

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.



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

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

(Stock Code: 1800)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS^{Notes}

Revenue of the Group in 2024 amounted to RMB768,243 million, representing an increase of RMB12,556 million or 1.7% from RMB755,687 million in 2023.

Operating profit in 2024 amounted to RMB39,307 million, representing an increase of RMB333 million or 0.9% from RMB38,974 million in 2023.

Profit attributable to owners of the parent in 2024 amounted to RMB23,854 million, representing a decrease of RMB885 million or 3.6% from RMB24,739 million in 2023.

Earnings per Share for the year 2024 amounted to RMB1.40, compared with RMB1.45 for the year 2023.

The value of new contracts of the Group in 2024 amounted to RMB1,881,185 million, representing an increase of 7.3% from RMB1,753,215 million in 2023.

As at 31 December 2024, the backlog for the Group was RMB3,486,773 million.

The Board has proposed a final dividend of RMB0.16161 per Share (tax inclusive) for the year ended 31 December 2024, subject to Shareholders' approval.

Notes:

1. In calculating the amount of basic earnings per share, the interests of perpetual securities with an aggregate amount of approximately RMB1,231 million and the dividends relating to Incentive Scheme with an aggregate amount of approximately RMB47 million shall be excluded from profits.
2. Any discrepancies between the amounts herein and the amounts set out in the tables herein are due to rounding.

CHAIRMAN'S STATEMENT

In 2024, facing severe and complex challenges both domestically and internationally, the Company adhered to the main theme of “Year of Improvement in High-quality Development”. Despite market pressures, we focused on strengthening operations, advancing Party building, stabilising growth, promoting reforms, driving innovation, and controlling risks. As a result, the Group maintained a steady development. During the year, the revenue of the Group amounted to RMB768,243 million, with net profit attributable to the Shareholders of RMB23,854 million and earnings per Share of RMB1.40. The value of new contracts reached RMB1,881,185 million, representing a year-on-year growth of 7.3%, among which, the value of new contracts from emerging business sectors amounted to RMB705,347 million, representing a year-on-year growth of 46.4%. As at the end of 2024, the backlog of the Group amounted to RMB3,486,773 million. As a major controlling subsidiary of CCCG, the Company played a pivotal role in sustaining CCCG's 19-year streak of achieving Level A in the business performance appraisal of state-owned enterprises (organised by the SASAC), as well as securing its 18th consecutive year as the top Chinese contractor on ENR's list of the Top International Contractors.

2025 marks the concluding year of the 14th Five-Year Plan. We will adopt a broader perspective and demonstrate stronger commitment, aligning our thoughts and actions with the decisions and deployments of the CPC Central Committee and the State Council. We will fully implement the SASAC's requirements to enhance the “Five Major Values” and achieve “Stable Profitability with Continuous Optimization of Five Ratios”. Centered on the main theme of “Year of Breakthrough in High-Quality Development”, we will focus on six key areas of work:

Firstly, embracing the country's most fundamental interests with a strong sense of responsibility to achieve new breakthroughs in implementing national strategies. We will consciously align our development with the broader context of national strategies, comprehensively enhancing our initiative, systematic approach and innovation in serving national strategies. This will also serve as a key component in the formulation of the 15th Five-Year Plan. We will deeply engage in major national strategies such as building a strong transportation network, a strong maritime nation and a beautiful China. By leveraging the exemplary impact of major strategic projects like the Pinglu Canal (平陸運河) and national reserve bases, we will take on greater responsibilities in the co-construction of the Belt and Road Initiative in high quality through the “Company Internationalisation 3.0”, steadfastly fulfilling our functional mission as a central state-owned enterprise in the construction sector.

Secondly, focusing on core responsibilities and main business to create value and achieve new breakthroughs in high-quality and stable growth. We will resolutely shoulder the responsibility of serving the high-quality development of the national economy as a central state-owned enterprise. We will actively contribute to practicing the new development philosophy and building a new development pattern. By continuously scaling up projects, strengthening investments, solidifying assets, and optimizing capital, we will closely monitor key performance indicators such as the debt-to-asset ratio, operating cash flow ratio, proportion of the “inventories and receivables (兩金)” and return on equity. We will reduce assets scale, cut debt, lower leverage, and enhance quality and efficiency, ensuring that both qualitative improvements and quantitative growth are integrated into the entire process of high-quality development. We are committed to making the Group stronger, more competitive, and larger.

Thirdly, unwaveringly promoting “strengthening the foundation through technology” to achieve new breakthroughs in innovation-driven development. With a spirit of seizing every moment, we will comprehensively advance high-level self-reliance and self-strengthening in science and technology. We will adhere to a trinity approach that integrates technological innovation, industrial innovation and institutional innovation. We will strengthen the development of original technology sources, creating unique and superior technologies and high-end equipment that set us apart from others. We will accelerate the forward-looking layout of strategic emerging industries such as energy conservation, environmental protection, and new materials as well as future industries like deep-sea and deep-earth exploration. Anchored in the direction of high-end, intelligent and green development, we will drive the iterative upgrading of traditional businesses. We will persist in the engineering and industrialisation of technological innovation, strengthen demand guidance and scenario traction, and increase the promotion and application of first-set, first-batch and first-edition technologies. Through technological innovation, we will spur industrial innovation, injecting new momentum into high-quality development.

Fourthly, adhering to a problem-oriented approach to achieve new breakthroughs in comprehensive deepening of reforms. We will focus on the “Three Concentrations” and shoulder the responsibility of being a pilot state-owned capital investment company. Through “streamlining institutions, optimizing personnel and refining management”, we will systematically enhance the comprehensive deepening of reforms. We will optimize our governance structure, continuously empower the Board to play a substantive role, and ensure standardised operations and scientific decision-making in corporate governance. We will intensify professional integration, leveraging the “chemical reactions” generated through such integration to extend, supplement, and strengthen the industrial chain. We will elevate market-oriented practices, refine incentive and penalty mechanisms, and tilt wage allocation towards scientific and technological talents as well as frontline production staff, ensuring the high-quality completion of all tasks in the deepening and enhancement of state-owned enterprise reforms.

Fifthly, balancing high-quality development with high-level security to achieve new breakthroughs in risk prevention and resolution. We will refine the comprehensive, multi-level and penetrating regulatory system, ensuring that control requirements permeate all levels and are implemented in every project, thereby using “clear visibility” to underpin “effective management”. We will firmly uphold a “comprehensive security perspective (大安全觀)”, strengthen the construction of a “comprehensive compliance” management system, and reinforce the primary responsibility of safety production at all levels within the Group, as well as continuously enhance overall safety management effectiveness. We will implement a major special project mechanism to firmly hold the bottom line of preventing systemic risks, providing strong safeguards for the stable and healthy development of the Company.

Sixthly, continuously strengthening our roots and soul to achieve new breakthroughs in high-quality development led and safeguarded by high-quality Party building. We will consciously shoulder the political mission of being a Party-building liaison point for state-owned enterprises, ensuring that the Company’s development direction is highly aligned with the line, principles, and policies of the CPC Central Committee. Through high-quality Party building, we will gather powerful momentum to achieve new breakthroughs in the Company’s high-quality development.

BUSINESS OVERVIEW

I. MAIN BUSINESS

The Company is a leading transportation infrastructure enterprise in the PRC focusing on “big transportation” and “big city” and its core businesses are infrastructure construction, infrastructure design and dredging, respectively. Its scope of business mainly consists of the investment, design, construction, operation and management of port, waterway, road and bridge, railway, urban rail transit, municipal infrastructure, land reclamation, river basin management, water conservancy, construction and environmental protection and related projects at home and abroad. The Company is engaged in providing customers with integrated solutions services for each stage of the infrastructure projects leveraging on its extensive operating experience, expertise and known-how accumulated from projects undertaken in a wide range of areas over the decades.

II. BUSINESS MODEL

The business operation process of the Company mainly includes collecting project information, pre-qualification, bidding, executing projects, and delivering projects to customers after completion. The Company has formulated a comprehensive project management system that covers the entire contract process, including the preparation of tenders, bidding price, project organization planning, budget management, contract management, contract performance, project supervision, contract changes, and project completion and delivery. In particular, the Company's infrastructure construction, infrastructure design and dredging business all fall within the scope of the construction industry, and the main project operation process is basically consistent with the above description.

When the Company prepares the project quotation, it carries out a detailed study on the proposed bidding project, including technical and commercial conditions and requirements of the tender followed by a site visit. The Company also invites quotations from suppliers and sub-contractors for various items or activities in respect of the tender. The Company analyses and collects the above information to calculate the costs of each item in the project lists and then marks up gross profit to be obtained according to a certain percentage to calculate the bidding price to the client.

After the project is awarded and the contract is signed, the Company usually collects prepayment at 10% to 30% of the total contract amount before the project commences, and then settles the payment on a monthly or regular basis according to the progress. Payments from customers are usually settled within 1 to 3 months. In recent years, the unstable and unbalanced recovery of the domestic economy has resulted in varying degrees of lag in customer payment schedules, consequently stretching out the project timelines and the payment cycles.

At the same time as the above business was carried out, the Company has begun to develop infrastructure and other investment projects since 2007 to obtain investment profits apart from reasonable design and construction. After years of development, in keeping with changes in the market environment, policy situation, and industry demand, the Company has always strictly controlled the key points in the investment process, and continuously promoted the deepening and implementation of the commitment to "value-oriented investments". For details, please refer to the section headed "Management's Discussion and Analysis".

III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Enhance the Strength and Expertise of the Main Responsibility and Principal Business, and Forge the Integrated Advantages of the Full Industry Chain

The Company is the world's largest port, road and bridge design and construction company, and the world's largest dredging company; it is also the largest international contractor and highway investor and operator in China; and the Company also owns the largest engineering fleet in the world. The Company has 34 principal wholly-owned or holding subsidiaries, and operates businesses in China's all provinces, cities, autonomous regions, Hong Kong and Macau and 139 countries and regions across the world.

Continuously expanding the contracting projects and enhancing the ability to generate cash from operations. The Company carries out high-end business activities frequently with remarkable results, insists on strengthening and consolidating its position as the market entity of sub-subsidiaries, creates more third-tier project companies with market competitiveness, and strengthens the specialized development of key enterprises. During the reporting period, the Company's port, shipping and dredging business continued to play the leading role, with a coastal market share of over 60%, while the highway business maintained its position as the "King of Highways" against the challenging environment. The contracting projects of housing construction business increased by 36% year-on-year, making it the largest professional sector.

Continuously landing major projects to practice national strategies. The Company has promoted the landing of major projects through high-end connections, with consecutive bids winning for a series of lake and reservoir desilting projects such as Taihu Lake, and the brand of "lakes and reservoirs ecological desilting (湖庫生態清淤)" gradually becoming more and more prominent. The Company has successively won bids for coastal ports and high-grade inland waterways, including North Xiaoyangshan, Tangshan Coal Storage and Transportation Base and Huxi Waterway of Beijing — Hangzhou Canal. The long and large bridge and tunnel projects, including Wuhu Taishan Road Yangtze River Bridge, Xiangshan Shipu Port Submarine Tunnel and Changle Airport Intercity Railway Tunnel, continued to take the lead. The three major projects and large-scale single public building projects, including Qingpu Old City Renovation, Binhai Suburban Warehouse and Yuncheng People's Hospital, have received a lot of positive news. The major national water network projects, including Xiangyang Reservoir Water Resources Project, Guangxi Water Resources Allocation Project in the Beibu Gulf Rim and the First Phase of Nenjiang River-to-Baicheng Water Diversion Expansion have achieved breakthroughs.

Continuously strengthening investment projects and enhancing profitability. The Company has closely followed the requirements of “controlling the total investment, optimizing the incremental investment and improving the quality”. Firstly, strengthening the rigid restriction of the investment budget. During the year, the value of new contracts of the domestic projects investment amounted to RMB129,047 million, representing a year-on-year decrease of 33.8%, with effective control in the investment scale and high-quality selection of key projects. Secondly, continuously optimizing the business structure. The proportion of medium- and short-term projects and light-asset projects increased, while the proportion of long-term projects decreased, and the proportion of projects investment in key regional continued to rise. We have promoted the research in offshore floating wind power, cold chain, port operation, intelligent computing centre and other projects, and led industrial upgrades through innovation, with the investments in Rucawi Hydropower Station in Chile, the Centralized Photovoltaic Project in Botswana and the First Phase of the Dandong Marine Ranch demonstrating our entry into the fields of water conservancy and clean energy. Thirdly, continuously improving the quality and efficiency of investment. The cash flow of project investment was under control, basically achieving a balanced revenue and expenditure during the year. Fourthly, insisting on “value-oriented investments”. We have further strengthened the separation of investment and engineering to enhance the profitability of pure investment business. Fifthly, actively promoting the debt resolution through PPP business. We have continued to pay attention to and research local measures for resolving hidden debts, and adopted one policy per region and one policy per project to speed up the debt resolution and stock revitalization.

Fully implementing a high-quality project management system, and continuously deepening the integration management of the “three chains”. The project management system has been fully carried out. Firstly, taken ESG management as a guide, we have applied ESG concepts to the practice of high-quality project management, and strengthened the “synergy of interests” between project management and the central enterprise brand, social responsibility, partners, employees, the ecological environment and etc., thereby realizing the coordination among corporate development, society and the environment. Secondly, we have reinforced the main responsibility of the “legal person in charge of the project”, maximised the supporting role of the resource allocation system, and focused on legal performance, planning and management, project team formation, operational monitoring and performance appraisal. Thirdly, we have promoted the “digitization” of project and enterprise collaboration, to achieve seamless integration with 18 unified systems, including production and operation data and financial cloud and etc. We have also built a smart construction site platform to realise the “online” management of project supervision, resource scheduling and emergency safety management. Fourthly, we have achieved the coordinated allocation of management resources, with the transaction concentration of first-tier centralized procurement partners reaching 82.91%, and the comprehensive procurement cost reduced by approximately 2.3%, effectively supporting cost reduction and efficiency enhancement.

(II) Fully Implement “Company Internationalization 2.0” and Continue to Upgrade Overseas Business

The Company adhered to a **general goal**. It ensured its absolute leading advantage of the top international contractor in the PRC and Asia, and by 2025, continued to increase the Company’s overseas comprehensive contribution, with its net asset returns higher than the Company’s average. **The Company proactively implemented the national strategy.** It deeply engaged in the “Belt and Road” Initiative, and built a series of landmark projects. The General Secretary Xi Jinping witnessed the opening of the Chancay Port in Peru, the Premier Li Qiang attended the groundbreaking ceremony for the Gombak Station of the East Coast Rail Link in Malaysia, and the Secretary Li Xi of the Central Commission for Discipline Inspection inspected Mombasa-Nairobi Railway, giving high recognition to the Company’s overseas projects and affirming the Company’s active role in Sino-foreign cooperation. By coordinating with nine national standards committees, including Kenya and Algeria, it helped our country successfully obtain the leading national qualification for the “Port Terminal Standards Technical Committee”. **High-end activities led market development.** The Company’s officers planned to meet with foreign leaders on 28 occasions and conducted more than 100 bilateral meetings at ministerial level or above. It actively served the overall situation of national economic and diplomatic affairs by fully participating in 18 major foreign affairs events, including the Global Sustainable Transport Forum, the APEC CEO Summit, the 7th China-Kazakhstan Entrepreneurs’ Committee and the Global Business and Law Conference. Among them, at the Beijing Summit of the Forum on China-Africa Cooperation, a total of 47 cooperation achievements were made, involving a total contract value of USD12,400 million. **The Company continued to upgrade the “company internationalization” strategy.** The Company advanced the implementation of the “Deepening Reform Implementation Plan of the ‘Company Internationalization’(2023-2025)” to optimize the “1+4+N” main overseas operations structure and the “1+4+O+P” four-tire overseas management structure and promote the “O” construction of country-specific organizations, thus enhancing the intensive management level of overseas organizations, forming a “four-wheel drive” pattern for overseas market entities, supporting “leading” overseas sub-subsidiaries, and promoting the full operation of the 62 national country-specific organizations. **The Company has thoroughly studied the trend of global value chain restructuring.** It extended the layout of upstream and downstream of the global industrial chain of the Company, accelerated the layout of new fields and new tracks, and promoted the “going global” of China’s standards and technologies in the advantageous fields of highways, bridges, railways, ports and other areas, so as to provide a solid foundation for the enhancement of the Company’s competitiveness in overseas markets. **The Company proactively addressed overseas risks.** It enhanced the awareness of business risk prevention, and comprehensively considered and managed non-market risks and market risks as a whole. The Company vigilantly guarded against political risks, and strictly controlled safety risks, integrity risks and operational risks.

During the reporting period, the value of new overseas contracts of the Company amounted to RMB359,726 million, representing a year-on-year increase of 12.5%. Categorized by project type, the value of new contracts for roads and bridges, port construction, railway construction, building construction, urban rail transit, municipal engineering, dredging, water conservancy, comprehensive urban development, infrastructure design and others accounted for 22%, 15%, 14%, 13%, 9%, 8%, 3%, 2%, 2%, 1% and 11% of that of the overseas projects, respectively. Categorized by project location, the value of new contracts for Africa, Asia (excluding Hong Kong, Macau and Taiwan), Oceania, Europe, Latin America, as well as Hong Kong, Macau and Taiwan and other regions accounted for 39%, 27%, 13%, 6%, 6% and 9% of that of the overseas projects, respectively.

During the reporting period, the value of new contracts of the Company with countries participating in the joint construction of the “Belt and Road” Initiative was USD38,460 million, accounting for 75% of the value of new contracts from overseas markets. Wherein, the value of new contracts for the Middle East region amounted to USD5,300 million. Since the proposal of jointly building the “Belt and Road” Initiative, the value of new contracts of the Company accumulated to USD273,218 million. In terms of “big transportation”, the Company won the bids for large-scale projects, including the Second Ring Road of Riyadh South, Saudi Arabia and the Trams in Yarra, Melbourne, Australia. In terms of “big city”, the Company won the bids for a series of projects, including the Hong Kong Trunk Road T4 and related works and Condominium Residences in Singapore’s Media Circle. In terms of “rivers, lakes and seas”, the Company signed large-scale projects, including Ndayane New Port in Senegal, Oxagon Port in NEOM, Saudi Arabia and the Expansion Project of the Mining Terminal at the Port of Annaba in Algeria. In terms of strategic emerging business, the Company made breakthroughs in “small and outstanding” livelihood projects, including photovoltaic projects in Botswana and Nicaragua, and signed Hong Kong MTR project.

(III) Accelerate the High-end, Intelligent and Green Upgrades, and Empower Traditional Industries with Technological Innovation

During the reporting period, the Company drove the transformation and upgrading of traditional industries through digitization, intelligence and greening, seized the favorable opportunities of the national advancement of “two renewals” and implementation of “two major”, made good use of large-scale equipment renewal policies, and continuously extended traditional industries into high-tech and high value-added fields, demonstrating its strong technical and innovation capabilities in the field of “smart+”. The Company continued to optimize its promotion and application of the CCCC Urban Industry Big Data Platform throughout the entire Company, making full and effective use of industrial resources to provide integrated solutions for policy interpretation, urban analysis and industry introduction. It ranked the first among central enterprises in the assessment of the SASAC for “promoting the transformation and upgrading of traditional industries through digitalization, intelligence and greening”.

During the reporting period, **in terms of smart highways**, the Company conducted projects such as the optimization of highway video monitoring and the construction of a digital mechanical and electrical operation and maintenance platform. The implementation of the pilot smart highway project has enhanced the monitoring and emergency response capability of highways, and optimized the operation and maintenance management of mechanical and electrical equipment, significantly reducing operating costs and improving highway management efficiency. **In terms of smart ports**, the Company conducted projects such as the First Phase of Dongjiakou Container Terminal Project of Qingdao Port and the Second Phase of Guoneng (Tianjin) Port Project of Nanjiang Port Area of Tianjin Port. Based on AI technology, such projects have achieved automation of finite element modelling, automatic reinforcement and drawing of BIM components, which have significantly improved the efficiency and quality of the design, enhanced the efficiency of loading and unloading in ports, reduced the operating costs, and promoted the intelligence and green development of ports, providing the industry with a replicable solution. **In terms of smart cities + energy**, the Company conducted smart gas supervision and comprehensive urban management platform construction projects in Liaoning, Hubei and other places. Based on BIM, GIS, AI and other technologies, such projects have constructed a three-dimensional model of urban infrastructure and a visualized supervision platform to enhance the level of intelligence in urban management. The Company has developed the smart gas supervision system to realize digital management and risk warning for the whole process of gas operation. The implementation of smart city construction projects has significantly enhanced the efficiency of urban management, optimized the allocation of urban resources, and strengthened the security and intelligence of urban infrastructure, providing strong support for sustainable urban development. **In terms of smart cities + water management**, the Company has newly signed projects, including the Surface Water Environmental Supervision Capacity Construction in the Fuxian Lake Basin and the Regional Smart Water Management in Zhaoqing, Guangdong, which were based on AI large models to construct water quality prediction and pollution source traceability systems, improving the scientificity and accuracy of water environment supervision. Through the Internet of Things and big data technology, it achieved real-time collection and analysis of water quality monitoring data to optimize water environment management strategies. The implementation of the smart water management project has significantly enhanced the efficiency of water environment monitoring, reduced operating costs, and optimized resource allocation, providing an efficient solution for water environment management.

(IV) Cultivate a “Second Growth Curve” and Develop New Quality Productive Forces through Scientific and Technological Innovation

During the reporting period, the value of new contract of the Company in the emerging business fields amounted to RMB705,347 million, representing a year-on-year increase of 46.4%. The Company seized the policy opportunities in the development of strategic emerging industries, compiled a directory of guidelines for the development of strategic emerging industries, clearly defined 8 key fields and 25 sub-divisions in strategic emerging industry development, selected sub-divisions such as offshore wind power and application of Beidou technology, which are currently the focus of our efforts, formed a package of support policies and specific measures for major investments, mergers and acquisitions of industries, technological research and development and standard formulation. The “three new” businesses of the Company mainly involve new-generation information technology, high-end equipment manufacturing, new materials, new energy, energy conservation and environmental protection, related service industries and other strategic emerging industry sectors, as well as new business forms and models.

The green energy segment focuses on the application scenario of “big transportation and big city”, and makes every effort to create a new development mode of “integration of transportation and energy”. The construction technology segment has been promoting its businesses in different areas, such as sand and gravel aggregates, solid waste treatment and assembled buildings, and constructing a synergistic development model for multiple businesses. Cold chain logistics segment plans to cooperate with leading cold chain operators. The digital intelligence segment aims to “strengthen the industry chain” of the traditional core industry, with a priority focusing on the strategic layout in three niche areas: smart urban parking operations, vehicle-to-road cooperation, and intelligent port and shipping logistics. We facilitated the integration and development of the “three new” businesses of the Company, initiated the establishment of the specialized and new science and technology innovation fund, building national strength in transportation fund and the pre-REITs fund, and accelerated the Company’s layout of the strategic emerging industries through the fund’s outward investment and served the Company’s industrial transformation and upgrading.

During the reporting period, the Company has developed and put into use the “Taihu Star”, the world’s first intelligent integrated platform vessel for ecological desilting with fully independent intellectual property rights, which has opened up a new track for rivers, lakes and reservoirs desilting to expand the advantages of the main business of “rivers, lakes and seas”. The Company has independently developed a number of high-end equipment such as “New Sea Sturgeon”, the world’s largest and the first LNG dual-fuel power system rake suction vessel in China, and made forward-looking deployments in the deep-earth and deep-sea fields. Its “complete set of technologies and equipment for safe and efficient development of offshore wind power and industrialization” won the first prize of the National Science and Technology Advancement Award. The contract value of agriculture, forestry, animal husbandry, fishery and onshore new energy has increased significantly, and the energy conservation and environmental protection, new materials and high-end equipment manufacturing have become the main force of the strategic emerging industries. The Company has been approved to build a green and low-carbon original technology hub for transportation infrastructure, promoting the construction and operation of the deep-sea engineering technology and equipment research and development center, and building new quality productive forces with CCCC characteristics.

(V) Serve National Strategy with Technologic Innovation and Advance towards a World’s Leading “Sci-Tech” Enterprise

Focusing on its main responsibility and principal business, the Company attached great importance to the key and core technologies as well as bottleneck problems. It followed the guidance of pilot projects of building national strength in transportation to continuously improve the technological innovation system, strengthen efforts to achieve breakthroughs in core technologies and build a cradle for original technology. It was committed to improving the independent innovation capability, continuously deepening the technology system reform, enhancing technological innovation incentive and talent pool construction, taking multiple measures to promote the strategy of innovation driven development and staying determined to advance towards a world’s leading “Sci-Tech” enterprise by technological innovation.

Guided by the national strategic needs and industrial upgrading needs, the Company conducted technology research and the “National Key Laboratory of Green and Long-life Road Engineering in Extreme Environment (極端環境綠色長壽道路工程全國重點實驗室)” and the “National Key Laboratory of Safe and Long-life, Healthy Operation and Maintenance of Long Bridges (長大橋樑安全長壽與健康運維全國重點實驗室)” had been recognised by the Ministry of Science and Technology. The Company became the only central construction enterprise with two national engineering research centres upon selection of its Long Bridge Engineering Research Centre (長大橋工程研究中心) and Dredging Technology and Equipment Research Centre (疏浚技術裝備研究中心) into the National Science and Technology Innovation Bases (國家科技創新基地), leading infrastructure construction to a new high end and making great strides on the road of strengthening the country with science and technology. The Company established the general research institute for strategy and innovation, which undertakes 15 key technological tasks for future industries. Furthermore, the Company has systematically nurtured a pool of scientific experts and a professional innovation team by leveraging on innovation platforms and the establishment of key scientific research projects and key engineering projects to create a “three-in-one” model integrating talents, teams and platforms to nurture scientific and technological talents team. Zhang Xigang (張喜剛), an academician of the Chinese Academy of Engineering, won the Bridge Award of the Mao Yisheng Science and Technology Award and the title of “100 Excellent Engineers by China Highway & Transportation Society”, and Lin Ming (林鳴), an academician of the Chinese Academy of Engineering, won the Science and Technology Achievement Award of Ho Leung Ho Lee Foundation.

Over the years, the Company has been accumulatively awarded with 43 National Science and Technology Advancement Awards, 5 National Technological Invention Awards, 130 Luban Awards, 400 National Quality Project Awards (including 46 golden awards), 126 Zhan Tianyou Awards, 2 Chinese Golden Patent Awards and 39 Chinese Outstanding Patent Awards. The Company has accumulatively led or participated in the compilation of 196 national standards and 572 industry standards that have been promulgated. It has a total of 37,175 granted patents.¹

¹ Statistics from the awards received by CCCC and its subsidiaries.

During the reporting period, the Company's R&D cost was RMB26,393 million, accounting for 3% of the revenue, and a number of "bottleneck" technologies have achieved breakthroughs. The Group took the lead role in the construction of a number of iconic projects such as a marine engineering technology innovation consortium, a green and low-carbon original technology hub for transportation infrastructure, the hydraulic cylinders for 5000t pile-driving vessels and the software foundation platform of dredging control, realising the localised substitution for key core components. In the context of the construction of major projects, the Group continued to seek breakthrough in key core technologies in the fields of ports, bridges and tunnels, and acquired a series of key core technology achievements, including "Key Technologies and Core Equipment for Steel Shell Concrete Immersed Tube Prefabrication" (鋼殼混凝土沉管預製關鍵技術及核心裝備), "Key Technologies and Core Equipment for Immersed Tube Floating and Installation" (沉管浮運安裝關鍵技術及核心裝備), "Key Technologies for Precise Rock Breaking and Excavation Construction in Deep Water and Deep Trench Hard Rock" (深水深槽硬岩精準破岩開挖施工關鍵技術), "Key Technologies and Equipment for Industrialised Construction of Concrete Cable Towers" (混凝土索塔工業化建造關鍵技術及裝備), "A Complete Set of Key Technologies and Equipment for Design, Construction and Operation of 20km-class Highway Mountain Tunnels" (20公里級公路山嶺隧道設計建造運維成套關鍵技術及裝備), "Key Technologies and Equipment for Port Construction under Conditions of Strong Surge, Dense Strata and Frequent Earthquakes" (強湧浪極密地層及地震頻發條件下港口建設關鍵技術和裝備), and "Static and Dynamic Comprehensive Vibration Reduction and Energy Dissipation System for Three-Tower Cable-Stayed Bridges" (三塔斜拉橋靜動力綜合減振耗能體系), strongly supporting the construction of major projects such as the Shenzhen-Zhongshan Bridge, the Chancay Port in Peru, the Tianshan Shengli Tunnel and the Huangmaohai Sea-crossing Channel, providing significant support for the rapid economic development of the local areas.

Looking ahead, the Company will **systematically deploy the technological development plan of the “15th Five-year Plan”**. It will clearly practise the iconic achievements such as material technological products, material technological projects and major innovation platforms, increase its R&D investment in the fields of deep earth and deep sea, wave energy utilisation, floating wind power, BIM industry chain, artificial intelligence, and industrial software, aiming to try its best efforts to break through original and cutting-edge technologies that lead industry development. **Accelerating the transformation of technological achievements.** The Company will optimize its technological innovation system, increase its proportion of R&D investment in strategic emerging industries, effectively improve the efficiency of R&D input and output. The national innovation platforms of the Company will proactively undertake national strategic tasks as well as deep earth, deep sea and other future industries, and seek technology innovation for strategic projects such as Qinghai-Tibet Expressway and the Three Gorges New Channel. Additionally, it will enhance the research and development of common technologies around digital infrastructure, AI empowerment, and BIM centre, to support and empower design institutes, engineering departments and major projects. **Accelerating the construction of original technology hub.** Focusing on the original hubs of green and low-carbon transportation infrastructure, long bridges and tunnels, road engineering, dredging, and automated terminal, the Company will seek improvement of six capabilities including technological R&D, talent cultivation, platform construction, R&D investment, collaborative innovation and transformation of achievements. Besides, it will deploy resources for the original hubs of strategic emerging industries such as marine reefs, offshore wind power, water treatment and future transportation, collaborate with external resources to cultivate original innovation capabilities in deep earth and deep sea as well as marine energy that lead the future development.

(VI) Continuously Make New Achievements in Business Qualifications and Accelerate the Accumulation of Water Conservancy Business Qualifications

The Company obtains several extra-grade, grade A and comprehensive grade A qualifications for the main businesses.

The Company has obtained a total of 63 extra-grade qualifications, including 18 extra-grade qualifications for general contracting of port and waterway engineering construction, 39 extra-grade qualifications for general contracting of highway project construction, 4 extra-grade qualifications for general contracting of architectural engineering construction and 2 extra-grade qualifications for general contracting of municipal utilities project construction. The Company now has obtained more than 1,800 qualifications for major engineering construction, and nearly 300 qualifications for engineering consulting, survey and design.

During the reporting period, the Company obtained a total of 9 grade A and extra-grade qualifications, including 1 extra-grade qualification for general contracting of port and waterway engineering construction, 1 extra-grade qualification for general contracting of highway project construction. Sub-subsidiaries obtained 5 qualifications, significantly enhancing their market competitiveness. The Company successfully obtained 1 first-grade general contracting qualification for water conservancy and hydropower construction, including which, a new pattern of 12 first-grade general contracting qualifications for water conservancy and hydropower construction, 1 grade A qualification for water conservancy and hydropower engineering design and 8 grade A integrated qualifications was formed, achieving the full-chain and full-lifecycle serving capabilities for water conservancy industry from front-end planning and design to subsequent construction and operation.

(VII) Keep Strengthening the Market Value Management Initiatives and Continuously Enhance Its Own Investment Value

During the reporting period, the Company persisted in optimizing its capital, scientifically expanded financing channels, increased the proportion of direct financing, established interconnected circulation paths for capital, resources, and industries, and improved a service system that integrates industry and finance, and promotes industrial development through financing. Through comprehensive application of various methods including cash dividends, mergers and acquisitions and reorganization, the Company integrated high-quality industries within and outside of the Company, enhanced the linkage between industry and finance, actively acquired high-quality assets involving new quality productive forces, drove the value improvement of listed companies by capital operations, to enhance the core competitiveness of listed companies and realise the high-quality development.

The first was to actively strengthen the market value management system to improve the quality of listed companies. Pursuant to the requirement of the Certain Opinions on Improving and Strengthening the Management of Market Value of Listed Companies Controlled by Central Enterprises issued by the State-owned Assets Supervision and Administration Commission (《國資委關於改進和加強中央企業控股上市公司市值管理工作的若干意見》) and the CSRC Regulatory Guidance for Listed Companies No.10 — Management of Market Value (《證監會上市公司監管指引第10號—市值管理》), the Company regulated its market value management practices to promote the enhancement of its investment value and the increase in investor's return, and to protect the interests of investors. The formulation of the CCCC Management Measures on Market Capitalisation (《中國交建市值管理辦法》), and the CCCC Valuation Enhancement Plan and Market Value Management Program (《中國交建估值提升計劃及市值管理方案》) had been considered and approved at the 45th meeting of the fifth session of the Board on 27 March 2025.

The second was to take concrete steps to carry out special action of “Improving Quality, Increasing Efficiency and Enhancing Returns”. The Company had prepared and released the “2024 Action Plan of Improving Quality, Increasing Efficiency and Enhancing Returns (2024年提質增效重回報行動方案)”, and achieved positive results in various aspects, such as continuing to focus on its main responsibilities and principal businesses and significantly improving the modernisation level of its industrial system; accelerating the forward-looking layout of strategic emerging industries and future industries, and continuing to increase the percentage of revenue and value added of strategic emerging industries; taking various measures to solidify the Company’s assets, and comprehensively pushing forward the enhancement of quality and increase in efficiency; establishing a firm sense of return to Shareholders, and actively exploring to enhance market value management capabilities through the implementation of measures including multiple cash dividends and controlling Shareholder’s increase in shareholding of the Company. The Company had stepped up its research on the intrinsic link between cash dividends and share prices, and assessed the impact of cash dividend ratio and dividend yield on the market value management of listed companies.

The third was to distribute an interim dividend for the first time and enhance the predictability of dividend distribution. The Company had issued the “Announcement in Relation to the Receipt of the Proposal from the Controlling Shareholder for the Distribution of Interim Dividend and the Implementation of the 2024 Action Plan of ‘Improving Quality, Increasing Efficiency and Enhancing Returns’ (關於收到控股股東提議實施中期分紅暨落實2024年度「提質增效重回報」行動方案的公告)”, and had formulated and implemented the 2024 Interim Dividend Distribution Plan in accordance with the conditions for profit distribution. In accordance with the latest work spirits of the SASAC and the CSRC, and upon comprehensively considering the characteristics of its industry, competitive landscape, business model, the stage of development, profitability, capital needs and assessment and other factors, the Company had overcome the macro-environment and industry pressures, considered to boost the market’s confidence in the Company’s Share price and increase the investors’ sense of gain through the interim dividend, and formed a specific proposal in light of the actual situation, which was considered and approved by the first extraordinary general meeting of 2024 held on 29 November 2024, and the distribution was implemented accordingly.

The fourth was to effectively “solidify the value of assets” to create space for the development of core business. The Company formulated the “2024 Special Work Plan for Optimization and Increase of Assets and Funds (2024年資產資金優化提升專項工作方案)” to **continuously promote the optimization of asset and debt structure**, strengthen the disposal of non-operating assets, sunk assets and inefficient and ineffective assets under operating assets, as well as the cancellation of “non-major and non-advantaged business (兩非)” and the reduction of “receivables and inventories (兩金)”, to seize the local debt restructuring opportunities and enhance its communication and collection efforts, so as to improve cash flows. The Company comprehensively sorted out its capital structure, promoted the re-organisation and mergers and acquisitions, and also strengthened its capital operations and market value management. It carried out special rectification of financial business risks by strengthening the control of existing financial assets and promoting the rectification and reduction of funds and debt-to-equity conversion businesses.

The fifth was to carry out financial innovation to activate existing assets, and initially complete the establishment of multi-level REITs system. During the reporting period, the Anjiang Expressway Real Estate ABS was successfully listed on the Shanghai Stock Exchange with an issuance size of RMB4,956 million, which is currently the first expressway real estate ABS for holding with largest issuance size in the market, representing the latest achievement in activating existing assets through financial innovation after the Jiatong Expressway REITs, the first expressway public REITs of state-owned enterprises, and the Qingyuan Bridge ABS, the first real estate ABS for holding in the market. The Jiuyong Expressway Real Estate ABS was successfully listed on the Shanghai Stock Exchange with an issuance size of RMB2,200 million, which is the first real estate ABS for holding issued through book-building and with a clear expansion mechanism in the market. The **Wuhan-Shenzhen Expressway Jiayu North Section Quasi-REITs** was successfully listed on the Shanghai Stock Exchange with an issuance size of RMB4,188 million. The Company had successively launched various products such as public REITs, Quasi-REITs, and Pre-REITs funds, and had initially completed the establishment of multi-level REITs system, accumulating rich experience in asset activation. In the future, it will continue to open up channels for activating existing assets through financial innovation, providing new examples for the high-quality development of central enterprises.

The sixth was to actively expand diversified fund business and promote the upgrading of strategic emerging industries. The Company actively expanded diversified fund business, cooperating with banks, insurance companies and other organisations to set up funds, and accelerate the fund business layout. Existing fund business mainly invested in traditional infrastructure projects. The Company is promoting the construction of various types of funds for strategic emerging industry segments, helping the development of infrastructure industry and the transformation and upgrading of emerging industries.

IV. BUSINESS PLAN AND PROSPECT

In 2024, according to statistics, the value of new contracts of the Group reached RMB1,881,185 million, indicating 95% of the annual target has been realized and meeting expectations. The revenue amounted to RMB768,243 million, indicating 94% of the annual target has been realized and meeting expectations.

The Group plans to achieve a year-on-year growth rate of not less than 7.1% in the value of new contracts for the year of 2025, and the planned year-on-year growth rate of revenue is not less than 5.0%.

From a domestic perspective, China's economy has shifted from the stage of high-speed growth to high-quality development, despite that triple pressures of demand contraction, supply shocks, and weakening expectations still exist, China's economy has a stable foundation, multiple advantages, strong resilience, and great potential, and the supportive conditions and underlying trend for long-term improvement have not changed. In September 2024, the Political Bureau of the Central Committee meeting deployed a package of incremental policies to increase the issuance of ultra-long-term special treasury bonds, intensify the counter-cyclical adjustment of macro policies, give play to the extra space of fiscal deficits, replace the local stock of hidden debt, and strengthen the support for the policies of the "two major" and "two emerging" areas, to accelerate the full implementation of a series of major strategic tasks and projects, which provided a relaxed policy environment for the construction of transportation infrastructure. In particular, the important areas and major projects along the coast and along the border, in accordance with the requirements of the strategy of building a comprehensive transportation infrastructure for a strong transportation country, there are still many opportunities in the breakpoints and congestion, along the coast and in the old, young and poor areas.

From the industry situation, modern infrastructure construction is developing in the direction of low-carbon, innovation, digital intelligence, convergence, security and resilience integration, and the construction industry and traditional manufacturing industry are accelerating their transformation to smart construction and smart manufacturing, so there is a huge potential for new infrastructure. **The port and waterway dredging “contains new opportunities”**. Port terminal level upgrading, and intelligent transformation have become the focus of demand, inland water transport has become the main direction of investment, and reasoning of large-scale canal projects have been initiated with the total investment in many provinces may be close to RMB1 trillion. **Highway industry “accelerates integration”**. Multimodal transport, vehicle and road coordination, the construction of important logistics hubs and nodes, rural passenger transport network optimization and other integration field have become the focus of construction. “Road to rail” and “road to waterway” have become an important direction of the green and low-carbon transformation of the transport of large quantities of goods. **Rail transportation “remains stable”**. Mainline railroads, intercity railroads, urban (suburban) railroads, and urban rail transit “four network integration” have become the focus of direction. The construction of rail-waterway intermodal transportation focusing on major ports, key parks and railroad freight stations is expected to speed up. **Water conservancy market is “promising”**. A number of national water network backbone projects are being accelerated, with flood control, drainage, water ecological protection, and water network intelligence becoming key focuses. It is estimated that by 2025, the investment in national water conservancy construction will reach RMB1.5 trillion, maintaining the scale of water conservancy construction. **The airport industry is “ushering in new growth”**. The low-altitude economy has become a new engine for growth, and by 2030, the general aviation industry is expected to reach a market size of trillions.

From an overseas perspective, the world is experiencing profound and rapid changes, and the changes to the world, to our times and to history are taking place in an unprecedented way. The superpower games have led to the accelerated evolution of international relations, increasing political and economic risks. The competition in the global infrastructure market is becoming increasingly fierce, with product competition gradually escalating into competition over supply chains and industry ecosystems, thereby forcing enterprises to accelerate their transformation and upgrading. As developed countries transform and upgrade, and developing countries march towards industrialization, opportunities are provided to infrastructure enterprises. In emerging economies and some countries (regions), based on people’s rigid demand for public facilities and services, infrastructure investment will be gradually released along with the economic recovery, and the outsourcing business will usher in a new round of development opportunities. Opportunities for mutually beneficial cooperation have increased in drinking water safety, water environment protection, environmental health, poverty alleviation, food safety, solid waste disposal and other “small, outstanding and beneficial” livelihood projects. The business prospects for deep-sea pipeline deployment and decommissioning, and the construction, operation and maintenance of floating production storage and offloading units (FPSOs) are vast. The demand for new energy businesses, including offshore wind energy, continues to grow. As digitization and de-carbonization technologies rapidly advance, technological innovation and self-evolution become decisive factors for business success.

In 2025, with a comprehensive, dialectical and long-term perspective, the Company will navigate opportunities and challenges by embracing the new prospects of industrial transformation and bolstering its bottom-line thinking and awareness of unexpected development, to strive to overcome various risks and challenges. The Company will continue to take advantage of the traditional main business of “big transportation”, become a standard enterprise focusing on “big city”, and keep as a leader of international development. It will seek to expand international influence by further expanding domestic and foreign markets and adjusting the business layout, thereby fully promoting the high-quality development of the Company.

Firstly, the Company will follow the national strategic advantage layout and exert the demonstration effect of major projects. As for the “big transportation” business, the Company will seize the development opportunity of accelerating the construction and upgrading the quality of the integrated and multi-dimensional transportation networks, strengthen the traction role of design and consultation in providing overall solutions and integration of new processes and technologies, and accelerate the green and low-carbon transformation; it will also pay high attention to future growth poles, such as big transportation hubs, and actively enter into the smart highways, “highway+” and other new business forms and modes, to grasp the development opportunities. The Company will proactively pursue growth by embracing innovation and refining its business models, and constantly strengthen business model innovation in response to the challenges and opportunities brought by the new PPP mechanism. It will also promote technological innovation, pay more attention to the supporting and driving role of scientific and technological innovation in market operation, rely on scientific and technological innovation to reduce technology costs and improve bidding efficiency, and depend on core equipment and core technology to enhance the core competitiveness of market development. **In the field of road and bridge**, the Company will seize the development opportunity of accelerating the construction and upgrading the quality of the integrated and multi-dimensional transportation networks, enhance the front-end leadership and green, low-carbon transformation, and sort out key projects such as the municipal transformation of expressways through the cities, upgrading and expansion of busy road sections, trunk line corridors and river-crossing and sea-crossing projects by districts, to maintain an absolute lead in major transportation strategic project contracting, high-end project operation, and spot market share. **In the field of railway**, the Company will seize the opportunity of CSRG’s policy on further unifying and opening up the railroad construction market, further optimize the rail operation layout, and seek for opportunities in channeled and valuable freight railway projects. New breakthrough has been realized by exerting the demonstration effect of major projects.

Secondly, as for “big city” business, the Company will upgrade its capacity and provide services for urban renewal initiatives. As for “big city” business, the Company will seize the market opportunity of urban development changing from large-scale incremental construction to the simultaneous improvement of the quality of stock and incremental structural adjustment, focus on expanding national key city clusters and metropolitan areas, establish a high-end and design-oriented renewal mechanism, overcome the barriers of quality, performance and talents, to craft a lifestyle of excellence for the residents of both cities and countryside. **In the field of municipal utilities project,** the Company will focus on the construction of the government-subsidized housing, and dual-use (for peacetime and emergencies) public infrastructure in ultra-large metropolitan areas, focus on smart cities and sponge cities, give full play to the leading role of design front-end, and vigorously explore the plant, schools, hospitals, and other public building projects. The Company will pay great attention to renovation field of a large number of old communities. Guided by demand and driven by projects, the Company aims to create differentiated competitive advantage to closely monitor the underground pipeline networks, utility tunnels, and urban lifeline projects, which are included in the “two major” areas of national funding support. **In the field of building construction,** the Company will be highly concerned about the demand for government-subsidized housing construction in 35 cities with a resident population over 3 million, strengthen the development of high-quality clients, and focus on tracking and planning to participate in the construction of campus and institutional area in megacities, as well as the super-high-rise and large-scale public construction projects. **In the field of comprehensive urban development,** the Company will focus on urban renewal and urban village renovation projects in megacities. From the perspective of urban partners, the Company will update and enhance project planning, industrial integration, and commercial operation capabilities. The Company will improve the level of digitalization, networking and intelligence in accordance with the requirements of “new city construction”, so as to provide CCCC’s solutions for urban development.

Thirdly, the Company will optimize the structure of “rivers, lakes and seas”, and highlight the advantages of the waterside business. The Company will promote the transformation and upgrading of traditional port and shipping industries, and build new advantages for incremental development in marine and environmental protection sectors. The Company will accelerate the integration of resources in the deep and remote ocean engineering, equipment and technology and other fields, to enhance the core competitiveness of the “deep and remote ocean” field. The cultivation of ocean strategic emerging industries such as ocean engineering equipment manufacturing industry, comprehensive seawater utilization industry, ocean new energy industry and modern ocean service industry will be accelerated, while offshore wind power, marine pasture, desalination of seawater, ocean engineering equipment and other subdivisions are ushering in the incremental development space. **In the field of port and waterway dredging,** the Company will continue to consolidate its leading position, give full play to its advantages of entire industry chains in planning and consultation, survey and design, construction, intelligent port and shipping, extend and expand the derivative market of mechanical and electrical installation and pipeline transportation. The Company will focus on inland waterways, actively participate in the construction of “one map” of electronic waterways, closely follow the development direction of waterway shortcomings and multimodal transportation, and innovate operation methods and business models in combination with the characteristics of 17 provinces and cities along the inland waterways, so as to do a good job in operating strategies for major projects such as the New Waterway of Three Gorges, the Jiangxi-Guangdong Canal, and the Dongjiang Waterway. **In the field of ecological and environmental protection,** the Company will seize the opportunity of a new round of development of urban and rural water supply and drainage network facilities, deepen the development concept of “environmental protection complex”, and explore integrated solutions for sewage treatment and resource utilization, solid waste disposal and new energy sources, so as to seize the commanding heights of industry development. The Company will continuously build the brand of ecological management of lakes, and improve the adaptability of equipment and technology for different application scenarios. The Company will promote the integrated protection and restoration of mountains, water, forests, fields, lakes, grasses and sands, accelerate the acquisition of mine qualifications and the improvement of specialized licenses, and actively lay out the development of green mine construction business. **In the field of offshore business,** the Company will fully participate in offshore wind power consulting, design, construction, operation and maintenance, and strengthen the research and development of floating wind power technology and equipment and the application of pilot demonstration projects, so as to forge a strong comprehensive competitiveness. The Company will vigorously expand marine cable laying, offshore photovoltaic, desalination and other emerging marine markets.

Fourthly, the Company will comprehensively deploy new businesses to accelerate the cultivation of the “second growth curve”. In the field of water conservancy, the Company will actively integrate into the construction of the national water network, increase the efforts of the national backbone network and the three-tier water networks at the provincial, municipal, and county levels, and increase participation in water conservancy and hydropower projects by synthesizing the advantages of water-related technologies. The Company will focus on dam pivots, major water diversion and transfer, large-scale irrigation district renovation, flood prevention and disaster reduction, reservoir desilting and other niche areas, seize the opportunity of a new round of pumped storage construction, strengthen resource allocation and accumulation of operating factors, and accelerate the pace of development of the water conservancy business. **In the field of onshore new energy,** the Company will intensify the layout in the construction of wind and photovoltaic bases in the eight deserts, the four coal mining subsidence areas, as well as Gobi regions of Qinghai and Xinjiang and other areas, give full play to the advantages of the existing cooperation, and collaborate with high-quality resources in the industry chain to promote the construction of new energy bases in the “desert, Gobi, and wasteland” areas, and extend its business to the related industries of new-type energy storage and comprehensive desert management through point breakthroughs. **In the field of agriculture, forestry, animal husbandry and fishery,** the Company will closely follow the national policy to participate in the comprehensive land management of the whole region. Guided by local needs, the Company will strengthen the preliminary operation and planning and packaging, innovate the business model and profit pathways of “comprehensive land management +”, and explore the replicability of the “Deyang Model” in the key regions to create new business growth poles. The Company will collaborate with upstream and downstream industrial chain enterprises to realize new breakthroughs in such niche areas as high-standard farmland, saline-alkali land management and ocean ranch, and continue to expand the scale of emerging businesses. **In the field of new infrastructure business,** the Company will achieve an integrated development. The Company will actively plan for and respond to the demand for transformation and upgrading of traditional infrastructure, and vigorously advance the integration of smart transportation, smart cities and smart energy into infrastructures. The Company will increase the integration and development of the Eastern Data Western Computing Data Center (東數西算數據中心) and new energy construction, seize the industrial opportunities of the national computing hub node data center cluster by relying on the traditional advantages in civil engineering, mechanical and electrical systems and system integration, further sort out the experience of expanding the implementation of the 5G base station project, and accelerate the development of the related information infrastructure business. **In the field of new quality productivity,** the Company will focus on new infrastructure such as data platforms, smart transportation, and the Internet of Things, as well as industrial software, low-altitude economy, underground space, AI + construction and other new areas, to accelerate the development of strategic emerging industry sub-sectors and build strategic alliances across the industrial chain. **In the field of strategic emerging industries,** the Company will center around extending, supplementing, and strengthening the industrial chain of main businesses, give full play to the advantages of investment in high-end entry and lateral development to play a more prominent role in helping to build core industrial clusters, promote industrial chain upgrading and value chain elevation, and enhance the Company’s core competitiveness.

Fifthly, the Company will conduct in-depth research on “Company Internationalization 3.0” and continuously expand its overseas advantages. The Company will firmly adhere to the strategy of overseas priority, deeply grasp the new situation of overseas development and new requirements of international operation, and make iterative upgrade plan for “Company Internationalization 3.0”. The Company will fully release the momentum of the “1+4+N” overseas operating entities, and collaborate with its subsidiaries to enhance their ability of “going out” and “bringing in” in terms of complete set of technologies, business models and management systems, to build a global three-dimensional industrial ecosystem. The Company will do its utmost to expand overseas markets. The Company will consolidate the fundamentals of important regions, deepen the expansion of core markets such as Hong Kong, Macao, Southeast Asia, the Middle East and Central and West Africa, and continue to optimize the industrial layout. Focusing on key countries and regions, the Company will provide forward-looking and systematic services for the high-quality construction of the “Belt and Road”, and proactively lay out infrastructure connectivity projects such as key corridors, key ports and key airports. The Company will push forward key projects such as the East Coast Rail Link (東海岸鐵路) in Malaysia, Colombo Port City (科倫坡港口城) in Sri Lanka, Salvador Bridge (薩爾瓦多大橋) in Brazil, and the Rerouting Project of the Thakot-Raikot section of the KKH Phase II in Pakistan (巴基斯坦KKH二期塔科特-雷科特段改線項目) with high quality. The Company will actively serve the new development pattern, focus on the eight high-quality actions to jointly build the “Belt and Road” and the ten partnership actions for China-Africa cooperation, aim at major landmark projects and “small and outstanding” livelihood projects, plan major projects such as the Trans-Caspian International Transport Corridor (跨里海國際運輸走廊) from a high starting point, and consolidate the leading position in the field of “big transportation” and “big cities” overseas, and strengthen the “hard power” in new energy, watershed management, garbage disposal, desalination of seawater and other emerging businesses, so as to continuously enhance the competitiveness and right of speech in the global industry.

V. BUSINESS OVERVIEW

During the reporting period, global economic growth momentum was insufficient, with rising unilateralism, protectionism, and numerous geopolitical tensions. However, China’s GDP grew by 5.0% in 2024, with the economy showing steady progress and new advancements in high-quality development. A package of incremental policies was promptly introduced, effectively boosting social confidence and driving a noticeable economic recovery. The Company deeply implemented the “three majors, two macros and two priorities” business strategy, served the national strategy, and paid close attention to the cash market. The Company has built up its leading position in “big transportation”, significantly enhanced its capacity in “big cities”, continued to consolidate and improve its “rivers, lakes and seas”, achieved outstanding results in overseas marketing, and comprehensively promoted the layout of its strategic and emerging businesses.

During the reporting period, the value of new contracts of the Company amounted to RMB1,881,185 million, representing a year-on-year increase of 7.3%, which was mainly due to the increased construction demand from overseas projects, urban construction, water conservancy projects and energy projects and other fields. The Company continuously improved the business structure, steadily expanded the scale of cash remittance and continuously improve its investment structure. As at 31 December 2024, the backlog of the Company amounted to RMB3,486,773 million.

The value of new contracts of all businesses from overseas markets of the Company amounted to RMB359,726 million (equivalent to approximately USD51,033 million), representing a year-on-year increase of 12.5%, and accounting for approximately 19% of the Company's new contracts value. Wherein, the total new contract value of projects with each contract value of over USD300 million amounted to USD25,767 million, accounting for 50% of total value of all overseas new contracts of the Company. Statistics showed that as at 31 December 2024, the Company operated businesses in 139 countries and regions.

The Company accelerated the construction of the emerging business pattern, increased the development of the emerging business market, and actively built the new quality productivity of CCCC's specialties, and the value of new contracts of all businesses from the emerging business field amounted to RMB705,347 million, representing a year-on-year increase of 46.4%.

The Company accelerated the transformation and upgrading of new business fields of engineering projects, with the value of new contracts from water conservancy projects amounting to RMB76,409 million, representing a year-on-year increase of 109.8%; the value of new contracts from energy engineering projects amounted to RMB81,384 million, representing a year-on-year increase of 146.4%; and the value of new contracts from agriculture, forestry, animal husbandry and fishery engineering projects amounted to RMB8,505 million, representing a year-on-year increase of 248.3%.

The value of contracts of all businesses from infrastructure and other investment projects amounted to RMB129,383 million, including RMB129,047 million for domestic market and RMB336 million for overseas market as recognized in proportion to the Company's shareholding, and the contract value of construction and installation contracts to be undertaken by the Group in the design and construction sector was estimated to be RMB110,084 million.

(I) BUSINESS REVIEW AND MARKET STRATEGIES

1. Domestic Market

During the reporting period, following general principle of pursuing progress while ensuring stability and leveraging on the synergetic effect of macro policies, the economic operation of China showed an overall stable trend and steady progress with the GDP recorded a year-on-year growth of 5.0%. According to the data released by the National Bureau of Statistics (NBS), in 2024, the investment in infrastructure increased by 4.4% year-on-year. Among them, investment in the water management business increased by 41.7%, and investment in the railway transport business increased by 13.5%.

During the reporting period, the economic operation in China still faced a number of difficulties and challenges, with insufficient domestic demand, difficulties in the production and operation of some enterprises, and more risks and hidden dangers. However, China's economy has a stable foundation, multiple advantages, strong resilience, and great potential, and the supportive conditions and underlying trend for long-term improvement have not changed. In particular, the Political Bureau of the Central Committee meeting held on 26 September 2024 deployed a package of incremental policies to intensify the counter-cyclical adjustment of macro policies, give play to the extra space of fiscal deficits, replace the local stock of hidden debt, and strengthen the support for the policies of the “two major” and “two emerging” areas, to accelerate the full implementation of a series of major strategic tasks and projects, which provided a relaxed policy environment for the construction of transportation infrastructure.

During the reporting period, the Company utilized the advantages on industrial linkage among the “big city” business, the “big transportation” business and the “rivers, lakes and seas” business, to enhance the integration of internal and external resources and provide a comprehensive package of high-quality “CCCC solutions” to the market. Firstly, bearing its mission of being the “great power of the country”, the Company firmly implemented the national strategy of strengthening the country through transportation, and orderly promoted the Pinglu Canal (平陸運河), a landmark project for the construction of a strong transportation country, and provided an integrated plan of design and construction. The Shenzhen-Zhongshan Bridge, which is a major national project, was completed and opened, creating a number of “world's best”, for which General Secretary Xi Jinping sent a congratulatory letter. Secondly, focusing on the “three major projects”, the Company has been playing an active role in the areas of rural revitalization and urban renewal for the well-being of the people by fully aligning with the needs of economic and social development as well as the people to successfully implement a number of key projects with strong representativeness and influential effects, such as the municipal pipe network construction, old town renovation, and living environment and ecosystem upgrade. Thirdly, focusing on the “3060” carbon peaking and carbon neutrality target and relying on digital and intelligent management, the Company continued to build China's No. 1 brand in offshore wind power, and achieved the value of new contracts of RMB20,469 million during the reporting period through signing new projects in Shandong, Hainan, Shanghai, Zhejiang and other places. The Chengping Expressway was successfully selected as one of the first batch of zero-carbon pilot projects of the Ministry of Transportation of the PRC. The Company promoted the research on advanced technology to traditional industries through relying on the national key laboratories to facilitate the high-end, intelligent and green upgrades of the industry.

2. Overseas Market

During the reporting period, the international situation was characterized by a mixture of chaos, with prolonged and escalating geopolitical conflicts, intensifying “decoupling and breaking the chain”, and the accelerated rise of the Global South. The Russia-Ukraine conflict continues, the Israel-Palestine situation remains uncertain, and the introduction of the “Lobito Corridor” plan has intensified great power competition on a global scale. The century-long transformation is accelerating, continuously impacting regional markets. Based on scientific and technological reform and industrial reform, high-quality economic and social development giving rise to many new industries and new models, the development of the infrastructure construction industry is facing another round of integration, the willingness of governments to stimulate the economy through infrastructure has been further enhanced, the demand for inter-regional transportation interconnection has increased, and major projects and high-quality projects are further clustered to the leading enterprises. The eight actions of “Belt and Road”, the “Ten Partnership Actions” of China-Africa and the series of deployment arrangements under a number of multi-bilateral cooperation mechanisms have brought new opportunities for overseas business development. According to ENR Statistics in 2024, the new contract value of the world’s top 250 international contractors increased by 15.1% year-on-year, indicating vast potential in the international market in the future.

The Company insists on the principle of “jointly negotiate, establish and share (共商共建共享)” and the goal of “building a shared future for mankind (構建人類命運共同體)”, takes “heart-to-heart bridge (連心橋)”, “road to wealth (致富路)”, “developed port (發展港)” and “happy city (幸福城)” as targets, plans and implements the livelihood projects along the “Belt and Road” Initiative at a high level to benefit the governments of two countries and local society, and firmly promotes the development of overseas business in the direction of “high quality, benefiting people’s livelihood and sustainability (高質量、惠民生、可持續)”.

3. Business Summary

(1) Infrastructure Construction Business

The scope of infrastructure construction business mainly consists of investment, design, construction, operation and management of ports, roads and bridges, railways, water conservancy, urban rail transit, municipal infrastructures, building construction, environmental protection and related projects at home and abroad. Categorized by project type, it specifically covers port construction, road and bridge construction, railway construction, urban construction, and overseas projects.

During the reporting period, the value of new infrastructure construction contracts entered into by the Company amounted to RMB1,700,582 million, representing a year-on-year increase of 9.1%. The value of new contracts from overseas markets amounted to RMB344,644 million (equivalent to approximately USD48,894 million). Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB126,839 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB109,504 million. As at 31 December 2024, the backlog of the Company amounted to RMB2,947,341 million.

Categorized by project type and location, the value of new contracts in terms of port construction, road and bridge construction, railway construction, urban construction, etc. and overseas projects amounted to RMB87,634 million, RMB275,188 million, RMB16,260 million, RMB976,856 million and RMB344,644 million, representing 5%, 16%, 1%, 58% and 20% of the total value of new infrastructure construction contracts, respectively.

① *Port Construction*

As the largest port construction enterprise in China, the Company has undertaken a majority of medium and large port terminals since the founding of the PRC. With compelling competitive edges, the Company encountered relatively limited substantive competitors.

During the reporting period, the value of new contracts of the Company for port construction projects in Chinese Mainland amounted to RMB87,634 million, representing a year-on-year increase of 3.7%, and accounting for 5% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB1,788 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB1,182 million.

Data published by the Ministry of Transport of the PRC showed that fixed asset investment in coastal and inland water transport construction amounted to approximately RMB197,966 million from January to November 2024, representing a year-on-year increase of 8.3%. The major investment targets in coastal ports include the construction of international hub seaports, north-south sea transportation channels, national energy and resource strategic reserve bases and other fields, while as for the inland river regions, the investments are mainly targeting the newly added navigation target of 2,500 kilometers for the “14th Five-Year Plan” period of the “four verticals, four horizontals and two networks”, the national high-grade waterway networks.

Relying on the development of modern industrial chain leadership and the establishment of an intelligent port and maritime industry alliance, and following the business layout in strategic regions, the Company deeply got involved in Beijing-Tianjin-Hebei, the Yangtze River Delta, Guangdong, Hong Kong and Macao and other key regions, focused on major projects, and successfully completed the Phase III Project of Macun Port in Chengmai County, Hainan Province, Construction General Contracting for Phase I of Crude Oil Terminal in the Bulk Cargo Area of Huanghua Port, Phase I of Luoqi Operation Area, Main City Port Area, Chongqing Port and other key projects.

② *Road and Bridge Construction*

As one of the largest road and bridge construction enterprises in China, the Company enjoys remarkable technical and scale advantages in construction of expressways, high-grade highways as well as river-crossing and sea-crossing bridges, and is the market leader in the same industry in China. The road business of the Company realizes a consulting service industry pattern of infrastructure sector with full lifecycle and whole-process integration, covering from single industry chain to whole industry chain (planning, feasibility study, investment and financing, survey and design, project construction, operation and maintenance, and asset disposal). With the advantages of leading technical strength, sufficient capital resources, outstanding project performance, abundant resource reserves and good reputation in the highway business, the Company is able to provide integrated consulting services across the whole industry chain. The Company has made important breakthroughs in key technologies such as the construction of mega-span suspension bridges, and has developed a comparative advantage over its competitors in the research of alpine frozen soil technologies, along with the whole industry chain and integrated services covering bridge, island and tunnel projects. Major competitors of the Company are some large-scale central state-owned enterprises and local state-owned infrastructure enterprises.

During the reporting period, the value of new contracts of the Company for road and bridge construction projects in Chinese Mainland reached RMB275,188 million, representing a year-on-year decrease of 21.2%, and accounting for 16% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects amount to RMB78,994 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB77,810 million.

Data published by the Ministry of Transport of the PRC showed that fixed asset investment in road transport construction amounted to approximately RMB2,362,702 million from January to November 2024, representing a year-on-year decrease of 10.8%. During the “14th Five-Year Plan” period, China will construct its expressways with a target of accelerating the construction of a country with strong transportation network and guided by developing integrated and multi-dimensional transportation networks. China will alleviate the imbalance of road network development needs between regions, so as to enhance the quality of national expressway networks and develop a modern and integrated transportation system. According to statistics, the construction scale of the mid-term adjustment projects of the national highway under the “14th Five-Year Plan” is around 42,000 kilometers, with a total investment of approximately RMB3.1 trillion. Wherein, the construction scale of highways is around 10,500 kilometers, with an investment of approximately RMB1.9 trillion; the construction scale of ordinary highways is around 31,800 kilometers, with an investment of approximately RMB1.2 trillion. Following the mid-term plan adjustment for the “14th Five-Year Plan”, there is an enhanced focus on front-end leadership and green, low-carbon transformation, requiring the implementation of regional governance on key projects such as the urbanization reconstruction of expressways that run through the cities, upgrading and expansion of busy road sections, trunk routes and cross-harbor crossings. From the perspective of market layout, Guangdong, Hong Kong and Macao, the Yangtze River Delta, Central China, Northeast China, Northwest China and Beijing-Tianjin-Hebei regions have a relatively broad market.

During the reporting period, following the construction of a country with strong transportation network and a national integrated and multi-dimensional transportation networks, the Company focused on the incremental markets of comprehensive transportation hubs, highway urbanization reconstruction, smart transportation and “transportation + new energy”, and has engaged in the construction of a number of high-quality highway projects such as the Expansion Project of Duyun-Guiyang Section of G76 Xiamen-Chengdu National Expressway and the Rongjiang-Rong’an (Guizhou and Guangxi Conjunction) Expressway Project, the EPC Project of Tianma Section of G5615 Tianhou Expressway in Yunnan Province and the Improvement and Transformation Project of Golmud-Nagqu (Qinghai Section) of G109 Qinghai-Tibet Highway.

③ *Railway Construction*

As one of the largest railway construction enterprises in China, the Company sticks to the strategic target of completely becoming a first-class rail transportation comprehensive service provider with leading technology, advanced management and outstanding quality. As for the domestic market, the Company has developed into the main force of China's railway construction by virtue of its outstanding construction level and excellent management capability, but a large gap still exists between the Company and the two domestic traditional railway infrastructure enterprises in terms of market shares in China. Leveraging the policy opportunities of China State Railway Group Co., Ltd. on further unifying and opening up the railway construction market and further optimizing its rail transit business layout, the Company will seek opportunities in channel-oriented and valuable freight railway projects. As for the overseas market, the Company has successfully entered into the railway construction markets in Africa, Southeast Asia, etc. It has completed or operated several major railway projects such as the Mombasa-Nairobi Railway and the Kenya Railway, with the East Coast Railway in Malaysia under construction, and the brand of "CCCC Railway" shows vital influence in the international market.

During the reporting period, China promoted the railway construction in a scientific and orderly manner with an investment on fixed assets of national railway field of RMB850,600 million, representing a year-on-year increase of 11.2%. According to statistics, in terms of the value of contracts awarded, the Company's market share amounted to 2.6%, ranking the third in the industry and the first among non-railway sectors. The value of new contracts of the Company for railway construction projects in Chinese Mainland amounted to RMB16,260 million, accounting for 1% of that of the infrastructure construction business.

During the reporting period, the railway business focused on improving the construction of the "eight verticals and eight horizontals" high-speed railway network, actively promoting intercity railways, accelerating the development of urban railways, enhancing the road network layout, and the excavation of main tunnel of Yigong Tunnel, the longest railway tunnel in China had commenced. The Company has formed a full industry chain layout of rail transportation business around design and consult, construction, equipment manufacturing, operation and maintenance. Relying on the Company's industrial advantages in highways and airports, the Company innovated to build "rail+" integrated urban operation solutions. The Company firmly implemented the national strategy of strengthening the country through transportation and successfully signed new contracts for the construction projects such as the Project of Section 3 of Pre-Station of Jiangsu Section of Weifang-Suqian High-speed Railway in Suqian, Jiangsu Province and Construction Lump-sum Contracting for Project of the Pearl River Delta Hub Airport to Provincial Boundary Section of Shenzhen-Nanning High-speed Railway (Section SNSG-2), polishing the brand of "CCCC Railway".

④ *Urban Construction, etc.*

The Company actively participated in urban construction for building construction, urban rail transit and comprehensive urban development extensively, with considerable influence in the market. Meanwhile, the Company accelerated the layout of emerging industries, such as water conservancy, energy businesses, ecological and environmental protection, urban water environment treatment, etc., and endeavored to cultivate new growth points.

During the reporting period, the value of new contracts of the Company for urban construction projects in Chinese Mainland reached RMB976,856 million, representing a year-on-year increase of 23.2%, and accounting for 58% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB46,058 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB30,512 million.

Categorized by project type, the value of new contracts for building construction, municipal engineering, water conservancy, urban rail transit, comprehensive urban development, offshore wind power, environment treatment and other projects accounted for 42%, 17%, 6%, 4%, 2%, 2%, 2% and 25%, respectively, of the value of new contracts for urban construction projects.

In 2024, the State set higher developmental requirements in the areas such as new urbanization and the realization of rural revitalization values. A variety of national policies had been implemented to actively and cautiously eliminate the risks in real estate industry, and to accelerate the construction of “three major projects”, aiming to bolster the overall stability and positive momentum in the city clusters with advantages, the real estates in metropolitan areas and urban renewal markets. People’s livelihood projects released new momentum for the development of the industry, and the market demand for the old community renovation, collective rental house, affordable house, hospitals and schools, public services continued to increase. Under the strategy of carbon peaking and carbon neutrality target, the way of housing construction transformed quickly, and digital construction, green construction and construction industrialization developed fast. The gathering of urban population put forward higher requirements for public supporting facilities, and the market demand for urban renewal, comprehensive development of underground space, intelligent parking and pipe network renovation continued to be released.

During the reporting period, the Company actively participated in the construction of the “three major projects” in its **housing construction business**, winning bids for several urban village redevelopment projects, including the Redevelopment and Renewal Project of the East Guanhutun Urban Village and Districts in Jinshui District, Zhengzhou City, and the Urban Village Redevelopment Project of Nanchen Village, Tianxin Village, Songtai Village, Nanshang Village and Beishang Village in Wuqing District, Tianjin City. It also implemented the construction of government-subsidized housing projects in multiple locations including Tongshan District in Xuzhou City, Xinyang City, Henan Province and Chuxiong Yi autonomous Prefecture, Yunnan Province. Adhering to its positioning as a distinctive cold chain logistics resource integrator, the Company won the bid for the Construction Project of the National Backbone Cold Chain Logistics Base in Zhanjiang City, and bids for several industrial park projects, including the Project of CSIQ Industrial Park in Hohhot and the New Material Manufacturing Industrial Park in Foshan City. **In the municipal business sector**, the Company continued to focus on new infrastructure, urban integrated transportation, pipeline renovation and other areas supported by government funding, further enhancing its competitive strength. The Company fully engaged in rural revitalization and the construction for the “Project of Hundred Counties, Thousand Towns and Ten Thousand Villages (百千萬工程)” in Guangdong Province, successfully winning bids for multiple county-level projects. The Company entered areas with high technology such as complex urban transportation, smart transportation and smart city. In regions like Liaoning and Hubei, the Company prioritized the advancement of intelligent gas regulation and the construction of urban integrated management platforms, and implemented projects including the Integrated Service Platform for Intelligent Supervision and Safe Operation of Urban Gas, the Smart City Construction Project in Tianjin, and the Nationwide Construction of New Infrastructure Towers for 5G+ Smart Cities to improve the urban modernization and build livable, resilient and smart cities. **In the comprehensive urban development business sector**, the Company catered to a new round of demands for district development and construction brought by the strategy of new type of urbanization, national land space planning and adjustment and urban renewal actions. The Company signed a number of large urban complex projects such as the Urban Renewal Project in Minzhi Street, Longhua District, Shenzhen City, and the Comprehensive Development Project in the Southern Block of Shuixi Cluster in Sanjiangkou District, Ganzhou City, Jiangxi Province. Our district development model has been refined, and our business scale has been growing. The Company is committed to building a beautiful China and has participated in watershed management and sewage treatment projects in Shandong, Sichuan and other places.

During the reporting period, the Company continued to expand its business in fields such as water conservancy, energy as well as agriculture, forestry, animal husbandry and fishery. The scale effect of the “second growth curve” business has begun to emerge. **In the water conservancy business sector**, the Company successfully won bids for projects such as the Xiangyang Reservoir Water Source Project in Chongqing City, the Third Batch of Construction Sections for the Beibu Gulf Rim Guangxi Water Resources Allocation Project, the Guanting Reservoir Desilting Pilot Project, the Section I and Section II Construction of the Wangyao Reservoir Expansion Project in Yan’an City, and the Yuqiao Reservoir Desilting Pilot Project. **In the energy business sector**, the Company built a professional platform for offshore wind power, achieving a value of new contracts of RMB15,533 million, and signed several new projects, including the North L Field Offshore Wind Power Project of Shandong Branch of China Huaneng Group Co., Ltd. and the 1.2GW Offshore Wind Power Project of China Datang Corporation Ltd. in Danzhou, Hainan. The Company has obtained a number of national leading offshore construction and operation and maintenance technologies. The Company also won bids for projects such as the 1,200MW Household Photovoltaic Project in Lianjiang, Guangdong Province, the EPC Project of the Eco-tourism Integrated Comprehensive Energy Demonstration Base for Sand Control in the Yellow River Beach Area of Hechuang (Dongming) (合創(東明)), the 405MW Wind Power EPC + Procurement Project under the Thousands of Villages Wind Power Coverage Action (千鄉萬村馭風行動) in She County, and the 150MW/15MWh Independent Energy Storage Frequency Regulation EPC Project in Yungang District, Datong City. **In the agriculture, forestry, animal husbandry and fishery business sector**, the Company won bids for projects such as the EPC Project for the Industrialization Promotion Demonstration of Land Quality and Yield Improvement in Modern Agriculture in Rizhao, the EPC Project for the Comprehensive Desertification Control in Western Inner Mongolia (Phase II) in Alxa League, and the EPC Project for the National Forest Reserve in Yanjin County, Yunnan Province.

⑤ *Overseas Projects*

The Company’s scope of overseas projects in the infrastructure construction business includes all kinds of large-scale infrastructure projects such as roads and bridges, ports, railways, airports, environmental protection, subways, buildings, water conservancy and hydropower, clean energy etc., with remarkable competitive edges in the market.

During the reporting period, the value of new contracts of the Company for overseas projects in the infrastructure construction business amounted to RMB344,644 million (equivalent to approximately USD48,894 million), representing a year-on-year increase of 16.8%, and accounting for 20% of that of the infrastructure construction business.

Based on a global perspective and taking advantage of its main business, the Company actively coped with and served national strategies, giving full play to its advantages in the fields of “big city”, “big transportation”, as well as “rivers, lakes and seas”, and made every effort to promote the interconnection of transportation infrastructure and improvement of people’s livelihood along the routes, actively contributing Chinese wisdom and Chinese solutions. During the reporting period, the Company has newly signed a series of projects, such as the Garissa — Isiolo Standard Gauge Railway Project in Kenya, the Phase V Operation and Maintenance Project of Melbourne Yarra Tram in Australia, the EN1 Light Rail Project in Maputo, Mozambique, the OXAGON Port Project in the Future City of Saudi Arabia, the Trunk Road T4 and related works in Hong Kong, and the Media Circle Apartment Units in Singapore.

(2) *Infrastructure Design Business*

The scope of infrastructure design business mainly includes consulting and planning service, feasibility study, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, general project contracting, compilation of industry standards and codes, etc.

As the largest port design enterprise in China, as well as the world’s leading highway, bridge and tunnel design enterprise, the Company enjoys remarkable competitive edges in related business fields. As compared with the Company, other participants in the market have relatively weak competitiveness. CCCC Design, a wholly-owned subsidiary of the Company (600720.SH) was officially listed on 28 December 2023. After the completion of asset swap, the preliminary professional integration of CCG’s design segment was completed, and CCCC Design became the largest listed company in China engaged in design business. It fully played its leading role in the industry chain, vigorously expanded the high-end markets, and contributed to the growth and upgrade of the Group’s business. The capital contribution from China Zhibao Investment Co., Ltd.*(中國智寶投資有限公司) to CCCC Design is mainly to build an overseas design brand and insist on advancing towards the front-end and high-end of the business, leading the design standards to spread overseas and accelerating the improvement of the design capabilities as well as the implementation of the design qualifications and credentials.

In terms of the railway infrastructure design business, the Company has entered into the market during the “11th Five-Year Plan” period, and its operations mainly involve overseas railway projects and domestic rail transit projects.

During the reporting period, the value of new contracts of the Company in infrastructure design business reached RMB52,646 million, representing a year-on-year decrease of 5.9%. Wherein, the value of new contracts from overseas markets amounted to RMB2,841 million (equivalent to approximately USD403 million). As at 31 December 2024, the backlog of the Company amounted to RMB179,220 million.

(3) *Dredging Business*

The scope of dredging business mainly includes infrastructure dredging, maintenance dredging, environmental dredging, reclamation and watershed management, as well as supporting projects related to dredging and land reclamation.

During the reporting period, the value of new contracts of the Company in dredging business reached RMB116,017 million, representing a year-on-year decrease of 2.7%. Wherein, the value of new contracts from overseas markets amounted to RMB11,175 million (equivalent to approximately USD1,584 million). As at 31 December 2024, the backlog of the Company amounted to RMB328,626 million.

The Company is the world's largest dredging company and enjoys absolute influence in China's coastal dredging market, with business scope covering the fields of port dredging, channel dredging, land reclamation, watershed management, pre-dredging and post-dredging services and environmental protection. Currently, the Company has the largest and most advanced fleet of dredging vessels in China and ranks the first in the global market in terms of the total number of trailing suction hopper dredgers and cutter suction dredgers. During the reporting period, the Company continued to optimize its asset structure by steadily promoting the investment, construction and acquisition of major dredging vessels and equipment, eliminating some old and inefficient outdated vessels, optimizing the dispatching mechanism of equipment such as cutter suction dredgers to improve the construction utilization rate.

The national coastal dredging investment market remains relatively stable, offering a consistent market share for the dredging sector and serving as a ballast stone. As the implementation of the national plan for high-grade waterway of “four verticals, four horizontals and two networks”, investment in the inland waterway market has been increasing annually. Major inland waterway projects such as the Beijing — Hangzhou Canal, the new western land-sea corridor (Pinglu Canal), the Jiangxi-Guangdong Canal, and Hunan-Guangxi Canal, have gained increasing attention from the country and society. According to the “Guiding Opinions on Strengthening the Management of Reservoir Capacity (《關於加強水庫庫容管理的指導意見》)” from the Ministry of Water Resources, there will be a significant potential for the reservoir dredging market over the next decade. The total investment in China's water transport construction is anticipated to maintain a modestly upward trend over the next five years, with the investment in inland waterways emerging as the major growth driver, presenting new development opportunities for the Company's dredging market in the future.

During the reporting period, the Company focused on its strengths and promoted the operation of major projects, winning bids for a series of key projects such as the Da Xiao Deng, Meishan Port, Xiaoyangshan Port and Huanghua Port, and making breakthroughs in the areas at lake and reservoir desilting, inland waterways, water conservancy projects and other areas at restructuring. To promote green development and build a beautiful China, the Company actively put efforts in the large ecological and environmental protection and water resources incremental market, promoting the implementation of a number of target-oriented key projects with global drive, such as water source protection, watershed water ecological restoration, soil pollution treatment and remediation, ecological restoration of mines and the marine ecological protection and restoration.

(4) Other Businesses

Other businesses mainly include the equipment manufacturing of shield machines along the Company's entire industrial chain, centralized procurement of materials and financial industry support, etc.

The Company's shield machine equipment and complete set of technologies realized the development of the whole industry chain, manufactured and repaired over 100 shield machines with a diameter ranging from 3.64 meters to 16.07 meters, and competed and innovated with international first-class shield machine manufacturers in large shield machine projects such as the Nanjing Weisan Road/Heyan Road, the Shanghai Airport Liaison Line, the Reconstruction Project of the Sixth Eastern Ring Road in Beijing, and the Karnaphuli Tunnel Project in Bangladesh, and built up a core advantage in the field of intensive development of mega and ultra mega cities across rivers and lakes. In the construction of the Fuzhou Metro, the Company utilized the dual-model shield tunneling machines, which enabled us to cope with a range of hydrogeological conditions by adjusting its operational mode, leading to a substantial improvement in construction efficiency and ensuring the safety and quality of the projects as compared to conventional techniques. The Company continued to optimize the procurement mode of materials, established the control scheme for domestic trade enterprises, and strengthened the source procurement in practice; dynamically adjusted the procurement catalog, explored the regional procurement of different categories, and implemented the procurement of flooring materials, so as to expand the benefits of procurement; and carried out regional procurement with overseas markets to improve the system construction of the Company's overseas supply chain, and enhanced the internationalization of the procurement management standard.

During the reporting period, the value of new contracts of the Company in other businesses amounted to RMB11,940 million. As at 31 December 2024, the backlog of the Company amounted to RMB31,586 million.

4. Some Major Contracts Entered into during the Reporting Period (Unit: RMB million)

(1) Infrastructure Construction Business

Port Construction

No.	Contract Name	Contract Value
1	Phase 1 of Crude Oil Terminal Project in the Bulk Cargo Area of Huanghua Port in Hebei Province	2,379
2	Phase III Project of Macun Port in Chengmai County, Hainan Province	2,006
3	Phase I Engineering Project of Breakwater of Xiaomo International Logistic Port in Shen-Shan Special Cooperation Zone, Guangdong Province	1,953
4	Phase I Project of Luoqi Operation Area, Main City Port Area, Chongqing Port	1,951
5	EPC Project of Section I of Commercial Coal Storage and Transportation Base of Huanghua Port in Hebei Province	1,923

Road and Bridge Construction

No.	Contract Name	Contract Value
1	EPC Project of Tianma Section of G5615 Tianbao-Houqiao Expressway in Yunnan Province	8,997
2	General Contracting Project of Nanning Second Ring Expressway in Guangxi Province	4,785
3	Qinhuangdao-Shenyang Expressway (Songlingmen-Shenyang Section) Project	3,700
4	G346 Huoshan-Yingshan Green Highway Project (Phase I) EPC Project	3,377
5	Expansion Project of Wangshiwan (Zhuting) in Zhuzhou-Leiyang Dashi Section of G4 Beijing-Hong Kong-Macao Expressway	3,219

Railway Construction

No.	Contract Name	Contract Value
1	Project of Section 3 of Pre-Station of Jiangsu Section of Weifang-Suqian High-speed Railway in Suqian, Jiangsu Province	3,011
2	Construction Lump-sum Contracting for Project of the Pearl River Delta Hub Airport to Provincial Boundary Section of Newly Built Shenzhen-Nanning High-speed Railway (Section SNSG-2)	2,599
3	Construction General Contracting Project of Section JCZQ-2 of Pre-Station of F2 Line and F3 Line in Fujian Province	2,130
4	Project of Section JZTJ-5 of Civil Engineering Works of Newly Built Jinan-Zaozhuang Railway	1,982
5	Project of Section 11 of Pre-Station of Guangzhou-Zhanjiang Railway in Foshan, Guangdong Province	1,494

Urban Construction, etc.

No.	Contract Name	Contract Value
1	Construction General Contracting for the Phase I Project of Rail Transit Line 17 in Chengdu, Sichuan Province	9,755
2	Laochengxiang Old District Renovation Project in Qingpu New Town, Shanghai	8,464
3	Nanchang Global International Tourism Resort Project in Jiangxi Province	8,000
4	Provincial Logistics Hub Comprehensive Development Project in Funing County, Wenshan Prefecture, Yunnan Province	7,772
5	Demonstration Project of Common Prosperity in Tanghe New City, Rui'an, Zhejiang Province	6,229

Overseas Projects

No.	Contract Name	Contract Value
1	Operation and Maintenance Project of Trams (Phase V) in Yarra, Melbourne, Australia	16,442
2	Project of Ndayane New Port in Senegal	8,126
3	Mombasa-Nairobi Standard Gauge Railway Reconstruction Project in Kenya	6,886
4	Projects of Stack Yard Packages for T1 Wharf of OXAGON Port in Neom, Saudi Arabia	6,758
5	Maintenance and Asphalt Overlay Project of Sun Road, East Coast, Madagascar	6,483

(2) Infrastructure Design Business

No.	Contract Name	Contract Value
1	Project for Additional Second Line to Railway from Jiangjun Temple of Zhundong to Naomao Lake of Hami (South of Baishi Lake) in Xinjiang	8,138
2	Project of Reconstruction of Huxi Waterway (Upstream Lake Section) of Beijing — Hangzhou Canal in Jining, Shandong Province	2,663
3	Residential Project at 139 North Road, Changji Prefecture, Xinjiang	1,766
4	LNGMT-EPC Section of Wharf Project of LNG Receiving Station Project of Jiangsu Huadian Ganyu	1,210
5	Project of Jiangyin Port Economic Zone (Lan Yuan Area) in Fuzhou City, Fujian Province	1,179

(3) Dredging Business

No.	Contract Name	Contract Value
1	Comprehensive Development Project of Jiangnan Spring-city of Economic Development Zone in Chongqing	3,067
2	Demonstration Project on Promoting Industrialization of Land Quality and Output Improvement of Modern Agriculture in Rizhao City, Shandong Province	2,500
3	Ecological Environment Oriented Comprehensive Development Project of Nangang Industrial Zone, Tianjin City	2,500
4	200,000 DWT waterway project in Tieshan Port, Beihai Port, Guangxi Province	2,391
5	Phase I of Oil and Gas Supporting Facilities Sea Island Comprehensive Development Project in Cambodia	2,318

(II) MAJOR PRODUCTION AND OPERATIONAL DATA

1. Values of Contracts Newly Entered into during the Reporting Period (RMB million)

Business Segment	October-December 2024		Accumulated in 2024		Aggregate for the same period of 2023	Year-on-year change
	Number	Amount	Number	Amount	Amount	(%)
Infrastructure						
Construction						
Business	2,499	551,131	7,141	1,700,582	1,558,482	9.1
Port Construction	100	25,391	375	87,634	84,523	3.7
Road and Bridge						
Construction	215	72,812	667	275,188	349,005	-21.2
Railway Construction	5	3,194	14	16,260	36,919	-56.0
Urban Construction, etc.	1,982	364,070	5,704	976,856	792,908	23.2
Overseas Projects	197	85,665	381	344,644	295,126	16.8
Infrastructure Design						
Business	2,188	13,930	8,024	52,646	55,972	-5.9
Dredging Business	263	31,808	1,323	116,017	119,193	-2.7
Other Businesses	N/A	3,860	N/A	11,940	19,568	-39.0
Total	N/A	600,729	N/A	1,881,185	1,753,215	7.3

Values of contracts newly entered into outside the PRC during the reporting period (RMB million)

Region of projects	Number of projects	Total value
Africa	203	138,189
Asia (excluding Hong Kong, Macau and Taiwan)	349	96,684
Oceania	13	47,162
Latin America	53	23,013
Europe	12	20,875
Hong Kong, Macau, Taiwan and other regions	<u>163</u>	<u>33,803</u>
Total	<u>793</u>	<u>359,726</u>

2. Completed and Accepted Projects during the Reporting Period (RMB million)

Total number of projects	<u>N/A</u>
---------------------------------	------------

Total project value	<u>263,808</u>
----------------------------	----------------

		Number	Value
Categorized by region	Domestic	N/A	232,264
	Overseas	N/A	31,544
Categorized by business type	Infrastructure construction business	821	229,498
	Infrastructure design business	154	10,243
	Dredging business	137	24,067
	Other businesses	N/A	–

Note: Calculated based on projects whose main construction has been completed or projects that have generated more than 95% of their output.

3. Projects under Construction during the Reporting Period (*RMB million*)

Total number of projects	N/A
--------------------------	-----

Total project value	4,810,639
---------------------	-----------

		Number	Value
Categorized by region	Domestic	N/A	4,077,990
	Overseas	N/A	732,649
Categorized by business type	Infrastructure construction business	6,998	4,248,630
	Infrastructure design business	23,312	236,585
	Dredging business	1,761	292,601
	Other businesses	N/A	32,823

4. Outstanding Projects during the Reporting Period (*RMB million*)

		Contracted but not yet commenced	Under construction and not yet completed
Total number of projects		N/A	N/A
Total project value		867,972	2,618,801

		Number	Value	Number	Value
Categorized by region	Domestic	N/A	693,835	N/A	2,185,834
	Overseas	N/A	174,137	N/A	432,967
Categorized by business type	Infrastructure construction business	1,835	716,520	6,795	2,230,821
	Infrastructure design business	254	28,854	21,585	150,366
	Dredging business	473	121,299	1,624	207,327
	Other businesses	N/A	1,299	N/A	30,287

5. Infrastructure and Other Investment Projects

In 2024, the market competition for infrastructure and other investment projects became increasingly fierce. The phenomenon of “cross-boundary” activities among state-owned construction enterprises became more common, and the competitive landscape in the traditional infrastructure sector experienced severe “involution”. The state ministries and committees have issued a number of policy documents, organized and carried out various special actions, and gradually detailed the regulatory requirements for the new mechanism for cooperation between government and private capital, non-main business investments, overseas investments, and existing PPP projects, etc., under which it is required to fully and faithfully apply the new development philosophy on all fronts, focus on promoting high-quality development, highlight the work of stabilizing investment. At the same time, the resolution of local government recessive debts has been further promoted, and the supervision of existing PPP projects in terms of government audit rectification and financial supervision rectification has become increasingly stringent.

During the reporting period, the Company consistently maintained strategic focus, exercised strict control, and pursued high efficiency and quality, achieving new breakthroughs in high-quality development through value-driven investment. **Firstly, the investment scale was reasonably reduced.** In 2024, the value of contracts from infrastructure and other investment projects as recognized in proportion to the Company’s shareholding amounted to RMB129,383 million, a year-on-year decrease of 38.0%, indicating a return to rational investment practices. **Secondly, the investment structure continued to improve,** with an increase in the proportion of short- and medium-term, light-asset, and key regional projects. The Company adhered to high-quality selection of key projects, and continuously advanced specialized research in areas such as offshore floating wind power, cold chain, port operations, and intelligent computing centers. The leading role of investments in new business areas such as water conservancy, hydropower, and clean energy continued to strengthen. **Thirdly, investment risks were effectively mitigated.** The Company continuously monitored and studied the implementation of the resolution of local government recessive debts, prioritizing projects based on regional economic development, local fiscal conditions, and project implementation. Tailored strategies were adopted for each region and project, accelerating debt resolution and the revitalization of existing projects, speeding up the process of fund recovery, and improving cash flow levels and various financial indicators.

In the next step, the Company will closely align with the overall requirements of the “year of high-quality development breakthrough”, focusing on controlling total volume, optimizing incremental investments, and adjusting the structure to enhance investment quality and efficiency, thereby driving new breakthroughs in high-quality investment development. **Firstly, the Company will adhere to total volume control and solidify the foundation for high-quality development.** Following the principle of “spending within means, determining expenditures based on income, and gradually realizing investment cash flow balance”, the Company will continue to control the total investment volume, optimize the investment structure, and coordinate the layout of long-term, medium-term, and short-term projects. Efforts will be made to strengthen capital turnover, ensuring circulation of funds, and encourage investments in small and outstanding, short-cycle, and fast-return projects. **Secondly, the Company will uphold value-driven investment and meticulously select investment targets.** Strict pre-investment evaluation and demonstration will be conducted, adhering to the principle of ensuring profitability in advance. Investment targets will be selected based on their cash flow and profit contribution to ensure favorable investment returns. The Company will further increase the proportion of investments in strategic emerging industries, accelerate the deployment of overseas investment, and focus on countries (regions) with high potential for infrastructure demand and favorable investment environments. **Thirdly, the Company will insist on strengthening supervision and ensure high-quality project execution.** The Company will fully implement full-life-cycle supervision requirements, strengthen responsibility, ensure implementation, and enhance digital and intelligent supervision methods. By leveraging digital transformation and intelligent technologies, the Company will empower investment business management. **Fourthly, the Company will adhere to the bottom line of investment and coordinate development and safety with high quality.** The Company will enhance risk and crisis awareness, reinforce bottom line and systematic thinking, closely monitor policy trends, strictly comply with national regulatory requirements, and avoid regional and systemic risks. Continuous improvement of systemic response plans and comprehensive prevention mechanisms will be ensured to keep all types of risks under control.

(1) *New Contracts of Infrastructure and Other Investment Projects*

During the reporting period, the value of contracts of all businesses from infrastructure and other investment projects amounted to RMB129,383 million, including RMB129,047 million for domestic market and RMB336 million for overseas market as recognized in proportion to the Company's shareholding, among which, the confirmed values of contracts from BOT and BOO projects, government paid (non-operational) projects and urban comprehensive development projects were RMB74,695 million, RMB18,346 million and RMB36,342 million respectively, accounting for 58%, 14% and 28% of that of infrastructure and other investment projects respectively, and the contract value of construction and installation contracts to be undertaken by the Company in the design and construction sector was estimated to be RMB110,084 million.

(2) *Government Paid Projects and Urban Comprehensive Development Projects*

The accumulative completed investment in government paid projects by the Company amounted to RMB439,384 million with cumulatively RMB96,874 million recovered.

The accumulative completed investment in urban comprehensive development projects by the Company was RMB179,204 million and RMB166,174 million had been received by the Company.

(3) *Concession Projects*

As at 31 December 2024, according to statistics of the consolidated items contracted and financed by the Company (the latest statistics shall prevail if there was any change), the accumulative completed investment in concession projects amounted to RMB195,007 million. 32 concession projects together with 33 share-participation projects had been put into operation, and the operating revenue and net loss for the reporting period were RMB8,329 million and RMB2,340 million, respectively. As audited, as at 31 December 2024, the uncompleted investment amounted to RMB111,827 million.

① *Infrastructure and Other Investment Projects Newly Entered into (RMB million)*

No.	Project Name	Project Type	Contract Value			Operating Project or Not	Consolidated or Not	Construction Period (Year)	Toll Collection/ Operation Period (Year)
			Total Investment Budget Estimate	according to Shareholding Ratio of the Company	Expected Construction and Installation Contract Value				
1	Expansion Project of Duyun-Guiyang Section of G76 Xiamen-Chengdu National Expressway and the Rongjiang-Rong'an (Guizhou and Guangxi Conjunction) Expressway Project	BOT	28,862	28,862	22,012	Yes	Yes	3	37
2	Qinhuangdao-Shenyang Expressway (Songlingmen-Shenyang Section) Project	BOT	28,220	14,392	16,495	Yes	Yes	4	25
3	Project of Qi County-Lishi Expressway in Shanxi Province	BOT	13,587	13,587	9,008	Yes	Yes	3	30
4	Project of He County-Wuwei Section of Nanjing-Jiujiang Expressway of G4231 in Anhui	BOT	8,299	9,129	5,976	Yes	Yes	3	29.67
5	Laochengxiang Old District Renovation Project in Qingpu New Town, Shanghai	Comprehensive urban	8,909	8,464	2,655	Yes	Yes	4	0.25
6	"Yuancheng Zhigu" Comprehensive Development Project in Liangzhu New City, Hangzhou	Comprehensive urban	6,702	6,367	3,488	Yes	Yes	4	6
7	Project Package of Expansion Project of Wangshiwan (Zhuting) in Zhuzhou-Leiyang Dashi Section Bundled with Guidong-Chenzhou Section of Guidong-Xintian (Ningyuan) Expressway of G4 Beijing-Hong Kong-Macao Expressway	BOT	38,206	4,776	6,274	Yes	No	4	30
8	Urban Renewal Project in Jingshuang District, Shapingba District, Chongqing	Comprehensive urban	8,210	3,831	2,225	Yes	Yes	6	34
9	Industry-City Integration Comprehensive Development Start-up Area Project of General Mountain in Huangpu District, Guangzhou	Comprehensive urban	5,434	3,804	1,421	Yes	Yes	2	20
10	Ronghu Modern Community Comprehensive Development Project in Linping New City, Hangzhou	Comprehensive urban	4,121	3,709	2,871	Yes	Yes	5	5
11	Chongqing CCCC Luoqi Port Project	BOT	3,205	3,189	1,182	Yes	Yes	2	33
12	Others	-	139,341	29,273	36,477	-	-	-	-
Total			293,096	129,383	110,084	-	-	-	-

② *Concession Projects under Development² (RMB million)*

No.	Project Name	Contract Value according to Shareholding Ratio	Investment Amount in the Period	Accumulated Investment Value
1	Expansion Project of Duyun-Guiyang Section of G76 Xiamen-Chengdu National Expressway and the Rongjiang-Rong'an (Guizhou and Guangxi Conjunction) Expressway Project	28,862	55	55
2	Highways including Taihangshan Highway in Hebei Province	14,570	Share participation	Share participation
3	Qinhuangdao-Shenyang Expressway (Songlingmen-Shenyang Section) Project	14,392	301	301
4	Project of Qi County-Lishi Expressway in Shanxi Province	13,587	929	929
5	PPP Project of Quanzhou-Rongxian Highway (Pingnan-Rongxian Section) in Guangxi Province	12,755	2,230	2,812
6	Chengde (Lijiaying)-Pinggu (Hebei and Beijing Conjunction) Section Project of the Capital Region Ring Expressway (G95)	11,453	1,870	7,538
7	Highways including Urumqi-Yuli Highway in Xinjiang	10,616	Share participation	Share participation
8	Project of Guiyang-Jinsha-Gulin (between Guizhou and Sichuan) Highway in Guizhou Province	9,999	Share participation	Share participation
9	Project of Chongqing-Hunan Parallel Line (City Center to Youyang Section) and Wulong-Daozhen (Chongqing Section) Highway in Chongqing	9,687	Share participation	Share participation
10	Project of Dejiang-Yuqing Highway in Guizhou Province	9,388	Share participation	Share participation
11	Project of Quanzhou-Rongxian Highway (Pingle-Zhaoping Section) in Guangxi Province	9,192	1,644	3,484
12	PPP Project of Gansu G1816 Wuhai-Maqin Cooperation-Saierlong Expressway (between Gansu and Qinghai)	8,581	691	1,283
13	Jianglu North Line Expressway in Chongqing	8,498	Share participation	Share participation
14	Phase I of Project of Urumqi Rail Transit Line 4 in Xinjiang	8,287	Share participation	Share participation
15	PPP Project of Health Production Area in Jinxian Medical Park in Nanchang, Jiangxi Province	6,558	46	179

² The breakdown of concession projects under development does not include the concession projects acquired overseas.

No.	Project Name	Contract Value according to Shareholding Ratio	Investment Amount in the Period	Accumulated Investment Value
16	Project of Wushan — Guandu Section of Xuanhan — Kaizhou — Yunyang — Wuxi — Wushan Expressway	6,225	33	38
17	Tong'an Expressway in Chongqing	6,047	Share participation	Share participation
18	Reconstruction and Expansion Project of National Highway 208 between Jinzhong Changzhi Border to Tunliu Xiaohebei Section in Shanxi Province	4,940	570	852
19	Project of Phase I of Expressway from Lingtai to Huating of Line S28 in Gansu Province	4,050	Share participation	Share participation
20	Transit Re-routing Project of Xiangfen — Quwo — Houma of National Highway 108 in Shanxi Province	3,511	(95)	179
21	Project of Mengxi Industrial Park-Sanbei Yangchang Railway in Ordos, Inner Mongolia	3,383	Share participation	Share participation
22	Project of Naomao Lake-Jiangjun Temple Railway in Xinjiang	3,313	Share participation	Share participation
23	Chongqing CCCC Luoqi Port Project	3,189	395	395
24	Others	23,462	445	1,972
	Total	234,545	9,114	20,017

③ *Concession Projects in Operation Period (RMB million)*

No.	Project Name	Accumulated Investment Value	Operating Revenue in the Period	Toll Collection Rights Period (Year)	Completed Toll Collection Rights Period (Year)
1	New Songming-Kunming Expressway, Xuanwei- Qujing Expressway, and Mengzi-Wenshan- Yanshan Expressway in Yunnan Province	27,647	1,262	30	7.0
2	Daozhen-Weng'an Expressway in Guizhou Province	26,507	643	30	9.0
3	Phnom Penh-Port of Sihanoukville Expressway in Cambodia	13,257	303	50	1.5
4	Guiyang-Qianxi Expressway in Guizhou Province	9,247	376	30	8.0
5	Guiyang-Weng'an Expressway in Guizhou Province	8,570	478	30	9.0
6	Yanhe-Dejiang Expressway in Guizhou Province	7,537	146	30	9.0
7	Guiyang-Duyun Expressway in Guizhou Province	7,444	568	30	13.8
8	Concessions of Lekki Port in Nigeria	6,524	285	45	1.7
9	Yulin-Jiaxian Expressway in Shaanxi Province	6,138	278	30	11.0
10	Yongchuan-Jiangjin Expressway in Chongqing	6,023	109	30	10.0
11	Fengdu-Fuling Expressway in Chongqing	5,982	303	30	11.0
12	Fengdu-Shizhu Expressway in Chongqing	5,577	167	30	11.0
13	Quanzhou Section of Quanzhou-Xiamen- Zhangzhou City Alliance Expressway in Fujian Province	5,293	126	24	4.0
14	South-North Highway in Jamaica	5,214	427	50	9.0
15	Foshan-Guangming Expressway in Guangdong Province	5,140	608	25	15.5
16	Zhuankou Yangtze River Bridge Project in Wuhan, Hubei Province	4,860	182	30	7.0
17	BOT Project of Expressway in Nairobi, Kenya	4,787	323	27	1.5
18	Xianning-Tongshan Expressway in Hubei Province	3,121	119	30	11.0
19	Others	16,124	799	—	—
	Total	174,990	7,502	—	—

MANAGEMENT'S DISCUSSION AND ANALYSIS

I. OVERVIEW

During the reporting period, under the guidance of high-quality development goals, the business scale grew steadily. The operating revenue reached a new high, and shareholder returns remained resilient. The quality and efficiency of operations have improved, and positive cash flow from operations was recorded. Operating cash ratio and the debt-to-asset ratio remained stable. The Group has put the high-quality development philosophy into practice and made progress.

For the year 2024, revenue of the Group increased by 1.7% to RMB768,243 million, among which revenue from external customers attributed to the regions other than PRC amounted to RMB134,780 million, representing 17.5% of the total revenue. Infrastructure construction business, infrastructure design business, dredging business and other businesses accounted for 84.9%, 4.5%, 7.4% and 3.2% of the total revenue in 2024 (all before elimination of inter-segment transactions), respectively.

Gross profit in 2024 amounted to RMB92,603 million, representing a decrease of 2.1% from RMB94,549 million in 2023. Gross profit from dredging business and other business increased by 10.1% and 108.6%, respectively. Gross profit from infrastructure construction business and infrastructure design business decreased by 3.3% and 17.0%, respectively. Gross profit margin for infrastructure construction business, infrastructure design business, dredging business and other businesses in 2024 was 10.9%, 20.0%, 13.2% and 11.5%, respectively, as compared with 11.6%, 18.5%, 13.3% and 7.4% in 2023.

For the year 2024, profit attributable to owners of the parent amounted to RMB23,854 million, representing a decrease of 3.6%, compared with RMB24,739 million in 2023. For the year 2024, earnings per share of the Group were RMB1.40, compared with RMB1.45 in 2023.

The debt-to-asset ratio in 2024 increased to 74.8%, compared with 72.7% in 2023.

In 2024, net cash flows from operating activities presented an inflow, amounting to RMB12,506 million, compared with RMB12,061 million in 2023.

The following is a comparison of financial results between the years ended 31 December 2024 and 2023.

II. CONSOLIDATED RESULTS OF OPERATIONS

Revenue

Revenue in 2024 increased by 1.7% to RMB768,243 million from RMB755,687 million in 2023. Revenue from infrastructure construction business and dredging business and other businesses amounted to RMB682,603 million, RMB59,461 million and RMB26,064 million (all before elimination of inter-segment transactions and unallocated cost), respectively representing a year-on-year increase of 2.2%, 11.1% and 34.6%; revenue from infrastructure design business amounted to RMB36,287 million (all before elimination of inter-segment transactions and unallocated cost), representing a year-on-year decrease of 23.3%. Revenue from external customers attributed to the regions other than PRC amounted to RMB134,780 million, representing 17.5% of total revenue.

Cost of Sales and Gross Profit

Cost of sales in 2024 amounted to RMB675,640 million, representing an increase of 2.2%, from RMB661,138 million in 2023. Cost of sales from infrastructure construction business, dredging business and other businesses amounted to RMB607,993 million, RMB51,604 million and RMB23,072 million (all before elimination of inter-segment transactions) respectively, representing an increase of 2.9%, 11.3% and 28.6% from 2023; cost of sales from infrastructure design business amounted to RMB29,043 million (all before elimination of inter-segment transactions), representing a decrease of 24.7% from 2023.

Cost of sales consisted mainly of subcontracting costs, cost of raw materials and consumables used and employee benefit expenses. For the year 2024, subcontracting costs increased by 2.6%; cost of raw materials and consumables and employee benefit expenses decreased by 2.7% and 0.6%, respectively.

As a result of the increase in both revenue and cost of sales, gross profit in 2024 amounted to RMB92,603 million, representing a decrease of 2.1% from RMB94,549 million in 2023. Gross profit from dredging business and other business increased by 10.1% and 108.6%, and gross profit from infrastructure construction business and infrastructure design business decreased by 3.3% and 17.0% respectively, from the corresponding period of 2023. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business and other businesses were 10.9%, 20.0%, 13.2% and 11.5% respectively, as compared with 11.6%, 18.5%, 13.3% and 7.4% in the corresponding period of 2023.

Other losses, net

Net other losses in 2024 amounted to RMB1,084 million as compared to RMB325 million in 2023. This increase was primarily attributable to gains on disposal of subsidiaries, less gains on foreign exchange, and losses on derecognition of contract assets and financial assets at amortised cost.

Selling and marketing expenses

Selling and marketing expenses in 2024 amounted to RMB3,091 million, representing an increase of 21.3% from RMB2,548 million in 2023. This increase was primarily attributable to the reorganization of Qilianshan Cement, and increased marketing.

Administrative Expenses

Administrative expenses in 2024 amounted to RMB45,239 million, representing a decrease of 4.9% from RMB47,594 million in 2023.

Operating Profit

Operating profit in 2024 amounted to RMB39,307 million, representing an increase of 0.9% from RMB38,974 million in 2023.

For the year 2024, operating profit from dredging business and other businesses increased by 24.0% and 348.2% (all before elimination of inter-segment transactions and unallocated cost), respectively from 2023; operating profit from infrastructure construction business and infrastructure design business decreased by 3.3% and 2.1% (before elimination of inter-segment transactions and unallocated cost), respectively from 2023. Operating profit margin decreased to 5.1% in 2024 from 5.2% in 2023.

Finance Income

Finance income in 2024 amounted to RMB24,241 million, representing an increase of 1.4% from RMB23,898 million in 2023.

Finance Costs, Net

Net finance costs in 2024 amounted to RMB24,038 million, representing a decrease of 1.1% from RMB24,311 million in 2023.

Share of Loss of Joint Ventures

Share of loss of joint ventures in 2024 amounted to RMB1,884 million, as compared with a loss of RMB1,409 million in 2023.

Share of Loss of Associates

Share of loss of associates in 2024 amounted to RMB463 million, as compared with a profit of RMB400 million in 2023. The loss was mainly due to the increased loss on individual investments in associates.

Profit before Income Tax

Profit before income tax in 2024 amounted to RMB37,163 million, representing a decrease of 1.0% from RMB37,552 million in 2023.

Income Tax Expense

Income tax expense in 2024 amounted to RMB6,344 million, representing a decrease of 0.9% from RMB6,399 million in 2023. Effective tax rate for the Group in 2024 increased to 17.1% from 17.0% in 2023.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests in 2024 amounted to RMB6,965 million compared to RMB6,414 million in 2023.

Profit Attributable to Owners of the Parent

Profit attributable to owners of the parent in 2024 amounted to RMB23,854 million, representing a decrease of 3.6% from RMB24,739 million in 2023.

Profit margin with respect to profit attributable to owners of the parent decreased to 3.1% in 2024 from 3.3% in 2023.

III. DISCUSSION OF SEGMENT OPERATIONS

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the years ended 31 December 2024 and 2023.

	Revenue		Gross Profit		Gross Profit Margin		Operating Profit ⁽¹⁾		Operating Profit Margin	
	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
Business	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(RMB million)	(RMB million)	(RMB million)	(RMB million)	(%)	(%)	(RMB million)	(RMB million)	(%)	(%)
Infrastructure Construction	682,603	667,802	74,610	77,179	10.9	11.6	32,942	34,061	4.8	5.1
% of total	84.9	84.7	80.5	81.7	-	-	81.1	84.2	-	-
Infrastructure Design	36,287	47,302	7,244	8,731	20.0	18.5	3,583	3,660	9.9	7.7
% of total	4.5	6.0	7.8	9.2	-	-	8.8	9.0	-	-
Dredging	59,461	53,506	7,857	7,136	13.2	13.3	3,105	2,505	5.2	4.7
% of total	7.4	6.8	8.5	7.6	-	-	7.6	6.2	-	-
Other businesses	26,064	19,369	2,992	1,434	11.5	7.4	1,022	228	3.9	1.2
% of total	3.2	2.5	3.2	1.5	-	-	2.5	0.6	-	-
Subtotal	804,415	787,979	92,703	94,480	11.5	12.0	40,652	40,454	5.1	5.1
Intersegment elimination	(36,172)	(32,292)	(100)	69	-	-	46	18	-	-
Unallocated profit/(costs)							(1,391)	(1,498)		
Total	<u>768,243</u>	<u>755,687</u>	<u>92,603</u>	<u>94,549</u>	<u>12.1</u>	<u>12.5</u>	<u>39,307</u>	<u>38,974</u>	<u>5.1</u>	<u>5.2</u>

(1) Total operating profit represents the total of segment profit less unallocated costs or add unallocated profit.

Infrastructure Construction Business

The financial information for the infrastructure construction business presented in this section is before elimination of inter-segment transactions and unallocated costs. The following table sets out the principal profit and loss information for the infrastructure construction business for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024	2023
	(RMB million)	(RMB million)
Revenue	682,603	667,802
Cost of sales	(607,993)	(590,623)
Gross profit	74,610	77,179
Selling and marketing expenses	(1,653)	(1,311)
Administrative expenses	(35,639)	(37,864)
Provision for impairment of contract assets and trade and other receivables	(5,430)	(5,779)
Other income/(expense), net and Other gain/(loss), net	1,054	1,836
Segment result	<u>32,942</u>	<u>34,061</u>
Depreciation and amortisation	<u>10,307</u>	<u>10,385</u>

Revenue. Revenue from the infrastructure construction business in 2024 was RMB682,603 million, representing an increase of 2.2% from RMB667,802 million in 2023, mainly due to the expanding scale of construction projects overseas.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business in 2024 was RMB607,993 million, representing an increase of 2.9% from RMB590,623 million in 2023. Cost of sales as a percentage of revenue increased to 89.1% in 2024 from 88.4% in 2023.

Gross profit from the infrastructure construction business in 2024 decreased by 3.3% to RMB74,610 million from RMB77,179 million in 2023. Gross profit margin slightly decreased to 10.9% in 2024 from 11.6% in 2023.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business in 2024 were RMB1,653 million, as compared with RMB1,311 million in 2023.

Administrative expenses. Administrative expenses for the infrastructure construction business were RMB35,639 million in 2024, representing a decrease of 5.9% from RMB37,864 million in 2023, primarily attributable to the decrease in research and development expenses. Administrative expenses as a percentage of revenue decreased to 5.2% in 2024 from 5.7% in 2023.

Provision for impairment of contract assets and trade and other receivables. Provision for impairment of contract assets and trade and other receivables for the infrastructure construction business were RMB5,430 million in 2024, representing a decrease of 6.0% from RMB5,779 million in 2023.

Other income/(expense), net and other gains/(losses), net. Other income/(expense), net and other gains/(losses), net for the infrastructure construction business decreased to RMB1,054 million in 2024 from RMB1,836 million in 2023. The decrease was mainly attributable to less foreign exchange gains and less one-time gains in the reporting period as compared to the corresponding period of last year.

Segment result. As a result of the above, segment result for the infrastructure construction business in 2024 was RMB32,942 million, representing a decrease of 3.3% from RMB34,061 million in 2023. Segment result margin slightly decreased to 4.8% in 2024 from 5.1% in 2023.

Infrastructure Design Business

The financial information for the infrastructure design business presented in this section is before elimination of inter-segment transactions and unallocated costs. The following table sets out the principal profit and loss information for infrastructure design business for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024	2023
	(RMB million)	(RMB million)
Revenue	36,287	47,302
Cost of sales	(29,043)	(38,571)
Gross profit	7,244	8,731
Selling and marketing expenses	(410)	(456)
Administrative expenses	(2,886)	(3,634)
Provision for impairment of contract assets and trade and other receivables	(744)	(1,086)
Other income/(expense), net and Other gain/(loss), net	379	105
Segment result	<u>3,583</u>	<u>3,660</u>
Depreciation and amortisation	<u>494</u>	<u>574</u>

Revenue. Revenue from the infrastructure design business in 2024 was RMB36,287 million, representing a decrease of 23.3% from RMB47,302 million in 2023. The decrease of infrastructure design business was due to the change of infrastructure design business scale, which was attributable to the reduction in EPC projects and focusing on main design business.

Cost of sales and gross profit. Cost of sales for the infrastructure design business in 2024 was RMB29,043 million, representing a decrease of 24.7% from RMB38,571 million in 2023. Cost of sales as a percentage of revenue decreased to 80.0% in 2024 from 81.5% in 2023.

Gross profit from the infrastructure design business in 2024 was RMB7,244 million, representing a decrease of 17.0% as compared with RMB8,731 million in 2023. Gross profit margin increased to 20.0% in 2024 from 18.5% in 2023.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business in 2024 decreased to RMB410 million from RMB456 million in 2023.

Administrative expenses. Administrative expenses for the infrastructure design business in 2024 were RMB2,886 million, representing a decrease of 20.6% from RMB3,634 million in 2023, mainly due to effective internal controls. Administrative expenses as a percentage of revenue increased to 8.0% in 2024 from 7.7% in 2023.

Provision for impairment of contract assets and trade and other receivables. Provision for impairment of contract assets and trade and other receivables for the infrastructure design business were RMB744 million in 2024, representing a decrease of 31.5% from RMB1,086 million in 2023. The decrease was mainly due to the collection of recoveries on individual receivables with a relatively long aging.

Other income/(expense), net and other gains/(losses), net. Other income/(expense), net and other gains/(losses), net for the infrastructure design business in 2024 was RMB379 million, as compared with RMB105 million in 2023.

Segment result. As a result of the above, segment result for the infrastructure design business in 2024 was RMB3,583 million, representing a decrease of 2.1% from RMB3,660 million in 2023. Segment result margin increased to 9.9% in 2024 from 7.7% in 2023.

Dredging Business

The financial information for the dredging business presented in this section is before elimination of inter-segment transactions and unallocated costs. The following table sets out the principal profit and loss information for the dredging business for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024	2023
	(RMB million)	(RMB million)
Revenue	59,461	53,506
Cost of sales	(51,604)	(46,370)
Gross profit	7,857	7,136
Selling and marketing expenses	(505)	(394)
Administrative expenses	(3,852)	(3,731)
Provision for impairment of contract assets and trade and other receivables	(515)	(803)
Other income/(expense), net and Other gain/(loss), net	120	297
Segment result	3,105	2,505
Depreciation and amortisation	1,110	1,322

Revenue. Revenue from the dredging business in 2024 was RMB59,461 million, representing an increase of 11.1% from RMB53,506 million in 2023. The increase was mainly due to the expanding scale of dredging and reclamation business.

Cost of sales and gross profit. Cost of sales for the dredging business in 2024 was RMB51,604 million, representing an increase of 11.3% as compared with RMB46,370 million in 2023. Cost of sales as a percentage of revenue for the dredging business in 2024 increased to 86.8% from 86.7% in 2023.

Gross profit from the dredging business in 2024 was RMB7,857 million, representing an increase of 10.1% from RMB7,136 million in 2023. Gross profit margin for the dredging business slightly decreased to 13.2% in 2024 from 13.3% in 2023.

Selling and marketing expenses. Selling and marketing expenses for the dredging business in 2024 were RMB505 million, as compared with RMB394 million in 2023.

Administrative expenses. Administrative expenses for the dredging business in 2024 were RMB3,852 million, representing an increase of 3.2% from RMB3,731 million in 2023. Administrative expenses as a percentage of revenue decreased to 6.5% in 2024 from 7.0% in 2023.

Provision for impairment of contract assets and trade and other receivables. Provision for impairment of contract assets and trade and other receivables for the dredging business were RMB515 million in 2024, representing a decrease of 35.9% from RMB803 million in 2023, mainly due to the collection of recoveries on individual receivables with a relatively long aging.

Other income/(expense), net and other gains/(losses), net. Other income/(expense), net and other gains/(losses), net in 2024 decreased to RMB120 million from RMB297 million in 2023. The decrease was mainly attributed to less one-time gains from disposal of subsidiaries in the reporting period as compared to the last corresponding period, and less gains on foreign exchange.

Segment result. As a result of the above, segment result for the dredging business in 2024 was RMB3,105 million, representing an increase of 24.0% from RMB2,505 million in 2023. Segment result margin increased to 5.2% in 2024 from 4.7% in 2023.

Other Businesses

The financial information for the other businesses presented in this section is before elimination of inter-segment transactions and unallocated costs.

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024	2023
	(RMB million)	(RMB million)
Revenue	26,064	19,369
Cost of sales	<u>(23,072)</u>	<u>(17,935)</u>
Gross profit	<u>2,992</u>	<u>1,434</u>

Revenue. Revenue from the other businesses in 2024 was RMB26,064 million, representing an increase of 34.6% from RMB19,369 million in 2023. The increase was mainly due to the reorganization of Qilianshan Cement.

Cost of sales and gross profit. Cost of sales for the other businesses in 2024 was RMB23,072 million, representing an increase of 28.6% from RMB17,935 million in 2023. Cost of sales as a percentage of revenue decreased to 88.5% in 2024 from 92.6% in 2023.

Gross profit from the other businesses in 2024 was RMB2,992 million, representing an increase of 108.6% from RMB1,434 million in 2023. Gross profit margin increased to 11.5% in 2024 from 7.4% in 2023, mainly attributed to the reorganization of Qilianshan Cement.

IV. LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 31 December 2024, the Group had unutilized credit facilities in the amount of RMB1,534,290 million. The Group's access to financial markets since its public offering in Hong Kong Stock Exchange and Shanghai Stock Exchange has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Group's consolidated cash flow statements for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024 (RMB million)	2023 (RMB million) Restated
Net cash flows from operating activities	12,506	12,061
Net cash flows used in investing activities	(29,619)	(55,869)
Net cash flows generated from financing activities	41,640	50,332
Net increase in cash and cash equivalents	24,527	6,524
Cash and cash equivalents at beginning of year	110,407	103,710
Effect of foreign exchange rate changes, net	40	173
Subtotal	134,974	110,407
Less: cash and cash equivalent held for sale	—	154
Cash and cash equivalents at end of year	134,974	110,253

Cash flow from operating activities

For the year 2024, net cash generated from operating activities presented as an inflow at RMB12,506 million, as compared with an inflow at RMB12,061 million in 2023. The improvement was primarily attributable to the enhanced management of cash flow and to the solidifying of the value of assets.

Cash flow from investing activities

Net cash used in investing activities in 2024 decreased to RMB29,619 million, representing a decrease of 47.0% from RMB55,869 million in 2023. The decrease was primarily attributable to the decrease of purchase of intangible assets, property, plant and equipment, the decrease of investments in joint ventures and associates, and the increase of disposal of financial assets.

Cash flow from financing activities

Net cash generated from financing activities in 2024 was RMB41,640 million, representing a decrease of 17.3% from RMB50,332 million in 2023. The decrease was mainly attributed to the withdrawal of capital contribution by non-controlling interests.

Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipment and vessels, and the building of plants. The following table sets forth the Group's capital expenditure by business for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024	2023
	(RMB million)	(RMB million)
Infrastructure Construction Business	25,639	37,741
– BOT projects	12,472	20,507
Infrastructure Design Business	1,078	1,319
Dredging Business	2,569	2,737
Others	1,465	1,101
Total	<u>30,751</u>	<u>42,898</u>

Capital expenditure in 2024 was RMB30,751 million, as compared with RMB42,898 million in 2023.

Working Capital

Trade and bills receivables and trade and bills payables

The following table sets forth the turnover of the Group's average trade and bills receivable and average trade and bills payable for the years ended 31 December 2024 and 2023.

	Years ended 31 December	
	2024	2023
	(Number of days)	(Number of days)
Turnover of average trade and bills receivables ⁽¹⁾	62	56
Turnover of average trade and bills payables ⁽²⁾	<u>221</u>	<u>206</u>

(1) Average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.

(2) Average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

The following table sets forth an ageing analysis of trade and bills receivables, net of provision, as at 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	(RMB million)	(RMB million)
Within 6 months	86,079	71,630
6 months to 1 year	15,025	13,188
1 year to 2 years	21,649	14,284
2 years to 3 years	7,772	11,390
Over 3 years	10,380	8,748
	<hr/>	<hr/>
Total	140,905	119,240
	<hr/>	<hr/>

Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 31 December 2024, the Group had a provision for impairment of RMB28,538 million, as compared with RMB23,988 million as at 31 December 2023.

The following table sets forth an ageing analysis of trade and bills payables as at 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	(RMB million)	(RMB million)
Within 1 year	368,932	343,362
1 year to 2 years	38,354	33,762
2 years to 3 years	10,475	6,595
Over 3 years	8,018	8,116
	<hr/>	<hr/>
Total	425,779	391,835
	<hr/>	<hr/>

The Group's credit terms with its suppliers for the year ended 31 December 2024 remained the same as that for the year ended 31 December 2023. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

Retentions

The following table sets forth the carrying amount of the retentions as at 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	(RMB million)	(RMB million)
Current	18,554	13,625
Non-current	53,998	43,131
Total	72,552	56,756

Indebtedness

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	(RMB million)	(RMB million)
Within 1 year	140,826	111,912
1 year to 2 years	78,723	58,984
2 years to 5 years	142,444	119,367
Over 5 years	224,330	221,363
Total borrowings	586,323	511,626

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Hong Kong dollar and Japanese Yen. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	(RMB million)	(RMB million)
Renminbi	562,315	481,310
U.S. dollar	14,942	23,850
Euro	2,310	3,159
Hong Kong dollar	90	91
Japanese Yen	33	37
Others	6,633	3,179
	<hr/>	<hr/>
Total borrowings	<u>586,323</u>	<u>511,626</u>

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 31 December 2024 was 49.1%, as compared with 46.6% as at 31 December 2023.

Contingent Liabilities and Financial Guarantee Commitment

(i) Claims

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,347 million (31 December 2023: RMB2,894 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

(ii) *Loan Guarantees*

- (a) The Group has acted as the guarantor for several borrowings of RMB3,522 million (31 December 2023: RMB3,714 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.
- (b) The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 31 December 2024, the outstanding balance of guarantees provided by the Group was approximately RMB4,592 million (31 December 2023: RMB4,462 million).

(iii) *Liquidity Support*

The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 31 December 2024, out of the ABS and ABN in issue with an aggregate amount of RMB71,254 million (31 December 2023: RMB72,543 million), RMB59,784 million (31 December 2023: RMB67,089 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 31 December 2024, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

Market Risks

The Group is exposed to various types of market risks, including changes in interest rate risks and foreign currency risks in the normal course of business.

1. *Macroeconomic volatility risk*

The Group's main businesses are closely related to the development of macro-economy, especially for infrastructure design and infrastructure construction business, of which the industry development is subject to the effects of macroeconomic factors including investment scale of social fixed assets and the process of urbanisation. The current external environment is complex and severe, and China's economic development is under triple pressure of economic contraction, supply shock and weakening expectations. If the pace and efforts of growth stabilisation is not as strong as expected, it may have a great impact on the Group's development.

To cope with the risks of macroeconomic fluctuations, the Group will further strengthen its research on macro policies and development trends of related industries, follow closely the national strategic deployment, focus on “big transportation” and “big city”, firmly hold on to the market advantages of traditional businesses, promote the scale of emerging industries to grow year by year and strive to cultivate new growth levels.

2. *Internationalisation risk*

The Group conducts its business in over 130 overseas countries and regions. Subject to the complex and diverse political, economic, social and religious environments and legal systems of different countries and regions, as well as fluctuations in exchange rates, increasingly stringent environmental protection requirements and intensifying trade frictions among some countries, there may be fluctuations and volatility in the international trade order and economic situation in the future, resulting in performance risks for the Group’s overseas compliance, investment and project contracting.

The Group carried out various risk management, prevention and control work continuously in accordance with the principles of “practical planning, internationalisation of resources, normalization of management, diversification of approaches, and visualisation of command, advance forecasting, advance warning, advance deployment and advance action”. The Company fully leveraged on its overall overseas advantages, enhanced international resources and cross-regional coordination capabilities, continuously raised the protection of security interests and the ability to address overseas emergencies, properly dealt with overseas public security threats, and optimized the organization system, institutional system, team building system, planning system, training and drill system, protection system and information-based risk control measures.

3. *Investment risk*

The Group began to develop infrastructure and other investment projects in 2007 to obtain investment profits apart from those from reasonable design and construction. However, such projects are generally characterised by large scale investments, long construction cycles, extensive areas of involvement, high complexity, stringent schedule and quality requirements, and are significantly affected by policies. The implementation and operation of the above-mentioned investment projects may expose the Group to certain risks and affect the expected benefits and the achievement of strategic objectives if the feasibility studies of the projects are incomplete, understanding of policies is inaccurate, financing is inadequate and process management is not standardised, under the influence of internal and external circumstances such as increased control in policies by the national and local governments, increasingly standardised regulation, tightened financial supervision, increasing debt pressure and intensified market competition.

In order to effectively prevent and control investment risks, the Group insists on “value-oriented investments” and strictly controls non-main business investments. It strictly implements the investment project justification and decision-making process, properly controls investment costs, strengthens risk control throughout the life cycle of investment projects and steadily promotes the construction of an investment execution information system to achieve real-time and dynamic project monitoring and pre-warning.

4. *Raw material risk*

The operation of the Group’s business depends on the timely procurement of raw materials that meet the Group’s quality requirements at reasonable prices, such as steel, cement, fuel, sand and gravel and asphalt, etc. The market prices of such raw materials may fluctuate to a certain extent, or appropriate procurement planning arrangements may be made to ensure the normal conduct of business. When there is a shortage of supply of raw material or a significant price increase resulting in cost increases that cannot be fully counteracted by customers, the Group may face the risk of reduced profit or even loss in respect of a single project.

In this regard, the Group has enhanced cost awareness, strengthened refined management, vigorously promoted the centralised procurement of major raw materials including steel, cement, asphalt, fuel oil, etc., and has continuously improved the bargaining power of the Company to minimise the risk of rising raw material prices.

5. *Interest rate risk*

The Group’s interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During 2024 and 2023, the Group’s borrowings at variable rates were mainly denominated in RMB, USD, Euro and Hong Kong dollar.

Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Increase in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group’s outstanding floating rate borrowings, and therefore could have an adverse effect on the Group’s financial position. Management continuously monitors the interest rate position of the Group and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings, although the directors did not consider it was necessary to do so in 2024 and 2023.

As at 31 December 2024, the Group's borrowings of approximately RMB353,154 million (31 December 2023: RMB315,954 million) were at variable rates. As at 31 December 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have decreased/increased by RMB3,532 million (31 December 2023: RMB3,160 million), mainly as a result of higher/lower interest expense on floating rate borrowings.

6. *Exchange rate risk*

The functional currency of the majority of the entities within the Group is RMB. Most of the Group's transactions are based and settled in RMB. Foreign currencies are used to settle the Group's revenue from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers, and certain expenses.

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC Government.

As at 31 December 2024, the Group's aggregate net liabilities of RMB6,212 million, including trade and other receivables, cash and bank balances, trade and other payables and borrowings, were denominated in foreign currencies, mainly USD.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and a portion of those risks is hedged by using derivative financial instruments when management considers necessary.

As at 31 December 2024, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, pre-tax profit for the year would have been decreased/increased by approximately RMB155 million (2023: RMB224 million), mainly as a result of foreign exchange losses/gains on translation of USD-denominated trade and other receivables, cash and cash equivalents.

7. *Production safety risk*

The Group insists on safety first and regards production safety as the prerequisite and foundation of all its work. However, as a construction and production enterprise with many subsidiaries and projects, production safety risks exist in all aspects of the production and operation process. Safety incidents may occur as a result of unsafe human behaviour, unsafe physical conditions and unsafe environmental factors, resulting in injury to the health and safety of employees and exposing the Company to the risk of damage to its brand image, economic loss and external regulatory penalties.

8. *Risk of price fluctuation in the securities markets*

The Group's investments in equity instruments are classified as financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income. As these financial assets are required to be stated at fair value, the Group is exposed to the risk of price fluctuation in the securities markets.

To cope with such risk, the Group sets limits to diversify its investment portfolio.

9. *Force Majeure Risks*

The infrastructure construction and dredging business principally engaged by the Group are mostly outdoor work. Natural disasters and public health emergency including rainstorm, flooding, earthquake, typhoon, tsunami, fire and epidemic occurred on the construction sites may cause damages to the site workers as well as property, and adversely affect the quality and progress of relevant businesses of the Group.

10. *Network risk and security*

With the in-depth application of "Internet +" in informatisation, the topology of enterprise network has been becoming more and more complex, the number of information systems has surged, and the possibility of network interruption and system failure has also increased rapidly. At the same time, the Group has been actively exploring overseas markets, and its international influence has been increasing day by day. Therefore, the risk of network-attacks on the information system has been also increasing, which may have a serious impact on the Group's production and operation in the event of a risk event.

In order to effectively prevent network risks, the Group has continuously optimized and improved the network security system and professional team building, improved the information system, enhanced protection and emergency response capabilities, implemented network monitoring and carried out regular upgrades and protections in accordance with the requirements of the competent authorities.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		2024	2023
	Notes	RMB million	RMB million (Restated)
Revenue	3,4	768,243	755,687
Cost of sales		<u>(675,640)</u>	<u>(661,138)</u>
Gross profit		92,603	94,549
Other income	4	6,239	5,573
Other losses, net	4	(1,084)	(325)
Selling and marketing expenses		(3,091)	(2,548)
Administrative expenses		(45,239)	(47,594)
Impairment losses on financial assets and contract assets, net		(7,041)	(7,901)
Other expenses		<u>(3,080)</u>	<u>(2,780)</u>
Operating profit		39,307	38,974
Finance income	6	24,241	23,898
Finance costs, net	7	(24,038)	(24,311)
Share of profits and losses of:			
– Joint ventures		(1,884)	(1,409)
– Associates		<u>(463)</u>	<u>400</u>
Profit before tax	5	37,163	37,552
Income tax expense	8	<u>(6,344)</u>	<u>(6,399)</u>
Profit for the year		<u>30,819</u>	<u>31,153</u>
Attributable to:			
– Owners of the parent		23,854	24,739
– Non-controlling interests		<u>6,965</u>	<u>6,414</u>
		<u>30,819</u>	<u>31,153</u>
Earnings per share attributable to ordinary equity holders of the parent	10		
Basic		<u>RMB1.40</u>	<u>RMB1.45</u>
Diluted		<u>RMB1.40</u>	<u>RMB1.45</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2024 <i>RMB million</i>	2023 <i>RMB million</i> (Restated)
Profit for the year	<u>30,819</u>	<u>31,153</u>
Other comprehensive income/(losses)		
<i>Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods, net of tax:</i>		
Actuarial losses on retirement benefit obligations, net of tax	(40)	(2)
Share of other comprehensive income of joint ventures and associates	(9)	—
Changes in fair value of equity investments designated at fair value through other comprehensive income/(losses), net of tax	<u>5,306</u>	<u>(2,734)</u>
Net other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods	<u>5,257</u>	<u>(2,736)</u>
<i>Other comprehensive income/(losses) that may be reclassified to profit or loss in subsequent periods, net of tax:</i>		
Cash flow hedges, net of tax	33	(4)
Share of other comprehensive (losses)/income of joint ventures and associates	(274)	24
Exchange differences on translation of foreign operations	<u>(913)</u>	<u>617</u>
Net other comprehensive (losses)/income that may be reclassified to profit or loss in subsequent periods	<u>(1,154)</u>	<u>637</u>
Other comprehensive income/(losses) for the year, net of tax	<u>4,103</u>	<u>(2,099)</u>
Total comprehensive income for the year	<u>34,922</u>	<u>29,054</u>
Attributable to:		
– Owners of the parent	27,975	22,623
– Non-controlling interests	<u>6,947</u>	<u>6,431</u>
	<u>34,922</u>	<u>29,054</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2024 RMB million	31 December 2023 RMB million (Restated)
Non-current assets			
Property, plant and equipment		80,029	75,124
Investment properties		8,242	9,583
Right-of-use assets		21,697	20,353
Intangible assets		197,233	200,563
Investments in joint ventures		59,978	59,671
Investments in associates		54,394	53,801
Financial assets at fair value through profit or loss		27,434	27,316
Derivative financial instruments		377	413
Debt investments at amortised cost		402	1,240
Equity investments designated at fair value through other comprehensive income		27,180	21,425
Contract assets	11	307,506	282,355
Trade and other receivables	12	273,340	236,179
Deferred tax assets		11,535	10,117
Total non-current assets		<u>1,069,347</u>	<u>998,140</u>
Current assets			
Inventories		102,134	88,021
Contract assets	11	206,240	170,257
Trade and other receivables	12	336,611	302,271
Financial assets at fair value through profit or loss		497	838
Debt investments at amortised cost		920	–
Derivative financial instruments		42	–
Restricted bank deposits and time deposits with an initial term of over three months		7,507	10,730
Cash and cash equivalents		134,974	110,253
		<u>788,925</u>	<u>682,370</u>
Assets of a disposal group classified as held for sale		–	3,902
Total current assets		<u>788,925</u>	<u>686,272</u>
Current liabilities			
Trade and other payables	13	635,310	564,403
Contract liabilities		85,270	73,483
Derivative financial instruments		–	5
Tax payable		7,307	9,662
Interest-bearing bank and other borrowings		140,826	111,912
Retirement benefit obligations		95	102
		<u>868,808</u>	<u>759,567</u>
Liabilities directly associated with the assets classified as held for sale		–	2,688
Total current liabilities		<u>868,808</u>	<u>762,255</u>
Net current liabilities		<u>(79,883)</u>	<u>(75,983)</u>
Total assets less current liabilities		<u>989,464</u>	<u>922,157</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		31 December 2024	31 December 2023
	<i>Notes</i>	<i>RMB million</i>	<i>RMB million</i> (Restated)
Total assets less current liabilities		<u>989,464</u>	<u>922,157</u>
Non-current liabilities			
Trade and other payables	13	62,974	53,121
Interest-bearing bank and other borrowings		445,497	399,714
Deferred income		1,493	1,633
Deferred tax liabilities		7,549	4,379
Retirement benefit obligations		844	907
Provision		<u>3,292</u>	<u>3,203</u>
Total non-current liabilities		<u>521,649</u>	<u>462,957</u>
Net assets		<u>467,815</u>	<u>459,200</u>
Equity			
Equity attributable to owners of the parent			
Share capital		16,279	16,264
Share premium		20,109	20,049
Treasury shares		(597)	(522)
Financial instruments classified as equity		31,000	35,000
Reserves		<u>246,634</u>	<u>230,976</u>
		313,425	301,767
Non-controlling interests		<u>154,390</u>	<u>157,433</u>
Total equity		<u>467,815</u>	<u>459,200</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent								
	Share capital	Treasury shares	Share premium	Financial instruments classified as equity ⁽¹⁾	Other reserves	Retained earnings	Total	Non-controlling interests ⁽²⁾	Total equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 31 December 2023	16,264	(522)	20,049	35,000	49,721	181,222	301,734	157,390	459,124
Business combination under common control	-	-	-	-	39	(6)	33	43	76
At 1 January 2024 (restated)	16,264	(522)	20,049	35,000	49,760*	181,216*	301,767	157,433	459,200
Profit for the year	-	-	-	-	-	23,854	23,854	6,965	30,819
Other comprehensive income/(losses) for the year:									
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	5,307	-	5,307	(1)	5,306
Cash flow hedges, net of tax	-	-	-	-	33	-	33	-	33
Share of other comprehensive income of joint ventures and associates	-	-	-	-	(283)	-	(283)	-	(283)
Actuarial losses on retirement benefit obligations, net of tax	-	-	-	-	(35)	-	(35)	(5)	(40)
Exchange differences on translation of foreign operations	-	-	-	-	(901)	-	(901)	(12)	(913)
Total comprehensive income for the year	-	-	-	-	4,121	23,854	27,975	6,947	34,922
Final 2023 and Mid-term 2024 dividend declared	-	-	-	-	-	(7,042)	(7,042)	-	(7,042)
Interest distribution on perpetual securities (1)(2)	-	-	-	-	-	(1,570)	(1,570)	(2,673)	(4,243)
Share-based payment	-	-	-	-	240	-	240	-	240
Grant of restricted shares	16	-	67	-	-	-	83	-	83
Forfeiture restricted of shares	(1)	8	(7)	-	-	-	-	-	-
Restricted shares repurchase obligation	-	(83)	-	-	-	-	(83)	-	(83)
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	(3,065)	(3,065)
Share of other reserves of joint ventures and associates	-	-	-	-	28	-	28	-	28
Shares repurchased	-	-	-	-	-	-	-	(12,065)	(12,065)
Withdrawal of capital by non-controlling shareholders	-	-	-	-	-	-	-	(2,984)	(2,984)
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	5,286	5,286
Business combination under common control	-	-	-	-	(66)	-	(66)	35	(31)
Acquisition of subsidiaries	-	-	-	-	-	-	-	457	457
Acquisition of assets	-	-	-	-	-	-	-	13	13
Disposal of subsidiaries	-	-	-	-	-	-	-	(614)	(614)
Issue of perpetual securities	-	-	-	3,000	(1)	-	2,999	28,196	31,195
Redemption of perpetual securities	-	-	-	(5,900)	-	-	(5,900)	(26,197)	(32,097)
Transaction with non-controlling interests	-	-	-	-	(3,906)	-	(3,906)	3,530	(376)
Transfer to statutory surplus reserve	-	-	-	-	1,420	(1,420)	-	-	-
Transfer to general reserve	-	-	-	-	550	(550)	-	-	-
Transfer to safety production reserve	-	-	-	-	470	(470)	-	-	-
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	(1,064)	1,064	-	-	-
Other	-	-	-	(1,100)	-	-	(1,100)	91	(1,009)
At 31 December 2024	16,279	(597)	20,109	31,000	51,552*	195,082*	313,425	154,390	467,815

* As at 31 December 2024, these reserve accounts comprise the consolidated reserves of RMB246,634 million (2023: RMB 230,976 million (restated)) in the consolidated statement of financial position.

- As of 31 December 2024, perpetual securities of RMB31,000 million (2023: RMB35,000 million) issued by the Company were classified as equity in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the Company totaled RMB1,570 million.
- As of 31 December 2024, perpetual securities of RMB87,661 million (2023: RMB85,436 million) issued by subsidiaries of the Company were classified as non-controlling interests in the consolidated financial statements. During the year, interest distribution on these perpetual securities by the subsidiaries of the Company totaled RMB2,673 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to owners of the parent							Non-controlling interests ⁽²⁾	Total equity
	Share capital	Treasury shares	Share premium	Financial instruments classified as equity ⁽¹⁾	Other reserves	Retained earnings	Total		
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 31 December 2022	16,166	–	19,625	37,988	44,339	163,860	281,978	144,198	426,176
Business combination under common control	–	–	–	–	(62)	707	645	931	1,576
Effect of adoption of amendments to IAS 12	–	–	–	–	–	1	1	–	1
At 1 January 2023 (restated)	16,166	–	19,625	37,988	44,277	164,568	282,624	145,129	427,753
Profit for the year (restated)	–	–	–	–	–	24,739	24,739	6,414	31,153
Other comprehensive income/(losses) for the year:									
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	(2,729)	–	(2,729)	(5)	(2,734)
Cash flow hedges, net of tax	–	–	–	–	(4)	–	(4)	–	(4)
Share of other comprehensive income of joint ventures and associates	–	–	–	–	24	–	24	–	24
Actuarial losses on retirement benefit obligations, net of tax	–	–	–	–	(1)	–	(1)	(1)	(2)
Exchange differences on translation of foreign operations	–	–	–	–	594	–	594	23	617
Total comprehensive income for the year (restated)	–	–	–	–	(2,116)	24,739	22,623	6,431	29,054
Final 2022 dividend declared	–	–	–	–	–	(3,509)	(3,509)	–	(3,509)
Interest distribution on perpetual securities	–	–	–	–	–	(1,393)	(1,393)	(3,842)	(5,235)
Share-based payment	–	–	–	–	146	–	146	–	146
Grant of restricted shares	98	–	424	–	–	–	522	–	522
Restricted shares repurchase obligation	–	(522)	–	–	–	–	(522)	–	(522)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(2,713)	(2,713)
Share of other reserves of joint ventures and associates	–	–	–	–	4	–	4	–	4
Shares repurchased	–	–	–	–	–	–	–	(916)	(916)
Withdrawal of capital by non-controlling shareholders	–	–	–	–	–	–	–	(2,011)	(2,011)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	4,636	4,636
Spin-off and separate listing of three subsidiaries	–	–	–	–	4,929	–	4,929	7,373	12,302
Business combination under common control	–	–	–	–	(185)	–	(185)	(101)	(286)
Acquisition of subsidiaries	–	–	–	–	–	–	–	106	106
Disposal of subsidiaries	–	–	–	–	–	–	–	(2,027)	(2,027)
Issue of perpetual securities	–	–	–	3,000	(15)	–	2,985	30,963	33,948
Redemption of perpetual securities	–	–	–	(5,988)	–	–	(5,988)	(25,824)	(31,812)
Transaction with non-controlling interests	–	–	–	–	(464)	(5)	(469)	229	(240)
Transfer to statutory surplus reserve	–	–	–	–	2,260	(2,260)	–	–	–
Transfer from general reserve	–	–	–	–	95	(95)	–	–	–
Transfer to safety production reserve	–	–	–	–	922	(922)	–	–	–
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	–	–	–	–	(93)	93	–	–	–
At 31 December 2023 (restated)	<u>16,264</u>	<u>(522)</u>	<u>20,049</u>	<u>35,000</u>	<u>49,760 *</u>	<u>181,216 *</u>	<u>301,767</u>	<u>157,433</u>	<u>459,200</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

		2024	2023
	Notes	RMB million	RMB million (Restated)
Cash flows from operating activities			
Profit before tax		37,163	37,552
Adjustments for:			
– Depreciation of property, plant and equipment, investment properties	5	8,224	8,335
– Depreciation of right-of-use assets	5	1,767	1,434
– Amortisation of intangible assets	5	3,408	3,285
– Gains on disposal of items of property, plant and equipment, intangible assets and other long-term assets	4	(307)	(511)
– Gains on disposal of joint ventures and associates	4	(273)	(7)
– Fair value losses on financial assets at fair value through profit or loss	4	1,084	770
– Fair value (gains)/losses on derivative financial instruments	4	(7)	278
– Losses/(gains) on disposal of financial assets at fair value through profit or loss	4	10	(10)
– Gains on disposal of subsidiaries	4	(2,219)	(518)
– Dividend income from financial assets at fair value through profit or loss	4	(337)	(284)
– Dividend income from equity investments designated at fair value through other comprehensive income	4	(1,073)	(873)
– Other income from investing activities		(168)	(102)
– Share of losses of joint ventures and associates, net		2,347	1,009
– Write-down of inventories to net realisable value	5	790	254
– Provision for impairment of trade and other receivable	5	6,132	6,893
– Provision for impairment of contract assets	5	909	1,008
– Provision for impairment of property, plant and equipment		30	5
– Provision for impairment of associates and joint ventures		-	248
– Provision for impairment of goodwill		-	196
– Interest income	6	(24,241)	(23,898)
– Interest expenses	7	22,002	21,809
– Equity-settled share-based payment		240	146
– Net foreign exchange (gains)/losses on borrowings	7	(85)	437
		55,396	57,456

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	2024	2023
	<i>RMB million</i>	<i>RMB million</i> (Restated)
Increase in inventories	(9,115)	(8,164)
Increase in trade and other receivables	(74,304)	(65,999)
Increase in contract assets	(66,214)	(57,686)
Decrease/(increase) in restricted bank deposits	413	(1,540)
Increase in trade and other payables	81,566	75,562
Increase/(decrease) in contract liabilities	11,464	(3,851)
Decrease/(increase) in retirement benefit obligations	(70)	60
Increase in provision	89	38
Decrease in deferred income	(140)	(85)
	<hr/>	<hr/>
Cash used in operations	(915)	(4,209)
Interest income from operating activities	23,102	22,669
Income tax paid	(9,681)	(6,399)
	<hr/>	<hr/>
Net cash flows from operating activities	12,506	12,061

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	2024 <i>RMB million</i>	2023 <i>RMB million</i> (Restated)
Cash flows from investing activities		
Purchases of items of property, plant and equipment	(13,295)	(14,510)
Purchases of investment properties	(1)	(29)
Additions to right-of-use assets	(671)	(906)
Purchases of intangible assets	(13,301)	(23,505)
Proceeds from disposal of items of property, plant and equipment	1,244	1,102
Proceeds from disposal of right-of-use assets	44	436
Proceeds from disposal of investment properties	180	3
Proceeds from disposal of intangible assets	90	28
Business combination	(1,007)	553
Asset acquisition	(841)	-
Investments in associates	(2,980)	(5,454)
Investments in joint ventures	(5,394)	(6,821)
Disposal of subsidiaries	5,559	5,088
Other changes in scope of consolidation	(7)	-
Disposal of joint ventures and associates	1,892	750
Purchases of equity investments designated at fair value through other comprehensive income	(491)	(1,284)
Purchases of financial assets at fair value through profit or loss	(15,983)	(20,869)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	1,481	420
Proceeds from disposal of financial assets at fair value through profit or loss	13,818	15,187
Purchases of debt instruments	(205)	-
Loans to joint ventures, associates and third parties	(14,616)	(17,894)
Repayment of loans from joint ventures, associates and third parties	6,854	6,540
Interest received	372	308
Changes in time deposits with an initial term of over three months	2,810	471
Cash consideration from operation of concession assets	2,122	1,420
Dividends received	2,585	2,605
Proceeds from other investment activity	122	492
Net cash flows used in investing activities	(29,619)	(55,869)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	2024 <i>RMB million</i>	2023 <i>RMB million</i> (Restated)
Cash flows from financing activities		
Capital contribution from non-controlling shareholders	5,286	3,923
Withdrawal of capital contribution by non-controlling interests	(15,049)	(2,927)
Dividends paid to non-controlling shareholders	(734)	(2,344)
Dividends paid to equity holders of the parent	(7,042)	(3,509)
Proceeds from issue of perpetual securities	31,195	33,963
Interest paid for perpetual securities	(4,418)	(4,922)
Redemption of perpetual securities	(32,097)	(31,937)
Proceeds from bank and other borrowings	464,758	378,956
Repayments of bank and other borrowings	(375,628)	(296,300)
Interest paid for bank and other borrowings	(22,982)	(23,054)
Transaction with non-controlling interests	(86)	(155)
Stock repurchase	(8)	–
Cash paid for business combination under common control	(31)	(88)
Increase in an amount due to the ultimate holding company	83	522
Principal portion of lease payments	(1,607)	(1,796)
Net cash flows from financing activities	<u>41,640</u>	<u>50,332</u>
Net increase in cash and cash equivalents	<u>24,527</u>	<u>6,524</u>
Cash and cash equivalents at beginning of year	110,407	103,710
Effect of foreign exchange rate changes, net	<u>40</u>	<u>173</u>
Subtotal	<u>134,974</u>	<u>110,407</u>
Less : held for sale-cash and cash equivalents	<u>–</u>	<u>154</u>
Cash and cash equivalents at end of year	<u><u>134,974</u></u>	<u><u>110,253</u></u>

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

China Communications Construction Company Limited (the “**Company**”) was established in the People’s Republic of China (the “**PRC**”) on 8 October 2006 as a joint stock company with limited liability under the Company Law of the PRC as part of the group reorganisation of China Communications Construction Group (Limited) (“**CCCCG**”), the parent company and a state-owned enterprise established in the PRC. The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 15 December 2006 and the A shares of the Company were listed on the Shanghai Stock Exchange on 9 March 2012. The address of the Company’s registered office is 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in infrastructure construction, infrastructure design and dredging businesses.

In the opinion of the directors, the immediate and ultimate holding company of the Company is CCCC, which was established in the PRC.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital <i>(in million)</i>	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Unlisted						
China Harbour Engineering Co., Ltd. （“CHEC”）	PRC and other regions	Limited liability company	RMB6,000	50.10%	49.90%	Infrastructure construction
China Road and Bridge Corporation （“CRBC”）	PRC and other regions	Limited liability company	RMB6,000	99.64%	0.36%	Infrastructure construction
CCCC First Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB7,295	86.92%	–	Infrastructure construction
CCCC Second Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB5,329	77.01%	–	Infrastructure construction
CCCC Third Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB6,021	92.87%	–	Infrastructure construction
CCCC Fourth Harbour Engineering Co., Ltd.	PRC	Limited liability company	RMB4,966	93.11%	–	Infrastructure construction
CCCC First Highway Engineering Group Co., Ltd.	PRC	Limited liability company	RMB7,548	81.26%	–	Infrastructure construction
CCCC Second Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB3,942	76.53%	–	Infrastructure construction
Road & Bridge International Co., Ltd.	PRC	Limited liability company	RMB3,974	74.78%	–	Infrastructure construction

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital <i>(in million)</i>	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC Third Highway Engineering Co., Ltd.	PRC	Limited liability company	RMB2,156	70.00%	–	Infrastructure construction
CCCC Construction Group Co., Ltd.	PRC	Limited liability company	RMB2,177	80.15%	–	Infrastructure construction
CCCC Water Transportation Consultants Co., Ltd.	PRC	Limited liability company	RMB818	100.00%	–	Infrastructure design
CCCC Highway Consultants Co., Ltd.	PRC	Limited liability company	RMB750	100.00%	–	Infrastructure design
CCCC First Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB723	100.00%	–	Infrastructure design
CCCC Second Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB428	100.00%	–	Infrastructure design
CCCC Third Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB731	100.00%	–	Infrastructure design
CCCC Fourth Harbour Consultants Co., Ltd.	PRC	Limited liability company	RMB630	100.00%	–	Infrastructure design
CCCC Dredging (Group) Co., Ltd. (“CCCC Dredging”)	PRC	Limited liability company	RMB11,775	99.90%	0.10%	Dredging
CCCC Investment Co., Ltd.	PRC	Limited liability company	RMB12,500	100.00%	–	Investment holding
CCCC Xi'an Road Construction Machinery Co., Ltd.	PRC	Limited liability company	RMB433	54.31%	45.69%	Manufacture of road construction machinery
China Highway Vehicle & Machinery Co., Ltd.	PRC	Limited liability company	RMB168	100.00%	–	Trading of motor vehicle spare parts
Chuwa Bussan Co., Ltd. (“Chuwa Bussan”)	Japan	Limited liability company	JPY100	99.94%	–	Trading of machinery
CCCC Shanghai Equipment Engineering Co., Ltd.	PRC	Limited liability company	RMB10	55.00%	–	Maintenance and design of port machinery
CCCC Mechanical & Electrical Engineering Co., Ltd.	PRC	Limited liability company	RMB833	60.00%	40.00%	Infrastructure construction
China Communications Materials & Equipment Co., Ltd.	PRC	Limited liability company	RMB1,734	100.00%	–	Trading of construction materials and equipment
CCCC Finance	PRC	Limited liability company	RMB7,000	95.00%	–	Financial services
CCCC International Holding Limited (“CCCCI”)	Hong Kong	Limited liability company	HK\$2,372	50.98%	49.02%	Investment holding

Name	Place of incorporation/ registration and business	Type of legal entity	Issued ordinary/ registered share capital <i>(in million)</i>	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CCCC Capital Holdings Limited ("CCCC Capital")	PRC	Limited liability company	RMB10,000	100.00%	–	Fund management and financial leasing
CCCC Urban Investment Holding Co., Ltd.	PRC	Limited liability company	RMB10,000	91.94%	–	Investment holding
CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd	PRC	Limited liability company	RMB1,277	88.26%	11.74%	Machinery and equipment manufacturing
CCCC Changjiang Construction and Development Group Co., Ltd.	PRC	Limited liability company	RMB2,667	41.24%	33.74%	Infrastructure design
CCCC South China Construction and Development Co., Ltd.	PRC	Limited liability company	RMB623	100.00%	–	Infrastructure construction
CCCC Design	PRC	Limited liability company	RMB2,295	49.13%	–	Infrastructure design
Gansu Qilianshan Cement Group Co., Ltd.	PRC	Limited liability company	RMB1,200	85.00%	–	Cement sales
CCCC (Tianjin) Rail Transit Investment and Construction Co., Ltd	PRC	Limited liability company	RMB4,850	45.00%	6.00%	Infrastructure construction
Forsea Holdings PTE. Ltd.	Singapore	Limited liability company	SGD0.30	100%	–	Infrastructure construction

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards issued by International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest million except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

The Group had net current liabilities of RMB79,883 million as at 31 December 2024. Having considered the Group’s cash flow projections for the year ending 31 December 2025, including the Group’s cash position, cash flows from operating, investing and financing activities, and the unutilised bank facilities, the directors of the Company are satisfied that the Group is able to meet its financial obligations in full as they fall due for the coming 12 months. Accordingly, these financial statements have been prepared on a going concern basis.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to IAS 7 and IFRS 7	<i>Deferred Tax related to Assets and Liabilities arising from a Supplier Finance Arrangements</i>

The nature and the impact of the revised IFRS Accounting Standards are described below:

- (a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have significant impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have significant impact on the financial position or performance of the Group.

- (c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have significant supplier finance arrangements, the amendments did not have significant impact on the financial statements consolidated financial information.

2.3 PRIOR PERIOD RESTATEMENT

During the year, the Group obtained control over China Communications E-commerce through a capital increase. The same year the Group acquired a subsidiary from China Real Estate Development Group Co., Ltd. Since the subsidiaries and the Group are both under common control of CCCG before and after the acquisition, the acquisitions constitute a business combination under common control.

Business combinations arising from transfers of interests in entities that are under the control of the ultimate shareholder that controls the Group are accounted for as if the acquisitions had occurred at the beginning of the earliest date presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entities' financial statements.

Restated consolidated statements of comprehensive income for the year ended 31 December 2023:

	Before restatement <i>RMB million</i>	Effect of business combinations under common control <i>RMB million</i>	After restatement <i>RMB million</i>
Profit for the year	31,141	12	31,153
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	637	–	637
Net other comprehensive losses that will not be reclassified to profit or loss in subsequent periods	(2,736)	–	(2,736)
Total comprehensive income for the year	29,042	12	29,054
Attributable to:			
Owners of the parent	22,618	5	22,623
Non-controlling interests	6,424	7	6,431

Restated consolidated statements of financial position as at 31 December 2023:

	Before restatement <i>RMB million</i>	Effect of business combinations under common control <i>RMB million</i>	After restatement <i>RMB million</i>
Total non-current assets	998,122	18	998,140
Total current assets	686,140	132	686,272
Total current liabilities	762,181	74	762,255
Total non-current liabilities	462,957	–	462,957
Equity attributable to owners of the parent	301,734	33	301,767
Non-controlling interests	157,390	43	157,433
Total equity	459,124	76	459,200

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the President Office that are used to allocate resources to the operating segments and assess their performance.

The President Office considers the business from the service and product perspectives. Management assesses the performance of the following four operating segments:

- (a) infrastructure construction of ports, roads, bridges and railways, municipal and environmental engineering and others (the “**Construction**”)
- (b) infrastructure design of ports, roads, bridges, railways and others (the “**Design**”)
- (c) dredging (the “**Dredging**”)
- (d) others

The President Office assesses the performance of the operating segments based on operating profit excluding unallocated income or costs. Other information provided to the President Office is measured in a manner consistent with that in the consolidated financial statements.

Sales between operating segments are carried out on terms with reference to the selling prices used for sales made to third parties. The revenue from external parties reported to the President Office is measured in a manner consistent with that in the consolidated statement of profit or loss.

Operating expenses of a functional unit are allocated to the relevant operating segment which is the predominant user of the services provided by the unit. Operating expenses of shared services which cannot be allocated to a specific operating segment and corporate expenses are included as unallocated costs.

Segment assets consist primarily of property, plant and equipment, investment properties, right-of-use assets, intangible assets, inventories, receivables, contract assets, equity investments designated at fair value through other comprehensive income, debt investments at amortised cost, financial assets at fair value through profit or loss, derivative financial instruments, and cash and cash equivalents. They exclude deferred tax assets, investments in joint ventures and associates, the assets of the headquarters of the Company and the assets of CCCC Finance, a subsidiary of the Company.

Segment liabilities comprise primarily payables, derivative financial instruments, and contract liabilities. They exclude deferred tax liabilities, tax payable, borrowings, the liabilities of the headquarters of the Company and the liabilities of CCCC Finance.

Capital expenditure comprises mainly additions to property, plant and equipment, investment properties, right-of-use assets and intangible assets.

The segment results for the year ended 31 December 2024 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2024					
	Construction	Design	Dredging	Others	Eliminations	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Total gross segment revenue	682,603	36,287	59,461	26,064	(36,172)	768,243
Intersegment sales	(9,411)	(4,321)	(4,064)	(18,376)	36,172	–
Revenue	673,192	31,966	55,397	7,688	–	768,243
Segment results	32,942	3,583	3,105	1,022	46	40,698
Unallocated loss						(1,391)
Operating profit						39,307
Finance income						24,241
Finance costs, net						(24,038)
Share of profits and losses of joint ventures and associates						(2,347)
Profit before tax						37,163
Income tax expense						(6,344)
Profit for the year						30,819
Other segment information						
Depreciation	6,990	452	1,097	1,452		9,991
Amortisation	3,317	42	13	36		3,408
Write-down of inventories	786	–	–	4		790
Impairment of property, plant and equipment	2	–	28	–		30
Impairment losses on contract assets	813	40	54	2		909
Impairment losses on financial assets	4,617	704	461	350	–	6,132
Capital expenditure	25,639	1,078	2,569	1,465		30,751

The segment results for the year ended 31 December 2023 and other segment information included in the consolidated financial statements are as follows:

	Year ended 31 December 2023					
	Construction	Design	Dredging	Others	Eliminations	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Total gross segment revenue	667,802	47,302	53,506	19,369	(32,292)	755,687
Intersegment sales	(9,884)	(6,673)	(353)	(15,382)	32,292	–
Revenue	657,918	40,629	53,153	3,987	–	755,687
Segment results	34,061	3,660	2,505	228	18	40,472
Unallocated loss						(1,498)
Operating profit						38,974
Finance income						23,898
Finance costs, net						(24,311)
Share of profits and losses of joint ventures and associates						(1,009)
Profit before tax						37,552
Income tax expense						(6,399)
Profit for the year						31,153
Other segment information						
Depreciation	7,256	457	1,295	761	–	9,769
Amortisation	3,130	117	27	11	–	3,285
Write-down of inventories	209	–	–	45	–	254
Impairment of property, plant and equipment	5	–	–	–	–	5
Impairment of intangible assets	–	–	–	196	–	196
Impairment of investments in joint ventures	248	–	–	–	–	248
Impairment losses on contract assets	944	23	40	1	–	1,008
Impairment losses on financial assets	4,835	1,063	763	232	–	6,893
Capital expenditure	37,741	1,319	2,737	1,101	–	42,898

The amounts provided to the President Office with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are presented based on the operating segments they are associated with.

The segment assets and liabilities as at 31 December 2024 are as follows:

	As at 31 December 2024					
	Construction	Design	Dredging	Others	Eliminations	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Segment assets	<u>1,387,493</u>	<u>70,407</u>	<u>145,244</u>	<u>129,782</u>	<u>(122,485)</u>	1,610,441
Investments in joint ventures						59,978
Investments in associates						54,394
Other unallocated assets						<u>133,459</u>
Total assets						<u>1,858,272</u>
Segment liabilities	<u>602,660</u>	<u>35,907</u>	<u>76,147</u>	<u>17,535</u>	<u>(64,889)</u>	667,360
Unallocated liabilities						<u>723,097</u>
Total liabilities						<u>1,390,457</u>

The segment assets and liabilities as at 31 December 2023 are as follows:

	As at 31 December 2023					
	Construction	Design	Dredging	Others	Eliminations	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Segment assets	<u>1,282,412</u>	<u>74,277</u>	<u>130,097</u>	<u>117,065</u>	<u>(81,021)</u>	1,522,830
Investments in joint ventures						59,671
Investments in associates						53,801
Other unallocated assets						<u>48,110</u>
Total assets						<u>1,684,412</u>
Segment liabilities	<u>566,716</u>	<u>41,151</u>	<u>65,426</u>	<u>15,283</u>	<u>(48,732)</u>	639,844
Unallocated liabilities						<u>585,368</u>
Total liabilities						<u>1,225,212</u>

Geographical information

(a) Revenue from external customers

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Mainland China	633,463	639,751
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	<u>134,780</u>	<u>115,936</u>
Total Revenue	<u><u>768,243</u></u>	<u><u>755,687</u></u>

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

(b) Non-current assets

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Mainland China	270,288	269,116
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	<u>50,154</u>	<u>49,002</u>
Total non-current assets	<u><u>320,442</u></u>	<u><u>318,118</u></u>

The non-current asset information above is based on the locations of the assets and excludes financial assets, investments in joint ventures and associates, deferred tax assets and contract assets.

Information about a major customer

No revenue derived from services or sales to a single customer amounted to 10% or more of the Group's revenue during 2024 and 2023.

4. REVENUE, OTHER INCOME AND OTHER LOSSES, NET

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Total RMB million
Type of goods or services					
Infrastructure construction services	643,650	14,701	10,165	429	668,945
Infrastructure design services	2,101	16,648	633	–	19,382
Dredging and filling services	–	–	40,858	–	40,858
Others	27,441	617	3,741	7,259	39,058
Total	<u>673,192</u>	<u>31,966</u>	<u>55,397</u>	<u>7,688</u>	<u>768,243</u>
Geographical markets					
Mainland China	548,509	30,667	46,922	7,365	633,463
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	124,683	1,299	8,475	323	134,780
Total	<u>673,192</u>	<u>31,966</u>	<u>55,397</u>	<u>7,688</u>	<u>768,243</u>
Timing of revenue recognition					
Services transferred over time	645,750	31,650	52,206	429	730,035
Services transferred at a point in time	6,757	–	–	–	6,757
Merchandise transferred at a point in time	20,685	316	3,191	7,259	31,451
Total	<u>673,192</u>	<u>31,966</u>	<u>55,397</u>	<u>7,688</u>	<u>768,243</u>

For the year ended 31 December 2023

Segments	Construction <i>RMB million</i>	Design <i>RMB million</i>	Dredging <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Type of goods or services					
Infrastructure construction services	632,137	21,277	7,273	297	660,984
Infrastructure design services	1,403	18,548	617	–	20,568
Dredging and filling services	–	–	41,580	–	41,580
Others	<u>24,378</u>	<u>804</u>	<u>3,683</u>	<u>3,690</u>	<u>32,555</u>
Total	<u><u>657,918</u></u>	<u><u>40,629</u></u>	<u><u>53,153</u></u>	<u><u>3,987</u></u>	<u><u>755,687</u></u>
Geographical markets					
Mainland China	550,081	38,761	47,034	3,875	639,751
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	<u>107,837</u>	<u>1,868</u>	<u>6,119</u>	<u>112</u>	<u>115,936</u>
Total	<u><u>657,918</u></u>	<u><u>40,629</u></u>	<u><u>53,153</u></u>	<u><u>3,987</u></u>	<u><u>755,687</u></u>
Timing of revenue recognition					
Services transferred over time	633,532	40,580	49,473	297	723,882
Services transferred at a point in time	8,171	–	–	–	8,171
Merchandise transferred at a point in time	<u>16,215</u>	<u>49</u>	<u>3,680</u>	<u>3,690</u>	<u>23,634</u>
Total	<u><u>657,918</u></u>	<u><u>40,629</u></u>	<u><u>53,153</u></u>	<u><u>3,987</u></u>	<u><u>755,687</u></u>

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

For the year ended 31 December 2024

Segments	Construction <i>RMB million</i>	Design <i>RMB million</i>	Dredging <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Revenue from contracts with customers					
External customers	673,192	31,966	55,397	7,688	768,243
Intersegment sales	<u>9,411</u>	<u>4,321</u>	<u>4,064</u>	<u>18,376</u>	<u>36,172</u>
Intersegment adjustments and eliminations	<u>(9,411)</u>	<u>(4,321)</u>	<u>(4,064)</u>	<u>(18,376)</u>	<u>(36,172)</u>
Total	<u><u>673,192</u></u>	<u><u>31,966</u></u>	<u><u>55,397</u></u>	<u><u>7,688</u></u>	<u><u>768,243</u></u>

For the year ended 31 December 2023

Segments	Construction <i>RMB million</i>	Design <i>RMB million</i>	Dredging <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
Revenue from contracts with customers					
External customers	657,918	40,629	53,153	3,987	755,687
Intersegment sales	<u>9,884</u>	<u>6,673</u>	<u>353</u>	<u>15,382</u>	<u>32,292</u>
Intersegment adjustments and eliminations	<u>(9,884)</u>	<u>(6,673)</u>	<u>(353)</u>	<u>(15,382)</u>	<u>(32,292)</u>
Total	<u><u>657,918</u></u>	<u><u>40,629</u></u>	<u><u>53,153</u></u>	<u><u>3,987</u></u>	<u><u>755,687</u></u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2024 RMB Million	2023 <i>RMB million</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Construction	24,049	23,666
Design	1,977	1,841
Dredging	1,558	999
Others	434	868
	<hr/>	<hr/>
Total	28,018	27,374
	<hr/>	<hr/>

(ii) Performance obligations

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

Construction, design and dredging services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 90 days from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over the period stipulated in the contracts.

Others

Others mainly include sale of goods. The performance obligation is satisfied upon delivery of the goods and payments are generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

The remaining performance obligations of those uncompleted contracts expected to be recognised relate to construction, design, dredging services and others that are to be satisfied within 1 to 5 years.

Other income

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Rental income	1,272	963
Revenue from consulting services	696	659
Dividend income from equity investments designated at fair value through other comprehensive income		
– Listed equity instruments	1,041	850
– Unlisted equity instruments	32	23
Government grants	538	618
Dividend income from financial assets at fair value through profit or loss	337	284
Income from sale of scraps	646	513
Interest income on debt investments at amortised cost	196	169
Others	1,481	1,494
	<u>6,239</u>	<u>5,573</u>
Total other income	<u>6,239</u>	<u>5,573</u>

Other losses , net

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Gains on disposal of items of property, plant and equipment	179	61
Gains on disposal of items of intangible assets and other long-term assets	128	450
Gains on disposal of subsidiaries	2,219	518
Gains on disposal of joint ventures and associates	273	7
Fair value (losses)/gains, net:		
– Financial assets at fair value through profit or loss	(1,084)	(770)
– Derivative financial instruments – transactions not qualifying as hedges	7	(278)
Foreign exchange difference, net	510	1,550
(Losses)/gains on disposal of financial assets at fair value through profit or loss	(10)	10
Losses on derecognition of financial assets at amortised cost	(3,221)	(1,873)
Losses from business combinations achieved in stages	(79)	–
Losses on disposal investment properties	(6)	–
	<u>(1,084)</u>	<u>(325)</u>
Total other losses , net	<u>(1,084)</u>	<u>(325)</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Raw materials and consumables used*	223,914	230,060
Cost of goods sold	15,646	11,528
Subcontracting costs	311,462	303,466
Employee benefit expenses*:		
– Salaries, wages and bonuses	36,950	37,938
– Pension costs – defined contribution plans	6,478	5,957
– defined benefit plans	32	29
– Housing benefits	3,285	3,154
– Welfare, medical and other expenses	17,398	17,449
Total	<u>64,143</u>	<u>64,527</u>
Equipment and plant usage costs	17,692	16,705
Lease payments not included in the measurement of lease liabilities	2,535	1,799
Business tax and other taxes	2,119	1,912
Fuel	3,564	3,866
Utilities	2,250	2,153
Maintenance costs	2,408	2,481
Research and development costs (including raw materials and consumables used, employee benefit expenses, depreciation and amortisation)	25,998	27,318
Depreciation of property, plant and equipment*	7,898	7,871
Depreciation of investment properties*	326	464
Depreciation of right-of-use assets*	1,767	1,434
Amortisation of intangible assets*	3,408	3,285
Auditors' remuneration	28	28
Write-down of inventories to net realisable value	790	254
Impairment losses on financial assets, net	6,132	6,893
Impairment losses on contract assets, net	909	1,008

* The raw materials and consumables used, the employee benefit expenses, and the depreciation and amortisation for the year charged for research and development activities are also included in the item of "Research and development costs".

6. FINANCE INCOME

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Interest income from:		
– Bank deposits	922	1,257
– Deposits in The People’s Bank of China and interbank placement	457	318
– Contract assets and receivables from Public-Private-Partnership(“PPP”) contracts and primary land development contracts	15,388	14,842
– Loan receivables	5,353	5,166
– Others	2,121	2,315
	<u>24,241</u>	<u>23,898</u>
Total	<u>24,241</u>	<u>23,898</u>

7. FINANCE COSTS, NET

An analysis of finance costs is as follows:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Interests on:		
– Bank borrowings	20,779	21,254
– Other borrowings	152	215
– Corporate bonds	873	812
– Debentures	679	670
– Non-public debt instruments	606	467
– Lease liabilities	200	232
	<u>23,289</u>	<u>23,650</u>
Subtotal	23,289	23,650
Less: Interest capitalised	<u>1,287</u>	<u>1,841</u>
Net interest expense	22,002	21,809
Foreign exchange difference on borrowings, net	(85)	437
Others	<u>2,121</u>	<u>2,065</u>
Total	<u>24,038</u>	<u>24,311</u>

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. A weighted average capitalisation rate of 2.91% (2023: 3.74%) per annum was used, representing the comprehensive cost rate of the borrowings used to finance the qualifying assets.

Interest capitalised during the year was as follows:

	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Inventories	718	691
Concession assets	395	994
Construction in progress	174	156
	<u>1,287</u>	<u>1,841</u>

8. INCOME TAX

Most of the companies comprising the Group are subject to the PRC enterprise income tax, which was provided based on the statutory income tax rate of 25% (2023: 25%) of the assessable income of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC subsidiaries of the Company which were taxed at a preferential rate of 15% (2023: 15%).

Taxation for other companies of the Group has been calculated based on the estimated assessable profit for the years ended 31 December 2024 and 31 December 2023 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2024	2023
	<i>RMB million</i>	<i>RMB million</i> (Restated)
Current		
– PRC enterprise income tax	6,225	6,710
– Elsewhere	1,100	1,071
Total Current	7,325	7,781
Deferred	(981)	(1,382)
Total tax charge for the year	<u>6,344</u>	<u>6,399</u>

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2024		2023	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i> <i>(Restated)</i>	<i>%</i>
Profit before tax	<u>37,163</u>		<u>37,552</u>	
Tax at PRC statutory tax rate of 25%	9,291	25.0	9,388	25.0
Land appreciation tax in the PRC	233	0.6	193	0.5
Profits and losses attributable to joint ventures and associates	587	1.6	251	0.7
Income not subject to tax	(371)	(1.0)	(589)	(1.6)
Additional tax concession on research and development costs	(1,401)	(3.8)	(1,681)	(4.5)
Expenses not deductible for tax	156	0.4	255	0.7
Temporary differences utilised from previous periods	(13)	–	(197)	(0.5)
Temporary differences not recognised	159	0.4	189	0.5
Tax losses utilised from previous periods	(276)	(0.7)	(109)	(0.3)
Tax losses not recognised	868	2.3	848	2.3
Effect of differences in tax rates applicable to certain domestic and foreign subsidiaries	(2,376)	(6.4)	(1,966)	(5.2)
Adjustments in respect of current income tax of previous years	(150)	(0.4)	65	0.2
Others	<u>(363)</u>	<u>(1.0)</u>	<u>(248)</u>	<u>(0.7)</u>
Tax charge at the Group's effective rate	<u>6,344</u>	<u>17.1</u>	<u>6,399</u>	<u>17.0</u>

The share of tax attributable to joint ventures and associates amounting to approximately RMB526 million (2023: RMB433 million) is included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss.

The Company is within the scope of global minimum tax (“GMT”) under the OECD Pillar Two model rules (“Pillar Two”). Subject to tax legislation enacting Pillar Two being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per jurisdiction. The Company has assessed the impact of Pillar Two and the impact is not significant.

9. DIVIDENDS

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Proposed annual dividend of RMB0.30166 per ordinary share (2023: RMB 0.29253)	<u>4,911</u>	<u>4,762</u>

A total annual dividend of approximately RMB4,911 million has been proposed for distribution to the shareholders. Of this amount, an interim dividend of RMB2,280 million was approved by the Company's first Extraordinary General Meeting ("EGM") in 2024. The remaining dividend of RMB0.16161 per share, totalling RMB2,631 million, is subject to approval by the shareholders at the forthcoming Annual General Meeting ("AGM").

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent (exclusive of the interest on perpetual securities and dividend relating to Restricted stock incentive plans), and the weighted average number of ordinary shares of 16,165,711,425 (2023: 16,165,711,425) outstanding during the year.

The Company granted restricted shares to certain employees in 2023 and 2024, the restricted shares had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share is equal to the basic earning per share.

The calculation of basic earnings per share is based on:

	2024	2023
Profit attributable to ordinary equity holders of the parent (<i>RMB million</i>)	23,854	24,739
Less: Interest on perpetual securities (<i>RMB million</i>) (i)	<u>1,231</u>	<u>1,327</u>
Dividend relating to Restricted stock incentive plans (<i>RMB million</i>)	<u>47</u>	<u>-</u>
Total	<u>22,576</u>	<u>23,412</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (million) #	<u>16,166</u>	<u>16,166</u>
Basic earnings per share	<u>RMB1.40</u>	<u>RMB1.45</u>

- (i) The perpetual securities issued by the Company were classified as equity instruments with deferrable accumulative interest. Interest of RMB 1,231 million on the perpetual securities which has been accrued but not distributed during the year was deducted from earnings when calculating the earnings per share amount for the year ended 31 December 2024.

The weighted average number of shares was before taking into account the effect of treasury shares held during the waiting period.

11. CONTRACT ASSETS

	31 December 2024 RMB million	31 December 2023 RMB million	1 January 2023 RMB million
Contract assets arising from:			
Infrastructure construction	487,204	426,628	370,597
Infrastructure design	10,400	12,706	12,241
Dredging	20,841	17,120	13,574
Others	343	419	208
	<hr/>	<hr/>	<hr/>
Subtotal	518,788	456,873	396,620
Impairment	(5,042)	(4,261)	(3,349)
	<hr/>	<hr/>	<hr/>
Net carrying amount	513,746	452,612	393,271
Portion classified as non-current	307,506	282,355	242,716
	<hr/>	<hr/>	<hr/>
Current portion	206,240	170,257	150,555
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12. TRADE AND OTHER RECEIVABLES

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Trade and bills receivables	169,443	143,228
Impairment	<u>(28,538)</u>	<u>(23,988)</u>
Net carrying amount	<u>140,905</u>	<u>119,240</u>
Long-term receivables	359,213	308,864
Impairment	<u>(7,178)</u>	<u>(10,295)</u>
Net carrying amount	<u>352,035</u>	<u>298,569</u>
Other receivables:		
Prepayments	28,479	33,054
Deposits	25,118	26,700
Others	<u>71,061</u>	<u>68,322</u>
Subtotal	124,658	128,076
Impairment	<u>(7,647)</u>	<u>(7,435)</u>
Net carrying amount	117,011	120,641
Total	<u>609,951</u>	<u>538,450</u>
Portion classified as non-current		
Long-term receivables	256,688	221,763
Other receivables:		
Prepayments	6,362	5,982
Deposits	3,411	1,922
Others	<u>6,879</u>	<u>6,512</u>
Total non-current portion	<u>273,340</u>	<u>236,179</u>
Total current portion	<u>336,611</u>	<u>302,271</u>

- (a) The majority of the Group's revenues are generated through infrastructure construction, infrastructure design and dredging contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An ageing analysis of trade and bills receivables as at the end of the reporting period, net of provisions, is as follows:

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Within 6 months	86,079	71,630
6 months to 1 year	15,025	13,188
1 year to 2 years	21,649	14,284
2 years to 3 years	7,772	11,390
Over 3 years	<u>10,380</u>	<u>8,748</u>
Total	<u><u>140,905</u></u>	<u><u>119,240</u></u>

13. TRADE AND OTHER PAYABLES

	2024 <i>RMB million</i>	2023 <i>RMB million</i>
Trade and bills payables	425,779	391,835
Deposits from suppliers	47,705	45,775
Retentions	72,552	56,756
Deposits in CCCC Finance	20,966	13,530
Other taxes	42,414	39,566
Payroll and social security	2,401	2,762
Other borrowings	31,422	20,244
Accrued expenses and others	<u>55,045</u>	<u>47,056</u>
Total	698,284	617,524
Portion classified as non-current		
Retentions	53,998	43,131
Other borrowings	3,345	2,465
Other taxes	597	516
Others	<u>5,034</u>	<u>7,009</u>
Total non-current portion	<u><u>62,974</u></u>	<u><u>53,121</u></u>
Total current portion	<u><u>635,310</u></u>	<u><u>564,403</u></u>

An ageing analysis of trade and bills payables as at the end of the reporting period is as follows:

	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Within 1 year	368,932	343,362
1 year to 2 years	38,354	33,762
2 years to 3 years	10,475	6,595
Over 3 years	8,018	8,116
	<hr/>	<hr/>
Total	425,779	391,835
	<hr/> <hr/>	<hr/> <hr/>

14. PLEDGE OF ASSETS

- (a) At 31 December 2024, the restricted deposits were RMB6,705 million (2023: RMB7,119 million).
- (b) Details of the Group's assets secured for interest-bearing bank and other borrowings are as follows:

	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Property, plant and equipment	3,680	782
Right-of-use assets	9,388	9,015
Concession assets and trade receivables from PPP projects	353,893	306,321
Inventories	20,806	18,199
Trade and other receivables (excluding PPP projects)	40,415	42,288
	<hr/>	<hr/>
Total	428,182	376,605
	<hr/> <hr/>	<hr/> <hr/>

15. COMMITMENTS

(i) Capital expenditure commitments

Capital expenditure contracted for but not yet incurred at the end of the reporting period was as follows:

	2024	2023
	<i>RMB million</i>	<i>RMB million</i>
Intangible assets – concession assets	111,827	51,388
Property, plant and equipment	1,411	1,713
Others	921	–
	<hr/>	<hr/>
Total	114,159	53,101
	<hr/> <hr/>	<hr/> <hr/>

(ii) Other commitment

In accordance with the financial services framework agreement between CCCC Finance and CCCG, CCCC Finance provides financial services to CCCG and its subsidiaries. In 2024, the maximum daily balance of loan services under the deposit services and loan services framework agreement is RMB43,617 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement is RMB7,014 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement is RMB 1,946 million.

16. EVENT AFTER THE REPORTING PERIOD

On 27 March 2025, the Board of Directors proposed a total annual dividend distribution totalling approximately RMB4,911 million to the shareholders, subject to the shareholders' approval at the forthcoming AGM. Of this amount, the interim dividend of RMB2,280 million approved by the Company's EGM on 29 November 2024 has been recognised as a liability in the financial statements, while the remaining dividend of RMB2,631 million proposed after the end of the reporting period, has not been recognised as a liability at the end of the reporting period.

17. COMPARATIVE AMOUNTS

As stated in note 2.3, due to the acquisition of subsidiaries under common control as mentioned in note 41(b), the comparative information has been restated.

18. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 27 March 2025.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Pursuant to the authorisation from the 2023 second extraordinary general meeting, the 2023 first class meeting for A Shareholders and the 2023 first class meeting for H Shareholders held on 27 April 2023, on 24 April 2024, the Company resolved to repurchase a total of 1,500,000 Restricted A Shares granted but not yet unlocked at the grant price of RMB5.33 per Share plus the interests on fixed bank deposits in the same period of the repurchase from 8 Participants who were transferred from and ceased to take office in the Company or became disqualified under the 2022 Incentive Scheme and cancel the same in accordance with the 2022 Incentive Scheme and relevant laws and regulations with a total of consideration at approximately RMB8 million. The cancellation for such repurchased Restricted Shares was completed on 29 April 2024. Upon completion of such repurchase and cancellation, the remaining Restricted Shares of the Company were 112,900,000 Shares under the 2022 Incentive Scheme, and the total number of Shares was reduced from 16,280,111,425 Shares to 16,278,611,425 Shares. For details, please refer to the announcement of the Company dated 24 April 2024.

Save as disclosed above, during the period from 1 January 2024 to 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company (including treasury Shares). As at 31 December 2024, the Company did not hold any treasury Shares.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code contained in Appendix C3 to the Hong Kong Listing Rules. The Company has made specific inquiry with all of its Directors and Supervisors. Each of the Directors and Supervisors has confirmed his compliance with the requirements set out in the Model Code for the year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions contained in Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules for the year ended 31 December 2024.

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 10 January 2024, Mr. YANG Xiangyang was elected as the employee representative Supervisor at the employee representative meeting of the Company, with a term commencing from 11 January 2024 to the date of the expiry of the fifth session of the Supervisory Committee. On 11 January 2024, due to having reached the retirement age, Mr. YAO Yanmin reported to the Supervisory Committee to resign as the employee representative Supervisor, with effect from 11 January 2024. For details, please refer to the announcement of the Company dated 11 January 2024.

On 15 January 2024, due to having reached the retirement age, Mr. MI Shuhua reported to the Board to resign as a non-executive Director and cease to be a member of the strategy and investment and ESG committee, the audit and internal control committee and the remuneration and appraisal committee of the Board, with effect from 15 January 2024. For details, please refer to the announcement of the Company dated 15 January 2024.

On 26 January 2024, Mr. LIU Zhengchang was appointed as the chief financial officer of the Company with a term of office commencing from the date of his appointment at the meeting of the Board to the date of the expiry of the fifth session of the Board. For details, please refer to the announcement of the Company dated 26 January 2024.

On 22 March 2024, due to work re-allocation, Mr. ZHOU Changjiang reported to the Board to resign as the company secretary and secretary to the Board, with effect from 22 March 2024. On 7 April 2024, Mr. YU Jingjing, was appointed as the company secretary and authorised representative of the Company with a term of office commencing from the date of the appointment at the Board meeting to the date of expiry of the fifth session of the Board. For details, please refer to the announcements of the Company dated 22 March 2024 and 7 April 2024, respectively.

On 26 July 2024, Mr. LIU Zhengchang was appointed as the Board Secretary of the Company with a term of office commencing from the date of the appointment at the meeting of the Board to the date of expiry of the fifth session of the Board. For details, please refer to the announcement of the Company dated 26 July 2024.

DISTRIBUTIONS AND DIVIDENDS

For the year of 2024, net distributable profit to owners of the Company was approximately RMB23,384 million which is determined based on the financial statements prepared in accordance with China Accounting Standards for Business Enterprises and International Financial Reporting Standards, whichever is lower. To balance the reasonable investment returns for the Shareholders and the long-term development of the Company, the Board has proposed to distribute the annual dividend of RMB0.30166 per Share (totaling approximately RMB4,911 million (tax inclusive)) to the Shareholders, representing approximately 21% of the aforementioned net distributable profit attributable to the the owners of the Company and an increase of 1 percentage point year-on-year. After deducting the interim dividend of approximately RMB2,280 million already distributed by the Company, the Board has proposed a final dividend of RMB0.16161 (tax inclusive) (equivalent to approximately HKD0.17510 including tax; the relevant exchange rate is determined at RMB0.92294 equivalent to HK\$1.00 as the middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on the date when such dividends were declared) per Share (totaling approximately RMB2,631 million), which is subject to approval by the Shareholders at the forthcoming AGM. The proposed dividend distribution will be expected to distribute to all Shareholders on or before 15 August 2025, subject to the provisions of the Articles of Association, on the basis of total issued share capital of the Company of 16,278,611,425 shares.

Further details in relation to the date of the AGM, the qualification for the right to attend the AGM, the qualification for the proposed final dividends and the closure of register of member for H shares will be disclosed by the Company after the arrangement of AGM is finalised.

The proposed final dividends are subject to applicable tax. The proposed final dividends will be denominated and declared in Renminbi and will be paid to holders of A shares in RMB and to holders of H shares in HKD. Further information regarding the exchange rate and the applicable tax will be disclosed by the Company in a separate announcement in due course.

ESTIMATED TOTAL AMOUNT OF DAY-TO-DAY RELATED PARTY TRANSACTIONS UNDER THE SHANGHAI STOCK EXCHANGE LISTING RULES

According to the Shanghai Listing Rules, the listed issuer may, prior to disclosure of its annual report for the previous year, estimate reasonably the total amount of day-to-day related party transaction (as defined under the Shanghai Listing Rules) under each category for the current full year and submit the estimated total amount to the board of directors or shareholders' general meeting for consideration and approval. Upon approval, day-to-day related party transactions conducted by the issuer will be exempted from certain review and disclosure requirements under the Shanghai Listing Rules.

As a Shanghai Stock Exchange listed issuer, the Company, in accordance with the Shanghai Listing Rules, estimates reasonably that the total amount of day-to-day related party transactions for the year of 2025 will not exceed RMB58,253 million. The Company will closely monitor the respective related party transactions. If any related party transaction constitutes a connected transaction (as defined under the Hong Kong Listing Rules), and is subject to reporting, announcement or independent Shareholders' approval requirements (as applicable), the Company will, as soon as possible after the terms of the respective connected transaction have been agreed, take immediate steps to ensure compliance with the Hong Kong Listing Rules.

Pursuant to Rule 10.2.5 of the Shanghai Listing Rules, any related party transaction conducted by a listed issuer with the transaction amount exceeding RMB30 million as well as accounting for more than 5% of the absolute value of a listed issuer's latest audited net assets, shall be approved by its shareholders. As the estimated total amount of day-to-day related party transactions, after aggregation with other transaction amounts of related party transactions pursuant to the Shanghai Listing Rules, exceed RMB30 million but is lower than 5% of the absolute value of the Company's latest audited net assets, the estimated total amount of day-to-day related party transactions is exempted from the requirements of Shareholders' approval by way of ordinary resolution at the AGM.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2024, the Group carried out continuing connected transactions with CCCG, CCCC Haifeng and Qilianshan Cement. In order to regulate the compliance management of connected transactions, strengthen the implementation and supervision of the connected transaction plan and enhance the governance level of listed companies, the Company has organised the formulation and adjustment of the Company's annual internal control management goals at the beginning and middle of the year within the annual caps approved by the Board and the general meeting for various types of continuing connected transactions, and has consolidated the data and regularly reported to the audit and internal control committee of the Company on the formulation and implementation of the annual goals. At the same time, the day-to-day supervision of the implementation of the plan has been strengthened. Through the continuing connected transaction management system, the Company achieves real-time monitoring, dynamic tracking and monitoring alerts of the Company's connected transaction data, ensuring that there are monthly statistics, quarterly self-inspection and annual summaries.

As at the date of this announcement, CCCG is the controlling Shareholder holding approximately 59.42% interests in the issued ordinary Shares, and is therefore a connected person of the Company under the Hong Kong Listing Rules. CCCC Haifeng and Qilianshan Cement are subsidiaries of the Company and owned as to over 10% by CCCG. Therefore, each of CCCC Haifeng and Qilianshan Cement is a connected subsidiary of the Company under Rule 14A.16 of the Hong Kong Listing Rules.

Comparison of the approved annual caps, annual goals for internal control management and the actual transaction amounts of the continuing connected transactions of the Company for the year ended 31 December 2024 is set out as follows:

	Annual Cap for 2024 <i>(RMB million)</i>	Annual goals for internal control management for 2024 <i>(RMB million)</i>	Actual amount for 2024 <i>(RMB million)</i>
1. Mutual Project Contracting Framework Agreement			
Project contracting services provided by the Group to CCCG Group	34,656	18,320	14,407
Labor and subcontracting services provided by CCCG Group to the Group	6,210	3,940	2,332
2. Mutual Product Sales and Purchase Agreement			
Sales of material products to CCCG Group by the Group	5,115	1,294	579
Purchase of engineering products from CCCG Group by the Group	4,829	2,500	2,442
3. Leasing and Asset Management Services Framework Agreement			
Leasing of certain buildings, plants and auxiliary equipment, facilities, etc. for production and operation by CCCG Group to the Group	459	400	293

		Annual Cap for 2024 (RMB million)	Annual goals for internal control management for 2024 (RMB million)	Actual amount for 2024 (RMB million)
4. Financial Services Agreement				
Maximum daily balance (including the interests and handling charges accrued thereon) of credit services to be provided by CCCC Finance to CCCG Group	Loan services under the Financial Services – Deposit Services and Loan Services Framework Agreement	43,617	8,520	5,207
	Guarantee letter services under the Financial Services – Guarantee Letter Services Framework Agreement	7,014	1,600	1,099
	Bills issuance services and bonds subscription under the Financial Services – Other Credit Services Framework Agreement	1,946	1,355	1,153
5. Finance Lease and Commercial Factoring Agreement				
Finance lease services provided by CCCC Capital to CCCG Group		6,900	975	946
Commercial factoring services provided by CCCC Capital to CCCG Group		7,900	1,066	640
6. Product Leasing Framework Agreement				
Leasing of engineering products by CCCC Haifeng Group to the Group		426	400	325
7. Labor Subcontracting and Professional Subcontracting Framework Agreement				
Labor subcontracting and professional subcontracting services provided by the Group to CCCC Haifeng Group		210	67	65

	Annual Cap for 2024 (RMB million)	Annual goals for internal control management for 2024 (RMB million)	Actual amount for 2024 (RMB million)
8 Product Purchasing Framework Agreement			
Purchase of cement and cement products, etc. from Qilianshan Cement	400	400	145
9 Asset Leasing Framework Agreement			
Leasing of certain buildings, plants and auxiliary equipment, facilities, etc. for production and operation by the Group to CCCG Group	135	65	60

The Company has effective and sufficient control mechanism in place to control the annual caps of continuing connected transactions and ensure such caps will not be exceeded. The control measures adopted by the Company are as follows:

- (1) Leveraging historical experience and operation plans, the Company scientifically enters into continuing connected transaction framework agreements for a term of three years on the basis of the assessment on necessity and fairness of potential connected transactions.
- (2) These continuing connected transaction framework agreements are subject to necessary decision-making and approval procedures. The independent non-executive Directors, the Audit and Internal Control Committee under the Board, the Board, the Supervisory Committee and the Shareholders of the Company will review and consider the proposals for continuing connected transactions pursuant to their respective authorisation. Implementation will be organized upon approval after review and consideration.

- (3) The Company carries out supervision on the overall implementation of continuing connected transactions considered and approved and on a quarterly basis. The Company will allocate the annual caps of continuing connected transactions for the next year to the implementers of relevant transactions at the end of every year.
- (4) The implementers shall bring forward the need for increasing the caps of connected transactions in time when it occurs during implementation based on changes in business development. The Company will start decision-making procedures for revising the annual caps of connected transactions in due course after assessing necessity and fairness of the connected transactions.
- (5) Whenever the actual transaction amount of each category of continuing connected transaction reaches 80% of the existing annual caps, the transaction implementers shall make a new prediction on whether the transaction amount of the outstanding period of the relevant year will satisfy operation needs and shall provide the Company with relevant transaction information so that the Company can realize better supervision and start decision-making procedures for revising annual caps in time after assessing necessity and fairness.
- (6) By the end of every year, the Company will make a new prediction about the proposed annual caps of connected transactions for the next year based on the latest actual situation of connected transactions, and re-assess the plan for the connected transactions for the next year after evaluating the necessity and fairness. If the reassessment is consistent with the existing annual caps, the transactions shall be implemented following the procedures mentioned in (3) and (4) above, and if it is expected to exceed the existing annual caps, the decision-making procedure for revising the annual caps of connected transactions shall be started.

AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee of the Company is comprised of Mr. CHAN Wing Tak Kevin, Mr. LIU Hui, Mr. WU Guangqi and Mr. ZHOU Xiaowen, and is chaired by Mr. CHAN Wing Tak Kevin. The audit and internal control committee of the Company has reviewed the annual results of the Company.

AUDITORS

Ernst & Young and Ernst & Young Hua Ming LLP were appointed as the international and domestic auditors of the Company for the year ended 31 December 2024, respectively. The financial figures in this announcement extracted from the Group's consolidated Financial Statements for the year ended 31 December 2024 have been agreed by the Company's international auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL REPORT

This results announcement will be released on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ccccltd.cn).

The annual report of the Company for the year ended 31 December 2024 which contains all the information required by the Hong Kong Listing Rules including audited financial statements will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ccccltd.cn) and will be delivered to the holders of H shares of the Company by means of receipt of corporate communications at their option on or before 30 April 2025.

DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the following meanings:

“1+4+N”	the main structure of overseas operations: “1” represents the headquarters of the Company, “4” represents the platform companies (China Harbour Engineering Company Ltd.* (中國港灣工程有限責任公司, “CHEC”), China Road & Bridge Corporation* (中國路橋工程有限責任公司, “CRBC”), overseas engineering branches (海外工程公司) and China International Water & Electric Corp* (中國水利電力對外有限公司, “CIWE”)) and “N” represents important sub-subsidiaries
“1+4+O+P”	overseas management structure: “1” represents the headquarters of the Company, “4” represents the platform companies (CHEC, CRBC, overseas engineering branches and CIWE), “O” represents national (regional) organizations and “P” represents project offices
“2022 Incentive Scheme”	the 2022 Restricted Share Incentive Scheme of the Company adopted on 27 April 2023
“AGM”	the annual general meeting of the Company for the year 2024 to be held in 2025
“Articles of Association”	the articles of associations of the Company, approved on 8 October 2006, and as amended from time to time
“Board”	the board of directors of the Company
“CCCC” or “Company”	China Communications Construction Company Limited, a joint stock limited company with limited liability incorporated under the laws of the PRC on 8 October 2006, and except where the context requires otherwise, all of its subsidiaries

“CCCC Capital”	CCCC Capital Holdings Limited* (中交資本控股有限公司), a subsidiary of the Company as at the date of this announcement
“CCCC Design”	CCCC Design & Consulting Group Co., Ltd. (中交設計諮詢集團股份有限公司), a subsidiary of the Company as at the date of this announcement, whose shares are listed on the Shanghai Stock Exchange under the stock code of 600720
“CCCC Finance”	CCCC Finance Company Limited* (中交財務有限公司), a subsidiary of the Company as at the date of this announcement
“CCCC Haifeng”	CCCC Haifeng Wind Power Development Co., Ltd.* (中交海峰風電發展股份有限公司), a connected subsidiary of the Company as at the date of this announcement
“CCCC Haifeng Group”	CCCC Haifeng and its subsidiaries
“CCCC Leasing”	CCCC Financial Leasing Co., Ltd.* (中交融資租賃有限公司), a subsidiary of the Company as at the date of this announcement
“CCCCG”	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 59.42% equity interest in the Company
“CCCCG Group”	CCCCG and its subsidiaries, excluding the Company and its subsidiaries
“Director(s)”	the director(s) of the Company
“Group”	the Company itself and all of its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“Participants”	the directors, senior management, middle management and core personnel of the Company to be granted with the Restricted Shares under the 2022 Incentive Scheme
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“Qilianshan Cement”	Gansu Qilianshan Cement Group Ltd.* (甘肅祁連山水泥集團有限公司), a connected subsidiary of the Company as at the date of this announcement
“Restricted Share(s)”	the A Share(s) granted to the Participant(s) according to the conditions and price stipulated in the 2022 Incentive Scheme, which are subject to a lock-up period (being the period during which the Restricted Share(s) shall not be transferred or used as guarantee or for repayment of debts) and can only be unlocked for trading when the unlocking conditions stipulated in the 2022 Incentive Scheme are satisfied
“RMB” or “Renminbi”	the lawful currency of the PRC
“SASAC”	State-owned Assets Supervisor and Administration Commission of the State Council

“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“Shareholder(s)”	the shareholder(s) of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“USD”	United States dollars, the lawful currency of the United States of America
“%”	Percent

By Order of the Board
China Communications Construction Company Limited
LIU Zhengchang **YU Jingjing**
Board Secretary *Company Secretary*

Beijing, the PRC
27 March 2025

As at the date of this announcement, the Directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, LIU Hui[#], CHAN Wing Tak Kevin[#], WU Guangqi[#] and ZHOU Xiaowen[#].

[#] *Independent non-executive Directors*

^{*} *For identification purpose only*