Beijing Urban Construction Design & Development Group Co., Limited
北京城建設計發展集團股份有限公司

(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 2024

The board of directors (the "**Board**") of Beijing Urban Construction Design & Development Group Co., Limited (the "**Company**") hereby announces the audited results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 ("**2024**" or the "**Reporting Period**") in conjunction with the comparative financial data of the previous year.

FINANCIAL SUMMARY

For the year ended 31 December 2024, the Group achieved revenue of RMB8,658 million, while the net profit for the Reporting Period amounted to RMB533 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			
	2024 *RMB'000*	**Percentage of operating revenue** *(%)*	2023 *RMB'000*	Percentage of operating revenue *(%)*
Design, survey and consultancy	**4,382,894**	**50.62**	4,866,559	46.97
Construction contracting	**4,274,938**	**49.38**	5,495,140	53.03
Total	**8,657,832**	**100.00**	10,361,699	100.00

For the year ended 31 December 2024, the Group's revenue amounted to RMB8,658 million, representing a decrease of RMB1,704 million or 16.44% compared to the same period of last year.

The financial information for the years of 2020, 2021, 2022, 2023 and 2024 prepared by the Group in accordance with the IFRS Accounting Standards was summarized as follows:

	As at 31 December/For the year ended 31 December				
	2024	2023	2022	2021	2020
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
			(Restated)	(Restated)	(Restated)
Total assets	**24,541,927**	24,849,539	23,861,833	24,655,780	21,345,713
Total liabilities	**16,608,520**	17,220,924	16,874,873	18,238,063	15,537,668
Non-controlling interests	**237,520**	227,429	199,911	266,682	297,963
Interests of the owners (excluding non-controlling interests)	**7,695,887**	7,401,186	6,787,049	6,151,035	5,510,082
Revenue	**8,657,832**	10,361,699	10,433,103	10,385,065	10,411,658
Gross profit	**1,559,346**	1,886,461	1,832,555	1,879,927	1,984,101
Profit before tax	**633,675**	1,017,802	1,013,091	987,773	926,390
Profit attributable to owners of the Company	**516,907**	872,852	959,159	914,040	797,571

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In 2024, adhering to the general principle of seeking progress while maintaining stability, the Company continued to optimize market layout and established ten marketing centers nationwide. Focusing on "market expansion, reform and innovation, quality and efficiency improvement", the Company integrated resources across its entire industrial chain, actively seized market opportunities and explored emerging businesses while consolidating its advantages in traditional sectors.

For the year ended 31 December 2024, the Group's revenue amounted to RMB8,658 million, representing a decrease of RMB1,704 million or 16.44% compared to RMB10,362 million for last year. The Group's net profit amounted to RMB533 million, representing a decrease of RMB377 million or 41.43% compared to the net profit of RMB910 million for last year.

Summary of Operating Results

	Year ended 31 December	
	2024	2023
	(RMB'000)	*(RMB'000)*
	(Audited)	(Audited)
Revenue	**8,657,832**	10,361,699
Cost of sales	**(7,098,486)**	(8,475,238)
Gross profit	**1,559,346**	1,886,461
Other income	**405,289**	416,869
Other gains and losses, net	**11,889**	287,554
Selling and distribution expenses	**(63,199)**	(82,092)
Administrative expenses	**(866,192)**	(979,282)
Impairment losses on financial assets and contract assets, net	**(175,023)**	(286,213)
Finance costs	**(282,016)**	(290,799)
Share of profits of joint ventures	**5,589**	13,494
Share of profits of associates	**37,992**	51,810
Profit before tax	**633,675**	1,017,802
Income tax expense	**(100,208)**	(107,454)
Profit for the year	**533,467**	910,348

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 2024, the Group achieved a revenue of RMB8,658 million, representing a decrease of RMB1,704 million or 16.44% compared to RMB10,362 million for last year.

Revenue by business segment is as follows:

	Year ended 31 December	
	2024	2023
	(RMB'000)	*(RMB'000)*
Products by industry	**(Audited)**	(Audited)
Design, survey and consultancy	**4,382,894**	4,866,559
Construction contracting	**4,274,938**	5,495,140
Total	**8,657,832**	10,361,699

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 2024, the Group remained focused on the rail transit market, deepening its presence in relevant sector. The Group won the bids for six overall rail transit design projects in Beijing and Shenzhen, maintaining its industry-leading position. It also undertook China's first existing line suspension and renovation project (Changchun Line 3), the Fuping-Xianyang Airport Railway Project in the Guanzhong Urban Cluster. Additionally, the Group secured its first order for the "urban simulation" big data platform, and won the largest design contract of RMB65.97 million in Beijing autonomous driving sector. Leveraging these achievements, the Group continued to expand into early-stage projects, undertaking research and network planning projects in Beijing, Hangzhou, and Jinhua, laying a solid foundation for future market expansion.

For the year ended 31 December 2024, revenue of the design, survey and consultancy business segment of the Group amounted to RMB4,383 million, representing a decrease of RMB484 million or 9.94% compared to RMB4,867 million for the corresponding period in 2023, mainly due to the slow implementation of existing contracts. Among which, the revenue of the urban rail transit construction segment amounted to RMB3,124 million, representing a decrease of RMB385 million or 10.97% compared to the RMB3,509 million for the corresponding period of last year. Revenue from the industrial and civil construction and municipal engineering segment was RMB1,259 million, representing a decrease of RMB99 million or 7.29% compared to RMB1,358 million in the corresponding period of last year.

Construction Contracting Business Segment

In the construction contracting business segment, the Group won the projects in 2024, including the Beijing Line 1 branch line, M101 Line, and the Hongmiao Station of Line 14, as well as maintenance and repair work for Nanjing Line 5. The Group also expanded its EPC project portfolio to include developments such as the Zhongguancun Dongpan Science and Technology Innovation Center, and the Lanzhou Agricultural Trade Market. The Group's construction contracting projects span multiple cities, including Beijing, Guangzhou, Chongqing, Lanzhou, and Qingdao.

For the year ended 31 December 2024, the Group's revenue from the construction contracting business segment was RMB4,275 million, representing a decrease of RMB1,220 million or 22.20% compared to RMB5,495 million for the corresponding period of last year, mainly due to the reduction in the number of project construction works.

Cost of Sales

For the year ended 31 December 2024, the cost of sales incurred by the Group was RMB7,098 million, representing a decrease of RMB1,377 million or 16.25% compared to RMB8,475 million for the corresponding period of last year. The decrease in cost of sales was consistent with that in revenue.

For the year ended 31 December 2024, cost of sales of the Group's design, survey and consultancy segment decreased to RMB3,132 million for the year from RMB3,450 million for the corresponding period of last year, representing a decrease of 9.22%. Among that, the cost of sales of the urban rail transit construction business of the Group's design, survey and consultancy segment decreased to RMB2,150 million for the year from RMB2,356 million for the corresponding period of last year, representing a decrease of 8.74%. The cost of sales of the industrial and civil construction and municipal engineering business of the design, survey and consultancy segment decreased to RMB982 million for the year from RMB1,095 million for the corresponding period of last year, representing a decrease of 10.32%.

For the year ended 31 December 2024, the cost of sales of the Group's construction contracting segment decreased to RMB3,967 million for the year from RMB5,025 million for the corresponding period of last year, representing a decrease of 21.05%, which was primarily attributable to the year-on-year cost reduction as a result of the decrease in new construction projects.

Gross Profit and Gross Margin

For the year ended 31 December 2024, the gross profit of the Group was RMB1,559 million, representing a decrease of RMB327 million or 17.34% compared to RMB1,886 million for the corresponding period of last year, while the consolidated gross margin was 18.01%, basically in line with 18.21% of the corresponding period of last year.

Among that, the gross profit of design, survey and consultancy segment decreased to RMB1,251 million for the year from RMB1,416 million for the corresponding period of last year, representing a decrease of RMB165 million or 11.65%, and the gross margin was 28.55%, representing a slight decrease as compared to 29.10% for the corresponding period of last year. The gross profit of construction contracting segment decreased to RMB308 million for the year from RMB470 million for the corresponding period of last year, representing a decrease of RMB162 million or 34.47%, and the gross margin decreased to 7.21% for the year from 9.35% for the corresponding period of last year.

Other Income

For the year ended 31 December 2024, other income of the Group was RMB405 million, representing a decrease of RMB12 million or 2.88% compared to RMB417 million for the corresponding period of last year, which was mainly attributable to the decrease of interest income.

Other Gains and Losses

For the year ended 31 December 2024, other gains of the Group was RMB12 million, representing a decrease of RMB276 million or 95.83% compared to RMB288 million for the corresponding period of last year, which was mainly due to the absence of gain on disposal of equity interests in 2024 and the decrease in investment income accounted under the equity method.

Selling and Distribution Expenses

For the year ended 31 December 2024, selling and distribution expenses of the Group were RMB63 million, representing a decrease of RMB19 million or 23.17% compared to RMB82 million for the corresponding period of last year, which was mainly due to that the Group consolidated marketing resources to set up ten major marketing centres, and achieved cost reduction and efficiency gains in a degree.

Administrative Expenses

For the year ended 31 December 2024, administrative expenses of the Group were RMB866 million, representing a decrease of RMB113 million or 11.54% compared to RMB979 million for the corresponding period of last year, which was mainly due to lower costs as a result of depreciation and amortisation, rental and property costs, cost of services provided by intermediaries and remuneration of employees.

Impairment Losses on Financial Assets and Contract Assets, Net

For the year ended 31 December 2024, the impairment losses on financial assets and contract assets of the Group amounted to RMB175 million, representing a decrease of RMB111 million or 38.81% as compared to RMB286 million for the corresponding period of last year, which was mainly due to the fact that the capitalisation of the debt of Zunyi PPP project was completed during the year, the trade receivables were decreased accordingly, and the repayment of some of the long-aged trade receivables.

Finance Costs

For the year ended 31 December 2024, finance costs of the Group were RMB282 million, representing a decrease of RMB9 million or 3.09% compared to RMB291 million for the corresponding period of last year, which was mainly due to the decrease in interest expenses resulting from the Group's repayment of borrowings.

Income Tax Expense

For the year ended 31 December 2024, the income tax expense of the Group was RMB100 million, representing a decrease of RMB7 million or 6.54% as compared to RMB107 million for the corresponding period of last year, which was mainly due to the decrease in total profit.

Profit for the Year

For the year ended 31 December 2024, the profit of the Group for the year was RMB533 million, representing a decrease of RMB377 million or 41.43% compared to RMB910 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	
	2024	2023
	(RMB'000)	*(RMB'000)*
	(Audited)	(Audited)
Net cash inflows from operating activities	**683,877**	328,601
Net cash outflows from investing activities	**(188,985)**	(616,251)
Net cash outflows from financing activities	**(763,872)**	(644,039)
Net decrease in cash and cash equivalents	**(268,980)**	(931,689)

The net cash inflows from operating activities in 2024 were RMB684 million, which was mainly attributable to the fact that the operating receipts were more than the operating payments during the year. The net cash outflows from investing activities were RMB189 million, which was mainly attributable to the increased investment of RMB212 million in joint ventures and associates, an expenditure of RMB116 million for purchase of fixed assets and intangible assets and the collection of RMB139 million for the disposal of associates. The net cash outflows from financing activities were RMB764 million, which was mainly due to a net decrease in the Company's bank borrowings of RMB180 million, interest expenses on the repayment of borrowings of approximately RMB243 million during the year, and the payment of dividends to shareholders of approximately RMB233 million during the year.

PLEDGE OF ASSETS

For the year ended 31 December 2024, the contract assets and financial receivables, trade receivables and intangible assets of the Group were pledged to secure the certain bank loans granted to the Group. As at 31 December 2024, the net pledged contract assets, trade receivables and intangible assets were RMB6,224 million (as at 31 December 2023: RMB6,516 million).

CONTINGENT LIABILITIES

For the year ended 31 December 2024, there were no other significant contingent liabilities of the Group.

CAPITAL COMMITMENTS

The Group had the following capital commitments as at 31 December 2024 and 31 December 2023:

	31 December 2024 ***(RMB'000)*** **(Audited)**	31 December 2023 *(RMB'000)* (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**150,149**	305,119
Equity investments	**1,083,871**	1,093,213

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 2024, the net current assets of the Group were RMB2,170 million, among which cash and cash equivalents amounted to RMB3,044 million. The liquidity of the Group was sound and healthy and the Group had adequate cash and available banking facilities to satisfy its operating needs.

For the year ended 31 December 2024, the Group's interest-bearing bank and other borrowings were RMB6,619 million while the gearing ratio (gearing ratio represents the total interest-bearing borrowings as of 31 December 2024 divided by the total equity as at 31 December 2024) was 83.44%.

INDEBTEDNESS

The table below sets forth the total borrowings of the Group as at 31 December 2024 and 31 December 2023. The Group generally settles the borrowings on time.

	31 December 2024 ***(RMB'000)*** **(Audited)**	31 December 2023 *(RMB'000)* (Audited)
Bank borrowings		
Pledged	**4,757,366**	4,930,517
Guaranteed	**–**	15,069
Non-pledged and non-guaranteed	**429,529**	421,250
Other borrowings		
Non-pledged and non-guaranteed	**1,164,314**	1,243,669
Lease liabilities		
Non-pledged and non-guaranteed	**267,628**	303,444
	6,618,837	6,913,949

As at 31 December 2024, the Group's borrowings were denominated in RMB with interest rates ranging from 1.81% to 4.90%.

The table below sets forth the maturity of the Group's debts as at 31 December 2024 and 31 December 2023:

	31 December 2024 ***(RMB'000)*** **(Audited)**	31 December 2023 *(RMB'000)* (Audited)
Within one year	**1,599,023**	2,206,129
In the second year	**450,593**	312,593
In the third to fifth years, inclusive	**2,464,499**	2,102,499
Over five years	**2,104,722**	2,292,728
Total	**6,618,837**	6,913,949

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 2025

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

1. ***Strengthening the foundation of 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 Chengdu, Nanjing, Shaoxing, Xi'an, Fuzhou, Xiamen, and Suzhou, 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, and exploit market potential in new fields such as urban renewal, cultural tourism, geological disaster management, new energy, supercomputing centers, pressure pipelines, primary highways, and major highway bridges.

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 to explore new paths for scalable development. For Beijing market, the Company will closely monitor the Beijing Line S6, Line R4, Line R6, Line 11, the extension of Line 19, and the northeast loop of the suburban railway. For markets outside of Beijing, the Company will focus on key cities and closely track projects in Shenzhen and Guangzhou, and launch in-depth marketing efforts in regional markets such as the Yangtze River Delta, Sichuan, Chongqing, Hainan and Northwest China. While ensuring the safe and high-quality advancement of existing line renovation projects, the Company will actively explore EPC management models to develop an integrated service capability combining design consulting and engineering management.

3. ***Accelerating the cultivation of new businesses***

   The Company, keeping abreast of contemporary trends, will fully seize the market opportunities of urban renewal and focus on full industrial chain services for emerging businesses such as renovation of old residential areas, urban lifeline projects, new energy, municipal infrastructure and agricultural infrastructure to pursue new breakthroughs. The technology innovation business promotes market application of scientific and technological products, including energy storage products, the "Urban Simulation" platform, interior industrial products, AI-driven large-scale quality and safety models, and intelligent network operation mapping systems. Overseas operations will continue to expand into the Belt and Road and Southeast Asian markets in a steady manner.

4. Comprehensively solidifying management foundation

The Company will continue to strengthen its headquarter construction by accelerating to establish a headquarter featuring strategic guidance, value creation, resource allocation, risk control, and high efficiency. The Company will continuously monitor and prevent operational risks, prioritize cash flow risks, and exert every effort to reduce receivables and inventory, take measures to control potential overdue risk of receivables of completed and pending for settlement projects, and settlement with subcontractors shall be made in a timely manner so as to lock project costs. The Company will also concentrate on reducing cost while improving efficiency, strictly manage procurement and workforce size and adhere to the principle of "determining expenditures based on revenue" to achieve effective cost control. Moreover, in a bid to continuously reinforce its brand influence and leadership in the industry, the Company will organize influential industry forum and participate in the formulation of industry guidelines and national/local standards.

BID WINNING

In 2024, facing sustained economic downturn, challenging situation in the whole industry 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 2024, the Company has won bids of RMB7.824 billion. Among them, the design, survey and consultancy business segment won the bids of RMB2.989 billion, and the EPC business segment won the bids of RMB4.835 billion. As at the end of the Reporting Period, its contracts on hand amounted to RMB24.947 billion.

EMPLOYEES

As of 31 December 2024, the Group had approximately 4,739 employees, with employees at headquarters accounting for 53% and those at subsidiaries accounting for 47%, representing a decrease of 4% as compared with that at the end of the corresponding period of last year. The Company has 3 National Engineering Survey and Design Masters and 4 current experts enjoying the Special Allowance from the State Council. As of 31 December 2024, employees with bachelor's degree or above, employees with senior titles, employees with intermediate titles and employees with primary titles or below accounted for 93%, 42%, 37% and 21% of the total number of employees of the Group, respectively. Among which, the ratio of employees with senior titles has increased by 3% as compared with that at the end of the last year.

The size of the Company's staff has been effectively controlled, with the quality 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; 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 continued to carry out cross-segment exchanges, organized complex project management training for EPC and strengthened cultivation of versatile talents related to design, general contracting, technique and economic management. Additionally, the Company carried out financial trainings for middle and senior leaders and operational management trainings for young and middle-aged officers to conduct talent development in a diversified manner, thereby enhancing the professional ability of staff and promoting mutual learning and exchanges among various segments.

According to the national policies, the reform on gradually raising statutory retirement age will be implemented in 2025.

MARKET LANDSCAPE AND BUSINESS PROSPECT

The Government Work Report 2024 proposed that "To actively increase effective investment. To focus on supporting technological innovation, new-type infrastructure, energy conservation, emission reduction and carbon reduction, strengthen the supplementation of weak links in the economy and society such as people's wellbeing, promote the construction of flood control, drainage and disaster prevention infrastructure, drive the renewal and technological transformation of various production and service equipment, and accelerate the implementation of major projects in the 14th Five-Year Plan".

In March 2024, the State Council issued the "Action Plan for Promoting Large-Scale Equipment Renewal and the Trade-In of Consumer Goods" (《推動大規模設備更新和消費品以舊換新行動方案》), which focuses on seven major areas, namely industry, agriculture, construction, transportation, education, culture and tourism, and healthcare. The plan aims to advance the renewal and transformation of equipment in key industries towards directions of energy conservation, carbon reduction, ultra-low emissions, safe production, digital transformation and intelligent upgrading.

In August 2024, the Central Committee of the Communist Party of China (CCCPC) and the State Council issued the "Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development" (《關於加快經濟社會發展全面綠色轉型的意見》) to roll out systematic plans to accelerate the comprehensive green transformation of economic and social development for the first time. The opinions focus on building a green, low-carbon and high-quality development pattern, accelerating the green and low-carbon transformation of industrial structures, steadily advancing the green and low-carbon transformation in energy, promoting green transformation in transportation, and facilitating green transformation in urban and rural construction and development. Additionally, it also highlights the implementation of a comprehensive conservation strategy, promotion of the green transformation of consumption models, and playing the role of technological innovation in supporting the transition. These measures aim to accelerate the formation of a resource-saving and environmentally protective spatial pattern, industrial structure, production methods, and lifestyle.

In December 2024, to solidify urban safety resilience enhancement actions, promote the construction of new urban infrastructure featured with digitalization, network and intelligence, build resilient cities with strong resilience and fast recovery, and strengthen urban risk prevention, control and management capabilities, the General Office of CCCPC and the General Office of the State Council issued the "Opinions on Promoting the Construction of New Urban Infrastructure to Build Resilient Cities" (《關於推進新型城市基礎設施建設打造韌性城市的意見》). The opinions propose that by 2027, significant progress will be made in the construction of new urban infrastructure, which will continuously enhance its role in supporting resilient city development, and accumulate replicable and scalable experience and practices; by 2030, remarkable results will be achieved in new urban infrastructure construction, which will lead to the establishment of a batch of high-level resilient cities, with continuous improvements in urban safety resilience, making city operations safer, more orderly, smarter, and more efficient.

In January 2025, the National Energy Administration made amendments to the "Interim Measures for the Management of Distributed Photovoltaic Power Generation Projects" (Guoneng Xinneng [2013] No. 433) (《分佈式光伏發電項目管理暫行辦法》(國能新能[2013]433號)), pursuant to which the "Measures for the Management of Distributed Photovoltaic Power Development and Construction" (《分佈式光伏發電開發建設管理辦法》) has been formed. By the end of 2024, the cumulative installed capacity of new-type energy storage projects nationwide that have been completed and under operation reached 73.76 million kW/168 million kWh, approximately 20 times the level at the end of the 13th Five-Year Plan, with a growth of over 130% compared to the end of 2023. In 2024, the issuance of Renewable Energy Green Power Certificate (Green Certificate) in China significantly increased, with a total of 4.734 billion Green Certificates issued throughout the year, a 28.4-fold increase compared to the previous year. A total of 446 million Green Certificates were traded, a 3.6-fold increase. The "Measures for the Management of Distributed Photovoltaic Power Development and Construction" will guide and support the combined development and regulation of distributed photovoltaics, which will promote both development and market regulation, and facilitate the growth in "quantity" and improvement in "quality" of distributed photovoltaic power generation.

URBAN RAIL TRANSIT

In 2024, a total of 953.04 kilometers of new urban rail transit lines were added, and there were 25 new lines as well as 26 new sections or extensions of existing lines in operation. Throughout the year, 25 cities launched new lines, sections or extensions of urban transit (Data source: statistics of China Association of Metros).

In 2024, the national urban rail transit sector completed the tenders for the overall design contracting of 14 lines (including overall design contracting, general engineering design contracting, and general contracting of survey and design). The Company secured the first position in the industry by winning the bid for the overall design contracting of 6 lines.

Looking ahead to 2025, it is anticipated that construction will commence on urban rail transit lines in 35 cities. Meanwhile, under the pressures of economic downturn and fiscal debt, the financial burden of urban rail transit construction and operation is increasing and the traditional rail transit construction market, primarily focused on new subway lines, is gradually evolving. Currently, there are over 30 urban rail transit lines in operation for more than 15 years and 50 lines operating for 10 to 15 years in China, predominantly located in first-tier cities such as Beijing, Shanghai, and Guangzhou. As time progresses, the demand for major renovations of urban rail transit systems is becoming increasingly urgent. In addition to new construction tasks for traditional urban rail transit, the rail transit segment will effectively explore future market opportunities in line with national strategies by focusing on business sectors related to rail transits such as existing line renovation projects, low-altitude + rail initiatives, international urban rail transit projects, railway engineering consulting and subway civil defense engineering, striving for a larger market share.

RAIL TRANSIT SYNERGIZING WITH INNOVATIVE CONSTRUCTION

In 2024, 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, successfully passed the mid-term inspection.

The scientific and technological achievements of the "Qingdao Metro Prefabricated and Assembled Construction Technology and Industrialization (青島地鐵預制裝配化建造技術及產業化)" project were highly praised as "generally reaching the international leading level"; the scientific and technological achievements of the "Intelligent Online Monitoring and Maintenance Technology for the Status of Urban Rail Transit Underground Infrastructure and Its Application (城市軌道交通地下基礎設施狀態智能在線監測與管養技術及應用)" project and the "Key Technologies for Efficient Construction and Safety Control of Large Shield Tunnels in Highly Developed Karst Strata (海域岩溶強發育地層大盾構隧道高效建造與安全管控關鍵技術)" project were highly praised as "generally reaching the international advanced level, with some achievements being internationally leading".

The "Underground Structures and Soil Integrated Seismic Design Theory, Standards, and Engineering Applications (地下結構與土體一體化抗震設計理論、標準及工程應用)" project won the first prize of Science and Technology Progress Award from the Beijing Municipal Government; the "Multidimensional Online Monitoring and Preventive Maintenance Key Technologies for Urban Rail Transit Infrastructure and Their Application (城市軌道交通線路基礎設施多維度在線監測與預防性維修關鍵技術及應用)" project and the "Intelligent Operation Safety Assurance Technologies for Rail Transit and Their Application (軌道交通數智化運營安全保障技術及應用)" project won the second prize of Science and Technology Award from China Intelligent Transportation Association in 2024.

The comprehensive technology for prefabricated construction of metro station service buildings has been successfully promoted and applied in Hong Kong, where a model room has been completed, showcasing excellent results and laying a solid foundation for future technology export initiatives.

SURVEY AND MEASUREMENT

Under the profound influence of national policies and regulations and with increasing emphasis attached by the state on geological work, the state has introduced a series of supportive policies, providing a favorable policy environment for the development of the industry. The state continues to increase its support for the geological survey and measurement industry, especially in resource development, environmental protection, and urban planning.

Currently, the industry is undergoing a digital transformation. With the integration of high-precision survey technologies and geographic information systems (GIS), data collection and analysis efficiency have been significantly enhanced. In 2025, the geological survey and measurement industry is expected to further embrace intelligent and digital technologies. The application of technologies such as drone aerial photography, 3D laser scanning, and building information modeling (BIM) will significantly improve data accuracy and design efficiency.

The adoption of cloud platforms and big data analytics provides strong supports for the storage, sharing, and in-depth analysis of survey and mapping data. Engineering surveying and mapping will increasingly rely on integrated solutions in the future. The introduction of cloud computing and big data technologies enables remote collaboration and real-time sharing of project information among design teams, enhancing project coordination and flexibility. Through the provision of high-quality services and solutions, the customer experience will be enhanced and high-quality sustainable development will be realized. Looking ahead, the industry's technological innovation will be designed to further explore the value of traditional surveying business and expanding into new areas by exploring the reuse of China Tower Corporation's base stations in the fields of ground subsidence, geological hazards, ecological red lines, the red line of farmland area, forest fire prevention, and protected area inspections. Additionally, leveraging joint venture platforms, the industry aims to promote technologies in tunnel disease inspection and maintenance, smart surveying platforms and other businesses, while accelerating the research on new technologies and equipment such as electronic sentinels, AI-powered drone inspections, machine vision, fiber-optic intrusion detection, and smart rail inspection vehicles. These efforts will lead to the development of comprehensive solutions for subway protection and integrated subway map.

In 2025, the survey and measurement industry is poised for continued growth and will embrace new development opportunities driven by technological advancements and policy support. However, it will also face challenges such as intense market competition and technological upgrades. Enterprises should enhance their technological capabilities and improve service quality through seizing opportunities generated from technological advance, and the focus should be put on leading the industry through technological innovation in order to realize a successful transformation and sustained high-quality development of enterprises.

INVESTMENT AND FINANCING

In order to further resolve local government debts, the General Office of the State Council issued the Notice on Further Integrating and Effectively Resolving and Preventing Local Debt Risks (Guo Ban Han [2024] No. 14) in February 2024. The key focus of this notice is the expansion of debt resolution measures. Specifically, in addition to the existing framework for 12 key provinces, certain areas of the remaining 19 provinces are allowed to apply the Guiding Opinions on Financial Support to Resolve Debt Risks of Financing Platforms (Guo Ban Fa [2023] No. 35) to tackle their debt challenges. Furthermore, the notice imposes stricter limitations on infrastructure investment and construction in prefecture-level cities with high levels of local debt. This move aims to curb excessive government spending on investment projects, creating opportunities for social capital to plan and promote the implementation of key government projects by leveraging their financial resources.

In March 2024, the NDRC, the MOF, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Water Resources and the People's Bank of China jointly issued the Administrative Measures for Infrastructure and Utility Franchised Operations (《基礎設施和公用事業特許經營管理辦法》) (Order No.17 of 2024), further standardizing the implementation principles of franchised operations based on user payment, and guiding social capital to invest in high-quality development projects.

In December 2024, the Central Economic Work Conference proposed to "vigorously implement urban renewal", which covers the renovation of old residential areas and the making up for the shortcomings of municipal infrastructure (pipe network renovation), and at the same time proposed to issue additional ultra-long-term special government bonds to continue to support the implementation of the "Major Strategies and Key Fields" and "Renewal and Trade-in" policies. The RMB1 trillion ultra-long-term special government bonds for the whole year of 2024 have been fully arranged, and the implementation of projects is being promoted. RMB700 billion for the construction under the "Major Strategies and Key Fields" policy has been arranged for projects in three batches, and RMB300 billion will be used to support the "Renewal and Trade-in" work. During the year, the RMB100 billion central government budgetary investment plan and the RMB100 billion "Major Strategies and Key Fields" construction project list for next year have been issued ahead of schedule, and it is expected that approximately RMB1 trillion of ultra-long-term special government bonds will be released in 2025. Key construction projects under the "Major Strategies and Key Fields" policy include: the construction of railways, trunk roads and airports along the Yangtze River, the construction of a new land-sea corridor in Western China, the construction of urban underground pipe networks, the construction of high-standard farmland in the black soil regions of Northeast China, the construction of the Three-North Shelterbelt Forest Program, the construction of a public service system for the urbanization of the agricultural transfer population, and the improvement and upgrading of higher education.

In December 2024, the General Office of the State Council issued the Opinions on Optimizing and Improving the Management Mechanism of Local Government Special Bonds (《國務院辦公廳關於優化完善地方政府專項債券管理機制的意見》) ([2024] No. 52), the main contents of which include the implementation of the "negative list" management of special bonds in the field of investment, and the expansion of the scope of use as capital, etc., indicating the determination of the country to stimulate the economy.

From the perspective of promoting and boosting the economy, new infrastructure investment and construction is the main direction encouraged by the state, but traditional infrastructure construction is also one of the important means. According to the guidance of the state, the Company needs to further look for more opportunities in the directions of "Three Major Projects", the key areas of the "Major Strategies and Key Fields" and "Renewal and Trade-in" policies, and the key supporting areas of special bonds, especially making positive efforts in construction general contracting. At the same time, it will actively explore the implementation of the new franchise model in the direction of "cultural tourism + rail". In 2025, the Company will continue to promote the construction of intercity railways and urban (suburban) railways in urban agglomerations such as Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, and Cheng-Yu District in accordance with national policy directions, and develop the investment market of rail transit and related industries through innovative investment and financing models, so as to further expand the scale of construction general contracting. The Company will further promote the development of rail transit and energy storage businesses, and actively look for breakthroughs to enter new fields, in a bid to achieve a breakthrough from zero to one.

PLANNING AND DESIGN

In order to implement the decisions and arrangements of the CPC Central Committee and the State Council on comprehensively promoting the construction of a Beautiful China and to build beautiful cities, the Ministry of Ecology and Environment, the Central Propaganda Department, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Natural Resources, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Culture and Tourism, the People's Bank of China, and the National Data Bureau jointly formulated the "Implementation Plan for the Construction of Beautiful Cities" (《美麗城市建設實施方案》) on 14 January 2025. This plan proposed incentive policy measures for the construction of beautiful cities: firstly, to guide the construction of various projects such as communities, parks, streets, and courtyards; secondly, to explore financial support models for regional environmental protection construction projects using cities as carriers; thirdly, to implement public displays, aiming to achieve landmark results in the construction of approximately 50 beautiful cities by 2027, making them demonstration benchmarks for the construction of a Beautiful China, and to achieve full coverage of beautiful city construction by 2035.

In December 2024, the Ministry of Natural Resources issued the "Opinions on High-Level Protection and Efficient Utilization of Natural Resources to Promote the Realization of Ecological Product Value" (《關於高水平保護高效率利用自然資源推動生態產品價值實現的意見》). This document explored the formulation of asset allocation plans, categorized and delineated reserve areas and allocation units, and coordinated the planning of asset reserves, allocation, value realization, and revenue management of natural resources. It sought to explore methods such as acquisition, leasing, replacement, and equity participation to form clearly defined and boundary-specific natural resource asset portfolios and promote the combined supply of natural resource assets with multi-element, to optimize asset allocation efficiency, and maximize benefits.

The work conference of National Housing and Urban-Rural Development was convened in Beijing. The conference outlined the primary tasks for the national housing and urban-rural development sector in 2025, which include the coordinated advancement of the "Four Goods" construction: good houses, good neighborhoods, good communities, and good urban areas. It emphasized the need to stabilize the real estate market, accelerate the establishment of a new model for real estate development, vigorously promote urban renewal, facilitate the transformation and upgrading of the construction industry, and resolutely accomplish the goals and tasks set forth in the 14th Five-Year Plan, striving to propel the high-quality development of housing and urban-rural construction endeavors.

ARCHITECTURAL DESIGN

In December 2024, the Central Economic Work Conference proposed sustained efforts to halt the decline and stabilize the real estate market, intensify the renovation of urban villages and dilapidated housing, and fully unleash the potential of rigid and improved housing demand.

In December 2024, the National Housing and Urban-Rural Development Work Conference proposed sustained efforts to halt the decline and stabilize the real estate market. It called for increased implementation of urban village and dilapidated housing renovations, promotion of monetary resettlement, and expansion of urban village renovation scale except for the additional 1 million units. The conference also highlighted the vigorous implementation of urban renewal, planning and execution of a series of urban renewal projects, and the comprehensive completion of the renovation for old urban residential communities by the end of 2000. Additionally, it stressed the ongoing implementation of various livelihood and development projects, including the construction of complete communities, renovation and utilization of existing buildings, renewal of old urban blocks, construction and renovation of underground pipelines and utility tunnels, updating of municipal infrastructure and equipment, urban waste sorting, construction of pocket parks and urban greenways, open sharing of park green spaces, and the development of elderly care facilities and child-friendly spaces in urban residential areas.

In December 2024, the National Industry and Information Technology Work Conference underscored the importance of nurturing and expanding emerging and future industries, promoting the development of intelligent connected vehicles, and building low-altitude information infrastructure tailored to local conditions. The conference advocated for the green and low-carbon development of industry, optimizing the green manufacturing and service systems, and cultivating a new batch of green factories and green supply chains. It also emphasized the need to intensify efforts in industrial energy conservation and carbon reduction, and to explore the construction of zero-carbon factories and industrial parks.

CONSTRUCTION CONTRACTING

In recent years, the global economic environment has been volatile. Especially affected by factors such as international trade frictions and the global supply chain crisis, the domestic economic growth has slowed down. As a capital-intensive industry, rail transit construction is greatly influenced by economic fluctuations, which may cause investors to delay or reduce their investment in new projects.

In terms of rail transit construction, an increasing number of local governments are facing financial pressure, leading to the suspension or reduction of infrastructure investment, which affects the number of new rail transit projects. In Beijing, Shanghai, Guangzhou, Shenzhen and some super-large cities of good economic conditions, with the continuous advancement of urbanization, the market demand for new rail transit construction projects will maintain strong, and there is still much room for improvement in the density and coverage of the rail transit network. Apart from Beijing, Shanghai, Guangzhou and Shenzhen, only Chengdu obtained the approval of the NDRC for the new line construction plan in 2025.

In the domestic rail transit sector, the demand for the upgrading and renovation of existing lines has increased. The early-built lines have entered the major overhaul period, and the demands for the upgrading, renovation, and intelligent transformation of existing lines will increase significantly. In terms of the interconnection and interoperability of urban agglomeration rail transit, the development of inter-city rail transit will further promote the integration of urban agglomerations and drive the growth of the rail transit sector. At present, opportunities in overseas markets are increasing. With the strong demand for rail transit in countries along the Belt and Road, enterprises are expected to make more breakthroughs in overseas markets by virtue of their cost-effective advantage and rich experience. Overall, the growth rate of China's rail transit construction sector has slowed down to some extent in 2025. Industry competition will intensify further, and enterprises need to increase investment in technological innovation, intelligence, and green development to enhance their core competitiveness.

MUNICIPAL PUBLIC PROJECTS CONSTRUCTION

In December 2024, the NDRC and the Ministry of Housing and Urban-Rural Development issued the "Notice on Diligently Submitting the Implementation Plan for the Construction and Renovation of Urban Underground Pipe Networks, Utility Tunnels and Facilities" (《關於抓緊報送城市地下管網管廊及設施建設改造實施方案的通知》). It is estimated that in the next five years, the total length of various urban pipe networks for, inter alia, gas, water supply and drainage, and heating that need to be renovated will be nearly 600,000 kilometers, with a total investment demand of approximately RMB4 trillion, which is about 2.75 times the expected investment during the "14th Five-Year Plan" period. In the context of continued strong policy support, it is of paramount importance to capitalize on the wave of urban underground pipeline network renovation. By integrating environmental protection measures, we can propel cities towards high-quality, intelligent, green, and safe development. Consequently, the municipal engineering is poised to enter another peak phase. Emphasis should be placed on reserving key technologies and capabilities in intelligent transportation, autonomous driving, lifeline projects, and trenchless techniques, so as to gear up for future innovation and advancement.

In accordance with the relevant requirements of "Opinions of the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council on Promoting the Construction of New Urban Infrastructure and Building Resilient Cities" (《中共中央辦公廳國務院辦公廳關於推進新型城市基礎設施建設打造韌性城市的意見》), to seize the opportunity of new infrastructure construction, we will intensify efforts in researching key technologies such as lifeline monitoring, the Internet of Things (IoT), and AI algorithms, and develop core products such as flood control and drainage monitoring and early warning system platforms, underground IoT equipment, and the "one-map" system for underground pipe networks. Directed by design, we will continuously promote the implementation of lifeline-related core technologies and products, and continue to expand our market share in the field of new infrastructure construction.

PROFIT DISTRIBUTION AND DIVIDEND

On 26 March 2025, the Board proposed the distribution of a final dividend of RMB0.1077 per share (before applicable tax) for the year, after the appropriations 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 2024 annual general meeting to be held on 16 June 2025. 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 27 June 2025 before 28 August 2025.

The H Shares register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (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 Monday, 23 June 2025.

PURCHASE, SALES AND REDEMPTION OF SECURITIES

During the year ended 31 December 2024, the Company and its subsidiaries did not purchase, sell or redeem any securities of the Company (including sale of any treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"))).

As of 31 December 2024, the Company did not hold any treasury shares.

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 to 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 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 2024 annual results and the consolidated financial statements for the year ended 31 December 2024 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.bjucd.com.

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

Beijing, the PRC, 26 March 2025

As at the date of this announcement, the executive director of the Company is Xia Xiujiang; 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 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	3	**8,657,832**	10,361,699
Cost of sales		**(7,098,486)**	(8,475,238)
Gross profit		**1,559,346**	1,886,461
Other income	4	**405,289**	416,869
Other gains and losses, net	4	**11,889**	287,554
Selling and distribution expenses		**(63,199)**	(82,092)
Administrative expenses		**(866,192)**	(979,282)
Impairment losses on financial assets and contract assets, net		**(175,023)**	(286,213)
Finance costs	5	**(282,016)**	(290,799)
Share of profits of:			
Joint ventures		**5,589**	13,494
Associates		**37,992**	51,810
PROFIT BEFORE TAX		**633,675**	1,017,802
Income tax expense	6	**(100,208)**	(107,454)
PROFIT FOR THE YEAR		**533,467**	910,348
Profit attributable to:			
Owners of the Company		**516,907**	872,852
Non-controlling interests		**16,560**	37,496
		533,467	910,348
EARNINGS PER SHARE			
Basic and diluted (expressed in RMB per share)	8	**0.38**	0.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**533,467**	910,348
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods (net of tax):		
Exchange differences on translation of foreign operations	**(120)**	(86)
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Changes in fair value of equity investments designated at fair value through other comprehensive income	**22,092**	3,869
Remeasurement losses on defined benefit plans, net of tax	**(12,980)**	(6,520)
	9,112	(2,651)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	**8,992**	(2,737)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**542,459**	907,611
Attributable to:		
Owners of the Company	**525,899**	870,115
Non-controlling interests	**16,560**	37,496
	542,459	907,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,467,815**	1,436,905
Goodwill		**5,741**	5,741
Right-of-use assets		**592,258**	511,308
Intangible assets		**513,376**	542,209
Investments in joint ventures		**2,121,178**	2,201,981
Investments in associates		**1,328,226**	1,077,672
Financial assets at fair value through profit or loss		**5,178**	8,388
Equity investments designated at fair value through other comprehensive income		**227,796**	202,357
Deferred tax assets		**392,977**	358,353
Contract assets	*9*	**4,523,909**	4,936,462
Prepayments, other receivables and other assets		**132,475**	163,369
Total non-current assets		**11,310,929**	11,444,745
CURRENT ASSETS			
Inventories		**94,924**	70,664
Trade and bills receivables	*10*	**4,049,811**	4,500,516
Prepayments, other receivables and other assets		**413,602**	444,651
Contract assets	*9*	**5,516,152**	4,979,326
Pledged deposits		**112,663**	99,941
Cash and bank balances		**3,043,846**	3,309,696
Total current assets		**13,230,998**	13,404,794
CURRENT LIABILITIES			
Trade and bills payables	*11*	**5,587,026**	5,913,938
Other payables and accruals		**3,828,066**	3,749,070
Interest-bearing bank and other borrowings		**1,599,023**	2,206,129
Provisions for supplementary retirement benefits		**3,910**	3,910
Tax payable		**36,300**	118,579
Provision		**6,682**	6,313
Total current liabilities		**11,061,007**	11,997,939

	2024	2023
	RMB'000	*RMB'000*
NET CURRENT ASSETS	**2,169,991**	1,406,855
TOTAL ASSETS LESS CURRENT LIABILITIES	**13,480,920**	12,851,600
NON-CURRENT LIABILITIES		
Deferred tax liabilities	**7,401**	7,584
Interest-bearing bank and other borrowings	**5,019,814**	4,707,820
Provisions for supplementary retirement benefits	**78,604**	74,470
Other payables and accruals	**353,665**	367,775
Provision	**88,029**	65,336
Total non-current liabilities	**5,547,513**	5,222,985
Net assets	**7,933,407**	7,628,615
EQUITY		
Equity attributable to owners of the Company		
Share capital	**1,348,670**	1,348,670
Reserves	**6,347,217**	6,052,516
	7,695,887	7,401,186
Non-controlling interests	**237,520**	227,429
Total equity	**7,933,407**	7,628,615

1. CORPORATE AND GROUP INFORMATION

Beijing Urban Construction Design & Development Group Co., Limited (the "**Company**") began its operations in 1958 in the People's Republic of China ("**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. The principal place of business of the Company in Hong Kong is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

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 consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting 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 and the Rules Governing the Listing of Securities on Stock Exchange. 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

In the current year, the Group has applied the following amendments to IFRSs for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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 and finance cost are 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 2024

	Design, survey and consultancy *RMB'000*	Construction contracting *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	**4,382,894**	**4,274,938**	**–**	**8,657,832**
Intersegment sales	**–**	**328,134**	**(328,134)**	**–**
Total revenue	**4,382,894**	**4,603,072**	**(328,134)**	**8,657,832**
Segment results	**479,868**	**55,706**	**(10,531)**	**525,043**
Interest income	**89,673**	**300,975**	**–**	**390,648**
Finance costs	**(61,952)**	**(220,064)**	**–**	**(282,016)**
Profit of segments for the year	**507,589**	**136,617**	**(10,531)**	**633,675**
Income tax expense				**(100,208)**
Profit for the year				**533,467**
Segment assets	**13,126,025**	**12,264,353**	**(1,241,430)**	**24,148,948**
Corporate and other unallocated assets				**392,979**
Total assets				**24,541,927**
Segment liabilities	**9,170,469**	**8,705,318**	**(1,274,668)**	**16,601,119**
Corporate and other unallocated liabilities				**7,401**
Total liabilities				**16,608,520**
Other segment information				
Share of profits and losses of:				
Joint ventures	**5,589**	**–**	**–**	**5,589**
Associates	**37,992**	**–**	**–**	**37,992**
Depreciation	**185,542**	**65,814**	**–**	**251,356**
Amortisation	**11,461**	**29,312**	**–**	**40,773**
Provision for				
– foreseeable losses on contracts	**6,461**	**–**	**–**	**6,461**
– impairment of trade and bills receivables, contract assets and other receivables, net	**88,759**	**86,264**	**–**	**175,023**
Investments in joint ventures	**2,121,178**	**–**	**–**	**2,121,178**
Investments in associates	**1,328,226**	**–**	**–**	**1,328,226**
Capital expenditure*	**375,483**	**13,557**	**–**	**389,040**

Year ended 31 December 2023

	Design, survey and consultancy *RMB'000*	Construction contracting *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue				
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	830,773	74,167	(2,388)	902,552
Interest income	40,182	365,867	–	406,049
Finance costs	(48,312)	(242,487)	–	(290,799)
Profit of segments for the year	822,643	197,547	(2,388)	1,017,802
Income tax expense				(107,454)
Profit for the year				910,348
Segment assets	10,900,338	15,024,074	(1,418,717)	24,505,695
Corporate and other unallocated assets				343,844
Total assets				24,849,539
Segment liabilities	8,891,738	9,726,924	(1,404,692)	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	176,333	25,466	–	201,799
Amortisation	11,061	29,565	–	40,626
Provision for				
– foreseeable losses on contracts	5,013	50	–	5,063
– impairment of trade and bills receivables, contract assets and other receivables, net	186,328	99,885	–	286,213
Investments in joint ventures	2,201,981	–	–	2,201,981
Investments in associates	1,077,672	–	–	1,077,672
Capital expenditure*	643,381	58,162	–	701,543

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

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
China	**8,586,787**	10,342,325
Other countries	**71,045**	19,374
	8,657,832	10,361,699

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

(b) Non-current assets

	2024	2023
	RMB'000	*RMB'000*
China	**10,676,354**	10,947,829

The non-current exclude financial assets and deferred tax assets.

Information about major customers

During the year ended 31 December 2024, there were one (2023: one) customers of the Group from which the revenue accounted for over 10% of the Group's total revenue.

Year ended 31 December 2024

	Design, survey and consultancy	**Construction contracting**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Customer A	**813**	**965,050**	**965,863**

Year ended 31 December 2023

	Design, survey and Construction	Construction contracting	Total
	RMB'000	*RMB'000*	*RMB'000*
Customer A	42,513	1,307,898	1,350,411

4. REVENUE, OTHER INCOME, GAINS AND LOSSES

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

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**8,621,594**	10,350,313
Revenue from other sources		
Gross rental income from property and equipment under operating leases:		
Variable lease payments that do not depend on an index or a rate	**1,085**	8,139
Other lease payments, including fixed payments	**35,153**	3,247
	36,238	11,386
	8,657,832	10,361,699

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Types of goods or services		
Design, survey and consultancy	**4,381,809**	4,855,173
Construction contracting and others	**4,239,785**	5,495,140
	8,621,594	10,350,313
Timing of revenue recognition		
Services transferred over time	**8,491,996**	10,110,019
Services transferred at a point in time	**129,598**	240,294
	8,621,594	10,350,313
Geographical markets		
China	**8,550,549**	10,330,939
Other countries	**71,045**	19,374
	8,621,594	10,350,313

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

For the year ended 31 December 2024

Segments	**Design, survey and consultancy** *RMB'000*	**Construction contracting** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers			
External customers	**4,381,809**	**4,239,785**	**8,621,594**
Intersegment sales	**–**	**328,134**	**328,134**
	4,381,809	**4,567,919**	**8,949,728**
Intersegment adjustments and eliminations	**–**	**(328,134)**	**(328,134)**
Total revenue from contracts with customers	**4,381,809**	**4,239,785**	**8,621,594**

For the year ended 31 December 2023

Segments	Design, survey and consultancy *RMB'000*	Construction contracting *RMB'000*	Total *RMB'000*
Revenue from contracts with customers			
External customers	4,855,173	5,495,140	10,350,313
Intersegment sales	3,548	–	3,548
	4,858,721	5,495,140	10,353,861
Intersegment adjustments and eliminations	(3,548)	–	(3,548)
Total revenue from contracts with customers	4,855,173	5,495,140	10,350,313

(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.

Others – Sales of components of rail

The performance obligations are satisfied at a point in time when the goods are delivered and accepted by the customers.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Interest income	**390,648**	406,049
Dividend income from equity investments designated at fair value through other comprehensive income	**5,521**	–
Government grants	**5,064**	4,524
Additional tax deduction for input VAT	**–**	3,791
Others	**4,056**	2,505
	405,289	416,869
Other gains and losses, net		
Gain on disposal of an associate	**–**	277,851
Fair value losses of financial assets at fair value through profit or loss	**(3,210)**	(406)
Foreign exchange gains	**3,250**	1,268
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	**2,239**	3,167
Others	**9,610**	5,674
	11,889	287,554

5. FINANCE COSTS

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

	2024	2023
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**267,473**	279,527
Interest on lease liabilities	**14,543**	11,272
	282,016	290,799

6. INCOME TAX EXPENSE

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 2024 and 2023 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 2024 and 2023.

	2024	2023
	RMB'000	*RMB'000*
Current income tax – Mainland China		
Provision for the year	**131,910**	175,010
Under provision in respect of prior years	**6,452**	8,213
	138,362	183,223
Deferred income tax	**(38,154)**	(75,769)
Total income tax expense for the year	**100,208**	107,454

7. DIVIDENDS

The dividends during the years ended 31 December 2024 and 2023 are set out below:

		2024	2023
	Notes	***RMB'000***	*RMB'000*
Declared:			
Final dividend – RMB0.1724 (2023: RMB0.1898) per ordinary share	*(i)*	**232,512**	255,978
Proposed:			
Final dividend – RMB0.1077 (2023: RMB0.1724) per ordinary share	*(ii)*	**145,252**	232,512

Notes:

(i) At the annual general meeting held on 23 May 2024, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2023 of RMB0.1724 per share which amounted to RMB232,512,000 in total.

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.

(ii) 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.

On 26 March 2025, the board of directors proposed the payment of a final dividend of RMB0.1077 per ordinary share in respect of the year ended 31 December 2024, 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

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

	2024	2023
	RMB'000	*RMB'000*
Earnings:		
Profit attributable to owners of the Company	**516,907**	872,852

	2024	2023
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	**1,348,670**	1,348,670

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023 and, therefore, the diluted earnings per share are the same as basic earnings per share.

9. CONTRACT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Contract assets arising from:		
Design, survey and consultancy services	**3,490,285**	3,783,360
Construction contracting services	**6,946,171**	6,411,856
	10,436,456	10,195,216
Impairment	**(396,395)**	(279,428)
	10,040,061	9,915,788
Portion classified as non-current contract assets (note)	**(4,523,909)**	(4,936,462)
Current portion	**5,516,152**	4,979,326

Note: The non-current portion of contract assets mainly represented the contract assets arising from service concession arrangements and retention money as at 31 December 2024 and 2023.

10. TRADE AND BILLS RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**5,192,265**	5,573,085
Bills receivable	**37,151**	55,469
	5,229,416	5,628,554
Impairment	**(1,179,605)**	(1,128,038)
	4,049,811	4,500,516

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:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**1,732,757**	2,287,973
6 months to 1 year	**714,694**	560,051
1 to 2 years	**774,757**	649,804
2 to 3 years	**379,458**	350,389
3 to 4 years	**236,414**	229,283
4 to 5 years	**188,788**	163,410
Over 5 years	**22,943**	259,606
	4,049,811	4,500,516

11. TRADE AND BILLS PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables	**5,539,927**	5,816,233
Bills payable	**47,099**	97,705
	5,587,026	5,913,938

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

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**1,972,881**	2,464,957
6 months to 1 year	**641,927**	602,454
1 to 2 years	**1,334,999**	1,137,897
2 to 3 years	**602,581**	639,562
Over 3 years	**1,034,638**	1,069,068
	5,587,026	5,913,938

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