

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



北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Beijing Urban Construction Design & Development Group Co., Limited

北京城建设计发展集团股份有限公司

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

(Stock Code: 1599)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board of directors (the “**Board**”) of Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) is pleased to announce the audited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2023 (“**2023**” or the “**Reporting Period**”) in conjunction with the comparative financial data of the previous year.

FINANCIAL SUMMARY

For the year ended 31 December 2023, the Group achieved revenue of RMB10,362 million, while the net profit for the Reporting Period amounted to RMB910 million.

The Group has two business segments, including principally the design, survey and consultancy segment as well as the construction contracting segment.

The following table sets out the revenue generated by each business segment of the Group and their percentage of the operating revenue for the periods indicated:

	For the year ended 31 December			
	2023 RMB'000	Percentage of operating revenue (%)	2022 RMB'000	Percentage of operating revenue (%)
Design, survey and consultancy	4,866,559	46.97	4,461,238	42.76
Construction contracting	5,495,140	53.03	5,971,865	57.24
Total	10,361,699	100.00	10,433,103	100.00

For the year ended 31 December 2023, the Group's revenue amounted to RMB10,362 million, representing a decrease of RMB71 million or 0.68% compared to the same period of last year.

The financial information for the years of 2019, 2020, 2021, 2022 and 2023 prepared by the Group in accordance with the International Financial Reporting Standards was summarized as follows:

	As at 31 December/For the year ended 31 December				
	2023 RMB'000	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)	2020 RMB'000 (Restated)	2019 RMB'000 (Restated)
Total assets	24,849,539	23,861,833	24,655,780	21,345,713	20,744,060
Total liabilities	17,220,924	16,874,873	18,238,063	15,537,668	15,602,169
Non-controlling interests	227,429	199,911	266,682	297,963	264,601
Interests of the owners (excluding non-controlling interests)	7,401,186	6,787,049	6,151,035	5,510,082	4,877,290
Revenue	10,361,699	10,433,103	10,385,065	10,411,658	8,801,552
Gross profit	1,886,461	1,832,555	1,879,927	1,984,101	1,765,863
Profit before tax	1,017,802	1,013,091	987,773	926,390	787,867
Profit attributable to owners of the Company	872,852	959,159	914,040	797,571	680,135

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

2023 marks a crucial year of transition for the “14th Five-Year Plan” of the Company. Facing the slowdown of industry development and the accelerated market concentration, the competition between enterprises has changed from incremental dividend to stock game. Adhering to the principle of seeking progress while maintaining stability, the Company worked hard towards its goals and took solid steps in promoting its business development.

For the year ended 31 December 2023, the Group’s revenue amounted to RMB10,362 million, representing a decrease of RMB71 million or 0.68% compared to RMB10,433 million for last year. The Group’s net profit amounted to RMB910 million, representing an increase of RMB12 million or 1.34% compared to the net profit of RMB898 million for last year.

Summary of Operating Results

	Year ended 31 December	
	2023 (RMB’000) (Audited)	2022 (RMB’000) (Audited and restated)
Revenue	10,361,699	10,433,103
Cost of sales	(8,475,238)	(8,600,548)
Gross profit	1,886,461	1,832,555
Other income	416,869	483,435
Other gains and losses, net	287,554	346,625
Selling and distribution expenses	(82,092)	(77,576)
Administrative expenses	(979,282)	(878,272)
Impairment losses on financial assets and contract assets, net	(286,213)	(243,710)
Finance costs	(290,799)	(320,405)
Share of profits of joint ventures	13,494	189,992
Share of profits of associates	51,810	27,565
Loss on derecognition of financial assets measured at amortized cost	–	(347,118)
Profit before tax	1,017,802	1,013,091
Income tax expense	(107,454)	(115,415)
Profit for the year	<u>910,348</u>	<u>897,676</u>

Revenue

The Group generates its revenue from the design, survey and consultancy segment as well as the construction contracting segment where the Group provides services for engineering construction. For the year ended 31 December 2023, the Group achieved a revenue of RMB10,362 million, representing a decrease of RMB71 million or 0.68% compared to RMB10,433 million for last year, mainly due to the decrease in projects from construction contracting segment, which resulted in a decrease in the revenue of the Company compared to 2022.

Revenue by business segment is as follows:

Products by industry	Year ended 31 December	
	2023	2022
	(RMB'000)	(RMB'000)
	(Audited)	(Audited and restated)
Design, survey and consultancy	4,866,559	4,461,238
Construction contracting	5,495,140	5,971,865
Total	10,361,699	10,433,103

Design, Survey and Consultancy Business Segment

The design, survey and consultancy segment includes design, survey and consultancy services for urban rail transit construction as well as industrial and civil construction and municipal engineering. In 2023, the Group intensively developed the rail transit design consulting market. The Group won the bids for a total of 6 overall design projects in cities including Beijing, Shenzhen and Hangzhou and ranked first in the industry in terms of bids number, thereby continuing to consolidate its position in the rail transit design industry. Meanwhile, the Group actively expanded business in the TOD integration, transportation hub, industrial park, urban physical examinations, traffic management, energy and other areas.

For the year ended 31 December 2023, revenue of the design, survey and consultancy business segment of the Group amounted to RMB4,867 million, representing an increase of RMB406 million or 9.10% compared to RMB4,461 million for the corresponding period in 2022. Among which, the revenue of the urban rail transit construction segment amounted to RMB3,509 million, representing an increase of RMB294 million or 9.14% compared to the RMB3,215 million for the corresponding period of last year. Revenue from the industrial and civil construction and municipal engineering was RMB1,357 million, representing an increase of RMB111 million or 8.91% compared to RMB1,246 million in the corresponding period of last year.

Construction Contracting Business Segment

For the construction contracting business segment, in 2023, the Group won the bids for the Lize City Terminal Integrated Transportation Hub and other projects. Our projects under construction were dotted in cities such as Beijing, Guangzhou, Chongqing and Shaoxing.

For the year ended 31 December 2023, the Group's revenue from the construction contracting business segment was RMB5,495 million, representing a decrease of RMB477 million or 7.99% compared to RMB5,972 million for the corresponding period of last year, mainly due to the reduction in the number of project construction works in hand.

Cost of Sales

For the year ended 31 December 2023, the cost of sales incurred by the Group was RMB8,475 million, representing a decrease of RMB126 million compared to RMB8,601 million for the corresponding period of last year.

For the year ended 31 December 2023, cost of sales of the Group's design, survey and consultancy segment increased to RMB3,450 million for the year from RMB3,176 million for the corresponding period of last year, representing an increase of 8.63%. Among that, the cost of sales of the urban rail transit business of the Group's design, survey and consultancy segment increased to RMB2,356 million for the year from RMB2,210 million for the corresponding period of last year, representing an increase of 6.61%. The cost of sales of the industrial and civil construction and municipal engineering business of the design, survey and consultancy segment increased to RMB1,095 million for the year from RMB966 million for the corresponding period of last year, representing an increase of 13.35%.

For the year ended 31 December 2023, the cost of sales of the Group's construction contracting segment decreased to RMB5,025 million for the year from RMB5,425 million for the corresponding period of last year, representing a decrease of 7.37%.

Gross Profit and Gross Margin

For the year ended 31 December 2023, the gross profit of the Group was RMB1,886 million, representing an increase of RMB53 million or 2.89% compared to RMB1,833 million for the corresponding period of last year, while the consolidated gross margin was 18.21%, representing an increase from 17.56% of the corresponding period of last year.

Among that, the gross profit of design, survey and consultancy segment increased to RMB1,416 million for the year from RMB1,285 million for the corresponding period of last year, representing an increase of RMB131 million or 10.19%, and the gross margin was 29.10%, representing a slight increase as compared to 28.81% for the corresponding period of last year. The gross profit of construction contracting segment decreased to RMB470 million for the year from RMB547 million for the corresponding period of last year, representing a decrease of RMB77 million or 14.08%, and the gross margin decreased to 9.35% for the year from 10.08% for the corresponding period of last year.

Other Income

For the year ended 31 December 2023, other income of the Group were RMB417 million, representing a decrease of RMB66 million or 13.66% compared to RMB483 million for the corresponding period of last year, which was mainly attributable to the decrease in interest income.

Other Gains and Losses

For the year ended 31 December 2023, other gains of the Group were RMB288 million, representing a decrease of RMB59 million or 17.00% compared to RMB347 million for the corresponding period of last year, which was mainly attributable to the decrease in investment income.

Selling and Distribution Expenses

For the year ended 31 December 2023, selling and distribution expenses of the Group were RMB82 million, representing an increase of RMB4 million or 5.13% compared to RMB78 million for the corresponding period of last year, which was mainly due to the increase in corresponding expenses as a result of the increased market expansion by actively expanding the business of suburban railroads, urban express lines, intercity railroads and the renovation of existing lines as well as the promotion of science and technology industrialization products.

Administrative Expenses

For the year ended 31 December 2023, administrative expenses of the Group were RMB979 million, representing an increase of RMB101 million or 11.50% compared to RMB878 million for the corresponding period of last year, which was mainly due to the increase in rental and property costs as a result of the operation of new office area and the increase in cost of services provided by intermediaries as well as the cybersecurity costs and research and development costs.

Impairment Losses on Financial Assets and Contract Assets, Net

For the year ended 31 December 2023, the impairment losses on financial assets and contract assets of the Group amounted to RMB286 million, representing an increase of RMB42 million or 17.21% as compared to RMB244 million for the corresponding period of last year, which was mainly due to the increase in impairment loss on trade receivables and contract assets.

Finance Costs

For the year ended 31 December 2023, finance costs of the Group were RMB291 million, representing a decrease of RMB29 million or 9.06% compared to RMB320 million for the corresponding period of last year, which was mainly attributable to the decrease in interest expenses resulting from the Group's repayment of borrowings.

Income Tax Expense

For the year ended 31 December 2023, the income tax expense of the Group was RMB107 million, representing a decrease of RMB8 million or 6.96% as compared to RMB115 million for the corresponding period of last year.

Profit for the Year

For the year ended 31 December 2023, the profit of the Group for the year was RMB910 million, representing an increase of RMB12 million or 1.34% compared to RMB898 million for the corresponding period of last year.

Cash Flows

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

	Year ended 31 December	
	2023 (RMB'000) (Audited)	2022 (RMB'000) (Restated)
Net cash inflows from operating activities	328,601	1,149,443
Net cash outflows from investing activities	(616,251)	(323,426)
Net cash outflows from financing activities	(644,039)	(853,369)
Net decrease in cash and cash equivalents	<u>(931,689)</u>	<u>(27,352)</u>

The net cash inflows from operating activities in 2023 were RMB329 million, which was mainly attributable to the small difference between operating receipts and operating payments for the year. The net cash outflows from investing activities were RMB616 million, which was mainly attributable to the increased investment of RMB377 million to joint ventures and associates, an expenditure of RMB492 million for acquisition of fixed assets and intangible assets and the collection of RMB248 million for the disposal of associates. The net cash outflows from financing activities were RMB644 million, which was mainly due to the net increase in short-term bank borrowings and bonds payable of the Company of RMB932 million, the repayment of borrowings, bonds and interest expenses of approximately RMB1,308 million and the payment of dividends to shareholders of approximately RMB268 million for the year.

PLEDGE OF ASSETS

For the year ended 31 December 2023, the contract assets, trade receivables and intangible assets of the Group were pledged to secure the certain bank borrowings granted to the Group. As at 31 December 2023, the net pledged receivables and intangible assets were RMB6,516 million (as at 31 December 2022: RMB6,522 million).

CONTINGENT LIABILITIES

For the year ended 31 December 2023, there are no significant contingent liabilities of the Group.

CAPITAL COMMITMENT

The capital commitments of the Group as at 31 December 2023 and 31 December 2022 were as follows:

	2023 <i>(RMB'000)</i> (Audited)	2022 <i>(RMB'000)</i> (Restated)
Contracted, but not provided for:		
Property, plant and equipment	305,119	481,169
Equity investments	<u>1,093,213</u>	<u>1,580,591</u>

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The equity capital of the Group mainly comprises domestic shares and H shares. Indebtedness capital mainly consists of bank and other borrowings. In addition, ordinary business operation also provides the Group with source of funding. As of 31 December 2023, the net current assets of the Group were RMB1,407 million, among which cash and cash equivalents amounted to RMB3,310 million. The liquidity of the Group was in good status and the Group had adequate cash and available banking facilities to satisfy its operating needs.

For the year ended 31 December 2023, the Group's gearing ratio was 69.30%.

INDEBTEDNESS

The table below sets forth the borrowings of the Group as at 31 December 2023 and 31 December 2022. The Group generally settles the borrowings on time.

	31 December 2023 (RMB'000) (Audited)	31 December 2022 (RMB'000) (Restated)
Bank borrowings		
Pledged	4,930,517	5,090,234
Guaranteed	15,069	–
Non-pledged and non-guaranteed	421,250	135,349
Other borrowings		
Non-pledged and non-guaranteed	1,243,669	1,360,630
Lease liabilities		
Non-pledged and non-guaranteed	303,444	317,545
	<u>6,913,949</u>	<u>6,903,758</u>

As at 31 December 2023, the Group's borrowings were denominated in RMB with interest rates ranging from 1.81% to 5.11%.

The table below sets forth the maturity of the Group's debts as at 31 December 2023 and 31 December 2022:

	31 December 2023 (RMB'000) (Audited)	31 December 2022 (RMB'000) (Restated)
Within one year	2,206,129	1,428,700
In the second year	312,593	412,593
In the third to fifth years, inclusive	2,102,499	2,604,240
Over five years	2,292,728	2,458,225
	<u>6,913,949</u>	<u>6,903,758</u>
Total	<u>6,913,949</u>	<u>6,903,758</u>

EXCHANGE RATE RISK

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

EVENT AFTER THE BALANCE SHEET DATE

Save as disclosed in this announcement, the Group did not have any significant events after the balance sheet date.

COMPANY-WIDE MANAGEMENT MEASURES IN 2024

2024 is a crucial year for the Company to achieve leapfrog development. The Company will stick to scaling up design consultancy, enhancing EPC business, actively developing new businesses, fully utilizing the advantages of the entire industry chain resources, continuing to stabilize the basic market, opening up new fields, new models, and new dynamics, focusing on market challenges, transformation and upgrading, business efficiency, management improvement, A-share listing, and other related work. We will make solid efforts to promote new development of the Company.

The Company's specific management measures in 2024 include the following four areas:

1. Upgrading and expanding design and consultancy business

The Company will continue to stabilize the position in the rail transit design industry, closely follow up on the progress of construction planning and approval in various cities, focus on tracking the overall design projects of cities such as Beijing, Fuzhou, Chengdu, Shaoxing, Nanjing, Xiamen, Xi'an, Changsha, actively enter the fields of tourism rail, emerging rail, freight rail, etc., deeply plan the existing line renovation market, and seize the first mover advantage. The Company will expand the fields of civil construction and municipal business, continue to intensively develop residential design, TOD design, commercial complexes, overlying development, transportation hubs markets, actively enter the potential markets of cultural tourism, affordable housing, urban renewal, urban village renovation, ecological environment, energy, and public infrastructure for daily and emergency use.

2. Fully promoting EPC business

The Company will stick to the dual focus on both Beijing market and markets outside of Beijing, and strive to expand market share. For Beijing market, the Company will closely monitor the Beijing Line S6, the southern extension of Line 19, the Line M101, and the northeast loop of the suburban railway. For markets outside of Beijing, the Company will focus on key cities and closely track subway projects in Guangzhou, Wuxi, Shenzhen, Shaoxing, Xi'an, Nanjing, and Foshan. The Company will plan the existing line renovation market in advance, and seek breakthroughs in the EPC model.

3. *Actively expanding new business*

The Company will focus on the trend of new franchising policies, strengthen regional market industry collaboration, open up investment directions such as cultural and tourism rail, passenger and freight railways, urban renewal, ecological environment, new energy, and new infrastructure, and strive to obtain the landing of new investment projects. The Company will accelerate the pace of technological industrialization development, take the market as the guide, strengthen the promotion and application of technological industrialization products, and continue to promote the acquisition of orders for digital products and interior industrial products. The Company will accelerate the expansion of energy storage, security, and intelligent operation and maintenance businesses, and promote project landing as soon as possible.

4. *Strategic leadership promotes management innovation and improvement*

The Company will make every effort to promote the return to A-share market; cooperate with advantageous enterprises relying on its industry influence in the form of investment and strategic partnerships, and drive the Company's various businesses to achieve new development; consolidate the technical quality system, strengthen the supervision and inspection of key projects and high-risk projects processes, solidly carry out safety hazard investigation and rectification, and safeguard the red line of safety production; strengthen cash flow management and financing support capabilities, strengthen project settlement and collection, and effectively reduce the existing accounts receivable; promote intelligent design tools to achieve cost reduction, quality improvement, and efficiency enhancement for enterprises.

BID WINNING

In 2023, facing sustained economic downturn, deep industry adjustments and other challenges, the Company expanded the market across the entire rail transit industry chain by leveraging industry advantages and its technical strength. As of 31 December 2023, the Company has won the bids of RMB6.168 billion (excluding the directly commissioned maintenance project of Chongqing suburban railway line from Bishan to Tongliang amounted to RMB2.08 billion). Among them, the design, survey and consultancy business segment won the bids of RMB4.498 billion, and the EPC business segment won the bids of RMB1.67 billion. As at the end of the Reporting Period, its contracts on hand amounted to RMB26.662 billion.

EMPLOYEES

As of 31 December 2023, the Group had approximately 4,957 employees, of which approximately 53% were employees at parent company and approximately 47% were employees at subsidiaries. The Company has 1 academicians of the Chinese Academy of Engineering, 3 masters of survey and design, 5 experts enjoying government subsidies, middle and senior professional and technical personnel accounted for 76% of the total employees, and college graduates and above accounted for 92% of the total employees.

The size of the Company's staff has been effectively controlled, with the stability of staff increasingly improved. Specifically, the Company emphasized on introducing professional and sophisticated talents with qualifications and professional titles in great demand and outstanding fresh graduates in key and difficult majors; the proportion of non-production and management staff was reduced; and the proportion of personnel with senior professional titles or above and various registered professional qualifications further increased.

In respect of building talent pool, the Company mainly focused on young and middle-aged talents and innovated several cultivation measures. Enterprise training was carried out in an orderly manner with nearly 900 training activities organised covering all levels, professions and themes to promote the enhancement of our employees' professional competence. The Company also organised expert lectures with many industry experts and leading figures of benchmarking enterprises invited to give lectures, so as to help employees broadening their horizons.

MARKET LANDSCAPE AND BUSINESS PROSPECT

In February 2023, the State Council issued the "Overall Layout Plan for the Construction of Digital China" (《數字中國建設整體佈局規劃》) (the "Plan"). The Plan puts forward that by 2025, an integrated promotion pattern of deep and diversified integration and strong coordination will be basically formed, and important progress will be made in the construction of Digital China. Among them, it is proposed to promote the deep integration of digital technology and real economy, and accelerate the innovation and application of digital technology with a focus on the fields such as agriculture, industry, finance, education, medical treatment, transportation, and energy.

On 21 February 2023, the 9th Chamber of Commerce of the Provincial Capitals of the Middle Reaches of the Yangtze River was held, at which four provincial capitals of Wuhan, Changsha, Hefei and Nanchang jointly signed the documents including the “Action Plan for Cooperation among the Provincial Capitals of the Middle Reaches of the Yangtze River (2023-2025)” (《長江中游城市群省會城市合作行動計劃(2023—2025年)》) and the “2023 Key Cooperation Matters of the Middle Reaches of the Yangtze River” (《長江中游城市群2023年重點合作事項》), so as to explore new mechanisms for coordinated development.

On 8 October 2023, the Ministry of Transport, the National Development and Reform Commission, the Ministry of Public Security, the Ministry of Finance, the Ministry of Human Resources and Social Security, the Ministry of Natural Resources, the National Financial Regulatory Administration, the China Securities Regulatory Commission, and the All-China Federation of Trade Unions jointly issued the “Several Opinions on Promoting the Healthy and Sustainable Development of Urban Public Transport” (《關於推進城市公共交通健康可持續發展的若干意見》) (the “Opinions”). The issuance and implementation of the Opinions is of great significance for further strengthening the policy support for the development of urban public transport, improving the quality and efficiency of urban public transport services, protecting the legitimate rights and interests of employees, facilitating the healthy and sustainable development of urban public transport, as well as better satisfying the needs of people for nice travel.

On 28 November 2023, the Ministry of Housing and Urban-Rural Development issued the “Guiding Opinions on Comprehensively Promoting the Construction of a Comprehensive Urban Transportation System” (《關於全面推進城市綜合交通體系建設的指導意見》) (the “Opinions”). The Opinions put forward that by 2025, the comprehensive transportation system in various cities will be further improved with more mature layout of the facility network. The operation efficiency, overall benefit as well as intensive, intelligent and green level will also be significantly enhanced. By 2035, a modern urban comprehensive transportation system will be basically established in various cities, and such system will be satisfactory to people with complete functions, efficient operation, green intelligence, security and resilience.

URBAN RAIL TRANSIT

As of 31 December 2023, a total of 306 urban rail transit lines with a cumulative operating mileage of 10,165.7 kilometers and 5,897 stations have been put into operation in 55 cities across 31 provinces (including autonomous regions, municipalities directly under the central government), and the Xinjiang Production and Construction Corps. In 2023, 16 new urban rail transit lines were added, with an additional operating mileage of 581.7 kilometers. Notably, the cities of Honghe and Xianyang opened their urban rail transit systems for the first time. (Data source: Ministry of Transport)

In 2023, the scale and construction speed of urban rail transit construction in mainland China decreased compared to 2022. Throughout the year, the tenders for a total of 33 overall design contracting (including overall design contracting, general engineering design contracting, and general contracting of survey and design) (having the same meaning hereinafter) projects for new rail transit lines in 12 cities were concluded, among which, the Group secured the first position by winning the bid for overall design contracting for 6 lines. In addition, the Company obtained a number of important engineering site projects in cities such as Beijing, Suzhou, Shanghai, Hangzhou, Wuxi, Changsha and Shenzhen.

In 2024, a peak of commencing operation of new urban rail transit lines will emerge across the country. With the pressure of economic downturn and increased fiscal revenue, the financial pressure of urban rail transit construction and operation is growing, which leads to the gradual change in the traditional subway-dominated construction model. Following the development direction of regional integration in new urban clusters in the country, inter-city rail transit (municipal railway) with cost advantages and higher speed will become a key focus in the future. Moreover, Beijing has already taken the lead in issuing the Station-City Integration Project Planning and Design Standards (《站城一體化工程規劃設計標準》), which indicates that the TOD model is gradually becoming a standardized development pattern in cities where urban rail transit is in operation. The urban rail transit segment will strengthen research in such new policies, striving to gain a larger market share.

RAIL TRANSIT SYNERGIZING WITH INNOVATIVE CONSTRUCTION

In 2023, the Company was granted the project of the Research and Development and Demonstration Application of Multi-dimensional Perception and Multi-media Corridor Pipeline Intelligent Monitoring Technology for Xiong'an New Area (面向雄安新區多維感知多介質管廊管線智能監測技術研發及示範應用), a project in the 14th Five-Year Plan, by the Ministry of Science and Technology. In addition, the Special Project of Risk Prevention and Control Technology for Deep Karst Collapse and Demonstration Application under the Prevention and Control of Major Natural Disasters and Public Safety (重大自然災害防控與公共安全專項課題深部岩溶塌陷風險防控技術及示範應用), a project of the Ministry of Science and Technology in 14th Five-Year Plan undertaken by the Company, was proceeding smoothly. The Company also undertook the research and development task of the Terminal Deployment and Front-end Intelligent Identification of Stereonet Spatial Sensing of Station-City Integration (站城融合立體網絡空間感測終端部署與前端智能辨識), a project with open competition mechanism under the Key Special Project of the Key Technology and Equipment for Sustainable Development of Cities and Towns (城鎮可持續發展關鍵技術與裝備) for 2023. Moreover, the special project of the Microscopic Simulation Technology for Ultimate Mixed Traffic Flow in Large-scale Transport Network (大規模交通網絡混合交通流微觀仿真技術) under the Integrated Transportation and Intelligent Transportation, a project of the Ministry of Science and Technology in 13th Five-Year Plan undertaken by the Company, successfully passed the project performance evaluation.

The Company was approved the project of Researching on the Mode and Path for Sustainable Development of Diversified Integration of Urban Rail Transit (城市軌道交通多元融合可持續發展模式和路徑研究) by the NDRC, obtained the development project (Phase II) of science and technology service brand institution from Beijing Municipal Science and Technology Commission and Zhongguancun Management Committee, and promoted the research of the Union Center of Urban Disaster Prevention and Safety (城市防災與安全聯合中心), which was jointly established with Tsinghua University. The Research and Application of Prefabricated and Assembled Construction Technology for Metro Stations (地鐵車站預制裝配化建造技術研究與應用) was awarded the Technology Innovation Award of the Year by International Tunnelling and Underground Space Association (ITA) and the Special Prize of Science and Technology Progress Award by China Association of Metros (CAMET), respectively. Moreover, there were six technologies, including the Key Technology and Application of Urban Rail Construction in Earth and Rock Formations (土岩組合地層城軌建造關鍵技術與應用), evaluated as “International Leading Level”. In addition, the Technology and Application of Assembly Construction for Column Rail Structure in Urban Rail Transit Depot (城市軌道交通庫內立柱式軌道結構裝配化建造技術及應用) was listed as Innovative and Promotional Technology of Urban Rail Transit for 2022 (2022年城市軌道交通創新推廣技術) by the Rail Transit Branch of the China Civil Engineering Society (CCES). The project of Research and Development and Industrialization of Assembly Rail Technology (裝配式軌道技術研發及產業化) led to complete by the Company won the First Prize of Beijing Science and Technology Progress Award; the project of Refined Analysis Theory, Intelligent Construction and Scientific Maintenance Technology of Ballastless Track under Complex Operation Conditions (複雜運營條件下無砟軌道精細分析理論、智能施工與科學維護技術) that the Company participated in won the First Prize of Science and Technology Progress Award of China Communications and Transportation Association (CCTA); the project result of Studying on the Management of Abnormal Rail Corrugation in the Anti-vibration Section and Demonstration Project of Urban Rail Transit (城市軌道交通基礎減振地段鋼軌異常波磨治理及示範工程研究) that the Company participated in was awarded the Special Prize of Science and Technology Progress Award for 2022 by Beijing Society of Metros; and the Key Technology for Assembly Construction of Track Structure of Urban Rail Transit (城市軌道交通軌道結構裝配化建造關鍵技術) obtained the Certificate of New Technology and New Products (Service) of Beijing (北京市新技術新產品(服務)證書).

The Science and Technology Industrial Park of Beijing Urban Construction Design was successfully put into operation, marking another important initiative of the Company to further bring talents, technologies, scientific research platforms and other innovation resources together, and to promote the cluster and industrialization development of scientific and technological innovation.

SURVEY AND MEASUREMENT

The “14th Five-Year” Engineering Survey and Design Industry Development Plan (《“十四五”工程勘察設計行業發展規劃》) (the “Plan”) pointed out that during the “14th Five-Year” period, new urban infrastructure construction, urban renewal, complete residential community construction, rural construction and other work tasks will bring new opportunities for the development of the engineering survey and design industry. The Plan requires the engineering survey and design industry to seize new opportunities, face new challenges and achieve high-quality development.

The digital transformation of enterprises in the industry will proceed towards “intelligent survey and measurement”, which will facilitate the digital upgrading of traditional businesses. The construction of Digital China requires to accelerate the development of integrated infrastructure, which has clarified the direction for the survey industry to expand digital business. The future infrastructure construction requirements are network-based and intelligent, while a large number of established traditional infrastructures are facing the requirements of intelligent transformation, which provides opportunities for the survey industry to give full play to its advantages and expand digital businesses such as intelligent transportation, intelligent water conservancy and intelligent cities.

President Xi Jinping announced at the 75th United Nations General Assembly that “China will strive to peak carbon dioxide emissions by 2030 and achieve carbon neutrality by 2060”. Achieving the goals of the “carbon neutrality” and “carbon peaking” have become key tasks for the transformation and development of various industries and presents a clear direction for the green and low-carbon development of relevant industries. Promoting the green and low-carbon development of the engineering survey and design industry is an inherent requirement to achieve high-quality development, as the engineering survey and design industry will provide key technological support for other industries to reduce carbon emissions and enhance efficiency, push forward the transformation and upgrading of engineering organization model and service model, and construct a standardized system for the green and low-carbon development of the industry.

In general, the market environment of the survey industry has improved. The survey industry needs to regain confidence, seize opportunities, actively adjust and continuously explore the path of high-quality development of enterprises.

INVESTMENT AND FINANCING

In 2023, the national infrastructure policies were continuously adjusted and the infrastructure market saw significant changes, with development focus of the market gradually shifting from traditional infrastructure to new businesses and sectors such as new infrastructure, ecological and environmental protection, water conservancy and hydropower, and new energy. Meanwhile, new mechanisms of the public-private partnerships were launched to vigorously promote concession operations and focus on users’ fees, thus elevating the development mode of public-private partnerships to a new level. Standardization and high-quality development have become the main theme of the development of infrastructure investment and financing market.

Market changes with the change of policy. The Group's investment and financing business segment continues to explore the "rail + cultural tourism" business model by closely following new market trends, and focusing on innovation, synergy, and breakthroughs. Tourism rail transit projects are planned based on well-known domestic tourism IPs. At the same time, the Group pays close attention to the market of passenger and freight railway and dedicated freight railway projects, actively expands the development space of market-oriented rail transit projects with stable sources of income, and continuously innovates and operates various investment and financing models such as "equity investment + EPC + O", laying a foundation for project implementation.

There will be changes in the future. For example, the requirement for project operation will change from partial cost recovery to full cost recovery, and government's way of capital attraction will change from public bidding to business invitation. Enterprise investment will change from project securement to equity cooperation for independent project initiation, and their investment goals will change from single project promotion to driving overall industry chain collaboration. In this context, the investment and financing business segment will focus on the main business of rail transit, continuously expand new markets and businesses such as tourism rail transit and mixed and dedicated passenger and freight lines, seize opportunities to intensify efforts to expand new businesses (new fields) in new infrastructure, environmental protection (EOD), and energy market, continuously deepen the coordination between internal and external industries, strengthen innovation in investment and financing models, enhance investment business management and control, and fully leverage the advantages of capital and technology to assist high-quality development of the Company by promoting stability through progress, and establishing the new before abolishing the old.

PLANNING AND DESIGN

With the gradual approval of the overall national, provincial, municipal, and county land spatial planning, the planning and design market is expected to steadily recover in 2024. Local regulatory detailed planning, village planning, urban renewal, comprehensive land improvement, eco-environment-oriented comprehensive development (EOD) projects, the "Ten Million Project" (Thousand Villages Demonstration and Ten Thousand Villages Renovation), and the construction of pilot demonstration zone for a beautiful China will be gradually launched to the market and implemented.

On 23 March 2023, the Ministry of Natural Resources issued the Notice on Strengthening Detailed Territory Spatial Planning 《關於加強國土空間詳細規劃工作的通知》(Zi Ran Zi Fa [2023] No. 43), requiring local authorities to comprehensively carry out the preparation of detailed planning. On 10 November 2023, the General Office of the Ministry of Natural Resources issued the Guidelines for Planning and Land Policy in Support of Urban Renewal (2023 Edition) 《支持城市更新的規劃與土地政策指引(2023版)》(Zi Ran Zi Ban Fa [2023] No. 47), aiming to promote the standardized implementation of relevant planning work in support of urban renewal.

At the national conference on housing and urban-rural development held during 21-22 December 2023, it was determined that the key work of the housing and construction system in 2024 would include actively promoting urban renewal and conducting detailed urban health examinations; building beautiful villages and towns that are livable and suitable for business, and facilitating the construction of counties, towns, and villages based on experience of the "Ten Million Project".

On 22 December 2023, the Ministry of Ecology and Environment, the National Development and Reform Commission, the People’s Bank of China and the National Financial Regulatory Administration jointly issued the “Guidelines for the Implementation of Eco-environment-Oriented Development (EOD) Projects (Trial)” (Huan Ban Ke Cai [2023] No. 22), to promote the EOD model innovation in an active, steady, standardized and orderly manner.

On 11 January 2024, the Central Committee of the Communist Party of China and the State Council issued the “Opinions on Comprehensively Promoting the Building of A Beautiful China”, which are divided into 10 chapters and 33 articles, to put forward detailed measures centering on the target path, key tasks and major policies for the building of a beautiful China.

ARCHITECTURAL DESIGN

In 2023, the Company continued to engage in urban renewal projects in the field of construction, and successively won bids for renovation projects in campuses, hospitals, courts, old residential communities and other areas. The Company also actively expanded into the comprehensive development projects in the region, and won the bid for the TOD integrated development and design consulting service project of Xiangqian Station of Binhai Express. Meanwhile, it has achieved outstanding results in the construction of industrial parks and municipal infrastructure.

In December 2023, the Central Economic Work Conference pointed out that it is necessary to give full play to the driving and amplifying effect of government investment, and focus should be given to support key core technology research, new infrastructure, energy saving, emission reduction and carbon reduction, so as to cultivate new drivers for development.

At the same time, the National Development and Reform Work Conference pointed out that efforts should be made to improve efficiency and make good use of government investment such as the issuance of an additional RMB1 trillion of government bonds, central government budgetary investment and special bonds of local governments in 2023, thereby supporting transportation infrastructure, energy, agriculture, forestry and water conservancy, coordinated regional development, social undertakings, modern industrial systems, key core technology research, new infrastructure, energy saving, emission reduction and carbon reduction, post-disaster recovery and reconstruction, enhancement of disaster prevention, mitigation and relief capabilities, security capacity building and other fields. The National Housing and Urban-Rural Construction Work Conference pointed out that in 2024, it is necessary to focus on 18 aspects of work in 4 major sectors, such as actively promoting urban renewal, continuing to develop rural areas, and supervising the development of pilot cities for smart construction.

Real estate investment has declined significantly, while the “dual-track system” of housing supply is expected to promote the demand for affordable housing. In the first three quarters of 2023, the total real estate investment nationwide was RMB8.73 trillion, representing a year-on-year decline of 9.10%. Real estate investment has continued to decline since 2022. With the issuance of the “Guiding Opinions on the Planning and Construction of Affordable Housing” (Guo Fa [2023] No. 14), it is expected to promote the housing dual-track system reform of “commercial housing + affordable housing”, and the demand for affordable housing is expected to further increase.

Although the issuance of special bonds balanced investment slowdown, the growth of the total output value of the construction industry still slackened badly. From January to October 2023, new special bonds of RMB3.68 trillion were issued nationwide and 96.8% of the annual budget limit was completed, which, however, plays an insignificant role in driving the total output value of the construction industry. In October 2023, the Central Government made it clear that it would issue an additional RMB1 trillion of 2023 Treasury Bonds in the fourth quarter of this year to support post-disaster recovery and redevelopment and improve disaster prevention, mitigation and relief capabilities, which will boost total infrastructure investment of RMB5-6.7 trillion. Therefore, the total output value of the construction industry is expected to grow between 5.5% and 6.5% in 2024.

The Central Government continued to increase policy incentives to accelerate the renovation of urban villages in mega- and super-cities. At the meeting of the Political Bureau of the CPC Central Committee on 28 April 2023, it was proposed to proactively and steadily promote the renovation of urban villages and the construction of public infrastructure that can be used both under normal conditions and in emergencies in mega- and super-cities. In July 2023, the Executive Meeting of the State Council deliberated and approved the Guiding Opinions on Proactively and Steadily Promoting the Renovation of Urban Villages in Mega- and Super-Cities (《關於在超大特大城市積極穩步推進城中村改造的指導意見》), under which the Government will intensify policy support for the renovation of urban villages, innovate in renovation modes and strive to develop various new businesses, so as to ensure sustainable operation. Central and state-owned enterprises are expected to become one of the investment subjects in the renovation of urban villages, and bank credit will be the main source of funds.

EPC

China has turned into the country with the most developed rail transit network across the world. First-tier cities such as Beijing, Shanghai and Guangzhou are still constructing their rail transit, while many second- and third-tier cities (including those in central and western China) are also developing rail transit systems to cater for growing travel demands. The rail transit network has gradually expanded from developed cities in the eastern coastal areas to prefecture-level cities in the central and western regions, improving the infrastructure construction in these regions. However, given that the approval for rail transit construction becomes more and more rational, relevant policies will continue to tighten. Under the current tightening policies for rail transit construction, the market situation may maintain safe and stable.

In the future, our rail transit construction will center on the Beijing market, focus on the market dynamics of the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Western Delta Economic Zone, and vigorously expand county-level cities, counties and towns' market, endeavoring to promote the sustainable development of the market. In the Beijing market, we will focus on the progress of Line M101 and Phase I of Line S6 (New Zone Connection Line) as well as the extension, operation, transformation and maintenance projects of existing lines. For the Yangtze River Delta, we will pay attention to Suzhou, Wuxi, Shaoxing, Xuzhou, Ningbo, Hangzhou and other regional markets, and proactively engage in the construction of local rail transit. In terms of the Guangdong-Hong Kong-Macao Greater Bay Area, we will keep an eye on the east extension project of Guangzhou Metro Line 8, while following up on the market dynamics in Dongguan, Foshan and other regions. Regarding the Western Delta Economic Zone, we will monitor the rail transit project plans of Xi'an, Chongqing and other places, and promote the implementation of these projects.

MUNICIPAL PUBLIC PROJECTS CONSTRUCTION

The 14th Five-Year Plan National Road Traffic Safety Plan (《“十四五”全國道路交通安全規劃》) requires the construction of traffic safety facilities and road maintenance to be included in 14th Five-Year Plan of the local economic and society development, and the funds supports to be enhanced with the purposes specified. Provinces and cities had successively issued a series of policies to promote the development of the road construction industry for better public environment. For instance, as mentioned in the 14th Five-Year Plan for High-quality Development of Rural Road Featured with Four Advantages issued by Tianjin(《天津出台“四好農村路”高質量發展“十四五”規劃》), it aims to build a convenient and efficient external-connected road network frame and an inclusive and fair internal-connected basic road network as well as improve its capability in securing road safety. The Company has engaged in municipal roads segment for over 10 years, allowing it to collect sufficient information of road performance at all levels and make technical reserves, which is the source of its competitiveness and vitality.

Ecology treatment is one of the major goals of the 20th National Congress of the Communist Party of China. In April 2023, the Ministry of Ecology and Environment issued the Plan for the Water Ecological Environment Protection in Key River Basins (《重點流域水生態環境保護規劃》) jointly with NDRC, the Ministry of Finance, the Ministry of Water Resources and the National Forestry and Grassland Administration. Water environment treatment has become a key subsector in environmental protection industry. In recent years, the market size of the water environment treatment recorded a significant growth, in particular, the investment in fixed asset for sewage treatment increased to RMB67.294 billion in 2023 from RMB43.2 billion in 2017, and is expected to keep growing in 2024. The Company has been engaging in the water environment treatment segment since the early stage, and has established long-term and stable relationships with customers in Beijing, Tianjin, Hebei, Guangdong, Hong Kong and Macao.

As 5G technology advances and the internet, big data and artificial intelligence develop, municipal engineering will integrate existing transport resources, leveraging the rise of new energy and driverless vehicles. Meanwhile, requirements for urban safety have been more stringent due to urban renewal and new urbanization. To address this, we will accelerate the construction of underground utility tunnel to mitigate the shortfall in urban flood control and drainage capacity while also enhancing the upgrading of the pipeline network.

PROFIT DISTRIBUTION AND DIVIDEND

On 28 March 2024, the Board proposed the distribution of a final dividend of RMB0.1724 per share (before applicable tax) for the year, after the withdrawal of the statutory surplus reserve according to the relevant regulations. The proposal for the payment of the final dividend is subject to the approval of shareholders of the Company at the 2023 annual general meeting to be held on 23 May 2024. If approved, it is expected that dividend will be paid to the shareholders whose names appear on the register of shareholders of the Company dated 6 June 2024 before 22 August 2024.

The H shares register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (both days inclusive). In order to be entitled to the final dividend, holders of H shares of the Company must lodge all the transfer documents accompanied by the relevant H share certificates with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Friday, 31 May 2024.

PURCHASE, SALES AND REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities for the year ended 31 December 2023.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company has complied with all code provisions set out in the Corporate Governance Code contained in Appendix C1 (formerly Appendix 14, re-prepared as Appendix C1 since 31 December 2023) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and adopted in its best practice proposed thereof as appropriate.

Beijing Infrastructure Investment (Hong Kong) Limited, the wholly-owned subsidiary of Beijing Infrastructure Investment Co., Ltd., a shareholder of the Company, has completed the acquisition of 68,222,000 H shares of the Company indirectly held by Beijing Capital Group Ltd. through its controlled corporations (the “**Share Transfer**”) on 11 July 2017. The Share Transfer has resulted in the H share public float level of the Company falling to 23.69% upon completion of the key employee stock ownership scheme by the Company on 1 February 2018, which failed to meet the requirements on minimum public float under Rule 8.08(1)(a) of the Listing Rules. The Company is adopting appropriate measures to ensure that the public float is restored as soon as possible. For details, please refer to the announcements of the Company dated 2 March 2018, 2 November 2022, 3 March 2023, 13 March 2023 and 29 December 2023.

SECURITIES TRANSACTIONS

During the Reporting Period, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Code**”) as set out in Appendix C3 (formerly Appendix 10, re-prepared as Appendix C3 since 31 December 2023) to the Listing Rules as its code of conduct for dealings in the securities of the Company by all of our directors and supervisors. Having made specific enquiry to all directors and supervisors, all directors and supervisors have confirmed that they have complied with the Code stated above during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's 2023 annual results and the consolidated financial statements for the year ended 31 December 2023 prepared in accordance with the IFRSs.

PUBLICATION OF THE ANNUAL RESULTS AND THE ANNUAL REPORT

This results announcement is published on the website of HKExnews of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company's website at <http://www.bju.cd.com>.

By order of the Board
Beijing Urban Construction Design & Development Group Co., Limited
Pei Hongwei
Chairman

Beijing, the PRC, 28 March 2024

As at the date of this announcement, the executive director of the Company is Wang Hanjun; the non-executive directors of the Company are Pei Hongwei, Li Guoqing, Shi Huaxin, Peng Dongdong, Li Fei, Wang Tao and Tang Qimeng; and the independent non-executive directors of the Company are Wang Guofeng, Qin Guisheng, Ma Xufei and Xia Peng.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000 (Restated)
REVENUE	3	10,361,699	10,433,103
Cost of sales		<u>(8,475,238)</u>	<u>(8,600,548)</u>
Gross profit		1,886,461	1,832,555
Other income		416,869	483,435
Other gains and losses, net	4	287,554	346,625
Selling and distribution expenses		(82,092)	(77,576)
Administrative expenses		(979,282)	(878,272)
Impairment losses on financial assets and contract assets, net		(286,213)	(243,710)
Loss on derecognition of financial assets measured at amortised cost		–	(347,118)
Finance costs	5	(290,799)	(320,405)
Share of profits and losses of:			
Joint ventures		13,494	189,992
Associates		51,810	27,565
PROFIT BEFORE TAX		1,017,802	1,013,091
Income tax expense	6	(107,454)	(115,415)
PROFIT FOR THE YEAR		910,348	897,676
Profit attributable to:			
Owners of the parent		872,852	959,159
Non-controlling interests		37,496	(61,483)
		910,348	897,676
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB per share)			
For profit for the year	8	0.65	0.71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
PROFIT FOR THE YEAR	<u>910,348</u>	<u>897,676</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	(86)	(536)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Changes in fair value of equity investments designated at fair value through other comprehensive income	3,869	(303)
Remeasurement losses on defined benefit plans, net of tax	<u>(6,520)</u>	<u>(2,190)</u>
	<u>(2,651)</u>	<u>(2,493)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>(2,737)</u>	<u>(3,029)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>907,611</u>	<u>894,647</u>
Attributable to:		
Owners of the Company	870,115	956,130
Non-controlling interests	<u>37,496</u>	<u>(61,483)</u>
	<u>907,611</u>	<u>894,647</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	31 December 2023	31 December 2022	1 January 2022
Notes	RMB'000	RMB'000 (Restated)	RMB'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	1,436,905	981,666	963,379
Goodwill	5,741	5,741	5,741
Right-of-use assets	511,308	533,248	527,685
Intangible assets	542,209	562,829	562,802
Investments in joint ventures	2,201,981	2,095,387	1,876,372
Investments in associates	1,077,672	1,040,264	592,127
Financial assets at fair value through profit or loss	8,388	8,794	8,602
Equity investments designated at fair value through other comprehensive income	202,357	15,121	21,666
Deferred tax assets	358,353	276,163	251,976
Contract assets	9 4,936,462	5,193,370	5,305,972
Prepayments, other receivables and other assets	163,369	229,177	306,654
Total non-current assets	<u>11,444,745</u>	<u>10,941,760</u>	<u>10,422,976</u>
CURRENT ASSETS			
Inventories	70,664	67,919	127,051
Trade and bills receivables	10 4,500,516	3,688,543	4,023,950
Prepayments, other receivables and other assets	444,651	415,915	857,067
Contract assets	9 4,979,326	4,466,198	3,950,560
Pledged deposits	99,941	41,052	41,547
Cash and bank balances	3,309,696	4,240,446	4,145,812
	<u>13,404,794</u>	<u>12,920,073</u>	<u>13,145,987</u>
Assets of a disposal group classified as held for sale	–	–	1,086,817
Total current assets	<u>13,404,794</u>	<u>12,920,073</u>	<u>14,232,804</u>
CURRENT LIABILITIES			
Trade and bills payables	11 5,913,938	5,384,583	4,643,824
Other payables and accruals	3,749,070	4,005,585	4,802,262
Interest-bearing bank and other borrowings	2,206,129	1,428,700	2,377,549
Provisions for supplementary retirement benefits	3,910	3,760	3,259
Tax payable	118,579	68,430	76,085
Provision	6,313	5,083	7,381
	<u>11,997,939</u>	<u>10,896,141</u>	<u>11,910,360</u>

	31 December 2023	31 December 2022	1 January 2022
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i> (Restated)	<i>RMB'000</i> (Restated)
Liabilities directly associated with the assets classified as held for sale	—	—	997,504
Total current liabilities	11,997,939	10,896,141	12,907,864
NET CURRENT ASSETS	1,406,855	2,023,932	1,324,940
TOTAL ASSETS LESS CURRENT LIABILITIES	12,851,600	12,965,692	11,747,916
NON-CURRENT LIABILITIES			
Deferred tax liabilities	7,584	1,808	1,945
Interest-bearing bank and other borrowings	4,707,820	5,475,058	4,819,452
Provisions for supplementary retirement benefits	74,470	68,173	66,065
Other payables and accruals	367,775	380,474	406,529
Provision	65,336	53,219	36,208
Total non-current liabilities	5,222,985	5,978,732	5,330,199
Net assets	7,628,615	6,986,960	6,417,717
EQUITY			
Equity attributable to owners of the Company			
Share capital	1,348,670	1,348,670	1,348,670
Reserves	6,052,516	5,438,379	4,802,365
	7,401,186	6,787,049	6,151,035
Non-controlling interests	227,429	199,911	266,682
Total equity	7,628,615	6,986,960	6,417,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. CORPORATE AND GROUP INFORMATION

Beijing Urban Construction Design & Development Group Co., Limited (the “**Company**”) began its operations in 1958 in the PRC as a state-owned professional survey and design institute founded specifically for the survey and design of Beijing Subway Line 1. Subsequent to a series of reorganisations, the Company was then converted into a joint stock company with limited liability and renamed as Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) on 28 October 2013. The Company’s H shares were issued and listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) in July 2014.

The registered office address of the Company is 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC.

During the year, the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the following principal activities:

- Design, survey and consultancy services for urban rail transit and urban rail transit related industrial and civil construction and municipal engineering projects;
- Construction contracting services for urban rail transit and the service concession arrangements under the build-operate-transfer (“**BOT**”) arrangements.

In the opinion of the directors of the Company (the “**Directors**”), the Company’s holding company and the ultimate holding company is Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司, “**BUCG**”), which is a state-owned enterprise and incorporated in Beijing, the PRC.

2.1 BASIS OF PREPARATION

These financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. These financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

The nature and the impact of the revised IFRSs that are applicable to the Group are described below:

- (a) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the initial recognition of a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. The amendments are not expected to have any significant impact on the Group's financial statements.
- (d) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

2.3 PRIOR YEAR ADJUSTMENTS

In connection with the application for the initial public offering and listing of A shares of the Company (the “**A Share Listing**”), Da Hua Certified Public Accountants (Special General Partnership), the auditor engaged by the Company (the “**Auditor**”), has conducted an audit on the consolidated financial statements of the Group (the “**Reporting Consolidated Financial Statements**”) for the three financial years ended 31 December 2022 and the six months ended 30 June 2023 prepared in accordance with the China Accounting Standards for Business Enterprises. From the view of International Financial Reporting Standards, certain differences were identified between the Reporting Consolidated Financial Statements and the previously published consolidated financial statements of the Group and notes to the financial statements. Details are set out as below:

1. **Corrections of inter-period recognition of cost of sales for certain engineering projects during the years ended 31 December 2022 and 2021**

During the years ended 31 December 2022 and 2021, there was inter-period recognition of cost of sales for certain engineering projects of the Company and its subsidiaries, namely Beijing Urban Rail Transit Construction Engineering Co., Ltd. (北京城建軌道交通建設工程有限公司) and Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘測設計研究院有限責任公司). Therefore, corrections of the cut off error were made to the data on cost of sales and revenue for each period.

2. **Corrections of overstatement of value-added tax portion on trade receivables for certain engineering projects during the years ended 31 December 2022 and 2021**

The Group’s value-added tax portion on trade and bills receivables and corresponding other payables and accruals for the years ended 31 December 2022 and 2021 were overstated due to double accounting.

3. **Corrections of classification of long-term equity investment during the years ended 31 December 2022 and 2021**

Beijing Urban Infrastructure Construction Investment Management Co., Ltd. (北京城建基礎設施投資管理有限公司) (the “**Urban Infrastructure Construction Investment Company**”), a wholly-owned subsidiary of the Company, holds 7.65% equity interest in Shaoxing Jingyue Metro Co., Ltd. (紹興京越地鐵有限公司) (the “**Shaoxing Jingyue**”), which is co-established by a private consortium consisting of Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司) (the “**Beijing Investment Company**”), Beijing Subway Rolling Stock Equipment Co., Ltd. (北京地鐵車輛裝備有限公司), Beijing Municipal Road and Bridge Co., Ltd. (北京市政路橋股份有限公司) (the “**Municipal Road and Bridge**”), Urban Infrastructure Construction Investment Company (collectively the “**Private Consortium**”), and the investment representative of government. 51% and 49% equity interest in Shaoxing Jingyue are held by the Private Consortium and the investment representative of government, respectively.

In accordance with the articles of association of Shaoxing Jingyue, the board of directors of Shaoxing Jingyue shall have 7 directors, with 3 directors recommended by the shareholders of the Private Consortium, 3 directors by the investment representative of government and 1 employee director. As to the 3 directors recommended by the shareholders of the Private Consortium, each of Beijing Investment Company, Municipal Road and Bridge and Urban Infrastructure Construction Investment Company shall recommend one. Urban Infrastructure Construction Investment Company had appointed 1 director upon the establishment of Shaoxing Jingyue.

The cooperation agreement entered into by the Private Consortium stipulates that the parties thereof shall act in concert in terms of any event that needs to be resolved at the general meeting or the meeting of the board of the project company (the “**Event Acting in Concert**”). The parties thereof shall make discussion relating to the Event Acting in Concert in advance and reach a unanimous decision at their best effort. In case of failing to reach an agreement by such parties, the decision of Beijing Investment Company shall be deemed as the final and be complied by all such parties. Such equity investment was originally included in “financial assets at fair value through profit or loss” in the consolidated financial statements of the Group.

However, as the director appointed by Urban Infrastructure Construction Investment Company has the power to participate in the discussion of operating decisions, making it have a significant influence over the investee, such equity investment is reclassified to be included in investments in associates under the equity method.

4. Correction of certain prepayments and trade payables simultaneously recorded for same construction projects, and the correction of the subcontracting costs that had been incurred but still included in prepayments at the beginning of the reporting period

During the years ended 31 December 2022 and 2021, certain estimated trade payables and prepayments for the same construction projects of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘测設計研究院有限責任公司), a subsidiary of the Company, were simultaneously recorded, without offsetting in the consolidated financial statements. At the same time, at the beginning of the year ended 31 December 2021, due to the untimely settlement of subcontracting costs, some prepayments were not included in the cost calculation. The prepayments, other receivables and other assets, trade and bills payables, other payables and accruals and reserves were corrected for the years ended 31 December 2022 and 2021.

5. Correction of unpaid accrued employee compensation balances at the beginning of the reporting period

The Company had accrued but unpaid other payables and accruals balances of RMB35,641,000 for employee compensation at the beginning of the year ended 31 December 2021, which were over-accrued in the year prior to the year ended 31 December 2021, and are corrected in the years ended 31 December 2022 and 2021.

Items and amounts by which each item was affected in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 as a result of the correction of accounting errors are set out below:

	The Group as previously reported RMB'000	Prior year adjustments					The Group as restated RMB'000
		RMB'000 (note (1))	RMB'000 (note (2))	RMB'000 (note (3))	RMB'000 (note (4))	RMB'000 (note (5))	
Revenue	10,599,845	(166,742)	-	-	-	-	10,433,103
Cost of sales	(8,759,404)	158,856	-	-	-	-	(8,600,548)
Gross profit	1,840,441	(7,886)	-	-	-	-	1,832,555
Other income and gains	836,060	-	-	(6,000)	-	-	830,060
Impairment losses on financial assets and contract assets, net	(242,789)	191	(1,112)	-	-	-	(243,710)
Share of profits and losses of: Associates	27,549	-	-	16	-	-	27,565
Profit before tax from continuing operations	1,027,882	(7,695)	(1,112)	(5,984)	-	-	1,013,091
Income tax expense	(117,114)	1,532	167	-	-	-	(115,415)
Profit for the year	910,768	(6,163)	(945)	(5,984)	-	-	897,676
Profit attributable to: Owner of the parent	972,251	(6,163)	(945)	(5,984)	-	-	959,159
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	907,739	(6,163)	(945)	(5,984)	-	-	894,647
Total comprehensive income for the year attributable to: Owners of the parent	969,222	(6,163)	(945)	(5,984)	-	-	956,130
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT							
Basic and diluted (expressed in RMB per share)							
For profit for the year	0.72	(0.01)	-	-	-	-	0.71

Items and amounts by which each item was affected in the consolidated statement of financial position of the Group as at 31 December 2022 as a result of the correction of accounting errors are set out below:

	The Group as previously reported RMB'000	Prior year adjustments					The Group as restated RMB'000
		RMB'000 (note (1))	RMB'000 (note (2))	RMB'000 (note (3))	RMB'000 (note (4))	RMB'000 (note (5))	
Non-current assets							
Investments in associates	631,714	-	-	408,550	-	-	1,040,264
Financial assets at fair value through profit or loss	433,794	-	-	(425,000)	-	-	8,794
Deferred tax assets	272,503	25	3,635	-	-	-	276,163
Total non-current assets	<u>10,954,550</u>	<u>25</u>	<u>3,635</u>	<u>(16,450)</u>	<u>-</u>	<u>-</u>	<u>10,941,760</u>
Current assets							
Trade and bills receivables	3,765,400	-	(76,857)	-	-	-	3,688,543
Prepayments, other receivables and other assets	442,373	-	-	-	(26,458)	-	415,915
Contract assets	4,432,454	33,744	-	-	-	-	4,466,198
Total current assets	<u>12,989,644</u>	<u>33,744</u>	<u>(76,857)</u>	<u>-</u>	<u>(26,458)</u>	<u>-</u>	<u>12,920,073</u>
Current liabilities							
Trade and bills payables	5,359,491	39,423	-	-	(14,331)	-	5,384,583
Other payables and accruals	4,108,400	(8,869)	(52,623)	-	(5,682)	(35,641)	4,005,585
Tax payable	62,580	504	-	-	-	5,346	68,430
Total current liabilities	<u>10,968,014</u>	<u>31,058</u>	<u>(52,623)</u>	<u>-</u>	<u>(20,013)</u>	<u>(30,295)</u>	<u>10,896,141</u>
Net current assets	<u>2,021,630</u>	<u>2,686</u>	<u>(24,234)</u>	<u>-</u>	<u>(6,445)</u>	<u>30,295</u>	<u>2,023,932</u>
Total assets less current liabilities	<u>12,976,180</u>	<u>2,711</u>	<u>(20,599)</u>	<u>(16,450)</u>	<u>(6,445)</u>	<u>30,295</u>	<u>12,965,692</u>
Equity							
Reserves	5,448,867	2,711	(20,599)	(16,450)	(6,445)	30,295	5,438,379
Total equity	<u>6,997,448</u>	<u>2,711</u>	<u>(20,599)</u>	<u>(16,450)</u>	<u>(6,445)</u>	<u>30,295</u>	<u>6,986,960</u>

Items and amounts by which each item was affected in the consolidated statement of financial position of the Group as at 1 January 2022 as a result of the correction of accounting errors are set out below:

	The Group as previously reported	Prior year adjustments					The Group as restated
	RMB'000	RMB'000 (note (1))	RMB'000 (note (2))	RMB'000 (note (3))	RMB'000 (note (4))	RMB'000 (note (5))	RMB'000
Non-current assets							
Investments in associates	183,593	-	-	408,534	-	-	592,127
Financial assets at fair value through profit or loss	427,602	-	-	(419,000)	-	-	8,602
Deferred tax assets	248,454	54	3,468	-	-	-	251,976
Total non-current assets	10,429,920	54	3,468	(10,466)	-	-	10,422,976
Current assets							
Trade and bills receivables	4,072,927	-	(48,977)	-	-	-	4,023,950
Prepayments, other receivables and other assets	882,633	-	-	-	(25,566)	-	857,067
Contract assets	3,878,895	71,665	-	-	-	-	3,950,560
Total current assets	14,235,682	71,665	(48,977)	-	(25,566)	-	14,232,804
Current liabilities							
Trade and bills payables	4,458,983	198,280	-	-	(13,439)	-	4,643,824
Other payables and accruals	5,006,941	(137,501)	(25,855)	-	(5,682)	(35,641)	4,802,262
Tax payable	68,673	2,066	-	-	-	5,346	76,085
Total current liabilities	12,920,290	62,845	(25,855)	-	(19,121)	(30,295)	12,907,864
Net current assets	1,315,392	8,820	(23,122)	-	(6,445)	30,295	1,324,940
Total assets less current liabilities	11,745,312	8,874	(19,654)	(10,466)	(6,445)	30,295	11,747,916
Equity							
Reserves	4,799,761	8,874	(19,654)	(10,466)	(6,445)	30,295	4,802,365
Total equity	6,415,113	8,874	(19,654)	(10,466)	(6,445)	30,295	6,417,717

Items and amounts by which each item was affected in the consolidated cash flows statement of the Group for the year ended 31 December 2022 as a result of the correction of accounting errors are set out below:

	The Group as previously reported	Prior year adjustments					The Group as restated
	RMB'000	RMB'000 (note (1))	RMB'000 (note (2))	RMB'000 (note (3))	RMB'000 (note (4))	RMB'000 (note (5))	RMB'000
Operating activities							
Profit before tax	1,027,882	(7,695)	(1,112)	(5,984)	-	-	1,013,091
Fair value gains of financial assets at fair value through profit or loss	(6,192)	-	-	6,000	-	-	(192)
Share of profits of associates and joint ventures	(217,541)	-	-	(16)	-	-	(217,557)
Impairment of trade and bills receivables, net	149,048	-	1,112	-	-	-	150,160
Impairment of contract assets, net	92,476	(191)	-	-	-	-	92,285
Increase in contract assets	(453,103)	38,111	-	-	-	-	(414,992)
Decrease in trade and bills receivables	58,439	-	26,768	-	-	-	85,207
Decrease in prepayments, other receivables and other assets	269,986	-	-	-	892	-	270,878
Increase in trade and bills payables	987,273	(158,857)	-	-	(892)	-	827,524
Decrease in other payables and accruals	(910,012)	128,632	(26,768)	-	-	-	(808,148)

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

- (a) Design, survey and consultancy – this segment engages in the provision of services on designing, surveying and mapping, monitoring and consulting services in the engineering of urban rail transit, municipal management and construction; and
- (b) Construction contracting – this segment engages in the provision of services relating to urban rail transit and the service concession arrangements under the BOT arrangements.

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, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that unallocated interest income is excluded from such measurement.

Segment assets exclude deferred tax assets, unallocated cash and bank balances, unallocated pledged deposits as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and dividends payable as they are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2023

	Design, survey and consultancy <i>RMB'000</i>	Construction contracting <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (note 4)				
Sales to external customers	4,866,559	5,495,140	–	10,361,699
Intersegment sales	3,548	–	(3,548)	–
Total revenue	4,870,107	5,495,140	(3,548)	10,361,699
Segment results	794,002	110,938	(2,388)	902,552
Interest income	39,522	366,527	–	406,049
Finance costs	(66,051)	(224,748)	–	(290,799)
Profit of segments for the year	767,473	252,717	(2,388)	1,017,802
Income tax expense				(107,454)
Unallocated expenditure				–
Profit for the year				910,348
Segment assets	13,545,828	15,931,214	(4,971,347)	24,505,695
Corporate and other unallocated assets				343,844
Total assets				24,849,539
Segment liabilities	7,117,800	12,783,635	(2,687,465)	17,213,970
Corporate and other unallocated liabilities				6,954
Total liabilities				17,220,924
Other segment information				
Share of profits and losses of:				
Joint ventures	13,494	–	–	13,494
Associates	51,810	–	–	51,810
Depreciation	44,164	157,635	–	201,799
Amortisation	36,199	4,427	–	40,626
Provision for				
– foreseeable losses on contracts	345	4,718	–	5,063
– impairment of trade and bills receivables, contract assets and other receivables, net	161,978	130,072	–	292,050
Investments in joint ventures	2,173,745	28,236	–	2,201,981
Investments in associates	440,849	636,823	–	1,077,672
Capital expenditure*	603,296	98,247	–	701,543

Year ended 31 December 2022 (Restated)

	Design, survey and consultancy <i>RMB'000</i>	Construction contracting <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (note 4)				
Sales to external customers	4,461,238	5,971,865	–	10,433,103
Intersegment sales	18,485	–	(18,485)	–
Total revenue	<u>4,479,723</u>	<u>5,971,865</u>	<u>(18,485)</u>	<u>10,433,103</u>
Segment results	819,141	79,762	(6,254)	892,649
Interest income	3,961	413,169	–	417,130
Finance costs	(45,752)	(274,653)	–	(320,405)
Profit of segments for the year	777,350	218,278	(6,254)	989,374
Income tax expense				(115,415)
Unallocated interest income				23,717
Profit for the year				<u>897,676</u>
Segment assets	8,609,672	14,367,300	(1,292,161)	21,684,811
Corporate and other unallocated assets				2,177,022
Total assets				<u>23,861,833</u>
Segment liabilities	7,181,825	10,872,023	(1,263,397)	16,790,451
Corporate and other unallocated liabilities				84,422
Total liabilities				<u>16,874,873</u>
Other segment information				
Share of profits and losses of:				
Joint ventures	189,992	–	–	189,992
Associates	27,565	–	–	27,565
Depreciation	177,840	22,120	–	199,960
Amortisation	9,138	27,340	–	36,478
Provision for				
– foreseeable losses on contracts	2,514	107	–	2,621
– impairment of trade and bills receivables, contract assets and other receivables, net	148,138	95,572	–	243,710
Investments in joint ventures	2,095,387	–	–	2,095,387
Investments in associates	631,714	408,550	–	1,040,264
Capital expenditure*	<u>207,832</u>	<u>56,513</u>	<u>–</u>	<u>264,345</u>

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets.

Geographical information

(a) Revenue from external customers

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
China	10,342,325	10,408,761
Other countries	19,374	24,342
	<u>10,361,699</u>	<u>10,433,103</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
China	<u>10,947,829</u>	<u>10,625,324</u>

The non-current asset information of continuing operations above is located in China and excludes financial assets and deferred tax assets.

Information about major customers

During the year ended 31 December 2023, there were one (2022: two) customers of the Group from which the revenue accounted for over 10% of the Group's total revenue.

Year ended 31 December 2023

	Design, survey and consultancy <i>RMB'000</i>	Construction contracting <i>RMB'000</i>	Total <i>RMB'000</i>
Customer A (<i>note i</i>)	<u>42,513</u>	<u>1,307,898</u>	<u>1,350,411</u>

Year ended 31 December 2022 (Restated)

	Design, survey and consultancy <i>RMB'000</i>	Construction contracting <i>RMB'000</i>	Total <i>RMB'000</i>
Customer B (<i>note ii</i>)	437,810	1,942,304	2,380,114
Customer C (<i>note ii</i>)	1,047	2,017,548	2,018,595
	<u>438,857</u>	<u>3,959,852</u>	<u>4,398,709</u>

Note (i): The percentage of contribution is not applicable for Customers A in 2022 as it contributed less than 10% in the period.

Note (ii): The percentage of contribution is not applicable for Customers B and C in 2023 as they contributed less than 10% in the period.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue from continuing operations is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
<i>Revenue from contracts with customers</i>	10,293,363	10,411,389
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases:		
Variable lease payments that do not depend on an index or a rate	63,281	17,283
Other lease payments, including fixed payments	5,055	4,431
	68,336	21,714
	10,361,699	10,433,103

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Types of goods or services		
Design, survey and consultancy	4,798,223	4,439,524
Construction contracting and others	5,495,140	5,971,865
	10,293,363	10,411,389
Timing of revenue recognition		
Services transferred at a point in time	240,294	115,835
Services transferred over time	10,053,069	10,295,554
	10,293,363	10,411,389
Geographical markets		
China	10,273,989	10,387,381
Other countries	19,374	24,008
	10,293,363	10,411,389

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2023

Segments	Design, survey and consultancy <i>RMB'000</i>	Construction contracting <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers			
External customers	4,798,223	5,495,140	10,293,363
Intersegment sales	3,548	–	3,548
	<u>4,801,771</u>	<u>5,495,140</u>	<u>10,296,911</u>
Intersegment adjustments and eliminations	(3,548)	–	(3,548)
	<u>4,798,223</u>	<u>5,495,140</u>	<u>10,293,363</u>
Total revenue from contracts with customers	<u><u>4,798,223</u></u>	<u><u>5,495,140</u></u>	<u><u>10,293,363</u></u>

For the year ended 31 December 2022 (Restated)

Segments	Design, survey and consultancy <i>RMB'000</i>	Construction contracting <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers			
External customers	4,439,524	5,971,865	10,411,389
Intersegment sales	18,485	–	18,485
	<u>4,458,009</u>	<u>5,971,865</u>	<u>10,429,874</u>
Intersegment adjustments and eliminations	(18,485)	–	(18,485)
	<u>4,439,524</u>	<u>5,971,865</u>	<u>10,411,389</u>
Total revenue from contracts with customers	<u><u>4,439,524</u></u>	<u><u>5,971,865</u></u>	<u><u>10,411,389</u></u>

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Design, survey and consultancy services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon the progress of services and customer acceptance, except for new customers, where payment in advance is normally required.

Construction services

The performance obligations are satisfied over time in accordance with the progress of construction. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

	2023 RMB'000	2022 <i>RMB'000</i> (Restated)
Other income		
Interest income	406,049	440,847
Government grants	4,524	11,543
Additional tax deduction for input VAT	3,791	31,045
Others	2,505	—
	416,869	483,435
Other gains and losses, net		
Gain on disposal of a subsidiary	—	156,939
Gain on disposal of an associate	277,851	—
Fair value (losses)/gains of financial assets at fair value through profit or loss	(406)	192
Foreign exchange gains	1,268	20,195
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	3,167	3,561
Gain on derecognition of financial liabilities measured at amortised cost	—	141,860
Others	5,674	23,878
	287,554	346,625

5. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2023 RMB'000	2022 <i>RMB'000</i>
Interest on bank and other borrowings	279,527	308,066
Interest on lease liabilities	11,272	12,339
	290,799	320,405

6. INCOME TAX

The Company and certain subsidiaries of the Company have been identified as “high and new technology enterprises” and were entitled to a preferential income tax at a rate of 15% for the years ended 31 December 2023 and 2022 in accordance with the PRC Corporate Income Tax Law. Other entities within the Group in Mainland China were subject to corporate income tax at a statutory rate of 25%.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the years ended 31 December 2023 and 2022.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Current income tax – Mainland China		
Provision for the year	175,010	146,754
Under/(over) provision in respect of prior years	8,213	(7,059)
	183,223	139,695
Deferred income tax	(75,769)	(24,280)
Total tax charge for the year	107,454	115,415

7. DIVIDENDS

The dividends during the years ended 31 December 2023 and 2022 are set out below:

	<i>Notes</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Declared:			
2022 Final dividend – RMB0.1898 (2021: RMB0.1679) per ordinary share	<i>(i)</i>	255,978	226,442
Proposed:			
2023 Final dividend – RMB0.1724 (2022: RMB0.1898) per ordinary share	<i>(ii)</i>	232,511	255,978

Notes:

- (i) At the annual general meeting held on 25 May 2023, the Company’s shareholders approved the payment of the final dividend for the year ended 31 December 2022 of RMB0.1898 per share which amounted to RMB255,978,000 in total.

At the annual general meeting held on 27 May 2022, the Company’s shareholders approved the payment of the final dividend for the year ended 31 December 2021 of RMB0.1679 per share, which amounted to RMB226,442,000 and was settled before December 2022.

- (ii) On 24 March 2023, the board of directors proposed the payment of a final dividend of RMB0.1898 per ordinary share in respect of the year ended 31 December 2022, based on the issued share capital of the Company of 1,348,670,000 shares. The proposed final dividend is subject to the approval of the Company’s shareholders at the forthcoming general meeting.

On 28 March 2024, the board of directors proposed the payment of a final dividend of RMB0.1724 per ordinary share in respect of the year ended 31 December 2023, based on the issued share capital of the Company of 1,348,670,000 shares. The proposed final dividend is subject to the approval of the Company’s shareholders at the forthcoming general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares in issue during the year.

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Earnings:		
Profit attributable to ordinary equity holders of the parent	<u>872,852</u>	<u>959,159</u>
	2023 '000	2022 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	<u>1,348,670</u>	<u>1,348,670</u>

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

9. CONTRACT ASSETS

	<i>Note</i>	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Contract assets arising from:			
Design, survey and consultancy services		3,783,360	2,966,905
Construction contracting services		<u>6,411,856</u>	<u>6,908,319</u>
		10,195,216	9,875,224
Impairment		<u>(279,428)</u>	<u>(215,656)</u>
		9,915,788	9,659,568
Portion classified as non-current contract assets	<i>(i)</i>	<u>(4,936,462)</u>	<u>(5,193,370)</u>
Current portion		<u>4,979,326</u>	<u>4,466,198</u>

Note:

- (i) The non-current portion of contract assets mainly represented the contract assets arising from service concession arrangements and retention money as at 31 December 2023 and 2022.

10. TRADE AND BILLS RECEIVABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Trade receivables	5,573,085	4,560,973
Bills receivable	<u>55,469</u>	<u>29,740</u>
	5,628,554	4,590,713
Impairment	<u>(1,128,038)</u>	<u>(902,170)</u>
	<u><u>4,500,516</u></u>	<u><u>3,688,543</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally six months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to recognise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Within 6 months	2,287,973	1,512,270
6 months to 1 year	560,051	376,142
1 to 2 years	649,804	684,242
2 to 3 years	350,389	465,512
3 to 4 years	229,283	299,727
4 to 5 years	163,410	194,212
Over 5 years	<u>259,606</u>	<u>156,438</u>
	<u><u>4,500,516</u></u>	<u><u>3,688,543</u></u>

11. TRADE AND BILLS PAYABLES

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Trade payables	5,816,233	5,334,583
Bills payable	97,705	50,000
	<u>5,913,938</u>	<u>5,384,583</u>

An ageing analysis of the trade and bills payables, as at the reporting date, based on the invoice date, is as follows:

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> (Restated)
Within 6 months	2,464,957	2,756,143
6 months to 1 year	602,454	455,330
1 to 2 years	1,137,897	1,034,351
2 to 3 years	639,562	346,721
Over 3 years	1,069,068	792,038
	<u>5,913,938</u>	<u>5,384,583</u>

Trade payables are non-interest-bearing and are normally settled within six months to nine months.