yunmen (Hangzhou) Real Estate Co., Ltd.	225,525	14 June 2022	21 December 2031	No
CRCC Tongguan Investment Co., Ltd.	208,938	13 June 2019	13 June 2024	No
CRCC Tongguan Investment Co., Ltd.	42,940	20 May 2015	20 November 2023	No
Total	2,142,874	-	-	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Major related party transactions (continued)

(8) Key management's remuneration

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Key management's remuneration	7,065	7,006

Note 1: The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.

Note 2: The terms of the sales agreements of goods entered into by the Group and related parties were mutually agreed by the parties.

Note 3: The terms of the agreements relating to rendering of or receiving other services entered into by the Group and related parties were mutually agreed by the parties. The other income from related parties was mainly interest income from loans receivable.

Note 4: The above related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Hong Kong Listing Rules.

Note 5: The terms of the purchase agreements of goods and services entered into by the Group and related parties were mutually agreed by the parties.

Note 6: The lease fees recognised by the group and its affiliated companies are the lease payments paid by the group to repay the lease liabilities in the current period and the short-term lease and low-value assets lease expenses included in the current profit and loss.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties

RMB'000

		30 June 2023 (unaudited)		31 December 2022	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Bills receivable	<i>Note 1</i>				
CRCC Chengfa (Shangrao) Development and Construction Co., Ltd.		450,359	2,252	450,359	2,252
China Railway Construction and Investment Shanxi Highway Co., Ltd.		353,805	1,769	353,805	354
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.		63,104	316	193,104	966
Chongqing Tiefa Jianxin Highway Co., Ltd.		40,000	–	40,000	–
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		–	–	240,000	240
Xilinhot China Railway Municipal Infrastructure Construction Co., Ltd.		–	–	70,000	350
Total		907,268	4,337	1,347,268	4,162
Trade receivables	<i>Note 1</i>				
CRCC Luoyang Guozhan Development and Construction Co., Ltd		779,957	920	698,937	2,667
Guizhou Qianzhong Highway Development Co., Ltd.		577,351	3,220	38,408	589
CRCC Investment Jizhong Development and Construction Co., Ltd.		537,867	3,893	261,434	1,270
Anhui Zhenrui Construction Engineering Co., Ltd.		477,407	1,806	411,910	1,891
CRCC Shaanxi Meitai Highway Co., Ltd.		471,352	3,053	27,219	136
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.		368,132	2,077	131,411	767
Yuxi China Railway Infrastructure Construction Co., Ltd.		344,212	3,442	328,762	8,369
Yanji Utility Tunnel Construction and Operation Co., Ltd.		326,180	11,040	326,180	11,040

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)		31 December 2022	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Trade receivables (continued)	<i>Note 1</i>				
Jiayang Railway Construction Hexing Highway Investment Co., Ltd.		306,073	9,344	209,514	210
Chongqing Tiefa Jianxin Highway Co., Ltd.		286,069	1,025	254,738	857
Railway Construction Development (Dingzhou) Tanghe River Basin Treatment Co., Ltd.		277,824	278	76,803	77
Sichuan Jinsuiyuan Construction Development Co., Ltd.		246,967	1,235	42,327	222
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.		246,736	1,275	185,909	216
CRCC Chanfa (Dongyang) Development and Construction Co., Ltd.		224,243	1,133	125,948	126
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		206,905	476	301,605	311
China Railway Construction Investment Guangxi Liuqin Highway Co., Ltd.		193,928	970	–	–
Wuwei Tongda Highway Construction Co., Ltd.		192,457	1,134	164,753	940
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		189,662	1,293	–	–
CRCC Investment Baoding Urban Development and Construction Co., Ltd.		180,865	902	86,960	955
Zibo Economic Development Zone Bangsheng Industrial Park Management Co., Ltd.		174,316	872	–	–
XiXian New Area Century Pipe Gallery Construction Management Co., Ltd.		169,557	170	153	–
Nanjing Jiangbei New Area Guanglian Pipe Gallery Construction Co., Ltd.		149,150	12,665	183,913	11,535
Guiyang Changda Rail Transit Construction Co. Ltd.		146,663	733	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	Note 1	30 June 2023 (unaudited)		31 December 2022	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Trade receivables (continued)					
Tianjin China Railway Guancheng Real Estate Co., Ltd.		144,277	174	142,285	146
Suzhou Jingzhao Real Estate Development Co., Ltd.		137,824	513	36,100	36
Nanjing Daqiao North Environmental Comprehensive Treatment Co., Ltd.		136,677	137	157,485	500
Zhejiang Jinsheng Construction Development Co., Ltd.		136,541	687	–	–
Yangxi Yiju Ecological Construction Co., Ltd.		135,404	787	–	–
China Railway Construction Investment (Ganzhou) Urban Development Co., Ltd.		131,738	659	200	–
Tianjin Bincheng Beautiful Life Service Co., Ltd.		129,725	1,055	147,837	4,016
Gansu Gonghanglv Tianzhuang Highway Management Co., Ltd.		125,473	830	179,432	179
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.		119,069	595	–	–
Chongqing Tiefa Shuanghe Highway Co., Ltd.		112,860	243	84,918	947
China-Africa Lekkil Investment Co., Ltd.		110,033	110	106,553	107
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.		108,143	564	113,060	350
China Railway Construction Investment Xi'an City Development Co., Ltd.		107,654	978	2,871	37
CRCC East Investment & Construction (Cixi) Co., Ltd.		106,992	107	81,453	133
Kunming Sanqing Highway Co., Ltd.		105,500	106	320,947	321
Jiangsu Yancheng Tietou Construction Development Co., Ltd.		105,393	583	104,573	113
Sichuan Chengmian Cangba Highway Co., Ltd.		105,067	2,921	1,180	1

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)		31 December 2022	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Trade receivables (continued)	<i>Note 1</i>				
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.		104,850	105	–	–
Jiangxi Leshui Ecotourism Development Co., Ltd.		98,367	4,534	131,307	4,699
CRCC Development (Rizhao) Environmental Protection Co., Ltd.		91,178	91	104,313	44
Xuanwei Jingyuan Environmental Protection Co., Ltd.		90,653	91	102,148	511
CRCC Financial Leasing Co., Ltd.		85,740	310	114,334	4,481
Foshan Shunde District Shunhao Real Estate Co., Ltd.		61,557	62	123,955	119
Sichuan Danei Highway Co., Ltd.		42,867	366	179,515	1,166
CRCC Kunlun Yunnan Real Estate Co., Ltd.		35,590	118	212,767	1,019
Qingyuan Maglev Transportation Co., Ltd.		15,254	83	296,442	344
Total		9,758,299	79,765	6,600,559	61,447
Loans and advances to customers	<i>Note 3</i>				
China Railway Construction Corporation		1,650,000	44,590	1,400,000	36,750
Hangqu Railway Co., Ltd.		85,000	3,060	85,000	3,060
Total		1,735,000	47,650	1,485,000	39,810

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)		31 December 2022	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Other receivables					
Shanghai Wanjinglong Real Estate Co., Ltd.	Note 2	3,833,094	3,832	–	–
Tianjin Wanhe Real Estate Co., Ltd.	Note 2	2,655,413	259,679	2,675,213	222,714
Beijing Xinda Real Estate Co., Ltd.	Note 2	2,519,976	76,484	2,447,036	76,484
Guizhou Zhongguang Wenchuang City Real Estate Co., Ltd.	Note 2	1,657,399	1,715	1,680,766	1,738
Beijing Ruida Real Estate Co., Ltd.	Note 2	1,332,321	1,332	1,308,531	1,309
Guangzhou Shengdu Investment Development Co., Ltd.	Note 2	1,304,818	1,305	1,264,879	1,265
Wuhan Zhaorui Real Estate Co., Ltd.	Note 2	1,178,569	1,179	1,555,594	1,556
CRCC Investment (Zhumadian) City Development Co., Ltd.		885,872	4,429	845,732	4,963
Beijing Jiehai Real Estate Co., Ltd.	Note 2	885,213	885	854,752	855
CRCC Guizhou Engineering Investment Co., Ltd.		825,121	40,596	701,045	34,491
China Railway Construction Investment Xi'an City Development Co., Ltd.		787,169	12,249	743,063	3,074
Guangzhou Suiyun Real Estate Co., Ltd.	Note 2	751,624	4,951	746,749	4,951
Nanjing Yuanchen Real Estate Co., Ltd.	Note 2	707,080	707	803,080	803
Chengdu Tiecheng Real Estate Co., Ltd.	Note 2	705,631	88	788,473	788
Foshan Shunde District Shunhao Real Estate Co., Ltd.	Note 2	675,928	48,632	725,744	48,632
Suzhou Jingzhao Real Estate Development Co., Ltd.	Note 2	626,160	634	703,962	704
Kunming Qiping Real Estate Co., Ltd.	Note 2	604,285	604	582,380	582
Taiyuan Airport Hub Real Estate Co., Ltd.	Note 2	593,029	783	526,896	527
Ningbo Jingwan Investment Management Co., Ltd.	Note 2	522,342	522	504,377	501

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)		31 December 2022	
		Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Other receivables (continued)					
Chengdu Yueran Real Estate Co., Ltd.	<i>Note 2</i>	498,309	498	563,459	563
Guangzhou Nansha Kecheng Investment Development Co., Ltd.	<i>Note 2</i>	478,183	478	465,391	465
Nanjing Jingsheng Real Estate Development Co., Ltd.	<i>Note 2</i>	461,925	462	660,747	661
Guangzhou Zengcheng District Shunxuan Real Estate Co., Ltd.	<i>Note 2</i>	450,533	426	418,892	419
Guangzhou Xintie Xinjian Investment Co., Ltd.	<i>Note 2</i>	433,710	434	3,710	4
Changchun Jingde Real Estate Development Co., Ltd.	<i>Note 2</i>	431,520	432	416,311	416
CRCC Chengfa (Xinchang) Development and Construction Co., Ltd.		392,239	999	160,794	804
China Railway Construction Investment Huanggang Construction and Development Co., Ltd.		387,167	1,936	349,121	1,978
CRCC Chengfa Kaitou (Taizhou) Urban Development Co., Ltd.		385,566	1,928	201,550	1,008
Fuzhou Xincheng Real Estate Co., Ltd.	<i>Note 2</i>	358,875	355	354,955	355
Chengdu Jiaotou Guishancheng Industrial Co., Ltd.	<i>Note 2</i>	338,752	339	–	–
CRCC Shandong Jixu Highway Jiyu Co., Ltd.		286,087	3,244	609,350	3,255
CRCC Real Estate Co., Ltd.	<i>Note 2</i>	283,095	2,273	483,938	2,601
China Railway Construction Investment Jingji Baoding Construction Co., Ltd.		280,908	2,462	487,876	2,487
Deqing Jingsheng Real Estate Development Co., Ltd.	<i>Note 2</i>	278,714	279	393,068	393
Beijing Liuzhuang Real Estate Co., Ltd.	<i>Note 2</i>	248,777	249	310,648	311
Nanjing Jingyue Real Estate Investment Co., Ltd.	<i>Note 2</i>	247,474	249	411,875	412
China Railway Construction Investment (Shenyang) Urban Development and Construction Co., Ltd.		187,110	936	160,899	959

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)		31 December 2022	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Other receivables (continued)				
Xixian New Area Xingcheng Renju Real Estate Co., Ltd. <i>Note 2</i>	170,100	245	83,857	206
China Railway Construction Sichuan Dejian Highway Co., Ltd.	153,423	855	637	1
Guangxi Yujin Investment Development Co., Ltd.	148,354	742	169,486	275
Chongqing Jianlian New Real Estate Development Co., Ltd. <i>Note 2</i>	132,013	132	142,208	142
Ningxia High Speed Railway Urban Development Co., Ltd.	128,319	212	190,598	212
CRCC Chengfa Future City (Huzhou) Development and Construction Co., Ltd.	123,253	616	–	–
Suzhou Ruihua Real Estate Co., Ltd. <i>Note 2</i>	121,981	122	121,981	122
China Railway Construction Kunlun Cangzhou Urban Development Co., Ltd.	114,463	114	226	–
Sanya Zhongcheng Real Estate Co., Ltd. <i>Note 2</i>	103,899	8,492	103,899	7,559
Ningbo Jingsheng Real Estate Co., Ltd. <i>Note 2</i>	454	–	1,516,445	16
Total	30,676,247	490,115	28,240,193	431,561

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)		31 December 2022	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Long-term receivables (including current portion)				
CRCC Investment Jizhong Development and Construction Co., Ltd.	1,354,640	6,948	1,231,941	6,448
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd. <i>Note 2</i>	834,031	380,251	939,737	353,594
Hohhot Metro Line 2 Construction & Management Co., Ltd.	537,276	45,767	536,761	45,768
CRCC Investment Baoding Urban Development and Construction Co., Ltd.	505,725	2,594	458,501	2,400
Jiangsu Yancheng Tietou Construction Development Co., Ltd.	502,879	2,515	447,960	658
Taiyuan Rail Transit Line 1 Construction & Operation Co., Ltd.	495,570	2,478	425,101	422
Qingdao Blue Silicon Valley Intercity Rail Transit Co., Ltd.	480,000	2,400	480,000	2,400
Anqing Gaotie New Area Construction Investment Co., Ltd.	426,121	1,048	334,805	335
Yuxi China Railway Infrastructure Construction Co., Ltd.	400,746	1,959	456,651	2,283
Shanghai Gangheng Real Estate Co., Ltd. <i>Note 2</i>	336,484	1,682	326,366	1,632

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)		31 December 2022	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Long-term receivables (including current portion) (continued)				
Jiangsu Yinbao Gangkai Construction Co., Ltd.	300,389	430	282,662	283
CRCC East Investment & Construction (Cixi) Co., Ltd.	269,523	1,347	9,889	49
Chongqing Tiefa Jianxin Highway Co., Ltd.	250,637	1,903	145,570	898
Xuzhou Metro Line 2 Rail Transit Investment & Development Co., Ltd.	250,384	1,249	239,792	1,196
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.	216,107	1,081	129,002	–
CRCC Nanjing Jiangbei Underground Space Construction and Development Co., Ltd.	213,381	1,067	289,257	1,446
Changsha Zhicheng Real Estate Co., Ltd. <i>Note 2</i>	207,642	1,841	179,843	1,774
Yunnan Kunchu Highway Investment & Development Co., Ltd.	196,401	986	175,873	925
Chongqing Tiefa Shuanghe Highway Co., Ltd.	189,347	808	225,937	1,125
CRCC Investment Langfang Development and Construction Co., Ltd.	149,578	150	142,692	143
Taiyuan Airport Hub Real Estate Co., Ltd. <i>Note 2</i>	135,086	409	133,051	934
Wantong Intercity Railway Co., Ltd.	123,815	969	172,169	857
CRCC Investment Weifang City Development and Construction Co., Ltd.	121,649	608	116,117	581
Changzhou Jingrui Real Estate Development Co., Ltd.	119,527	119	198,065	1,103
Total <i>Note 2</i>	8,616,938	460,609	8,077,742	427,254

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)		31 December 2022	
	Gross carrying amount	Impairment of credit losses	Gross carrying amount	Impairment of credit losses
Debt investments				
Hengda Real Estate (Shenzhen) Co., Ltd.	2,927,357	1,080,312	2,927,357	1,080,312
Jiangsu Yancheng Tietou Construction Development Co., Ltd.	1,122,706	4,563	1,255,238	1,043
CRCC Tongguan Investment Co., Ltd.	650,755	651	637,663	638
Liaocheng Xurui Municipal Engineering Co., Ltd.	551,580	2,758	538,818	2,694
CRCC Real Estate Co., Ltd.	527,906	2,640	518,300	2,591
CRCC Chengfa (Shangrao) Development and Construction Co., Ltd.	606,157	2,681	555,962	2,334
Yunnan Gangcheng Infrastructure Construction Co., Ltd.	524,058	524	519,081	474
CRCC Chengfa Future City (Huzhou) Development and Construction Co., Ltd.	460,598	1,590	-	-
CRCC Ningxia Ningdong Road and Bridge Investment Development Co., Ltd.	456,592	50,225	406,885	40,994
China Railway Construction Port and Waterway Bureau Group Changshou Changjiang Second Bridge Construction Co., Ltd.	333,708	334	330,736	317
Huizhou CRCC Harbor & Channel Engineering Bureau Infrastructure Investment Co., Ltd.	266,034	266	231,134	200
Linyi Xinfenghuang Urban Renewal Co., Ltd.	260,000	13,000	260,000	13,000
CRCC East Investment & Construction (Cixi) Co., Ltd.	-	-	229,000	1,145
Total	8,687,451	1,159,544	8,410,174	1,145,742

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)	31 December 2022
Bills payable	<i>Note 1</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.		349,088	160,183
CRCC Financial Leasing Co., Ltd.		65,335	99,026
Gansu Tietou Materials Co., Ltd.		–	124,433
Total		414,423	383,642
Trade payables	<i>Note 1</i>		
Xuzhou Jiaokong Supply Chain Co., Ltd.		189,364	89,014
CRCC Financial Leasing Co., Ltd.		154,317	48,084
Chengdu Jiaotou Kunlun Construction Engineering Co. Ltd.		132,918	65,096
Ningxia Guoyun Railway Construction High-tech Materials Technology Co., Ltd.		86,763	40,510
Jinan Railway Segment Manufacturing Co., Ltd.		65,612	11,030
Chongqing Tiefa Jianxin Highway Co., Ltd.		56,403	286
China Railway Construction Real Estate Group Suzhou Real Estate Co., Ltd.		45,950	15,623
Foshan Road and Bridge Prefabricated Components Co., Ltd.		42,915	37,185
Total		774,242	306,828

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)	31 December 2022
Contract liabilities		
	<i>Note 4</i>	
Wuhan Rail Transit Line 12 Construction and Operation Co., Ltd.	482,319	192,550
Yunnan Luqiu Guangfu Highway Investment & Development Co., Ltd.	415,900	737,000
Guiyang Changda Rail Transit Construction Co. Ltd.	392,753	16,849
Sichuan Nansuitong Highway Co., Ltd	336,735	552,680
Hangzhou Qinwang Engineering Construction & Operation Co., Ltd.	300,866	96,622
Gansu Jinhe Highway Project Management Co., Ltd.	162,351	162,351
Chongqing High Speed Railway Construction Wankaide Highway Co., Ltd.	153,055	42,250
Ganzhou Shengan Cooperation Zone Construction and Development Co., Ltd.	139,738	13,233
Guangzhou Huangpu Light Rail Line 1 Investment Construction Co., Ltd.	138,235	124,259
Xuzhou Jiaokong Supply Chain Co., Ltd.	137,107	53,260
Sichuan Jintou Project Investment Co., Ltd.	120,335	2,392
Guangxi Yujin Investment Development Co., Ltd.	109,085	–
Chifeng Chengquan Highway Engineering Management Co., Ltd.	89,460	90,498
Guigang Hesi Quanyu Tourism Development Co., Ltd.	88,484	33
Guizhou Jinrentong Highway Development Co., Ltd.	87,886	129,935
Guangzhou Huangpu Light Rail Line 2 Investment Construction Co., Ltd.	83,739	80,877
Gansu Gonghanglv Suwutong Aviation Industry Co., Ltd.	82,005	82,188
Yunnan Luxun Highway Co., Ltd.	81,711	81,711
Sichuan Tianmeile Highway Co., Ltd.	80,136	6,362
Chongqing Yuxiang Double Track Highway Co., Ltd.	23,894	504,415
Hangqu Railway Co., Ltd.	18,733	287,874
Kunming Rail Transit Line 5 Construction & Operation Co., Ltd	–	1,246,764
Total	3,524,527	4,504,103

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)	31 December 2022
Other payables	<i>Note 1</i>		
Guangzhou Xintie Xinjian Investment Co., Ltd.		3,521,871	2,450,946
CRCC Ningxia Highway Co. Ltd.		1,204,930	34,876
CRCC Xinjiang Jingxin Highway Co., Ltd.		1,154,586	40,674
Chongqing Tiefa Shuanghe Highway Co., Ltd.		803,937	14,171
Shanghai Xinjinghui Real Estate Development Co., Ltd.		803,516	294,722
China Railway Construction Investment (Liaoning) Highway Co., Ltd.		780,810	38,233
Chongqing Rail Transit Line 18 Construction and Operation Co., Ltd.		730,290	67,131
Shanghai Jingmiaoxin Real Estate Co., Ltd.		718,523	45,301
Changzhou Jingrui Real Estate Development Co., Ltd.		550,375	450,751
Ningbo Runsheng Real Estate Development Co., Ltd.		520,000	–
CRCC Sichuan Dedu Highway Co., Ltd.		463,928	431,004
Shijiazhuang Runshi Ecological Protection Management Service Co., Ltd.		423,802	276,521
Jiangyin China Railway Construction Kunlun City Development Co., Ltd.		405,051	64,645
China Railway Construction Hunan Highway Co., Ltd.		388,552	144,672
Chengdu Zhongwan Yixing Real Estate Co., Ltd.		344,932	353,332
CRCC Gansu Zhangbian Highway Co., Ltd.		296,082	266,178
China Railway Construction Investment (Xi'an) Meibei Comprehensive Development Co., Ltd.		274,248	9,341
Chengdu Wuhou Yele Real Estate Development Co., Ltd.		271,354	271,354
Shanghai Xinruicheng Real Estate Development Co., Ltd.		265,113	251,248
China Railway Construction and Investment Shanxi Highway Co., Ltd.		249,918	10,135
Sichuan Langying Highway Co., Ltd.		247,348	49,425
Guiyang Changda Rail Transit Construction Co. Ltd.		244,024	10,630

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)	31 December 2022
Other payables (continued)	<i>Note 1</i>		
Kunming Sanqing Highway Co., Ltd.		236,572	23,435
Chongqing Sensor Industrial Park Construction and Operation Co., Ltd.		234,498	10,749
Kunming Kunlun Shouzhi Real Estate Co., Ltd.		234,250	134,250
Kunming Fuyi Highway Co., Ltd.		206,348	64,455
Taiyuan Rongchuang Huifeng Real Estate Co., Ltd.		181,745	360,000
CRCC (Shandong) Deshang Highway Co., Ltd.		174,584	133,924
Hangzhou Jingke Real Estate Co., Ltd.		171,209	173,502
CRCC (Tianjin) Rail Transit Investment & Development Co., Ltd.		161,979	243,320
CRCC Investment Weifang City Development and Construction Co., Ltd.		148,754	108,217
China Railway Construction Investment Jilin Changtai Highway Co., Ltd.		141,036	39,900
Chongqing Tiefa Xiusong Highway Co., Ltd.		140,389	9,615
Shanghai Xinfucheng Real Estate Development Co., Ltd.		134,985	134,985
Shijiazhuang Jiatai Pipe Gallery Operation Co., Ltd.		127,390	66,373
Tianjin Line 1 Rail Transit Operation Co., Ltd.		116,871	139,866
Chongqing High Speed Railway (Chongqing) Commercial Factoring Co., Ltd.		114,880	44,368
CRCC Kunlun Yunnan Real Estate Co., Ltd.		114,868	150,246
Guangzhou Hongxuan Real Estate Co., Ltd.		114,010	215,572
Shijiazhuang Jiasheng Pipe Gallery Engineering Co., Ltd.		112,622	126,105
Changsha Yuchi River Area Development & Investment Co., Ltd.		110,520	85,480
China Railway Construction Investment Fuchunwan (Hangzhou) Urban Development Co., Ltd.		106,352	10,086
Chongqing Yusui Double Track Highway Co., Ltd.		106,019	264,447
Chongqing Tiefa Jianxin Highway Co., Ltd.		105,756	5,580
Chengdu China Railway Huafu Real Estate Co., Ltd.		103,066	146,242

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

		30 June 2023 (unaudited)	31 December 2022
Other payables (continued)	<i>Note 1</i>		
Hunan Railway Construction Kunlun Changzhu Guixin Highway Co., Ltd.		98,953	–
Shanghai Hongjun Real Estate Co., Ltd.		92,820	92,820
China Railway Construction Investment (Nanchang) Municipal Investment Co., Ltd.		84,541	4,393
CRCC (Shandong) Gaodong Highway Co., Ltd.		80,791	240,248
Guangzhou Baorui Real Estate Development Co., Ltd.		80,459	80,624
Nanjing Xincheng Guanghong Real Estate Co., Ltd.		77,140	77,140
CRCC Investment (Tongxiang) Construction Management Co., Ltd.		73,695	34,581
CRCC Investment Langfang Development and Construction Co., Ltd.		73,366	23,989
Guangxi Jingcheng Real Estate Development Co., Ltd.		72,246	72,953
Guizhou Tongxin Highway Development Co., Ltd.		71,990	1,688
CRCC Investment Jizhong Baoding Construction Co., Ltd.		69,489	–
Maanshan Zhengpu Port Railway Co., Ltd.		69,400	144,400
Guangzhou Hongjia Real Estate Co., Ltd.		66,899	186,852
China Railway Construction Investment Gaoyi Urban Development Co., Ltd.		64,075	1,701
Baoding Hongmao Real Estate Development Co., Ltd.		64,075	63,654
Deyang Kunlun Tianfu Jingcheng Urban Construction and Development Co., Ltd.		61,954	52,510
Pingdu Characteristic Town Construction Management Co., Ltd.		61,194	27,513
Total		19,324,980	9,371,073

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)	31 December 2022
Advances to suppliers		
CRCC Financial Leasing Co., Ltd.	78,042	101,590
Total	78,042	101,590
Due to customers	<i>Note 5</i>	
CRCC Jinli Asset Management Co., Ltd.	776,264	756,517
China Railway Construction Corporation	313,124	292,709
Hangzhou Jiandejiang Investment Co., Ltd.	102,007	143,168
China-Africa Lekkil Investment Co., Ltd.	81,020	47,353
Foshan Shunde District Shunhao Real Estate Co., Ltd.	45,305	55
CRCC (Guangzhou) North Railway Station Xincheng Investment Construction Co., Ltd.	38,517	6,000
Guangzhou Shengdu Investment Development Co., Ltd.	38,248	46,207
Ningbo Jingsheng Real Estate Co., Ltd.	5,745	1,500,543
CRCC Financial Leasing Co., Ltd.	4,677	298,160
Total	1,404,907	3,090,712
Long-term loans (including current portion)	<i>Note 6</i>	
China Railway Construction Corporation	1,297,366	1,297,366
Total	1,297,366	1,297,366

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Major amounts due from/to related parties (continued)

RMB'000

	30 June 2023 (unaudited)	31 December 2022
Lease liabilities (including current portion)		
CRCC Financial Leasing Co., Ltd.	1,593,511	1,544,252
China Railway Construction Corporation	25,661	40,565
Total	1,619,172	1,584,817
Long-term payables (including current portion)		
Guangde CRCC Daqin Investment Partnership Enterprise (Limited Partnership)	561,985	553,082
Zhuhai Railway Construction Asia Investment Equity Investment Partnership (Limited Partnership)	519,219	683,961
Guangde CRCC Blue Ocean Longxin Investment Center (Limited Partnership)	468,288	457,450
Guoshou Tiejian (Shenzhen) Infrastructure Private Equity Investment Fund Partnership (Limited Partnership)	357,161	363,813
Guangde Railway Construction Chuangxin Investment Partnership (Limited Partnership)	252,665	241,753
Jintai Infrastructure Investment (Tianjin) Partnership (Limited Partnership)	117,045	115,498
Total	2,276,363	2,415,557

Note 1: The amounts due from/to related parties were interest-free, unsecured, and had no fixed terms of repayment.

Note 2: The amounts due from related parties were loans for cooperative development project from the Group's real estate development operation segments, with the interest rate agreed in the contracts.

Note 3: The amounts due from the Controlling Shareholder and associates were borrowings from CRCC Finance Company Limited.

Note 4: The amounts were mainly advances from related parties and were interest-free.

Note 5: The amounts due to the Group's related parties were deposits in CRCC Finance Company Limited.

Note 6: The amounts were appropriations from the Ministry of Finance to the Controlling Shareholder and considered as the entrusted loans granted to the Group by the Controlling Shareholder. The interest rate of such entrusted loans was determined by the Loan Prime Rate published by National Interbank Funding Center.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

RMB'000

	30 June 2023 (unaudited)	31 December 2022
Contracted, but not provided for:		
Capital commitments	2,826,229	2,131,496
Investment commitments	76,257,832	69,984,621
Total	79,084,061	72,116,117

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated, or management believes that the probability of loss is remote.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XI. COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Guarantees

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Group	30 June 2023 (unaudited)	31 December 2022
Associates	1,778,632	2,142,874
Other entities	600,160	411,351
Total	2,378,792	2,554,225

The above guarantees exclude guarantees in respect of the banking facilities other than mortgages. As at 30 June 2023, the Group's guarantees (excluding guarantees in respect of the banking facilities other than mortgages) amounted to RMB2,378,792,000 (31 December 2022: RMB2,554,225,000), the guarantees in respect of mortgages amounted to RMB33,698,206,000 (31 December 2022: RMB31,799,286,000). So far, the guarantees rarely defaulted payments to the banks, thus the Group considered the risks related to the guarantees were low and the fair value was immaterial.

The above guarantees in respect of mortgages were granted to the purchasers of the Group's properties and secured by the mortgages.

The Company had issued guarantees to banks in respect of the banking facilities granted to the following parties:

RMB'000

The Company	30 June 2023 (unaudited)	31 December 2022
Subsidiaries	11,941,538	17,063,311
Associates	235,773	454,548
Other entities	411,083	293,449
Total	12,588,394	17,811,308

In addition, no interest-bearing bank and other loans of the Company were guaranteed by the subsidiaries of the Company as at 30 June 2023 (31 December 2022: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XII. EVENTS AFTER THE END OF THE REPORTING PERIOD

As at the date of this report being approved to issue, the Group did not have any significant events after the end of the reporting period that require disclosure.

XIII. OTHER SIGNIFICANT EVENTS

1. *Segment reporting*

Operating segments

For management purposes, the Group is organised into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The survey, design and consultancy operations segment engages in the provision of survey, design and consultancy services for civil engineering and infrastructure construction, such as railways, highways and urban rail transport, etc.;
- (3) The manufacturing operations segment engages in the research and development, production and sale of mechanical equipment, such as the large railway track maintenance machinery, tunnel boring machinery as well as the manufactures of track system, etc.;
- (4) The real estate development operations segment engages in the development, construction and sale of residential properties and commercial properties; and
- (5) The other business operations segment mainly comprises trade and logistics, finance and insurance and highway operation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (continued)

Operating segments (continued)

RMB'000

	Construction operations	Survey, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
For the six months ended 30 June 2023: (unaudited)							
Revenue from external customers	473,683,965	8,358,836	10,630,897	21,411,451	26,974,842	-	541,059,991
Inter-segment sales	9,716,476	26,328	1,533,791	-	18,269,319	(29,545,914)	-
Total	483,400,441	8,385,164	12,164,688	21,411,451	45,244,161	(29,545,914)	541,059,991
Share of profits/(losses) of joint ventures and associates	186,406	43,492	129,658	106,742	(262,481)	-	203,817
Impairment losses of credit and impairment losses on assets	(1,738,298)	(115,762)	(15,325)	(151,201)	70,039	-	(1,950,547)
Depreciation and amortisation	8,708,015	141,797	649,541	8,653	626,346	-	10,134,352
Profit before tax	13,913,519	2,115,078	1,525,593	996,414	1,585,278	(417,656)	19,718,226
Other disclosures:							
Increase in non-current assets other than long-term equity investments	11,035,476	290,831	1,815,505	260,873	3,250,446	-	16,653,131
30 June 2023 (unaudited)							
Segment assets (Note 1)	1,152,692,465	34,383,401	55,488,102	393,416,015	346,338,817	(335,253,543)	1,647,065,257
Segment liabilities (Note 2)	911,017,239	11,983,348	28,918,112	333,016,774	289,646,956	(328,042,684)	1,246,539,745
Other disclosures:							
Long-term equity investments in joint ventures and associates	116,453,432	3,948,854	2,086,227	9,861,334	4,660,180	-	137,010,027

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (continued)

Operating segments (continued)

RMB'000

	Construction operations	Survey, design and consultancy operations	Manufacturing operations	Real estate development operations	Other business operations	Eliminations and adjustments	Total
For the six months ended 30 June 2022: (unaudited)							
Revenue from external customers	476,753,971	9,107,781	9,782,592	21,382,902	23,469,288	-	540,496,534
Inter-segment sales	7,914,491	622	1,020,127	-	21,050,104	(29,985,344)	-
Total	484,668,462	9,108,403	10,802,719	21,382,902	44,519,392	(29,985,344)	540,496,534
Share of profits/(losses) of joint ventures and associates	73,767	(39,752)	83,168	103,578	(107,925)	-	112,836
Impairment losses of credit and impairment losses on assets	(2,264,554)	(64,107)	9,093	(204,982)	116,965	-	(2,407,585)
Depreciation and amortisation	8,637,778	127,050	499,373	21,644	557,874	-	9,843,719
Profit before tax	12,450,108	2,067,429	1,488,242	1,744,609	1,934,097	(187,086)	19,497,399
Other disclosures:							
Increase in non-current assets other than long-term equity investments	9,670,237	60,631	622,547	696,165	3,976,543	-	15,026,123
31 December 2022							
Segment assets (<i>Note 1</i>) (restated)	1,055,878,765	35,697,660	53,178,764	356,663,483	358,375,471	(335,880,562)	1,523,913,581
Segment liabilities (<i>Note 2</i>) (restated)	822,409,451	14,398,058	27,229,770	299,820,355	301,971,420	(327,835,525)	1,137,993,529
Other disclosures:							
Long-term equity investments in joint ventures and associates	108,629,494	3,678,874	1,997,313	10,247,930	3,431,627	-	127,985,238

Note 1: Segment assets do not include deferred tax assets of RMB 9,725,834,000 (31 December 2022: RMB 9,103,023,000) and advance payment of corporate income tax of RMB2,686,339,000 (31 December 2022: RMB2,002,157,000) as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB347,665,716,000 (31 December 2022: RMB346,985,742,000) are eliminated on consolidation.

Note 2: Segment liabilities do not include deferred tax liabilities of RMB 1,863,374,000 (31 December 2022: RMB 1,624,833,000) and corporate income tax payable of RMB3,097,751,000 (31 December 2022: RMB3,320,134,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB333,003,809,000 (31 December 2022: RMB332,780,492,000) are eliminated on consolidation.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

1. Segment reporting (continued)

Group information

Geographical information

Revenue from external customers

RMB'000

	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Mainland China	511,771,460	513,886,833
Outside Mainland China	29,288,531	26,609,701
Total	541,059,991	540,496,534

Total non-current assets (Note)

RMB'000

	30 June 2023 (unaudited)	31 December 2022
Mainland China	282,762,710	266,759,538
Outside Mainland China	11,433,242	13,325,386
Total	294,195,952	280,084,924

In the geographical information above, revenue from external customers is based on the locations of the customers. Non-current asset information above is based on the locations of the non-current assets.

Note: Non-current assets consisted of investment properties, fixed assets, construction in progress, right-of-use assets, intangible assets, development expenditure, long-term prepaid expenses and long-term equity investments accounted for using the equity method.

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer for the six months ended 30 June 2023 (for the six months ended 30 June 2022: Nil).

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Other financial information

(i) Pension scheme contributions

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Pension scheme contributions (defined contribution plans)	4,004,887	3,835,961
Pension scheme costs (defined benefit plans)	762	2,633

As at 30 June 2023, there were no forfeited contributions available to reduce the Group's contributions to its pension scheme in the next year (31 December 2022: Nil).

(ii) Directors' and supervisors' remuneration

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Directors' and supervisors' remuneration	2,822	2,681

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

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

1. Trade receivables

An aging analysis of trade receivables is listed as follows:

RMB'000

Aging	30 June 2023 (unaudited)	31 December 2022
Within 1 year	2,723,872	2,216,771
1 to 2 years	34,979	23,889
2 to 3 years	3,045	–
Subtotal	2,761,896	2,240,660
Less: Impairment of credit losses	26,213	20,325
Total	2,735,683	2,220,335

Trade receivables and impairment of credit losses by category are listed as follows:

RMB'000

Category	30 June 2023 (unaudited)				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage %	Amount	Provision percentage %	
Impairment of credit losses assessed by credit risk portfolio	2,761,896	100.00	26,213	0.95	2,735,683
Total	2,761,896	100.00	26,213	0.95	2,735,683

RMB'000

Category	31 December 2022				Carrying amount
	Gross carrying amount		Impairment of credit losses		
	Amount	Percentage %	Amount	Provision percentage %	
Impairment of credit losses assessed by credit risk portfolio	2,240,660	100.00	20,325	0.91	2,220,335
Total	2,240,660	100.00	20,325	0.91	2,220,335

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Trade receivables (continued)

As at 30 June 2023, trade receivables of which impairment of credit losses were assessed by credit risk portfolio are listed as follows:

Portfolio 1:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage	Amount	Provision percentage
		%		%
Within 1 year	2,722,708	98.62	24,171	0.89
1 to 2 years	34,979	1.27	1,585	4.53
2 to 3 years	3,045	0.11	457	15.01
Total	2,760,732	100.00	26,213	0.95

Portfolio 2:

RMB'000

Aging	30 June 2023 (unaudited)			
	Gross carrying amount		Impairment of credit losses	
	Amount	Percentage	Amount	Provision percentage
		%		%
Within 1 year	1,164	100.00	–	–
Total	1,164	100.00	–	–

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Trade receivables (continued)

As at 30 June 2023, trade receivables from the five largest customers are listed as follows (unaudited):

RMB'000

Due from	Relationship with the Company	Amount	Aging	Percentage of total trade receivables (%)
Company 1	Third party	1,161,362	Within 1 year	42.05
Company 2	Third party	587,935	Within 1 year	21.29
Company 3	Third party	216,477	Within 1 year	7.84
Company 4	Joint venture	215,384	Within 1 year	7.80
Company 5	Third party	166,024	Within 1 year	6.00
Total	—	2,347,182	—	84.98

As at 30 June 2023 and 31 December 2022, no amount due from shareholders that held 5% or more of the Company's voting rights or other related parties was included in the aforesaid balance of trade receivables.

2. Other receivables

An aging analysis of other receivables is listed as follows:

RMB'000

Aging	30 June 2023 (unaudited)	31 December 2022
Within 1 year	20,098,937	23,951,909
1 to 2 years	456,280	468,075
2 to 3 years	276,939	1,453,659
Over 3 years	1,191,119	773,819
Subtotal	22,023,275	26,647,462
Less: Impairment of credit losses	504	495
Total	22,022,771	26,646,967

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (continued)

Details of impairment of credit losses are listed as follows:

(1) As at 30 June 2023, the Company did not have other receivables at phase II.

(2) As at 30 June 2023, the Company did not have other receivables at phase III.

For the six months ended 30 June 2023, no other receivables has been written off. (For the six months ended 30 June 2022: Nil)

As at 30 June 2023, other receivables from the five largest customers are listed as follows (unaudited):

RMB'000

Due from	Relationship with the Company	Amount	Aging	Percentage of total other receivables (%)
Company 1	Subsidiary	5,670,369	Within 5 years	25.75
Company 2	Subsidiary	5,000,000	Within 1 year	22.70
Company 3	Subsidiary	2,899,180	Within 2 years	13.16
Company 4	Subsidiary	1,861,335	Within 4 years	8.45
Company 5	Subsidiary	1,092,575	Within 5 years	4.96
Total	—	16,523,459	—	75.02

As at 30 June 2023 and 31 December 2022, no amount due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of other receivables.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments

RMB'000

Item		30 June 2023 (unaudited)	31 December 2022
Equity investment under cost method – Subsidiaries	(i)	102,246,493	102,246,493
Total		102,246,493	102,246,493

Note: All the long-term equity investments are investments in unlisted companies, except for CRCC High-tech Equipment Corporation Limited and CRCC Heavy Industry Corporation Limited.

(i) Subsidiaries

RMB'000

Investee	Changes for the Period			Carrying amount at 30 June 2023 (unaudited)	Percentage of the investee's registered capital directly attributable to the Company as at June 2023 (unaudited) (%)	Category
	Carrying amount at 31 December 2022	Transfer to/Increase in investment	Decrease in investment			
China Civil Engineering Construction Corporation	2,946,507	–	–	2,946,507	100.00	Co., Ltd.
China Railway 11th Bureau Group Co., Ltd.	1,893,912	–	–	1,893,912	81.62	Co., Ltd.
China Railway 12th Bureau Group Co., Ltd.	1,957,277	–	–	1,957,277	100.00	Co., Ltd.
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,660,480	–	–	2,660,480	100.00	Co., Ltd.
China Railway 14th Bureau Group Co., Ltd.	2,130,105	–	–	2,130,105	79.02	Co., Ltd.
China Railway 15th Bureau Group Co., Ltd.	1,585,152	–	–	1,585,152	100.00	Co., Ltd.
China Railway 16th Bureau Group Co., Ltd.	1,482,412	–	–	1,482,412	100.00	Co., Ltd.
China Railway 17th Bureau Group Co., Ltd.	1,735,340	–	–	1,735,340	100.00	Co., Ltd.
China Railway 18th Bureau Group Co., Ltd.	1,103,234	–	–	1,103,234	80.30	Co., Ltd.
China Railway 19th Bureau Group Co., Ltd.	3,954,638	–	–	3,954,638	100.00	Co., Ltd.
China Railway 20th Bureau Group Co., Ltd.	1,615,144	–	–	1,615,144	70.41	Co., Ltd.
China Railway 21st Bureau Group Co., Ltd.	1,557,251	–	–	1,557,251	100.00	Co., Ltd.
China Railway 22nd Bureau Group Co., Ltd.	1,295,286	–	–	1,295,286	100.00	Co., Ltd.
China Railway 23rd Bureau Group Co., Ltd.	1,545,004	–	–	1,545,004	100.00	Co., Ltd.
China Railway 24th Bureau Group Co., Ltd.	1,346,917	–	–	1,346,917	100.00	Co., Ltd.
China Railway 25th Bureau Group Co., Ltd.	1,348,597	–	–	1,348,597	100.00	Co., Ltd.
China Railway Construction Group Co., Ltd.	2,868,346	–	–	2,868,346	85.64	Co., Ltd.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(i) Subsidiaries (continued)

RMB'000

Investee	Carrying amount at 31 December 2022	Changes for the Period		Carrying amount at 30 June 2023 (unaudited)	Percentage of the investee's registered capital directly attributable to the Company as at June 2023 (unaudited) (%)	Category
		Transfer to/Increase in investment	Decrease in investment			
China Railway Construction Electrification Bureau Group Co., Ltd.	1,105,530	-	-	1,105,530	100.00	Co., Ltd.
China Railway Construction Real Estate Group Co., Ltd.	7,233,191	-	-	7,233,191	100.00	Co., Ltd.
China Railway First Survey and Design Institute Group Co., Ltd.	623,730	-	-	623,730	100.00	Co., Ltd.
China Railway SIYUAN Survey and Design Group Co., Ltd.	1,087,809	-	-	1,087,809	100.00	Co., Ltd.
China Railway Fifth Survey and Design Institute Group Co., Ltd.	338,196	-	-	338,196	100.00	Co., Ltd.
China Railway Shanghai Design Institute Group Co., Ltd.	267,624	-	-	267,624	100.00	Co., Ltd.
China Railway Material Group Co., Ltd. (Note 1)	3,314,805	83,419	-	3,398,224	100.00	Co., Ltd.
CRCC High-Tech Equipment Corporation Limited	1,714,797	-	-	1,714,797	63.70	Co., Ltd.
China Railway Construction Heavy Industry Corporation Limited	4,028,004	-	-	4,028,004	71.93	Co., Ltd.
China Railway Construction (Beijing) Business Management Co., Ltd.	28,313	-	-	28,313	100.00	Co., Ltd.
China Railway Construction Investment Group Co., Ltd.	10,538,793	-	-	10,538,793	87.34	Co., Ltd.
CRCC Harbour and Channel Engineering Bureau Group Co., Ltd.	1,385,891	-	-	1,385,891	100.00	Co., Ltd.
CRCC Finance Company Limited	8,460,000	-	-	8,460,000	94.00	Co., Ltd.
China Railway Construction Corporation (International) Limited	3,012,602	-	-	3,012,602	100.00	Co., Ltd.
China Railway Urban Construction Group Co., Ltd.	2,000,000	-	-	2,000,000	71.69	Co., Ltd.
Beijing CRCC Tianrui Machinery Equipment Co., Ltd.	2,000,000	-	-	2,000,000	98.04	Co., Ltd.
CRCC Kunlun Investment Group Co., Ltd.	3,600,000	-	-	3,600,000	70.77	Co., Ltd.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(i) Subsidiaries (continued)

RMB'000

Investee	Carrying amount at 31 December 2022	Changes for the Period		Carrying amount at 30 June 2023 (unaudited)	Percentage of the investee's registered capital directly attributable to the Company as at June 2023 (unaudited) (%)	Category
		Transfer to/Increase in investment	Decrease in investment			
CRCC Huabei Investment & Development Co., Ltd. (Note 2, Note 3)	1,000,000	-	1,000,000	-	-	Co., Ltd.
China Railway Construction Xiong'an Investment Development Co., Ltd. (Note 2)	-	597,040	-	597,040	100.00	Co., Ltd.
China Railway Construction Transportation Operation Group Co., Ltd. (Note 3)	-	402,960	-	402,960	100.00	Co., Ltd.
CRCC Southern Construction and Investment Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd.
CRCC South China Investment Co., Ltd.	435,442	-	-	435,442	100.00	Co., Ltd.
China Railway Maglev Transportation Investment Construction Co., Ltd.	500,000	-	-	500,000	50.00	Co., Ltd.
China Railway Construction South China Construction Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd.
China Railway Construction Northwest Investment & Construction Co., Ltd.	1,000,000	-	-	1,000,000	100.00	Co., Ltd.
CRCC Urban Investment & Construction Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd.
CRCC East Investment & Construction Co., Ltd.	2,000,000	-	-	2,000,000	100.00	Co., Ltd.
CRCC International Investment Co., Ltd.	3,000,000	-	-	3,000,000	100.00	Co., Ltd.
CRCC Development Group Co., Ltd.	1,498,690	-	-	1,498,690	100.00	Co., Ltd.
CRCC North Investment & Construction Co., Ltd.	200,000	-	-	200,000	100.00	Co., Ltd.
CRCC Yellow River Investment & Construction Co., Ltd.	1,110,000	-	-	1,110,000	100.00	Co., Ltd.
CRCC Capital Holdings Group Co., Ltd. (Note 1)	3,633,290	-	83,419	3,549,871	100.00	Co., Ltd.
China Railway Construction Treasury Management (Hong Kong) Co., Ltd.	4,184	-	-	4,184	100.00	Co., Ltd.
China Railway Construction Southwest Investment Co., Ltd.	100,000	-	-	100,000	100.00	Co., Ltd.
Total	102,246,493	1,083,419	1,083,419	102,246,493	-	-

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(i) Subsidiaries (continued)

Note 1: In 2023, the Company made contribution to China Railway Material Group Co., Ltd by transferring 100% shares in CRCC Financial Services & Technology (TIANJIN) Co., Ltd. with its net assets of RMB83,419,000 held by CRCC Capital Holdings Group Co., Ltd to it.

Note 2: In 2023, the Company acquired 100% shares in China Railway Construction Xiong'an Investment Development Co., Ltd. from CRCC Huabei Investment & Development Co., Ltd., a subsidiary of the Company, and China Railway Construction Xiong'an Investment Development Co., Ltd. became a subsidiary directly held by the Company.

Note 3: In 2023, the Company transferred 100% shares in CRCC Huabei Investment & Development Co., Ltd. to China Railway Construction Transportation Operation Group Co., Ltd..

4. Other payables

Other payables are disclosed by category:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Payables for advances	10,244,658	17,163,229
Centralised funds payable	2,768,631	2,818,475
Dividends payable	5,061,354	426,236
Guarantees and deposits	61,141	55,819
Others	348,539	434,253
Total	18,484,323	20,898,012

5. Long-term loans

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Credit loans	2,565,802	3,708,802
Total	2,565,802	3,708,802

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Long-term loans (continued)

The maturity profile of the long-term loans at the end of the reporting period is listed as follows:

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Within one year or paid on demand	1,496,030	391,564
In the second year (inclusive)	406,000	1,506,000
In the third year (inclusive)	810,102	757,802
Over three years	1,349,700	1,445,000
Total	4,061,832	4,100,366

6. Revenue and cost of sales

Revenue is presented as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Revenue from principal operations	3,858,893	4,374,301
Other operating revenue	303,894	25,901
Total	4,162,787	4,400,202

Cost of sales is presented as follows:

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Cost of sales	3,786,455	4,335,217

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

7. Finance costs

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Interest expenses	359,066	424,147
Less: Interest income	1,477,692	1,588,050
Exchange losses	145,076	399,945
Bank charges and others	1,962	2,270
Total	(971,588)	(761,688)

8. Investment income

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Investment income received from long-term equity investments under cost method	8,611,723	9,757,794
Others	3,936	–
Total	8,615,659	9,757,794

For the six months ended 30 June 2023, the investment income mentioned above was composed of investment income of RMB427,113,000 (For the six months ended 30 June 2022: RMB385,636,000) from listed companies and RMB8,188,546,000 (For the six months ended 30 June 2022: RMB9,372,158,000) from unlisted companies.

As at 30 June 2023, the remittance of the Company's investment income was not subject to significant restriction.

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited) (restated)
Reconciliation of net profit to cash flows from operating activities:		
Net profit	9,335,096	10,302,592
Add: Impairment of credit losses	10,428	9,705
Impairment gains on assets	(7,905)	(3,772)
Depreciation of fixed assets	7,324	6,964
Amortisation of intangible assets	10,995	8,225
Amortisation of long-term prepayments	684	684
Gains from disposal of fixed assets, intangible assets and other long-term assets	–	(2)
Depreciation of right-of-use assets	16,069	16,215
Losses on retirement of fixed assets	139	160
Losses on fair value changes	2,505	13,529
Finance costs	496,942	817,346
Investment income	(8,615,659)	(9,757,794)
Decrease (Increase) in deferred tax assets	303	(15,403)
(Decrease) Increase in deferred tax liabilities	(4,351)	7,964
Decrease (Increase) in inventories	2,593	(3,316)
Decrease in contract assets	751,117	242,667
Decrease in operating receivables	3,506,543	2,248,483
Decrease in operating payables	(2,858,371)	(885,636)
Net cash flows generated from operating activities	2,654,452	3,008,611

Notes to the Financial Statements (continued)

For the six months ended 30 June 2023

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Supplementary information to the statement of cash flows (continued)

(2) Cash and cash equivalents

RMB'000

Item	30 June 2023 (unaudited)	31 December 2022
Cash	26,267,378	18,757,618
Including: Cash on hand	–	3
Cash with banks without restrictions	26,267,378	18,757,615
Closing balance of cash and cash equivalents	26,267,378	18,757,618

Supplementary Information

For the six months ended 30 June 2023

XV. SUPPLEMENTARY INFORMATION

1. Summary of non-recurring profit or loss

RMB'000

Item	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Gains from disposal of non-current assets	51,953	9,173
Investment (loss) income from disposal of long-term equity investments under the equity method	(258)	4,220
Government grants recognised through profit or loss (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity)	316,594	278,853
Net gains from debt restructuring	56,912	82,293
Investment income from holding and disposal of the held-for-trading financial assets	109,353	92,242
Investment income from holding the other equity instrument investments	45,791	48,582
Losses on fair value changes	(12,516)	(48,209)
Reversal of impairment of receivables	296,563	334,741
Other non-operating income and expenses other than the above items	107,518	97,645
Impact on income tax	(160,388)	(161,465)
Impact on non-controlling interests (after tax)	(59,997)	(31,076)
Non-recurring profit or loss	751,525	706,999

Supplementary Information (continued)

For the six months ended 30 June 2023

XV. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share ("EPS")

For the six months ended 30 June 2023 (unaudited):

	Weighted average return on net assets (%)	EPS (RMB/SHARE)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	5.23	0.91	0.91
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	4.91	0.86	0.86

For the six months ended 30 June 2022 (unaudited):

	Weighted average return on net assets (%) (restated)	EPS (RMB/SHARE)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	5.72	0.89	0.89
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	5.38	0.84	0.84

The above weighted average return on equity and earnings per share are calculated in accordance with *Information Disclosure by Companies Offering Securities to the Public No.9 – Calculation and Disclosure of Return on Equity and Earnings Per Share* (Revised in 2010).

By order of the Board
China Railway Construction Corporation Limited
WANG Jianping
Chairman

Beijing, the PRC
30 August 2023

As at the date of this announcement, the Board comprises Mr. WANG Jianping (Chairman and Executive Director), Mr. LIU Ruchen (Executive Director), Mr. GAO Lieyang (Non-executive Director), Mr. MA Chuanjing (Independent Non-executive Director), Mr. ZHAO Lixin (Independent Non-executive Director), Mr. XIE Guoguang (Independent Non-executive Director) and Mr. TSIN Wai Lun Kenneth (Independent Non-executive Director).