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

BCEG (HONGKONG) COMPANY LIMITED
(北京建工(香港)有限公司)

(incorporated with limited liability in Hong Kong)
(the “**Issuer**”)

Unconditionally and irrevocably guaranteed by

BEIJING CONSTRUCTION ENGINEERING GROUP CO., LTD.



(incorporated with limited liability in the People’s Republic of China)
(the “**Guarantor**”)

U.S.\$600,000,000 2.22 PER CENT. GUARANTEED BONDS DUE 2026 (THE “BONDS”)
(Stock Code: 40743)

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

Please refer to the offering circular dated 23 June 2021 (the “**Offering Circular**”) appended hereto in relation to the Bonds. As disclosed in the Offering Circular, the Bonds issued are for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on the Hong Kong Stock Exchange on that basis.

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

5 July 2021

As at the date of this announcement, the directors of BCEG (HongKong) Company Limited 北京建工(香港)有限公司 are Ms. Liu Peng, Mr. Zeng Peng and Mr. Wang Shancai.

As at the date of this announcement, the directors of Beijing Construction Engineering Group Co., Ltd. are Mr. FAN Jun, Mr. CHANG Yongchun, Mr. LI Jun, Mr. SHI Meng, Mr. MA Tieshan, Ms. MA Xiaoxia, Mr. SUN Weihong, Ms. MA Ping, Mr. LI Zunnong and Mr. WU Jiwei.

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

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

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**SF (CMP) Regulations**”) that the Bonds are “prescribed capital markets products” (as defined in the SF (CMP) Regulations).

Confirmation of Your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must not be located in the United States. The Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Managers (as defined in the Offering Circular) that (1) you and any customers you represent are not in the United States, (2) the e-mail address to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (3) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission. To the extent you purchase the securities described in this document, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

The Offering Circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Managers, the Trustee or the Agents (as defined in the Offering Circular), nor any of their respective advisers, affiliates, directors, officers, employees, representatives or agents, or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Managers will provide a hard copy version to you upon request.

Restrictions: This document is being furnished in connection with an offering in offshore transactions in compliance with Regulation S under the United States Securities Act of 1933, as amended (the “**Securities Act**”) solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

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The materials relating to any offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by laws. If a jurisdiction requires that the issue of securities be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the issue of securities shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

You are responsible for protecting against viruses and other destructive items. If you receive the Offering Circular by email, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

STRICTLY CONFIDENTIAL

BCEG (HONGKONG) COMPANY LIMITED
(北京建工(香港)有限公司)
(incorporated with limited liability in Hong Kong)

U.S.\$600,000,000 2.22 per cent. Guaranteed Bonds due 2026
unconditionally and irrevocably guaranteed by



BEIJING CONSTRUCTION ENGINEERING GROUP CO., LTD.
(北京建工集團有限責任公司)
(incorporated with limited liability in the People's Republic of China)

Issue Price: 100 per cent.

The U.S.\$600,000,000 2.22 per cent. Guaranteed Bonds due 2026 (the “**Bonds**”) will be issued by BCEG (HongKong) Company Limited (北京建工(香港)有限公司)(the “**Issuer**”) and will be unconditionally and irrevocably guaranteed (the “**Guarantee**”) by Beijing Construction Engineering Group Co., Ltd. (北京建工集團有限責任公司)(the “**Guarantor**” or the “**Company**”). The Issuer is a wholly-owned subsidiary of the Guarantor.

The Bonds will bear interest on their outstanding principal amount from and including 2 July 2021 at the rate of 2.22 per cent. per annum. Interest will be payable semi-annually in arrear in equal instalments on 2 January and 2 July in each year, commencing on 2 January 2022. All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee will be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Hong Kong or the PRC or any political subdivision or authority therein or thereof having power to tax, unless such withholding or deduction is required by law to the extent described in “*Terms and Conditions of the Bonds – Taxation*”.

The Guarantor will enter into a deed of guarantee (the “**Deed of Guarantee**”) with DB Trustees (Hong Kong) Limited (the “**Trustee**”) on or about 2 July 2021 (the “**Issue Date**”). The Guarantor will be required to file, or cause to be filed with the State Administration of Foreign Exchange (“SAFE”) the Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定)(“**Cross-border Security Registration**”) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014. The Guarantor will undertake to use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline (being 120 Registration Business Days (as defined in the terms and conditions of the Bonds (the “**Terms and Conditions of the Bonds**”)) after the Issue Date). The obligations of the Guarantor under the Guarantee will, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The PRC government (as defined herein) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds in lieu of the Issuer or the Guarantor. See “*Risk Factors – The PRC government has no obligations under the Bonds and the Deed of Guarantee*”. Pursuant to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the “**NDRC Circular**”) promulgated by the National Development and Reform Commission of the PRC (the “**NDRC**”) on 14 September 2015 which came into effect on the same day, the Guarantor has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 11 May 2021 evidencing such registration. The Guarantor has undertaken to file the requisite information and documents on the issuance of the Bonds with the NDRC within the prescribed timeframe.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 2 July 2026. The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount (together with interest accrued to the date fixed of redemption) upon the occurrence of certain tax events as described under “*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Taxation Reasons*”. The Bonds may also be redeemed at the option of the Bondholders (as defined in the Terms and Conditions of the Bonds) at 101 per cent. of their principal amount (together with accrued interest up to but excluding the Put Settlement Date (as defined in the Terms and Conditions of the Bonds)), upon the occurrence of a Change of Control (as defined in the Terms and Conditions of the Bonds) or at 100 per cent. of the principal amount (together with accrued interest up to but excluding the Put Settlement Date (as defined in the Terms and Conditions of the Bonds)) upon the occurrence of a No Registration Event (as defined in the Terms and Conditions of the Bonds).

The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the Terms and Conditions of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference amongst themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

For a more detailed description of the Bonds, see “*Terms and Conditions of the Bonds*” beginning on page 63.

The Guarantor is rated “**BBB**” by S&P Global Ratings (“**S&P**”) with stable outlook and the Bonds are expected to be assigned a rating of “**BBB**” by S&P. These ratings do not constitute a recommendation to buy, sell or hold the Bonds and may be subject to suspension, reduction or withdrawal at any time by S&P. A suspension, reduction or withdrawal of the rating assigned to the Guarantor or the Bonds may adversely affect the market price of the Bonds.

The Bonds will be issued in registered form in denominations of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof.

Investing in the Bonds involves risks. See “*Risk Factors*” beginning on page 14 for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act**”) and, subject to certain exceptions, may not be offered, sold or delivered within the United States. The Bonds and the Guarantee are being offered only outside the United States in reliance on Regulation S of the Securities Act (“**Regulation S**”).**

For a description of these restrictions and certain further restrictions on offers and sales of the Bonds and the Guarantee and distribution of this Offering Circular, see “*Subscription and Sale*”.

Application will be made to The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) for the listing of, and permission to deal in, the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange) (the “**Professional Investors**”) only. This document is for distribution to Professional Investors only.

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

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer, the Guarantor, where applicable, the Group or the quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, 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 document.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the “**SF (CMP) Regulations**”) that the Bonds are “prescribed capital markets products” (as defined in the SF (CMP) Regulations).

The Bonds will be represented by a global certificate (the “**Global Certificate**”) in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary on behalf of, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate. See “*Summary of Provisions relating to the Bonds in Global Form*”.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

BNP PARIBAS

CHINA INTERNATIONAL CAPITAL CORPORATION

DEUTSCHE BANK

Joint Lead Managers and Joint Bookrunners

BANK OF CHINA

BANK OF COMMUNICATIONS

CHINA EVERBRIGHT BANK HONG KONG BRANCH

CHINA SECURITIES INTERNATIONAL

CMB WING LUNG BANK LIMITED

HUA XIA BANK CO., LIMITED HONG KONG BRANCH

ICBC INTERNATIONAL LTD. HONG KONG BRANCH

INDUSTRIAL BANK CO., LTD. HONG KONG BRANCH

SHANGHAI PUDONG DEVELOPMENT BANK HONG KONG BRANCH

SHENWAN HONGYUAN (H.K.)

SILK ROAD INTERNATIONAL

Offering Circular dated 23 June 2021

IMPORTANT NOTICE

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

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their advisers.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Guarantor's subsidiaries taken as a whole (collectively, the "**Group**") and to the Guarantee and the Bonds which is material in the context of the issue and offering of the Bonds (including all information required by applicable laws of Hong Kong or the PRC and the information which, according to the particular nature of the Issuer, the Guarantor, the Bonds and the Guarantee, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer, the Guarantor and the Group and the rights attaching to the Guarantee and the Bonds), (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor and the Group, are true and accurate and not misleading in any material respect, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group were honestly and reasonably held, were reached after considering all relevant circumstances and were based on reasonable assumptions and (iv) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular.

The Issuer and the Guarantor have prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of BNP Paribas, China International Capital Corporation Hong Kong Securities Limited, Deutsche Bank AG, Singapore Branch, Bank of China Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China Everbright Bank Co., Ltd., Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, CMB Wing Lung Bank Limited, Hua Xia Bank Co., Limited Hong Kong Branch, ICBC International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Shenwan Hongyuan Securities (H.K.) Limited and Silk Road International Capital Limited (together, the "**Managers**"), the Issuer or the Guarantor to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this document in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the Guarantee, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, the European Economic Area, Switzerland, Singapore, the PRC, Hong Kong, Japan and Taiwan, and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds and the Guarantee and distribution of this Offering Circular, see "*Subscription and Sale*" below. By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Bonds.

Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Bonds or the Guarantee other than as contained herein and, if given or made, any such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers, the Trustee (as defined in the Terms and Conditions of the Bonds) or the Agents (as defined in the Terms and Conditions of the Bonds) or their respective affiliates, employees, directors, agents, officers, representatives or advisers. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

None of the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers has separately verified the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Managers, the Trustee or the Agents or any director, officer, employee, agent, adviser, representative or affiliate of any such person. Each person receiving this Offering Circular acknowledges that such person has not relied on the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the Guarantor and the Group, and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Managers, the Trustee or the Agents, or any director, officer, employee, agent, adviser, representative or affiliate of any such person, accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement made or purported to be made by the Managers, the Trustee or an Agent, or any director, officer, employee, agent, adviser, representative or affiliate of any such person or on its behalf in connection with the Issuer, the Guarantor, the Group, the issue and offering of the Bonds or the giving of the Guarantee. Each of the Managers, the Trustee and the Agents and their respective directors, officers, employees, agents, advisers, representatives and affiliates accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers representatives or affiliates undertakes to review the financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the arrangements

contemplated by this Offering Circular or to advise any investor or prospective investor in the Bonds of any information coming to the attention of the Managers, the Trustee or the Agents, or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates.

This Offering Circular may not be used for the purpose of an offer to, or solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful. This Offering Circular does not constitute an offer or an invitation by or on behalf of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers to subscribe for or to purchase the Bonds, is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates that any recipient of this Offering Circular should subscribe for or purchase any Bonds. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor with its own tax, legal and business advisers as it deems necessary.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE MANAGERS APPOINTED AND ACTING IN THE CAPACITY OF A STABILISATION MANAGER (THE “STABILISATION MANAGER”) (OR ANY PERSON ACTING ON ITS BEHALF) MAY OVER-ALLOT THE BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON SUCH STABILISING MANAGER TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

In connection with the offering of the Bonds, the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, or the Guarantor, and therefore they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Managers and/or their respective affiliates, or affiliates of the Issuer, or the Guarantor, as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are “prescribed capital markets products” (as defined in the CMP Regulations 2018).

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor

subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

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

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Industry and Market Data

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although each of the Issuer and the Guarantor believes the information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or by any of their respective directors, officers, employees, agents, advisers, representatives or affiliates, and none of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates makes any representation as to the accuracy or completeness of such information. In addition, third-party information providers who contributed to the publicly available information and industry publications may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor, the Group and the terms of the offering and the Bonds, including the merits and risks involved.

Where information has been sourced from a third party, the Issuer and the Guarantor confirm that this information has been accurately reproduced and that, as far as the Issuer and the Guarantor, are aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

This Offering Circular summarises certain material documents and other information, and the Issuer, the Guarantor and the Managers refer the recipient of this Offering Circular to them for a more complete understanding of what is contained in this Offering Circular. None of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates are making any representations regarding the legality of an investment in the Bonds under any law or regulation. The recipient of this Offering Circular should not consider any information in this Offering Circular to be legal, business or tax advice. Any investor or prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

Warning

The contents of this Offering Circular have not been reviewed by any regulatory authority in the People's Republic of China, Hong Kong or elsewhere. Investors are advised to exercise caution in relation to the offer. If any investor is in any doubt about any of the contents of this document, that investor should obtain independent professional advice.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020. The Guarantor's audited consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular have been extracted from the audited financial statements of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020. Such audited consolidated financial statements have been audited by Grant Thornton, Certified Public Accountants and were prepared in accordance with the Accounting Standards for Business Enterprises ("**PRC GAAP**").

In November 2019, Beijing Municipal Road and Bridge Group Co., Ltd. ("**BMRB**") was transferred by Beijing SASAC to the Guarantor for nil consideration (the "**Strategic Restructuring**"). For the year ended 31 December 2019 and as at 31 December 2019, BMRB was a consolidated subsidiary of the Group and the financial results of BMRB were consolidated into the financial statements of the Group pursuant to PRC GAAP. The Guarantor's financial results as at and for the year ended 31 December 2018 have been restated accordingly in the Guarantor's audited consolidated financial statements as at and for the year ended 31 December 2019. For further details, see "*Description of the Group – The Strategic Restructuring*" and relevant notes to the Guarantor's audited consolidated financial statements in this Offering Circular.

As a result of the Strategic Restructuring, the Group's historical financial information may not be directly comparable against the Group's financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular. Investors must therefore exercise caution when making comparisons of any such financial figures after 1 January 2018 against the Group's historical financial figures prior to 1 January 2018 and when evaluating the Group's financial condition, results of operations and results.

CERTAIN DEFINITIONS AND CONVENTIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the "**Group**" are to the Guarantor and its subsidiaries collectively, all references to the "**PRC**", "**China**" and "**mainland China**" are to the People's Republic of China (excluding the Hong Kong and Macao Special Administrative Regions of the People's Republic of China, and Taiwan), all references to "**PRC government**" or the "**State**" mean the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governmental entities) and instrumentalities thereof, or, where the context requires, any of them, all references to the "**United**

States” and **“US**” are to the United States of America, all references to **“Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China; all references to **“Hong Kong dollars**” and **“HK\$**” are to the lawful currency of Hong Kong, all references to **“Renminbi**”, **“RMB**” and **“CNY**” are to the lawful currency of the PRC and all references to **“US dollars**”, **“U.S. dollars**”, **“USD**”, **“U.S.\$**” and **“US\$**” are to the lawful currency of the United States of America.

This Offering Circular contains a translation of certain Renminbi amounts into U.S. dollars at specified rates solely for the convenience of the reader. Unless otherwise specified, where financial information, in relation to the Guarantor, has been translated into U.S. dollars, it has been so translated, for convenience only, at the rate of RMB6.5250 to U.S.\$1.00 (the noon buying rate in New York City on 31 December 2020, as set forth in the weekly H.10 statistical release of the Federal Reserve Board of the Federal Reserve Bank of New York). Further information regarding the exchange rate is set forth in *“Exchange Rate”* in this Offering Circular. No representation is made that the Renminbi amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate or at all.

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

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

It should be noted that project names used in this Offering Circular are names the Group has used, or intend to use, for the purpose of marketing its properties. Some of the project names require approval of the relevant authorities, and the relevant authorities may not accept the names the Group has used or those that the Group intends to use as the registered names of these projects. As a result, the actual names registered with the relevant authorities may be different from the names used in this Offering Circular and may be subject to change. Furthermore, for the avoidance of doubt, references to the development costs of any property project in this Offering Circular, whether actual or expected, include the paid or payable (as applicable) portion of land premium for the relevant land use rights under such project.

FORWARD-LOOKING STATEMENTS

The Issuer and the Guarantor have made certain forward-looking statements in this Offering Circular. All statements other than statements of historical facts contained in this Offering Circular constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “target”, “believe”, “can”, “would”, “could”, “estimate”, “expect”, “aim”, “intend”, “may”, “plan”, “will”, “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include but are not limited to statements as to the business strategy, revenue and profitability, planned projects and other matters as they relate to the Issuer and/or the Guarantor and/or the Group discussed in this Offering Circular regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer, the Guarantor or by any third party) involve known and unknown risks, including those disclosed under the caption “Risk Factors”, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, the Guarantor or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements speak only as at the date of this Offering Circular. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

The factors that could cause the actual results, performances and achievements of the Issuer, the Guarantor, the Group or any member of the Group to be materially different include, amongst others:

- the expected growth and market opportunities as to the property industry in China in general and the cities in which the Group operates;
- general economic, political and business conditions and the competitive environment in the PRC and elsewhere;
- the Group's business strategy and plan of operation and future business development;
- the Group's ability to finance and complete new projects on schedule and ability to manage its product development;
- the supply and cost of raw materials;
- the continued availability and costs of capital and financing;
- interest rates and foreign exchange rates, taxes and duties;
- the regulatory environment of the industries in which the Group operates;
- the ability of the Group to effectively manage a diversified investment portfolio consisting of companies in different industries;
- risks associated with international global business activities;
- various business opportunities that the Group may pursue;
- property projects under development or held for future development;
- ability of the Group to control its costs;
- ability of the Group to maintain its sales contracts with its major customers on terms commercially acceptable to the Group or at all;
- interruptions in product production and delivery, natural disasters, industrial action, terrorist attacks and other events beyond the Group's control; and
- other factors, including those discussed in "*Risk Factors*".

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SUMMARY

The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety.

OVERVIEW

The Company is a wholly state-owned limited liability company held by the Beijing State-owned Assets Supervision and Administration Commission (“**Beijing SASAC**”). Since its establishment in 1953, the Group has grown to become a large enterprise group that spans multiple industries and jurisdictions, with a focus on construction. The Guarantor is also a leading state-owned construction company in China with tremendous brand value and strong market influence. The Group’s construction business is distinguished as a national leader by its scale, integrated business model and brand recognition.

The Group operates across multiple regions spanning the PRC as well as other regions in Asia, Middle East, Africa, Europe and the Americas. By leveraging the joint development of different business segments and capital management, during the “13th Five Year Plan” period the Group has formed a diversified portfolio of business segments, amongst which, the construction business, the construction material sales business, and the services and others, consultation services and other businesses form the Group’s traditional main business. The traditional main business is further supplemented by real estate development (including common property and policy housing) as a secondary main business, environmental engineering as a third main business, and health and elderly care as a key future development or cultivating business of the Group. The diverse portfolio of businesses provides the Group with significant advantages as it is able to provide a wide range of professional services encompassing the entire construction industry chain which allows the Group to deliver integrated and customised services. In recent years, the Group has strengthened its national presence with a dominant position in Beijing. The Group established regional branches or offices in more than 30 provinces in China except Tibet, and in 28 countries and regions around the world. The Group focuses on high quality blue chip customers, including provincial and municipal governments, government agencies, universities and state-owned enterprises.

The Group’s geographical presence in Beijing, combined with its extensive experience, has positioned the Group to become a central force in the construction industry in Beijing. The Group has constructed many of Beijing’s iconic landmarks and major construction projects, which has helped develop a positive public image for the Group and established it as one of the top companies for modern and cultural construction within Beijing. Outside Beijing and in other parts of the PRC, the Group has participated in major construction projects, including housing construction, roads and bridges, municipal administration, airports, and power plants.

In November 2019, BMRB was transferred by Beijing SASAC to the Guarantor for nil consideration (the “**Strategic Restructuring**”), where the Group has seen substantial increase in its assets and revenues, with significantly improved comprehensive strength in municipal engineering construction services. Further to the Strategic Restructuring, as required by Beijing SASAC, the Guarantor aims to actively create a diversified business structure of “three main businesses and one cultivation” during the “14th Five Year Plan” period, covering the entire value chain of the construction industry, and is committed to becoming a domestically first class and internationally renowned comprehensive service provider in the construction engineering industry.

The Group operates in various business segments, including the construction business, property development business, industrial material business and other business.

Construction Business: Construction is the Group’s traditional and core business segment. The Group is capable of providing customised and integrated construction services to customers. Since establishment, the Group has completed construction projects with an area spanning over 300 million square metres. The Group has completed a number of landmark projects, covering a variety of areas, including large residential complexes, central business districts, office buildings, hotels and restaurants, infrastructure and plants, stadiums and transportation facilities, which are located in major cities in the PRC. The Group has five special-grade General Contractor of House Architectural Engineering and Construction qualifications in total, one special-grade General Contractor of Municipal Administration Public Construction qualification, and one special-grade General Contractor of Public Transport qualification and various other grade one and lower qualifications, as well as qualifications for foreign contracting projects. The total value of completed construction work of the Group for the year ended 31 December 2020 was RMB112.0 billion, which amounts to a 9.6 per cent. increase from the total value of completed construction work for the year ended 31 December 2019. The Group achieved new construction contract value of RMB188.0 billion in 2020, which represents a 27.8 per cent. increase from 2019.

Real Estate Development Business: The Group has been granted grade one qualification in real estate development and has a management team operating professionally, providing property management and administration services for both the primary and secondary property development markets. The Group has developed diversified projects, including development of affordable housing (also known as common property and policy housing) and residential real estate in cities including Beijing, Shanghai, Jinan, Xi’an and Yixing in Jiangsu and primary land development projects in cities such as Beijing and Chengdu.

Construction Material Sales Business: The Group’s construction material sales business covers the production and sales of construction installation components. These components include commercial concrete, building components, asphalt concrete and tower cranes, with commercial concrete being the primary component. The Group’s annual production volume of commercial concrete is approximately 9.37 million cubic metres, which places the Group at the forefront of the major construction groups providing such services in Northern China, in particular after the consolidation of BMRB.

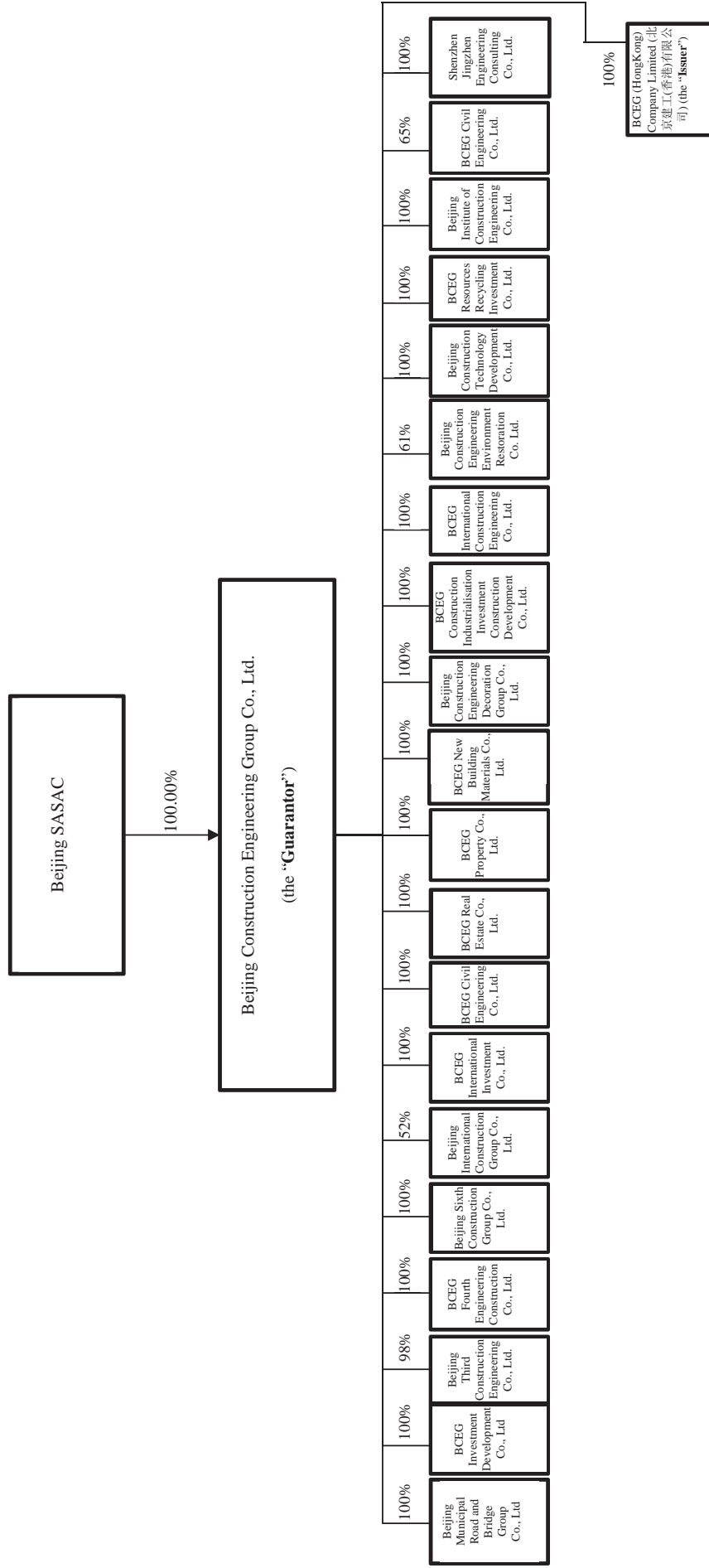
Environmental Engineering Business: The Group also operates in the environmental engineering business. The environmental engineering business is a growing and rapidly expanding business within the Group and holds a market leading position in the environment restoration sector in the PRC. The Group is committed to developing “habitable environments for people.” The Group’s extensive industry experience, high levels of working capital and quality construction services have allowed it to achieve significant milestones in energy saving, environmental protection, restoration, sewage treatment, water services and other areas.

Services and Others, Consultation Service and Other Businesses: The Group is committed to developing services relating to its construction business, including construction techniques research, planning and design, construction materials and logistics, engineering supervision consulting, technology consulting and inspection and testing. The development of the construction related services corresponds to market demand and allow the Group to provide services required for the entire construction industry chain.

For the years ended 31 December 2018, 2019 and 2020, the Group’s total operating income (inclusive of primary activities and other operating activities) amounted to RMB83,875.8 million, RMB95,667.9 million and RMB105,512.1 million, respectively. In addition, the Group generated net profit of RMB1,838.1 million, RMB1,695.8 million and RMB1,858.1 million, respectively for the years ended 31 December 2018, 2019 and 2020. As at 31 December 2018, 2019 and 2020, the Group had total assets of RMB144.9 billion, RMB170.0 billion and RMB202.1 billion.

CORPORATE STRUCTURE

The following chart sets forth the simplified structure of the principal subsidiaries of the Group as at 31 December 2020:



COMPETITIVE STRENGTHS

As a leading company with a focus on the construction businesses, the Group believes that its success and prospects are primarily attributed to the following competitive strengths:

- Beijing SASAC, as the controlling shareholder, provides long-term stable and strong support for the Group's business development
- A leading construction company in China, a key contractor of national key projects and a comprehensive urban comprehensive urban service provider
- Integrated business model covering full construction value chain creates broad and diversified revenue sources and strong business synergy
- Completed strategic layout in the national and international market, leveraging on its operational advantages in the capital city
- Leading technology and research and development capabilities help to stabilise the Group's market position and further boost business growth
- Abundant financing channels and close banking relationships
- Experienced and stable management team and advanced management system

STRATEGIES

The construction business is the Group's core businesses. In the next five years, the Group aims to further strengthen its position as a construction company, enhance its profitability and competitiveness within the industry and becomes one of the most successful construction companies in the PRC. The Group intends to achieve its business objectives and to enhance its profitability by pursuing the following strategies:

- Expand the Group's operations in the PRC to maintain its position as a leading construction company in Beijing and beyond
- Further develop the Group's integrated business model
- Develop the Group's core competitiveness and investment operations
- Enhance the Group's brand recognition in the PRC
- Improve in risk control system and project management to safeguard work quality and corporate reputation
- Continue to invest in research and development and technology innovation
- Implement cost control measures and improve its operational and capital efficiencies
- Cultivating business operations under the 14th Five Year Plan

GENERAL INFORMATION

The Issuer was incorporated as a public limited company on 18 May 2015 under the laws of the Hong Kong, with the registration number 2238718. The registered office of the Issuer is at Unit 912, 9th Floor, Two Harbourfront, 22 Tak Fung Street, Hung Hom, Hong Kong. As at the date of this Offering

Circular, the Issuer has a total issued share capital of HK\$1,000,000 in 1,000,000 ordinary shares of HK\$1 each. The Issuer was established under the approval of Beijing Municipal Commission of Commerce.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables present the summary financial information of the Guarantor. The Guarantor's summary consolidated financial information as at and for the years ended 31 December 2018, 2019 and 2020 set forth below have been derived from the Guarantor's consolidated financial statements as at and for the years ended 31 December 2018, 2019 and 2020, as audited by Grant Thornton Certified Public Accountants, its independent auditor, and included elsewhere in this Offering Circular.

Each of the Guarantor's financial statements as at and for the years ended 31 December 2018, 2019 and 2020 have been prepared and presented in accordance with the PRC GAAP. The summary financial statements below should be read in conjunction with the consolidated financial statements and the notes to those statements of the Guarantor included elsewhere in this Offering Circular.

In November 2019, BMRB was transferred by Beijing SASAC to the Guarantor for nil consideration (the "Strategic Restructuring"). For the year ended 31 December 2019 and as at 31 December 2019, BMRB was a consolidated subsidiary of the Group and the financial results of BMRB were consolidated into the financial statements of the Group pursuant to PRC GAAP. The Guarantor's financial results as at and for the year ended 31 December 2018 have been restated accordingly in the Guarantor's audited consolidated financial statements as at and for the year ended 31 December 2019. For further details, see "Description of the Group – The Strategic Restructuring" and relevant notes to the Guarantor's audited consolidated financial statements in this Offering Circular.

As a result of the Strategic Restructuring, the Group's historical financial information may not be directly comparable against the Group's financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular. Investors must therefore exercise caution when making comparisons of any such financial figures after 1 January 2018 against the Group's historical financial figures prior to 1 January 2018 and when evaluating the Group's financial condition, results of operations and results.

Consolidated Income Statement

	Year ended 31 December		
	2018	2019	2020
		(Audited)	
		RMB	
I. Operating income	83,875,839,431.52	95,667,938,862.51	105,512,109,113.03
Less: operating costs	75,742,257,640.74	86,561,264,754.54	96,725,533,032.59
Taxes and surcharges	646,896,574.70	1,228,930,394.94	528,990,398.23
Selling and distribution expenses	309,086,666.35	373,227,220.78	396,768,161.86
General and administrative expenses	2,754,026,196.78	2,926,527,282.82	3,150,187,467.76
Research and development expenses	783,171,826.55	900,226,050.63	1,055,798,469.40
Financial expenses	1,735,867,817.52	2,010,893,798.69	1,308,232,292.50
Add: Other income	71,735,991.03	86,944,898.94	110,116,998.61
Investment income	282,154,971.87	360,244,330.76	244,459,789.48
Including: Income from investment in associates and joint ventures	204,888,673.52	74,471,387.56	177,498,001.84
Gains/(loss) from changes in fair value	117,012,520.28	108,094,387.20	480,016,882.37
Credit impairment losses	-	-	(7,219,446.30)
Impairment losses	(278,855,186.13)	(404,203,819.64)	(661,358,091.15)
Gains/(loss) from assets disposal	154,264,056.59	463,018,000.94	14,821,773.02
II. Operating profit	2,250,845,062.52	2,280,967,158.31	2,527,437,196.72
Add: Non-operating income	89,431,428.73	139,778,737.95	98,003,251.35
Less: Non-operating expenses	149,492,344.95	74,860,504.77	88,929,810.87
III. Profit before income tax	2,190,784,146.30	2,345,885,391.49	2,536,510,637.20
Less: Income tax expenses	352,718,101.51	657,734,125.90	678,445,797.14
IV. Net profit for the year	1,838,066,044.79	1,688,151,265.59	1,858,064,840.06
(1) Classification according to attribute			
Including: Shareholders of the company	1,334,349,935.33	1,143,070,177.58	1,194,935,286.50
Non-controlling interests	503,716,109.46	545,081,088.01	663,129,553.56
(2) Classification according to operation continuity			
Including: Net profit from continuing operations	1,838,066,044.79	1,688,151,265.59	1,858,064,840.06
Net profit from discontinued Operations	-	-	-

	Year ended 31 December		
	2018	2019	2020
		<i>(Audited)</i>	
		<i>RMB</i>	
V. Other comprehensive income, net of tax	172,480,547.96	400,595,646.56	(73,657,950.10)
Other comprehensive income (net of tax) attributable to shareholders of the company	198,202,638.37	389,262,842.64	(63,197,002.11)
A. Items that will not be reclassified to profit or loss	-	-	-
a. Remeasurement of defined benefit plan liability or asset	-	-	-
b. Share of other comprehensive income of the equity method investments	-	-	-
c. Others	-	-	-
B. Items that may be reclassified to profit or loss	198,202,638.37	389,262,842.64	(63,197,002.11)
a. Share of other comprehensive income of the equity method investments	210,716,941.14	336,856,540.14	(24,930,866.68)
b. Gains or losses arising from changes in fair value of available-for-sale financial assets	(59,766,919.40)	1,907,515.79	(36,872,254.63)
c. Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets	-	-	-
d. Effective portion of gains or losses arising from cash flow hedging instruments	-	-	-
e. Translation differences arising from translation of foreign currency financial statements	7,986,971.70	10,599,374.16	(9,731,486.08)
f. Others	39,265,644.93	39,899,412.55	8,337,605.28
Other comprehensive income/(loss) (net of tax) attributable to non-controlling interests	(25,722,090.41)	11,332,803.92	(10,460,947.99)
VI. Total comprehensive income/(loss) for the year	2,010,546,592.75	2,088,746,912.15	1,784,406,889.96
Attributable to:			
Shareholders of the company	1,532,552,573.70	1,532,333,020.22	1,131,738,284.39
Non-controlling interests	477,994,019.05	556,413,891.93	652,668,605.57
VII. Earnings per share	-	-	-
(1) Basic earnings per share	-	-	-
(2) Diluted earnings per share	-	-	-

Consolidated Balance Sheet

	As at 31 December		
	2018	2019	2020
		<i>(Audited)</i>	
		<i>RMB</i>	
CURRENT ASSETS			
Cash at bank and on hand	24,984,803,368.90	25,353,971,775.17	29,975,075,812.54
Financial assets at fair value through profit or loss	120,363,589.55	852,351,727.14	1,286,085,057.01
Derivative financial assets	-	-	-
Bills receivable	511,565,038.21	603,892,762.96	824,779,947.21
Accounts receivable	21,108,445,942.12	24,721,496,503.22	29,602,402,466.31
Accounts receivable financing	-	-	3,400,000.00
Prepayments	4,077,300,453.44	3,973,162,176.84	4,277,518,316.39
Other receivables	7,908,242,731.42	7,839,896,023.78	13,816,903,017.89
Including: Dividends receivable	121,894,041.50	127,291,476.88	131,332,620.48
Inventories	54,326,276,313.01	66,819,348,288.16	74,612,812,500.27
Contract assets	-	754,475,775.15	934,171,008.17
Assets held for sale	-	-	-
Non-current assets due within one year	-	-	68,048,978.01
Other current assets	1,737,664,660.14	2,735,296,335.47	3,340,523,327.58
Total current assets	114,774,662,096.79	133,653,891,367.89	158,741,720,431.38
NON-CURRENT ASSETS			
Available-for-sale financial assets	1,160,536,952.72	1,949,360,084.64	3,825,452,665.31
Held-to-maturity investments	736,942,953.63	723,709,479.36	711,225,081.06
Long-term receivables	7,398,470,173.05	10,013,364,972.35	12,282,490,585.33
Long-term equity investments	5,343,106,851.05	7,478,549,741.32	6,788,201,260.96
Investment properties	7,578,244,297.21	7,700,019,105.75	10,437,673,859.13
Fixed assets	4,581,749,019.86	5,111,280,595.94	5,680,441,377.21
Construction in progress	850,922,874.02	707,446,765.67	619,553,782.62
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Intangible assets	1,130,453,570.25	1,154,500,198.66	1,336,178,157.30
Development costs	10,960,076.89	25,798,017.31	13,290,537.99
Goodwill	195,796,867.37	190,196,439.57	202,826,995.30
Long-term deferred expenses	388,764,090.82	478,611,575.01	516,504,957.35
Deferred tax assets	446,289,729.45	516,120,482.60	599,607,871.65
Other non-current assets	270,217,243.02	330,432,335.24	358,499,699.62
Total non-current assets	30,092,454,699.34	36,379,389,793.42	43,371,946,830.83
TOTAL ASSETS	144,867,116,796.13	170,033,281,161.31	202,113,667,262.21

	As at 31 December		
	2018	2019	2020
		<i>(Audited)</i> RMB	
CURRENT LIABILITIES			
Short-term loans	25,200,784,931.84	25,328,591,628.73	19,460,183,701.86
Financial liabilities at fair value through profit or loss	–	–	–
Derivative financial liabilities	–	–	–
Bills payable	2,727,449,551.81	4,042,365,672.80	4,909,821,327.38
Accounts payable	33,213,274,450.09	38,060,192,391.33	47,444,126,761.57
Advances from customers	15,699,184,227.64	23,007,754,470.42	26,656,807,735.04
Contract liabilities	–	38,147,460.79	19,594,947.60
Employee benefits payable	852,373,450.56	921,784,993.57	987,067,533.76
Taxes payable	825,114,497.82	1,273,482,418.38	1,252,596,271.10
Other payables	7,731,382,131.42	8,698,484,294.35	7,074,642,760.30
Liabilities held for sale	–	–	–
Non-current liabilities due within one year	4,006,964,200.00	7,256,309,419.10	9,762,693,061.83
Other current liabilities	115,549,952.20	500,799,400.79	584,802,033.51
Total current liabilities	<u>90,372,077,393.38</u>	<u>109,127,912,150.26</u>	<u>118,152,336,133.95</u>
NON-CURRENT LIABILITIES			
Long-term loans	17,708,636,264.72	21,798,980,328.75	32,136,241,811.03
Bonds payable	5,695,469,116.43	5,971,142,110.98	6,800,000,000.00
Long-term payables	794,136,092.13	447,763,779.18	609,929,575.54
Long-term employee benefits payable	–	–	–
Special payables	–	–	–
Provisions	7,009,300.99	1,777,160.87	4,877,282.43
Deferred income	81,665,228.26	82,286,088.93	81,623,464.22
Deferred tax liabilities	673,391,308.23	697,503,138.26	829,632,160.56
Other non-current liabilities	42,357,800.92	10,629,305.64	10,487,240.41
Total non-current liabilities	<u>25,002,665,111.68</u>	<u>29,010,081,912.61</u>	<u>40,472,791,534.19</u>
TOTAL LIABILITIES	<u>115,374,742,505.06</u>	<u>138,137,994,062.87</u>	<u>158,625,127,668.14</u>
SHAREHOLDERS' EQUITY			
Paid-in capital	4,264,000,000.00	7,273,500,000.00	8,285,155,000.00
Other equity instruments	2,000,000,000.00	2,000,000,000.00	1,000,000,000.00
Capital reserve	2,486,436,365.38	2,593,285,615.27	2,659,276,113.35
Less: treasury shares	–	–	–
Other comprehensive income	1,822,493,208.24	2,211,756,050.88	2,148,559,048.77
Specific reserve	93,634,581.48	37,020,114.52	64,935,235.74
Surplus reserve	401,612,614.74	467,752,906.36	610,037,453.84
Undistributed profit	8,759,114,222.30	5,464,062,379.01	5,141,043,075.62
Total equity attributable to shareholders of the Company	19,827,290,992.14	20,047,377,066.04	19,909,005,927.32
Non-controlling interests	9,665,083,298.93	11,847,910,032.40	23,579,533,666.75
Total shareholders' equity	<u>29,492,374,291.07</u>	<u>31,895,287,098.44</u>	<u>43,488,539,594.07</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>144,867,116,796.13</u>	<u>170,033,281,161.31</u>	<u>202,113,667,262.21</u>

Consolidated Cash Flow Statement

	Year ended 31 December		
	2018	2019	2020
		(Audited)	
		RMB	
I. Cash flows from operating activities			
Proceeds from sales of goods or rendering of services	80,924,953,749.42	105,707,118,742.74	105,782,130,472.51
Refund of taxes	43,734,110.16	69,754,668.74	143,915,360.54
Proceeds from other operating activities	12,674,691,818.68	13,269,574,260.33	13,259,817,816.98
Sub-total of cash inflows	93,643,379,678.26	119,046,447,671.81	119,185,863,450.03
Payment for goods and services	71,043,625,347.11	90,211,913,283.94	86,968,398,249.11
Payment to and for employees	6,101,290,524.21	6,777,596,121.57	7,052,056,070.74
Payments of various taxes	2,830,601,922.27	3,690,413,460.17	3,445,425,644.16
Payment for other operating activities	13,673,009,952.65	12,845,103,823.40	15,739,208,695.47
Sub-total of cash outflows	93,648,527,746.24	113,525,026,689.08	113,205,088,659.48
Net cash flows from operating activities	(5,148,067.98)	5,521,420,982.73	5,980,774,790.55
II. Cash flows from investing activities			
Proceeds from disposal of investments	4,688,908,446.34	5,389,275,548.85	5,761,909,872.43
Investment returns received	202,539,233.44	475,150,818.36	383,547,007.12
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	78,577,329.58	11,049,697.28	329,238,494.86
Net proceeds from disposal of subsidiaries and other business units	150,464.00	699,850.85	10,767,959.31
Proceeds from other investing activities	24,096,818.41	1,203,688,220.45	5,786,847,028.93
Sub-total of cash inflows	4,994,272,291.77	7,079,864,135.79	12,272,310,362.65
Payment for acquisition of fixed assets, intangible assets and other long-term assets	738,273,054.03	770,598,914.58	1,135,615,395.80
Payment for acquisition of investments	7,210,085,183.32	8,435,253,727.52	10,324,385,759.27
Net payment for acquisition of subsidiaries and other business units	–	899,994,800.00	14,908,020.00
Payment for other investing activities	693,533,501.34	1,737,560,000.00	10,664,423,133.22
Sub-total of cash outflows	8,641,891,738.69	11,843,407,442.10	22,139,332,308.29
Net cash flows from investing activities	(3,647,619,446.92)	(4,763,543,306.31)	(9,867,021,945.64)
III. Cash flows from financing activities			
Proceeds from investors	5,239,367,616.69	2,049,193,327.28	11,557,345,840.76
Including: Proceeds from non-controlling shareholders of subsidiaries	5,193,083,296.69	2,015,343,327.28	1,557,345,840.76
Proceeds from borrowings	46,209,516,729.05	44,639,602,219.21	57,473,902,875.17
Proceeds from other financing activities	196,250,000.00	41,580,000.00	248,220,676.76
Sub-total of cash inflows	51,645,134,345.74	46,730,375,546.49	69,279,469,392.69
Repayments of borrowings	40,504,232,058.32	37,819,626,974.95	51,158,206,746.72
Payment for dividends, profit distributions or interest	2,548,428,000.46	5,207,781,630.34	4,493,280,987.63
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries	303,121,896.30	506,469,061.49	27,416,861.38
Payment for other financing activities	826,339,640.24	4,206,908,742.64	5,051,329,723.03
Sub-total of cash outflows	43,878,999,699.02	47,234,317,347.93	60,702,817,457.38
Net cash flows from financing activities	7,766,134,646.72	(503,941,801.44)	8,576,651,935.31
IV. Effect of foreign exchange rate changes on cash and cash equivalents	25,634,676.94	12,138,474.37	(147,778,630.84)
V. Net increase in cash and cash equivalents	4,139,001,808.76	266,074,349.35	4,542,626,149.38
Add: Opening balance of cash and cash equivalents	20,340,324,380.69	24,479,326,189.45	24,745,400,538.80
VI. Closing balance of cash and cash equivalent	24,479,326,189.45	24,745,400,538.80	29,288,026,688.18

Other Financial and Operating Data

	2018	2019	2020
		(RMB in million)	
EBITDA ⁽¹⁾	4,390	4,669	4,590

⁽¹⁾ EBITDA is Gross profit – Taxes and surcharges – Selling and distribution expenses – General and administrative expenses + Depreciation of fixed assets, depreciation of investment properties, depletion of oil and gas assets, and depreciation of productive biological assets + Amortization of intangible assets + Amortization of long term deferred expenses

THE OFFERING

The following is a brief summary of the offering and is qualified in its entirety by the remainder of this Offering Circular. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Summary of Provisions Relating to the Bonds in Global Form” shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see “Terms and Conditions of the Bonds” in this Offering Circular.

Issuer	BCEG (HongKong) Company Limited (北京建工(香港)有限公司).
Guarantor	Beijing Construction Engineering Group Co., Ltd. (北京建工集團有限責任公司).
The Bonds	U.S.\$600,000,000 2.22 per cent. Guaranteed Bonds due 2026.
The Guarantee	<p>The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed, as further described in Condition 3(a) of the Terms and Conditions of the Bonds.</p> <p>The Guarantor will undertake that it will (i) register or cause to be registered with the State Administration of Foreign Exchange or its local branch (“SAFE”) the Deed of Guarantee in accordance with, and within the time period prescribed by, the “Foreign Exchange Administration Rules on Cross-border Security”(跨境擔保外匯管理規定)(“Cross-border Security Registration”), (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee.</p>
Issue Price	The Bonds will be issued at 100 per cent. of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
Issue Date	2 July 2021.
Interest	The Bonds will bear interest on their outstanding principal amount from and including 2 July 2021, at the rate of 2.22 per cent. per annum, payable semi-annually in arrear in equal instalments on 2 January and 2 July in each year, commencing on 2 January 2022.
Maturity Date	2 July 2026.
NDRC Registration	Pursuant to the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) issued by the National Development and Reform Commission of the PRC (the “ NDRC ”) on 14 September 2015 which came into effect on the same day, the Guarantor has registered the issuance of the Bonds with NDRC and obtained a certificate from the NDRC on 11 May 2021 evidencing such registration. The Guarantor will undertake to file the requisite information and documents on the issuance of the Bonds with the NDRC within the prescribed timeframe. See Condition 4(d) of the Terms and Conditions of the Bonds.

Status of the Bonds The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4 of the Terms and Conditions of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference amongst themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

Status of the Guarantee The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4 of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Negative Pledge The Bonds will contain a negative pledge provision as further described in Condition 4(a) of the Terms and Conditions of the Bonds.

Use of Proceeds The Issuer intends to use the net proceeds in refinancing existing offshore indebtedness.

Events of Default The Bonds will contain certain events of default as further described in Condition 9 of the Terms and Conditions of the Bonds.

Taxation All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate of up to and including the aggregate rate applicable on 23 June 2021 (the “**Applicable Rate**”), the Issuer or, as the case may be, the Guarantor will increase the amount paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If (i) the Issuer is required to make any deduction or withholding by or within Hong Kong, or (ii) the Issuer or, as the case may be, the Guarantor is required to make any deduction or withholding by or within the PRC in excess of the Applicable Rate, then the Issuer (or the Guarantor, as the case may be) shall (except in certain circumstances as set out in Condition 8 of the Terms and Conditions of the Bonds) pay such Additional Tax Amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required.

Final Redemption. Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date, subject as provided in Condition 7 of the Terms and Conditions of the Bonds.

Redemption for Relevant Events

A Bondholder will have the right, at such Bondholder’s option, to require the Issuer to redeem all, but not some only, of that Bondholder’s Bonds at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together with accrued interest up to, but excluding, the relevant Put Settlement Date, upon the occurrence of a Change of Control or a No Registration Event. See Condition 6(c) of the Terms and Conditions of the Bonds.

Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount together with interest accrued to but excluding the date fixed for redemption, in the event that as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC or, in each case, any political subdivision or any authority therein or thereof having the power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 23 June 2021, the Issuer or the Guarantor would be required to pay Additional Tax Amounts, as provided or referred to in Condition 8 of the Terms and Conditions of the Bonds, in respect of the Bonds (or the Guarantee, as the case may be) and such obligation cannot be avoided by the Issuer or the Guarantor (as the case may be) taking reasonable measures available to it. See Condition 6(b) of the Terms and Conditions of the Bonds.

Redemption at the Option of the Issuer

On giving not less than 30 nor more than 60 days’ prior notice (an “**Optional Redemption Notice**”) to the Bondholders in accordance with Condition 16 and in writing to the Trustee and the Principal Paying Agent, the Issuer may at any time redeem the Bonds, in whole but not in part:

- (i) at their principal amount, on or after 2 June 2026 (being the date that falls one month prior to the Maturity Date); or
- (ii) at a Make Whole Price, before 2 June 2026 (being the date that falls one month prior to the Maturity Date),

in each case, together with accrued and unpaid interest, if any, to (but excluding), the redemption date specified in the Optional Redemption Notice.

See Condition 6(d) of the Terms and Conditions of the Bonds.

Further Issues

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue price, the issue date, the first payment of interest on them and the timing for completing the NDRC Post-Issue Filing and the Cross Border Security Registration) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds or upon such terms as the Issuer may determine at the time of their issue. References in the Terms and Conditions of the Bonds to the Bonds will include (unless the context requires otherwise) any other bonds issued pursuant to Condition 15 of the Terms and Conditions of the Bonds, and forming a single series with the outstanding Bonds.

Trustee

DB Trustees (Hong Kong) Limited.

Principal Paying Agent, Registrar and Transfer Agent.	Deutsche Bank AG, Hong Kong Branch.
Clearing Systems	The Bonds will be evidenced initially by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with, a common depository for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in this Offering Circular, certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement	The Bonds have been accepted for clearance through Euroclear and Clearstream with a Common Code 235627116 and an ISIN XS2356271168.
Notices and Payment . . .	So long as the Global Certificate is held on behalf of Euroclear and Clearstream, any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Terms and Conditions of the Bonds and shall be deemed to have been given on the date of delivery to such clearing system.
Governing Law	The Trust Deed, the Deed of Guarantee, the Agency Agreement and the Bonds will be governed by, and construed in accordance with, the laws of Hong Kong.
Listing	Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only.
Selling Restrictions	The Bonds and the Guarantee will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See “ <i>Subscription and Sale</i> ”.
Legal Entity Identifier . .	The legal entity identifier of the Issuer is 3003005SOPRBUDFEY106.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below, before deciding to invest in the Bonds. The following describes some of the significant risks that could affect the Issuer, the Guarantor, the Group and the value of the Bonds. Some risks may be unknown to the Issuer, the Guarantor and the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Issuer, the Guarantor and the Group. The market price of the Bonds could decline due to any of these risks, and investors may lose part or all of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Issuer, the Guarantor or the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular. The Guarantor and the Group may be affected materially by requirements and restrictions that arise under PRC laws, regulations and government policies in nearly all aspects of its business in the PRC.

RISKS RELATING TO THE GROUP'S BUSINESS

The recent global economic slowdown and financial crisis may continue to negatively impact the Group's business.

Recent global market and economic conditions have been unprecedented and challenging, with tight credit conditions, recession or stagnation in most major economies. Continued concerns about the systemic impact of potential long-term and widespread recession, energy costs, rising oil prices, inflation, geopolitical issues, the cost of credit, the global housing and mortgage markets and the withdrawal of the United Kingdom from the European Union have contributed to increase market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world.

The outlook for the world economy and financial markets in 2021 remains uncertain. Economic conditions in the PRC are sensitive to global economic conditions, and it is impossible to predict how the PRC economy will develop in the future and whether it might slow down due to the global crisis or experience a financial crisis in a manner and scale similar to that in the United States and the European countries. As the real estate industry is sensitive to macroeconomic trends, real estate prices tend to fluctuate in line with changes in macroeconomic conditions. Unfavourable financial or economic conditions, such as those caused in recent years by the global financial and economic crisis in the United States, Europe, Japan, the PRC, Hong Kong and other jurisdictions in recent years has had a corresponding effect on Asian financial markets and may continue to do so in the future. These include the European sovereign debt crisis and the recent withdrawal of the United Kingdom from the European Union (“**Brexit**”) effective on 31 January 2020, with the EU-UK Brexit trade deal being agreed on 24 December 2020. In addition, during 2018 and 2019, the U.S. government imposed tariffs on Chinese imports, which then led the PRC to retaliate with tariffs on U.S. imports. Whilst the U.S. government and the PRC government subsequently entered into a “phase one” trade agreement in early 2020, the effect of previously imposed tariffs on the economy of the PRC and the U.S. may result in long-term structural shifts to the economies of both countries.

On 11 March 2020, the World Health Organisation declared the coronavirus outbreak in 2019 (“**COVID-19**”) a pandemic. The COVID-19 pandemic and policies implemented by governments to deter the spread of the disease have had and may continue to have an adverse effect on consumer confidence and the general economic conditions which the Group's businesses are subject to. Governments of many countries (including the PRC) had declared a state of emergency, closed their borders to international travellers and issued stay-at-home orders with a view to containing the pandemic. Although vaccines have been developed to counter COVID-19, there are also new strains of the virus arising in some countries and the situation remains uncertain. There can be no assurance that

such measures will be effective in ending or deterring the spread of COVID-19. As COVID-19 continues to spread globally, many more countries may be affected and the resultant disruptions to the supply chain and reduced levels of consumption, commercial activities and industrial production in the affected countries may result in an economic slowdown in such economies which, if prolonged, could cause a global recession.

These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue to adversely affect the PRC market and consumption capacity in this market, which may lead to a decline in the general demand for the Group's products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets and in the PRC may negatively affect the Group's liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue, the Group's business, financial condition and results of operations may be adversely affected.

The Group's auditors have received adverse regulatory decisions and warnings issued by relevant PRC authorities in recent years.

Grant Thornton, the Group's independent auditors, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies, including the MOF and the CSRC.

In February 2018, August 2019 and November 2019, the CSRC issued warning letters against Grant Thornton and some of its auditor employees. In February 2020, Grant Thornton received an administrative penalty decision letter regarding its non-compliant disclosure in the 2014 annual report of a Shanghai-listed company, an insufficient audit process of revenue policies and insufficient audit processes of accuracy of trading income, resulting in the confiscation of Grant Thornton's fees, a monetary penalty and the issue of warnings to the relevant auditors. In March 2020, CSRC gave warning letters regarding issues in the practice in some of the 2017 and 2018 audit reports, including failing to spot that the company had recorded income in advance, lack of evidence in certain audit findings, and failing to make known the audit findings of certain related party transactions. In September 2020, Grant Thornton received an administrative decision from the CSRC relating to six non-compliance issues with regards to its audit of an initial public offering (IPO) project.

Grant Thornton has confirmed to the Guarantor that the companies involved in the regulatory decisions and/or cautions above were all unrelated to the Group and the audit work performed for the Group is not affected by the above incidents and that the audit reports include elsewhere in this Offering Circular remain valid and effective. Grant Thornton has confirmed that its ability to provide comfort letters and the qualification of the auditors participating in this offering are not affected by the regulatory decisions and/or cautions. Grant Thornton has further confirmed that it has taken the required rectification measures for all of the matters cited above. However, there can be no assurance that the relevant PRC regulatory agencies will not carry out any review of Grant Thornton's audit and/or other assurance work conducted in relation to other companies. There is no assurance that there will not be prolonged or broadened investigations conducted by the CSRC against Grant Thornton, nor can there be any assurance that further negative news about Grant Thornton would not have a material and adverse effect on the Group.

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

The Group is exposed to risks in connection with contracting with public bodies. As most of the transportation infrastructure projects undertaken by the Group are funded by government agencies, these projects are sometimes subject to changes or postponements arising from factors such as changes in government budget and changes in policy considerations outside the control of the Group. In addition, disputes with public bodies may last for considerably longer periods of time than those that occur with private sector counterparties, and payments from public bodies may be delayed as a result. All these risks may have an adverse effect on the Group's business activities, financial position and results of operations.

The Group's business benefits from certain PRC government subsidies and favourable tax treatment. The expiration of, or changes to, the subsidies or favourable tax treatment could adversely affect the Group.

Since its inception, the Group has received various types of subsidies from the PRC government. As at 31 December 2020, the aggregate amount of the subsidies received by it amounted to at least RMB112.2 million. The Group has also received strong support from the Beijing Municipal Government, including fund allocation and other capital support, which has enabled the Group to build a vertically integrated construction business. The Group received RMB11.7 million in capital injections from the Beijing Municipal Government in 2020 on a project level. In addition, the Group has received certain favourable tax treatment from the PRC government, such as reductions in the value added tax and enterprise income tax for certain supplies and favourable tax treatment for hi-tech companies.

There is no assurance that the subsidies that the Group receives or the favourable tax treatment that the Group enjoys will not expire or change in the future due to changes of government policies or law or otherwise, in which case the business activities, financial condition and results of operations of the Group could be adversely affected.

The Group has substantial indebtedness and may incur substantial additional indebtedness in the future.

The Group now has, and will continue to have, a substantial amount of borrowings. The Group's total borrowings (which includes short-term loans, long-term loans, non-current liabilities due within one year and bonds payable) as at 31 December 2018, 2019 and 2020 are RMB52,611.9 million, RMB60,355.0 million and RMB68,159.1 million, respectively (including secured and unsecured borrowings, contingent liabilities and other borrowings). Such borrowings could have important consequences, including but not limited to, (i) increasing the Group's vulnerability to adverse general economic and industry conditions; and (ii) limiting, along with the financial and other restrictive covenants of the relevant indebtedness, amongst other things, its ability to borrow additional funds. In addition, a portion of the Group's borrowings is secured by its assets and in the event of a liquidation or similar winding-up scenario, claims of unsecured creditors (such as the holders of the Bonds) may rank behind the secured creditors.

In the future, the Group may from time to time incur substantial additional borrowings, secured or unsecured, and contingent liabilities. The Bonds do not restrict the Issuer, the Guarantor nor any of their respective subsidiaries from incurring additional debt, secured or unsecured, and contingent liabilities. If the Issuer, the Guarantor or any of their respective subsidiaries incur additional debt, secured or unsecured, the risks that the Group faces as a result of its already substantial borrowings and leverage could intensify. This could adversely impact the market price and the liquidity of the Bonds.

As at 31 December 2020, approximately 70.0 per cent. of the Group's total borrowings (as referred to above) were medium-term or long-term loans. If the Group is unable to obtain financing on a timely basis or at a reasonable cost, the Group may not be able to undertake new projects or expand into new business areas and geographic markets, and its business, financial condition and results of operations could be materially and adversely affected.

Furthermore, if the Issuer, the Guarantor or the relevant subsidiary is unable to comply with the restrictions and covenants in its current or future debt and other agreements, there could be a default under the terms of such agreements. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to the Group or the relevant subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Group, including the Bonds, may contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of debt or result in a default under other debt agreements and the Bonds. If any of these events occur, there is no assurance that the Group's assets and cash flow would be sufficient to repay in

full all of such indebtedness, or that the Group would be able to find alternative financing. Even if the Group could obtain alternative financing, there is no assurance that it would be on terms that are favourable or acceptable to it.

The Group may not be able to generate sufficient cash flows to meet its obligations to repay its outstanding debts.

The Group's indebtedness and high level of current liabilities could cause serious consequences, including, but not limited to, limiting its ability to repay outstanding debt; making it more vulnerable to adverse economic and industry conditions; forcing the Group to dedicate a substantial portion of cash flow from its operations to repay its debts, thereby reducing its cash flow available for working capital, capital expenditure, and other general corporate purposes; limiting its flexibility in planning for or reacting to the changes in the Group's businesses and the industry; causing it to be less competitive as compared with its competitors that have less debt; and limiting its ability to borrow more funds in the future and/or increasing the Group's financing costs. The Group's ability to meet its payments and other obligations under its outstanding debt depends on the Group's ability to generate sufficient cash flows from operations to satisfy its obligations under the Group's outstanding debt and to fund other liquidity needs. If the Group is not able to generate sufficient cash flows to meet such obligations, the Group may need to refinance or restructure its debt, reduce or delay capital investments, or seek additional equity or debt financing.

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

The Group is involved in and plans to continue exploring opportunities in projects involving ownership and operation of infrastructure in both domestic and international markets, in particular in view of the recent Strategic Restructuring and the strategic expertise and track record BMRB brings to the Group. The nature of infrastructure investment and operation projects requires the Group to fund the project upfront and make payments to suppliers and sub-contractors. In undertaking infrastructure investment and operation projects, the Group may be exposed to payment delays or default of payment. The risks in connection with undertaking infrastructure investment and operation projects include the risk of inaccurate forecasts concerning cash inflows to be derived from the completed projects and the risks arising during the operational phase of such projects. Investment by the private sector in these projects is dependent on government policies, and laws and regulations relating to public and private participation, and the sharing of risks and returns of such projects. Undertaking infrastructure investment and operation projects also requires significant outlay of the Group's working capital over extended periods. There is no assurance that the Group will be able to successfully and profitably carry out infrastructure investment and operation projects. Any inability to execute or handle such projects may adversely affect the Group's business and results of operations.

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

The Group's businesses require substantial capital investment.

The Group's businesses are capital intensive. The Group will require additional financing to fund working capital and capital expenditures, to support the future growth of its business and/or to refinance existing debt obligations. For example, the Group's construction business is capital intensive and its capital expenditure primarily comprises expenditures from project investments, purchases of machinery, equipment and vessels, and the building of plants. The Group's capital expenditure will increase as the

Group continues to expand and diversify its businesses, as shown by the RMB365 million increase in its capital expenditure from RMB771 million in the year ended 31 December 2019 to RMB1,136 million in the year ended 31 December 2020.

The Group continually reviews its current and expected future funding requirements and engages in discussions with financial institutions and other market participants, from time to time, to evaluate proposals regarding different sources of funding, including the use of syndicated bank loans. The Group has historically required and expects that in the future it will continue to require external financing to fund its working capital and capital expenditure requirements. The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, the success of its businesses, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital, and political and economic conditions in the PRC. If the Group is unable to obtain financing on a timely basis or at a reasonable cost, the Group may not be able to undertake new projects or expand into new business areas and geographic markets, and its business, financial condition and results of operations could be materially and adversely affected.

The PRC government has in recent years taken a number of measures in the financial sector, such as the Circular of the People's Bank of China on Further Strengthening the Management of the Real Estate Credit Business (Yin Fa [2003] No. 121)(中國人民銀行關於進一步加強房地產信貸業務管理的通知), effective on 5 June 2003, the Circular of the General Office of the State Council on Distributing the Opinions of the Departments Including the Ministry of Construction on Adjusting the Housing Supply Structure and Stabilising the Housing Price (Guo Ban Fa [2006] No. 37)(國務院辦公廳轉發建設部等部門關於調整住房供應結構穩定住房價格意見的通知), effective on 24 May 2006, and the Notice of the People's Bank of China ("PBOC") and China Banking Regulatory Commission on Strengthening the Credit Management of Commercial Real Estate (Yin Fa [2007] No. 359)(中國人民銀行中國銀行業監督管理委員會關於加強商業性房地產信貸管理的通知), effective on 27 September 2007, to further tighten lending requirements for property developers, which, amongst other things:

- forbid PRC commercial banks from extending loans to property developers to finance land premiums;
- restrict PRC commercial banks from extending loans for the development of luxurious residential properties;
- restrict the grant of rollover credit or any kind of revolving credit facilities to property developers that hold a large amount of idle land and vacant commodity properties;
- prohibit commercial banks from taking commodity properties that have been vacant for more than three years as security for mortgage loans;
- forbid property developers from using borrowings obtained from any local banks to fund property developments outside that local region; and
- forbid PRC commercial banks from extending loans to a project of which the proportion of capital is less than 35 per cent. or that has not received the Certificate of Land Use Right, the Planning Permit on Construction Land, the Planning Permit on Construction Projects or the Construction Permit.

There can be no assurance that additional financing from PRC commercial banks, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on favourable terms.

The Group is large and complex, and may be restructured, and there is no assurance that its efforts to further integrate all its business and coordinate amongst different subsidiaries will be successful.

As at 31 December 2020, the Group had over 298 direct and indirect subsidiaries located across the PRC and other jurisdictions, whose financial results have been included in the Group's consolidated financial statements as at and for the year ended 31 December 2020. The large scale and scope of its operations make central coordination of activities a challenging task. There may be overlap in the operating activities of certain of its subsidiaries in terms of geography, product type and/or business scope. The Group intends to maintain the independent operation of its subsidiaries, which may result in certain subsidiaries competing directly in certain areas. While the Group is of the view that such competition amongst some of its subsidiaries would not have a material adverse impact on its overall business operation and market position, the effect of such internal competition on its financial results is uncertain.

The Group has formulated several initiatives, especially after the Strategic Restructuring, to rationalise, integrate, and consolidate the duplicated operations conducted by different subsidiaries, including the BMRB, to further realise the synergies within the Group. Its proposed business integration initiatives may not be implemented effectively or on a timely basis, or may be adversely affected by certain issues arising from an excessive number of employees, inability to obtain sufficient financial resources, technical difficulties, constraints in terms of human resources or other resources, or for other reasons. Moreover, the implementation of these business integration initiatives may be more costly than originally estimated. Should costs overrun, circumstances change, negative reaction from its employees or other reasons occur, the operational efficiencies and business synergy which these business integration initiatives were intended to achieve may not materialise. Furthermore, managing such internal competition will present challenges to its management team, financial and management information systems and internal control measures which will require continuous improvement and development in order for the Group to operate more effectively and efficiently as an integrated entity. If the Group is not able to successfully implement its business integration initiatives, its business, financial condition, results of operations and prospects may be adversely affected.

The Group may be unsuccessful in reducing its operating expenses.

The Group's primary sources of funds are cash flows from operations, borrowings from banks and other institutional lenders, and funding from capital markets, such as offerings of commercial paper and other debt securities. The Group needs liquid funds to pay its operating expenses and the principal of and interest on its debt. The Group also needs long-term financing to fund, amongst other things, capital expenditure and research and development expenses. The Group currently believes its cash flows from operations, borrowings from banks and other institutional lenders, and funding from the capital markets can provide sufficient funding for its operations and other liquidity needs. However, if the Group is unsuccessful in reducing its operating expenses, its business, financial condition, results of operations and prospects may be adversely affected.

The Group relies on independent contractors to provide various services and cannot ensure the services performed by independent contractors will meet the Group's quality standards, timing requirements, or budget limitations.

The Group engages independent third-party contractors to provide various services, including but not limited to design, construction, piling and foundation, engineering, interior decoration, gardening, landscaping, mechanical and electrical installation, and utilities installation. The Group generally selects independent contractors through an open tender process. Completion of the projects is therefore subject to the satisfactory performance of these independent contractors. There is no assurance that the services rendered by these independent contractors or subcontractors will be satisfactory or will meet the project timelines. If the performance of any independent contractor is not satisfactory or is delayed, the Group may need to replace the contractor or take other actions to remedy the situation, which could increase construction costs and delay completion. Under the Group's pre-sale contracts, it is liable to the

purchasers for default payments if it fails to deliver the completed properties in accordance with the delivery schedule in these contracts. In the case of a prolonged delay, the purchasers will be entitled to terminate the pre-sale contracts and require a refund of the purchase price in addition to the default payments. In addition, the failure to complete construction according to its specifications may result in liabilities, reduced efficiency, and lower financial returns. Any of these factors may have a material adverse effect on the Group's business, prospects, financial condition, and results of operations.

Under the Regulations on the Administration of Quality of Construction Works (建設工程質量管理條例) issued by State Council of China, effective on 10 January 2000 and subsequently amended on 7 October 2013, 7 October 2017 and 23 April 2019, all property development companies in the PRC must provide certain warranties on quality for the properties they construct or sell. The Group is required to provide these warranties to its customers. There is no assurance that the services rendered by the third-party contractors match the quality standards required by the Group. The Group relies on its main contractors to obtain the requisite construction permits to commence construction of its sites. As a developer, there can be no guarantee that the Group will not be liable for administrative penalties if its contractors fail to obtain all of the requisite construction permits. The Group is also exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and the Group may have to bear such additional amounts in order to provide them with sufficient incentives to complete the Group's projects. Furthermore, there is a risk that major contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs for the Group. All of these factors may adversely affect the Group's business and financial condition.

The Group is subject to concentration risks due to significant holdings of financial assets or significant commitments of capital in Beijing.

In the course of the Group's business, the Group often commits substantial amounts of capital to certain types of businesses or asset classes, including the Group's construction business, with about 53.5 per cent. of new contract value signed on projects in or around Beijing. This commitment of capital exposes the Group to concentration risks, including market risk, in the case of the Group's holdings of concentrated or illiquid positions in a particular asset class as part of the Group's investment activities. Any decline in the value of such assets or commitments of capital may reduce the Group's revenues or result in losses.

There can be no guarantee the Group will be able to secure additional projects.

A considerable part of the Group's revenue is generated from its construction projects. For the years ended 31 December 2018, 2019 and 2020, operating income from the Group's construction business accounted for 87.4 per cent., 86.1 per cent. and 82.8 per cent. of the Group's total operating income of its primary businesses, respectively. Although the Group expects its construction projects to continue to contribute revenue in subsequent periods, there is no assurance that it will be able to secure additional construction projects, which could adversely affect the Group's financial condition and results of operations.

The Group is exposed to project development risks and cost overruns, and delays may adversely affect the Group's results of operations.

Construction contracts are normally awarded through a competitive tendering process. The Group needs to estimate the construction time and costs in order to determine the tender price. There is no assurance that the actual construction time and costs would not exceed the Group's estimation during the actual implementation of the project, which often takes months or years to complete.

Projects undertaken by the Group typically require substantial capital expenditure during the construction phase and usually take many months, sometimes years, before cash proceeds are generated. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of construction materials, equipment or labour, adverse weather conditions,

natural disasters, labour disputes, disputes with subcontractors, accidents, difficulties in obtaining necessary governmental approvals, changes in governmental priorities and other unforeseen circumstances. Any of these circumstances could give rise to construction delays and/or cost overruns.

Similarly, the Group may be unable to complete a project in accordance with the schedule set forth in the relevant contract. A project can be delayed for a number of reasons, including those relating to market conditions, shortages and/or cost escalation of materials and labour, adverse weather conditions, additional variations to the construction plans requested by the customers or because of technical construction needs, policies and regulations of the PRC and other relevant jurisdictions, availability of funding, disputes with business partners, technology and equipment suppliers and other contractors, employees, local governments and communities, accidents, natural disasters, power and other energy supplies, and availability of technical or human resources. Any of these can give rise to delays in the completion of construction works or cost overruns or even unilateral termination of projects by customers.

Delays in the process of obtaining any specific licences, permits or approvals from PRC government agencies or authorities in carrying out any particular construction project can also increase the cost or delay the progress of a project. Failures to complete construction according to specifications and quality standards on a timely basis may result in disputes, contract termination, liabilities and/or lower returns than anticipated on the construction project concerned. Such delays or failures to complete and/or unilateral termination of a project by customers may cause the Group's turnover or profitability to be lower than what the Group had expected.

The Group's overseas engineering and construction contracting projects may also be affected by factors such as any adverse changes in the relations between China and relevant foreign governments, war or other significant adverse developments in international relations. Although most of the Group's projects have been completed on schedule and the Group has not incurred any material default liabilities due to construction delays, there can be no assurance that this will remain the case or that future projects will be completed on time, or at all, and generate satisfactory returns.

From time to time, the Group may need to perform extra work as a result of the project owner changing the design for non-technical reasons after the design plan is confirmed. This may result in disputes over whether the work performed is beyond the scope of work included in the original project specifications, or over what price the customer should pay for the extra work. Even when the customer agrees to pay for the extra work, the Group may be required to advance the cost of such work for a lengthy period of time until the change in design is approved and funded by the owner. In addition, any delay caused by the extra work may impact the progress of the Group's projects and its ability to meet specific contract milestone dates. The Group may also incur costs due to changes in design not approved by the project owner or contract disputes. There is no guarantee that the Group will be able to recover the cost of the extra work in full or at all, which may lead to business disputes, or may otherwise adversely affect the Group's business, financial condition, results of operations and prospects. Moreover, the performance of extra work may cause delays in the Group's other project commitments and may have a negative impact on the Group's ability to meet the specified deadlines of the Group's other projects.

There is no guarantee that the Group will not encounter cost overruns or delays in its current and future projects. If such cost overruns or delays occur, the Group's costs could exceed its budget or the Group could be required to pay liquidated damages in accordance with the terms of its contracts with a consequent reduction in, or elimination of, profits on its contracts.

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

Construction and development costs account for the majority of the Group's cost of sales and are one of the significant factors affecting its financial condition and results of operations. As a result of economic growth and the boom in the property industry in the PRC, wages for construction workers and the prices

of construction materials and building equipment have substantially increased in recent years. Under the terms of most of the Group's construction contracts, contractors or sub-contractors may adjust the contract prices to cover increases in wages and costs of construction materials. There is no guarantee the adjustment will be favourable to the Group.

The Group is also exposed to the price volatility of labour and construction materials to the extent that the Group periodically enters into new, or renew existing, construction contracts at different terms during the life of a project, which may span several years, or if the Group chooses to hire the construction workers directly or purchase construction materials directly from suppliers. Even if some costs may in some instances be passed on to the counterparty, there is no guarantee that the Group will be able to pass increased costs on to sub-contractors and pre-sale purchasers when construction costs increase subsequent to the date of the pre-sale contract. If the Group is unable to pass on any increase in the cost of labour, construction materials or building equipment to either the construction contractors, sub-contractors or to the purchasers of the Group's properties, the Group's business, prospects, financial condition and results of operations may be materially and adversely affected.

The Group employs third-party labour sub-contractors to provide additional manpower for its projects, which may expose the Group to reputation and litigation risks.

The Group often engages third-party labour sub-contractors in the PRC and overseas markets to provide additional manpower on large projects. Outsourcing a portion of its labour supplements the Group's capacity, reduces the need to maintain a large workforce and increases flexibility in carrying out contracts.

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

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

Work stoppages and other labour relations matters may have an adverse effect on the Group's financial results.

The Group has a good working relationship with its employees and has not experienced any material work stoppages, strikes or other labour problems in the past. However, there is no assurance that any of such events will not arise in the future. If the Group's employees were to engage in a strike or other work stoppage, the Group could experience a significant disruption of operations and/or higher ongoing labour costs, which may have a material adverse effect on the Group's business and results of operations.

The Group's profit margin is sensitive to fluctuations in construction costs.

Construction costs constitute one of the main components of the Group's direct costs. Construction costs encompass all costs for the design and construction of a project, including payments to third-party contractors, costs of construction materials and machinery, foundation and substructure, fittings,

facilities for utilities and related infrastructure such as roads and pipelines. Historically, construction material costs, especially the costs of cement, steel, sand, and concrete, have been the principal driver of the construction costs of the Group's property development and construction projects.

There have been fluctuations in construction material costs during 2018, 2019 and 2020. Construction costs may fluctuate as a result of the price volatility of construction materials and may increase the cost of procuring raw materials and equipment. If equipment and raw materials reach certain price levels, the continued undertaking of certain projects may become less profitable or even unprofitable. The Group currently does not, and does not expect to in the future, engage in commodity hedging activities. In line with industry practice, if there is a significant price fluctuation (depending on the specific terms of each contract), some of the Group's construction contracts contain price adjustment clauses, which allow the Group to reclaim additional costs incurred as a result of unexpected increases or the Group might be required to re-negotiate existing construction contracts to top up payments to, or receive refunds from, the contractors, depending on the price movement. However, even with the price adjustment clauses or the ability to re-negotiate existing contracts, the significance and relative impact of factors affecting the prices of equipment and raw materials are difficult to predict or quantify. The Group's profit margin is sensitive to changes in the market prices for construction materials and equipment and, as a result, the Group's profit margins may be adversely affected, and eventually may have a material adverse impact on its business, financial condition and results of operations.

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

Most of the Group's construction projects usually take years to complete, and therefore contracts with respect to the construction operations of the Group generally require its customers to make progress payments in stages upon the Group achieving project milestones as agreed between the parties or, otherwise on a monthly basis, with reference to the value of work done.

However, the Group incurs costs associated with a project, primarily materials, equipment and labour costs, on an on-going basis, at the beginning of the project or before achieving the relevant project milestones. In the event that the customers do not make payments to the Group pursuant to the payment terms in the relevant contracts, the Group may bear the risk of not being able to recover the relevant costs and expenditure incurred by it. In most cases, for the free maintenance period of a construction project (which typically lasts from one to two years), either the Group secures a letter of credit issued by a licensed commercial bank or a portion of the contract value is withheld by its customer as retention money to be paid or released after the free maintenance period.

According to the specific terms the Group has agreed to in its contracts, some of its customers may pay the Group an advance of a certain amount. Once the project reaches a certain stage as specified in the relevant contract, the Group will be paid the remaining portion of the contract value as the Group reaches certain progress milestones. As a result, the Group may be required to commit cash and other resources to projects prior to receiving payments from customers to cover certain expenditure on the projects as it is incurred. As at 31 December 2018, 2019 and 2020, the Group's account receivable were RMB21.1 billion, RMB24.7 billion and RMB29.6 billion, respectively.

A portion of contract value, normally approximately five per cent., is usually withheld by the customers as retention money and will generally be released after the guaranteed maintenance period. Therefore, the Group is subject to credit risks and may experience difficulties in collecting outstanding balances from its customers. Delays in progress payments, release of retention funds, or payment of account receivables may increase the Group's working capital needs. If a customer defaults in making its payments on a project to which the Group has devoted resources, it could also affect the Group's liquidity and decrease the capital resources available for other uses. The Group may file a claim for damages that the Group incurred pursuant to its contracts but settlement of disputes generally takes time as well as financial and other resources, and the outcome of any dispute may often be uncertain. There

can be no assurance that the retained money or any future retention money will be remitted by customers to the Group on a timely basis. Any failure by customers to make timely remittance may have an adverse effect on the Group's future liquidity position.

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

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

Successful operations of the Group depend on its ability to obtain sufficient quantities of raw materials, energy supplies and other commodities at acceptable prices and quality in a timely manner. The Group is exposed to the market risk of fluctuations in certain commodity prices for raw materials such as steel, cement, explosives, admixture, track materials, waterproofing materials and other construction materials utilised in its construction operations. The price and availability of such raw materials may vary significantly from year to year due to factors such as the PRC's import restrictions, consumer demand, producer capacity, market conditions and cost of materials. In particular, steel and cement, which are critical to the Group's operations, are subject to substantial pricing changes and periodic shortages in the PRC. The Group is also affected by increases in energy prices, including electricity and fuel prices, for the operation of its machinery and equipment.

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

The Group typically procures construction equipment, machinery and supplies, such as cement, steel, coal tar, logs and sands from third-party suppliers, and subcontracts work to third-party subcontractors. The Group generally does not maintain long-term contracts with its suppliers and subcontractors. It typically enters into contracts with its suppliers and subcontractors on a project-by-project basis in view of the requirements and specifications of individual projects. Increases in the prices of construction equipment, machinery and supplies, as well as fluctuations in subcontracting costs, may increase the cost of procuring equipment and raw materials and engaging subcontractors, and hence materially and adversely affect the Group's profitability and results of operations. If equipment and raw materials reach certain price levels, the continued undertaking of certain projects may become less profitable or even unprofitable. Some of its construction contracts contains price adjustment clauses, which allow the Group to reclaim additional costs incurred as a result of unexpected increases in equipment and raw material costs. However, even with the price adjustment clauses, the significance and relative impact of factors affecting the prices of equipment and raw materials and subcontracting costs are difficult to predict or quantify, which may cause difficulty in the Group's project budgeting and eventually may have a material adverse impact on its business, financial condition and results of operations. The Group may not be able to transfer to the proprietors the increase in costs of its procurement. As such, the Group's business, financial condition and results of operations may be adversely affected.

Loss of qualifications may adversely affect the Group's construction business.

The Group has been granted numerous special-grade (“特級”), first-class (“一級”), or Grade A (“甲級”) qualifications. The Group has seven special-grade qualifications for general contracting of construction engineering, municipal administration, and highways; 156 first-class qualifications for general construction contracting and professional contracting; 55 grade A qualifications for engineering survey, design, consulting, and supervision; and 69 other qualifications in real estate development and engineering inspection. These qualifications are important to the Group's construction business as they dictate the range and size of public works in which the Group is eligible to participate as main contractor or special contractor. These qualifications are necessary for participation in open tender processes for construction projects. There is no assurance that the government will not revoke or cancel these qualifications, or it will be able to renew these qualifications in time or at all. In addition, a qualified contractor could be prohibited from tendering for public works of a relevant category during a suspension period if a fatal construction accident occurs at a construction site for which the contractor is responsible for, or the performance of the contractor is not satisfactory.

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

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

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

- in some of the jurisdictions in which the Group operates, including the PRC, environmental and workers' compensation liabilities may be assigned to the Group as a matter of law and may not be limited through contracts;
- customers and sub-contractors may not have adequate financial resources to satisfy their indemnity obligations to the Group;
- losses may arise from risks not addressed in the indemnity agreements; and
- insurance coverage of the Group may not be sufficient because it may not be possible to obtain adequate insurance against some risks on commercially reasonable terms, or at all.

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

The Group is subject to some financial leverage and its business and financial results, in particular the Group's construction business, may be adversely affected by further increases or fluctuations in interest rates.

The Group relies on borrowings to finance a substantial part of its project developments, and some of the Group's borrowings consist of loans from commercial banks in the PRC. The Group's financing costs, and as a result its business, financial condition and results of operations, are affected by changes in interest rates. A substantial portion of the Group's borrowings are linked to benchmark lending rates published by the PBOC.

The PBOC has adjusted the benchmark one-year lending rate a number of times in the past in response to changing PRC and global financial and economic conditions. In 2019, the PBOC revamped the one-year loan prime rate in an effort to reduce borrowing costs and as of March 2021, the PBOC has kept the one-year loan prime rate unchanged for an extensive period of time. However, there can be no assurance that the PBOC will not increase the benchmark lending rate. Any increase in interest rates will increase the Group's cost of borrowing and increase mortgage rates, which would, in turn, adversely affect its results of operations. Moreover, interest rate volatility can make it difficult for the Group to make plans and implement its strategies and can deter potential home buyers.

The Group is subject to some financial leverage. As at 31 December 2018, 2019 and 2020, the Group had total borrowings (which includes short-term loans, long-term loans, non-current liabilities due within one year, and bonds payable) of RMB52,611.9 million, RMB60,355.0 million and RMB68,159.1 million, respectively, representing a debt-to-asset ratio (calculated by dividing the Group's total borrowings by consolidated total assets) of approximately 36.3 per cent., 35.5 per cent. and 33.7 per cent., respectively. As the lending interest rates of commercial banks are set based on the PBOC benchmark lending rate, any increase in the PBOC benchmark lending rate may lead to higher lending interest rates. Due to the size of the Group's borrowings, its results of operations will be materially affected by the effective interest rate of these borrowings.

Further, the Group's construction business and real estate development business relies on borrowings to finance a substantial part of its project developments. A substantial part of the Group's borrowings consist of loans from commercial banks in the PRC. The Group's financing costs, financial condition and results of operations, are affected by changes in interest rates. A substantial portion of the Group's borrowings are linked to benchmark lending rates published by the PBOC.

The Group's substantial indebtedness may affect its ability to secure funding for various projects, including current and future projects. The Group has relied upon both short-term and long-term borrowings to fund a portion of its capital expenditure and operations and the Group expects to continue to do so in the future. The Group may incur additional debt to fund its planned capital expenditures and future projects. The level of its indebtedness and the amount of its interest payments could limit its ability to obtain the financing required to fund future capital expenditure and working capital. A shortage of such funds could in turn impose limitations on the Group's ability to plan for, or react effectively to, changing market conditions or to expand through organic and acquisitive growth, thereby reducing its competitiveness.

The Group may not have adequate insurance to cover potential losses and claims and may therefore be subject to uninsured risks.

The Group carries third-party liability and fire insurance on certain completed developments in which it has an interest. The Group generally maintains public liability and assets insurance policies for its properties, the common facilities and the hotel operating areas of its properties. In addition, the Group's property management subsidiaries also maintain property management liability insurance coverage in connection with its business operations.

The Group assesses the need for maintaining insurance policies based on the specific circumstances of each project under development and the premium is borne by the contractors. In addition, there are certain types of losses, such as losses from forces of nature, that are generally not insured because they are either uninsurable or because insurance cannot be obtained on commercially reasonable terms. This practice is consistent with what the Group believes to be industry practice in the PRC. Certain types of losses caused by war, civil disorder, acts of terrorism, epidemics, earthquakes, typhoons, flooding and other natural disasters are not covered. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in such properties and anticipated future revenue therefrom while it remains liable for any mortgage indebtedness or other financial obligations relating to the relevant property. Any such loss could materially and adversely affect the Group's financial condition and results of operations.

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

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

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

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

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

The Group is required to comply with extensive environmental, health and safety laws and regulations promulgated by the PRC government and the governments of other overseas jurisdictions in which it operates, as well as quality control standards. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. If the Group fails to comply with these laws and regulations and industry standards applicable to its operations, it could be subject to suspension of its operations, failed evaluation when the project is delivered for review, substantial penalties, fines, suspension or revocation of its licences or permits to conduct business, termination of government contracts, administrative proceedings or litigation. Such events could have a material and adverse impact on its business, results of operations, financial condition and reputation. As these laws and regulations continue to evolve, there can be no assurance that the PRC government or the governments of other overseas jurisdictions in which the Group has operations will not impose additional or more onerous laws or regulations (such as broadening such regulations to second and third

tier cities in the PRC), compliance with which may cause the Group to incur significantly increased costs, which the Group may not be able to pass on to its customers. In addition, some of the new overseas markets that the Group is seeking to enter may have more onerous environmental, safety and health regulations than in China, compliance with which may be costly and could hinder its endeavours to enter these new overseas markets.

Backlog of the Group is subject to unexpected adjustments and cancellations and may, therefore, not be indicative of the Group's future results of operations.

Backlog is not a measure defined by generally accepted accounting principles, and backlog may not be indicative of future operating results. The Group's methodology for determining backlog may not be comparable to the methodologies used by other companies in determining their backlog. The contract value of a project or other transaction represents the amount as at the relevant date the Group expects to receive assuming its performance is in accordance with the terms of the contracts. The Group's construction contracting contracts may be subject to force majeure events which may affect the project progress. Such cancellations or change of order of any one or more sizeable contracts or a force majeure event may have a substantial and immediate effect on the backlog of the Group, could reduce the amount of its backlog and the revenues and profits that the Group can actually generate, and exert pressure on its working capital. In addition, projects may also remain in the Group's backlog for an extended period of time. There is no assurance that the amount estimated in the Group's backlog will be realised in a timely fashion, or at all, or that, even if they are realised, that they will result in profits. As a result, investors should not unduly rely on the Group's backlog information presented in this Offering Circular as an indicator of the future earnings, results of operations or prospects of the Group.

A deterioration in the Group's brand image, or any failure to protect the Group's brand and intellectual property rights, could have a negative impact on the Group's business.

The Group's images play an integral role in all of the business operations. Any negative incident or negative publicity concerning the Group could adversely affect the Group's reputation and business. Brand value is based largely on subjective consumer perceptions and can be damaged even by isolated incidents that degrade consumer trust. Consumer demand for the Group's products and the Group's brand value could diminish significantly if the Group fails to preserve the quality of the products, or fails to deliver a consistently positive consumer experience, or if the Group is perceived to act in an unethical or socially irresponsible manner. In addition, any unauthorised use of the Group's brands, trademarks and other intellectual property rights could harm the Group's competitive advantages and business. Historically, China has not protected intellectual property rights to the same extent as certain other countries, and infringement of intellectual property rights continues to pose a serious risk when doing business in China. Monitoring and preventing unauthorised use is difficult. The measures the Group takes to protect the Group's intellectual property rights may not be adequate. If the Group is unable to adequately protect its brand, trademarks and other intellectual property rights, the Group may lose these rights and the Group's business may suffer materially.

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

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

The Group’s sustainable success largely depends on its senior management and upon its ability to attract, train and retain key personnel.

The Group’s sustainable success depends heavily on its current management team. The Group depends on the continued service of its executive officers and other skilled managerial and technical personnel. Competition in the Group’s industry for qualified personnel is intense. The Group’s business and financial condition may suffer if it loses the services of a number of key personnel and is not able to recruit qualified replacements. Furthermore, as the Group’s business continues to grow, it will need to recruit and train additional qualified personnel. If the Group fails to attract and retain qualified personnel, the Group’s business and financial condition may also be adversely affected. In addition, if any of the Group’s key senior management or key senior officers or skilled personnel joins a competitor or forms a competing company, the Group may lose customers and suppliers and incur additional expenses to recruit and train personnel.

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

In the ordinary course of the Group’s business, it may be involved in disputes with various parties involving project owners, joint venture partners, creditors, customers, subcontractors, suppliers, construction workers and other parties. Claims involving such parties may be brought against the Group or by the Group in connection with its contracts from time to time. See “*Business – Legal Proceedings*”.

The Group has in the past conducted acquisitions and restructuring. Some of the acquired companies or assets have been and may continue to be subject to pre-existing or ongoing disputes with business counterparties, joint venture partners, suppliers, creditors and other parties, whether or not they are arisen from ordinary course of business. The Group is currently not aware of any legal proceeding, pending, or threatened against the Group, which could be expected to have a material adverse effect on its business, financial condition and results of operations. However should any of these disputes be worsened in the future, or any counterparties involved in such disputes take legal actions against the Group or any unfavoured judgments be entered into and enforced against the Group, its business, results of operations and financial condition may be materially and adversely affected.

These disputes may lead to protests, legal or other proceedings and may result in financial loss, damage to the Group’s reputation, incurrence of substantial costs and damages and the diversion of resources and management’s attention. As most of the Group’s projects are comprised of multiple phases, purchasers of its properties or construction projects may file legal actions against the Group if its subsequent planning and development of the relevant project is perceived to be inconsistent with the representations and warranties made to them. Other possible legal actions may relate to alleged defective or incomplete work, liability for defective products related to personal injury or death, damage to or destruction of property, and late completion of a project. Such claims can involve actual damages and liquidated damages. All claims brought, whether against the Group or by the Group, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings such that the amounts ultimately realised from project claims by the Group could differ from the balances included in the Group’s financial statements. Further, actions brought against the Group may result in settlements, injunctions, fines, penalties or other results adverse to the Group. These disputes and any ensuing legal proceedings may materially and adversely affect the Group’s reputation and business, results of operations, financial condition and cash flow.

If the Group was found to be liable in any of the claims against it, the Group would incur a charge against earnings to the extent that a reserve had not been established for the matter in its accounts or to the extent that the claims were not sufficiently covered by its insurance.

As the Group invests and does business around the globe, it may be confronted with complex legal and regulatory requirements and judicial systems in many jurisdictions. These include tariffs, trade barriers and requirements relating to withholding taxes on remittances and other payments, as well as the risk of

regulatory or litigation action by regulators or private parties. Any such regulatory and litigation actions against the Group or restrictions on the Group in any jurisdiction may have a material adverse effect on the Group's financial condition and results of operations.

In addition, the Group may have compliance issues with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that result in liabilities and cause delays to its property developments. If the Group fails to comply with any applicable PRC laws or regulations, its reputation and business, results of operations and financial condition may be materially and adversely affected.

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

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

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;
- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;
- improperly using or disclosing confidential information;
- engaging in improper activities such as offering bribes to counterparties in return for any type of benefits or gains;
- misappropriation of funds;
- conducting transactions that exceed authorised limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

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

Any future outbreak of mass communicable diseases such as COVID-19, Severe Acute Respiratory Syndrome, Middle East Respiratory Syndrome, avian influenza, swine influenza or other new or contagious diseases may materially and adversely affect the Group's business and operations, as well as its financial condition and results of operations.

The PRC has experienced a number of new or contagious diseases. The outbreak of any severe contagious disease such as COVID-19, Severe Acute Respiratory Syndrome ("SARS"), Middle East Respiratory Syndrome ("MERS") H5N1 avian flu or the human swine flu, also known as Influenza A

(H1N1), could potentially disrupt the Group's operations, and the Group's markets are identified as a possible source of spreading the contagious disease. The Group may also suffer a temporary suspension of operations. Any quarantine or closure of the Group's offices or suspension of operations at any one of projects or the sickness or death of the Group's key officers and employees is likely to materially and adversely affect the business, financial condition and results of operations of the Group.

There can be no assurance that any such abovementioned virus or disease will not mutate, thereby causing a human pandemic in the PRC and nearby territories. The Group cannot assure investors that there will not be any future outbreak of new or contagious diseases for which there may be no known cure or vaccine. Any future outbreak of new or contagious diseases may cause the passenger flows of railways to materially decrease. Furthermore, the Group's ability to adequately staff and maintain its operations may be significantly disrupted in such circumstances. In addition, any future outbreak of new or contagious diseases may severely restrict the general level of economic activity in Beijing and places where the Group operates its business, which may also adversely affect the Group's business and prospects. As a result, the Group cannot assure investors that any future outbreak of new or contagious diseases would not have a material adverse effect on the Group's financial condition and performance.

The COVID-19 pandemic has had a negative impact on worldwide economic activity and the Group's operations, and may have an ongoing impact on the Group's business.

Since December 2019, the outbreak of COVID-19 has widely affected China and other countries and territories in the world. Measures for combating the outbreak, including the quarantine of infected and suspect cases, lockdown of cities with high risks of infection, cancellation of trains and flights and other restrictions on travel and business operations, have resulted in disruptions in the Group's supply chain, transportation chain and shortage of staff, which occasionally adversely affected the Group's operations. Furthermore, the global spread of COVID-19 has adversely affected the global economy and has resulted in significant volatility in financial markets. It has also affected the construction timeline and work progress of ongoing or newly signed projects of the Group, in particular overseas projects, as well as the prices and procurement of the raw materials that the Group trades in and uses in construction and property development. Any future spread of COVID-19, including in areas such as Beijing where the Group's main projects and assets are located, may result in greater risk of exposure to employees, and the Group may respond by curtailing, rescheduling or suspending operations, construction or development of these assets or be required to do so by the relevant authorities. The Group's customers or suppliers may seek to release themselves from their contractual obligations by claiming that the ongoing pandemic, and government responses, constitute a force majeure event. Government measures taken in response to the COVID-19 pandemic, including quarantine and shelter in place orders, as well as other indirect effects that the COVID-19 pandemic is having on global economic activity, have resulted in some degree of economic downturn globally. Although there was some recovery in the COVID-19 situation worldwide through the implementation of vaccines, and the recent containment of the COVID-19 pandemic in the PRC has resulted in the resumption of domestic economic activities, the future impact of COVID-19 on the global economy and the Group's operations remains uncertain.

The Group's offshore operations are subject to economic and political uncertainties in overseas markets and are conducted in certain jurisdictions that are subject to economic and/or trade sanctions imposed by the United States, the European Union and other jurisdictions.

The Group has been expanding its operations in overseas countries and regions. For the years ended 31 December 2018, 2019 and 2020, approximately RMB3,900 million, RMB3,980 million and RMB3,380 million of the Group's total operating income was generated from its overseas operations, respectively. The Group's business is therefore subject to changing international economic and political conditions, and local conditions of countries in, amongst others, Africa, the Middle East and South Asia, where political and economic conditions are often unstable. The Group currently has operations in over 28 countries and regions, including the United States, the United Kingdom, Australia, Thailand, New Zealand, Mongolia, Singapore, Malaysia, Mauritius, Rwanda, Angola, Mali, the Republic of Congo, Saudi Arabia, Israel, Côte d'Ivoire, Tanzania, Grenada, Togo, Algeria, Cape Verde, Hong Kong, Macao,

Gibraltar, Trinidad and Tobago, Belarus, Myanmar, and Antigua and Barbuda. The Group expects that a significant amount of its revenue and profits will continue to be derived from its overseas projects in the foreseeable future. As a result of its overseas operations, the Group is exposed to various risks associated with conducting business in foreign countries and regions that include, amongst others:

- political risks, including risks of loss due to civil unrest, acts of terrorism, acts of war, other armed conflict, regional and global political or military tensions and strained or altered foreign relations;
- economic, financial and market instability and credit risks, including those relating to potential deterioration of the credit markets and other economic conditions in other countries;
- abrupt changes in foreign government regulations or policies;
- expropriation and nationalisation of its assets in foreign countries;
- natural disasters;
- epidemics and pandemics;
- inflation;
- unfamiliarity with local operating and market conditions, which could result in unfavourable consequences such as inaccurate bidding prices for projects;
- lack of understanding of local construction, taxation, labour, customs and other laws, regulations, standards and other requirements;
- risks and uncertainties associated with using foreign workers and sub-contractors in connection with the Group's overseas operations, including adverse labour conditions or strikes;
- preferential treatment or corrupt business practices;
- tax increases, confiscatory taxation or other adverse tax policies;
- trade protectionism, trade restrictions or embargoes;
- currency value fluctuations and conversion restrictions;
- governmental activities that limit or disrupt markets, restrict payments or limit the movement of funds;
- governmental activities that may result in the deprivation of contract rights;
- governmental activities that may result in the inability to obtain or retain licences required for operations;
- competition from other international large-scale construction companies;
- negative media and investor attention to the Group;
- cyclical nature and demand of international construction markets; and
- lack of a well-developed or independent legal system in the foreign countries in which the Group has overseas operations, which may create difficulties in the enforcement of contractual rights.

The Group conducts business in Côte d'Ivoire, the Republic of Belarus, Myanmar and Israel, which have been the subject of various economic sanctions regimes and/or whose populace includes persons designated as sanctions targets by the Office of Foreign Assets Control (the "OFAC") within the United States Department of the Treasury, European Union or subject to other international authorities. Certain members of the Group may choose to continue to undertake, in the future, dealings, investments and operations inside and outside of China, including in countries or with persons that are on the sanctions list published and administered by the OFAC within the United States Department of the Treasury, European Union or subject to other international economic sanctions.

As at the date of this Offering Circular, business activities in these countries represent a minimal proportion of the Group's overall business activities (with such business activities not having exceeded one per cent. of the Group's consolidated net revenue and profits in the preceding three financial years) and do not violate applicable sanctions regulations.

However, there can be no assurance that the Group will not in the future engage in transactions with sanctioned parties or in sanctioned countries and be subject to regulatory investigations, sanctions or other penalties as a result. Such economic and/or trade sanctions may also change over time and it is difficult for the Group to predict the interpretation, implementation or enforcement of such policies or sanctions with respect to the Group's operations in such jurisdictions. Further, the sanction laws of the U.S. and other jurisdictions have been evolving and changing frequently, and there can be no assurance that the Guarantor and its subsidiaries or affiliates will not be subject to any sanctions due to their dealings, investments and operations in such countries or with such persons. There is no assurance that the operations of the Group in these jurisdictions will not result in negative media attention which may affect investors' perception of the Group. Any actual or alleged violations of economic or trade sanctions could adversely affect the reputation of the Group and have a material adverse effect on the Group's business, results of operations and financial condition.

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

The Group may not achieve the desired outcomes of any acquisitions or strategic investments the Group undertakes.

The Group may in the future acquire other businesses or companies whose assets, operational capabilities and strategies the Group believes are likely to enhance its operational capabilities in the countries and territories in which the Group operates. Acquisitions involve numerous risks, including potential difficulties in the retention and integration of relevant personnel, risks and difficulties associated with integrating the operations and culture of the acquired business, the diversion of management's attention and other resources, and lack of experience and knowledge in the industry and market of the acquired business. In addition, acquisitions may result in the incurrence or inheritance of debts and other liabilities, assumption of potential legal liabilities in respect of the acquired business or incurrence of impairment charges related to goodwill and other intangible assets, any of which could harm the Group's results of operations and financial condition. In particular, if any of the acquired businesses fails to perform as the Group expects, the Group may be required to recognise a significant

impairment, which may materially and adversely affect its results of operations. As a result, there can be no assurance that the Group will be able to achieve the strategic purpose of acquisition, the desired level of operational integration or its target investment return.

As the Group continues to grow, its operations will become more widespread and complex. It might become increasingly challenging for the Group to direct and monitor the day-to-day operations of its different business segments, to prevent and detect fraud, and to protect its assets. To meet this challenge, the Group must continue to improve its managerial, technical, operational and other resources, and implement an effective management and internal control system that emphasises proper authorisations and supervision, strengthens reliability and accountability of financial reporting, imposes financial and internal control disciplines on subsidiary and associate companies, and creates value-focused incentives for management. There can be no assurance that such expansion plans will not adversely affect the Group's existing operations and thereby have a material adverse effect on its business, financial condition, operating results and future prospects.

It is also possible that the Group may not be able to find suitable acquisition or investment candidates, or that if the Group does identify suitable candidates, the Group may not complete those transactions on terms commercially acceptable to the Group or at all, or that the Group may fail to obtain the required governmental and other approvals for such acquisitions or investments. The inability to find suitable acquisition or investment targets or the inability to complete such transactions may adversely affect the Group's business, financial condition and prospects.

The relevant PRC tax authorities have announced that they will strictly enforce the payment of the Land Appreciation Tax (“LAT”).

Under PRC tax laws and regulations, the Group's properties developed for sale are subject to LAT, which is collectible by local tax authorities. All income from the sale or transfer of state-owned land use rights, buildings and their ancillary facilities in the PRC is subject to LAT at progressive rates ranging from 30 per cent. to 60 per cent. of the appreciation value, as defined by the relevant tax laws, with certain exemptions available for the sale of ordinary residential properties if the appreciation does not exceed 20 per cent. of the total deductible items as defined in the relevant tax laws. Sales of commercial properties are not eligible for such exemption.

Effective on 1 February 2007 and amended on 15 June 2018, the State Administration of Taxation issued the Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development Enterprises (Guo Shui Fa [2006] No. 187)(關於房地產開發企業土地增值稅清算管理有關問題的通知), which requires that:

- final settlement of LAT will be conducted on a project-by-project basis. For multiphase projects, each phase will be required to undergo the LAT clearance and settlement process;
- the appreciated value of ordinary residential properties and non-ordinary residential properties contained within a project shall be calculated separately; and
- property developers must conduct final settlement if one of the following conditions is satisfied:
 - the project is completed and has been sold entirely;
 - the project is transferred as a whole before the completion of the construction; or
 - the land-use rights of the project are transferred.

This notice also stipulates that the PRC tax authorities may require the property developer to conduct final LAT settlement if one of the following conditions is met:

- for completed projects, the area sold exceeds 85 per cent. of the total saleable area or, although less than 85 per cent., the rest of the saleable area has already been rented or is being self-used;
- the project has held a sale/pre-sale licence for at least three years but has not been sold in its entirety;
- the tax payer has applied for tax de-registration but the LAT settlement has not been conducted; or
- in other situations set forth by the provincial PRC tax authorities.

Local provincial tax authorities can formulate their own implementation rules according to the notice and local situations and there are uncertainties as to how they will enforce this notice. In the event that relevant tax authorities change their requirements as to the amount or timing of payment of provisional LAT, the Group's cash flow may be materially and adversely affected.

The Group's continuous growth partly depends on its research and development capabilities, which may not always produce positive results.

The Group's ability to undertake high value-added projects and to launch new products depends largely on its research and development capabilities. If the Group is unable to maintain or enhance its research and development capabilities, the Group may gradually lose its competitive edge against its domestic and overseas competitors, and, as a result, the Group's results of operations and future development might be materially and adversely affected.

The Group is often engaged to undertake large-scale, complicated projects that require the Group to develop or adopt new construction methods, which could strain the Group's research and development resources. The use of new technology and construction methods may also result in experimental failures, increased costs and unstable conditions, which may adversely affect the profitability of the Group's specific projects. The Group continues to increase its investment in the research and development of new technologies and products and in the improvement of existing products. The Group plans to continue to commit resources to research and development. There is no guarantee that all such expenditure can translate into technologies or products that can feasibly, or cost effectively, be applied or produced on a mass level. Even if new technologies and products are successfully developed, the Group still cannot guarantee that the technologies and products the Group develops would be commercially accepted.

There is no guarantee that the Group's research and development efforts will lead to substantial revenue. The Group's operation results may be adversely affected if the costs the Group spent on research and development do not culminate in corresponding financial benefits.

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

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

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

The PRC property market has been cyclical and the Group's property development activities are susceptible to significant fluctuations.

Historically, the PRC property market has been cyclical. The rapid expansion of the property market in certain major cities in the PRC, including Beijing, Shanghai and Guangzhou, in the early 1990s culminated in an over-supply in the mid-1990s and a corresponding fall in property values and rentals in the second half of the decade and in particular, during the 2008 economic downturn. Since the late 1990s, private residential property prices and the number of residential property development projects have gradually increased in major cities as a result of an increase in demand driven by domestic economic growth. In particular, prices of residential properties in certain major PRC cities such as Beijing, Shanghai and Guangzhou have experienced rapid and significant growth. There is, however, no assurance that the problems of over-supply and falling property prices that occurred in the mid-1990s will not recur in the PRC property market and the recurrence of such problems could adversely affect the Group's business and financial condition.

The PRC property market is also susceptible to the volatility of the global economic conditions. See "*Risks Relating to the Group's Businesses – The recent global economic slowdown and financial crisis may continue to negatively impact the Group's business*". In addition, the cyclical property market in the PRC affects the optimal timing for both the acquisition of sites and the sale of completed development properties. This cycle, combined with the lead time required for the completion of projects and the sale of properties, means that the Group's business and financial condition relating to property development activities may be susceptible to significant fluctuations from year to year.

To the extent that supply in the overall property market significantly exceeds demand, the Group may be subject to significant downturns and disruptions in the market for a sustained period. Alternatively, if a serious downturn in regional or global market conditions should occur, like the Asian financial crisis in 1997 and the global financial crisis of 2008 and 2009, this may seriously affect and disrupt the property market in the PRC. If any of these events were to occur, the Group's financial condition and results of operations would be adversely affected.

The performance of the Group's property development business is subject to extensive government policies and regulations. In particular, the Group is susceptible to changes in policies related to the PRC property industry and local regions in which it operates.

The Group's property development business is subject to extensive governmental regulations and, in particular, it is susceptible to policy changes in the PRC property sector. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC property sector by imposing industry policies and other economic measures, such as control over the supply of land for property development, the maximum amount of bank loans allowed for property developers, the maximum number of flats a person can buy and the maximum number of mortgages for which a

purchaser may apply, control of foreign exchange, property financing, taxation and foreign investment. The PRC government may restrict or reduce land available for property development, raise the benchmark interest rates of commercial banks, place additional limitations on the ability of commercial banks to make loans to property developers and property purchasers, impose additional taxes and levies on property sales, and restrict foreign investment in the PRC property sector.

From 2004 to the first half of 2008, in response to concerns over the scale of the increase in property investment and the overheating of the property sector in the PRC, the PRC government introduced policies to restrict development in the property sector, including:

- suspending or restricting land grants and development approvals for villas and larger-sized units;
- charging an idle land fee for land which has not been developed for one year starting from the commencement date stipulated in land use right grant contracts and cancelling land use rights for land which has not been developed for two years or more;
- prohibiting any onward transfers of pre-sold properties before the ownership certificates are obtained;
- requiring that at least 70 per cent. of the land supply approved by a local government for residential property development for any given year be used for developing low-to medium-cost and small-to medium-size units, and low-cost rental properties;
- requiring that at least 70 per cent. of residential projects approved or constructed on or after 1 June 2006 consist of units with floor areas of less than 90 sq.m. per unit, and that projects which have received project approvals prior to this date but have not obtained construction permits must have their construction plans adjusted in order to comply with this new requirement, with the exception of municipalities under direct administration of the PRC government, provincial capitals and certain cities which may deviate from this ratio under special circumstances upon approval by the Ministry of Construction (the “**70:90 rule**”);
- tightening availability of bank loans to property developers and purchasers of developed properties and increasing the reserve requirements for commercial banks;
- imposing or increasing taxes on short-term gains from second-hand property sales; and
- restricting foreign investment in the property sector by, amongst other things, increasing registered capital and other requirements for establishing foreign-invested real estate enterprises, tightening foreign exchange controls and imposing restrictions on purchases of properties in China by foreign persons.

Regional and local governments are responsible for the implementation of certain policy rules to restrict development in the property sector. The Group has not seen some of these policy rules being stringently applied across all applicable regions in China. If for any reason, political, economic, social or otherwise, these regional or local governments begin to stringently implement such policy rules, this may affect the prices and profit margins of property which may in turn affect the Group’s existing and future business development plans. As a result, the Group’s business, financial condition, results of operations and prospects may be adversely affected.

Beginning in the second half of 2008, in order to mitigate the impact of the global economic slowdown, the PRC government has adopted measures to encourage domestic consumption in the residential property market and support property development. There can be no assurance that such economic recovery measures will continue to be implemented. These policies may not necessarily have a positive effect on the Group’s operations and its future business development, and the PRC government may revise or terminate such favourable policies according to changes in market conditions. For example, in

December 2009 and January 2010, the PRC government adjusted some policies in order to enhance the regulation of the property market, restrain property purchases for investment or speculation purposes and keep property prices from rising too quickly in certain regions and cities. At the same time, the PRC government abolished certain preferential treatments relating to business taxes payable upon transfers of residential properties by property owners and imposed more stringent requirements on the payment of land premium by property developers. In addition, in April 2010, the PRC government identified certain policy measures to increase down payment for properties purchased with mortgage loans. There can be no assurance that the PRC government will not adopt more stringent policies, regulations and measures in the future. If the Group fails to adapt its operations to new policies, regulations and measures that may come into effect from time to time with respect to the real property industry, or such policy changes disrupt the Group's business or cause the Group to incur additional costs, its business, financial condition, results of operations and prospects may be materially and adversely affected.

The PRC government had also implemented a series of regulations and policies to slow down the property market and inflation of property prices, as well as to dampen property speculation. These national or local policies may therefore limit the Group's ability to obtain financing, acquire land for future developments, sell its properties at a profit, generate sufficient operating cash flows from contracted sales, impose additional requirements for pre-sales or restrict funds raised by pre-sale properties used only for the purpose of the respective project. Further policies implemented by the PRC government on bank loans and trust financing arrangements for property development projects since January 2010 have had, and may continue to have, a dampening effect on the property markets in which the Group operates. In addition, in January 2011, the State Council promulgated the Circular of the General Office of the State Council on Issues concerning Further Works of Regulation and Control of Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知), which provided that for each resale transaction of a residential property that has been held by the owner for a period of less than five years from the date of purchase, business tax for property resale transactions is levied on the full sales price. There can be no assurance that the PRC or local government will not adopt additional and more stringent industry policies, regulations and measures in the future, including those policies which restrict the Group's access to financing.

To further curtail the overheating of property development and discourage speculation in the residential property market, the PRC implemented various regulations and measures to impose limitations on the supply side of the property market in Beijing. For instance, the Ministry of Land and Resources and the MOHURD issued the Circular on Tightening the Management and Control over Intermediate Residential Properties and Land Supply (關於加強近期住房及用地供應管理和調控有關工作的通知) in early April 2017 requiring local authorities to adjust the scale, structure and time sequence of housing land supply according to the land inventory cycle.

To curb soaring property prices, in late September 2016, the Beijing Municipal Government promulgated Certain Measures on Enhancement of Stable and Healthy Growth of Property Market (關於促進本市房地產市場平穩健康發展的若干措施), which forbids pre-sale approval certificates from being issued to properties with significantly higher selling prices than other nearby properties or the earlier phases of the same property development project. In mid-February 2017, the Asset Management Association of China also issued the Administrative Rules for the Filing of Private Equity and Asset Management Plans by Securities and Futures Institutions No. 4 – Investment in Real Estate Developers and Projects by Private Equity and Asset Management Plans (證券期貨經營機構私募資產管理計劃備案管理規範第4號–私募資產管理計劃投資房地產開發企業、項目) (“Rule 4”). Rule 4 provides that the Asset Management Association of China will temporarily suspend accepting any private equity and asset management plan which makes a direct or indirect investment in any ordinary residential property project located in specified cities where the property prices are considered to have risen too fast, including Beijing, Shanghai, Guangzhou, Shenzhen and Xiamen. If the Group fails to adapt its operations to new policies, regulations or measures that may come into effect from time to time with respect to the property industry, or if its marketing and pricing strategies are ineffective in promoting its contracted sales, such policy changes may dampen its contracted sales and cause the Group to lower its

average selling prices and/or incur additional costs, in which case its operating cash flows, gross profit margin, business prospects, results of operations and financial condition may be materially adversely affected.

Restrictions on the payment terms for land use rights may adversely affect the Group's financial condition.

The fiscal and other measures adopted by the PRC government from time to time may limit the Group's flexibility and ability to use bank loans to finance its property developments and therefore may require the Group to maintain a relatively high level of internally-sourced cash. In November 2009, the PRC government raised the minimum down payment of land premium to 50 per cent. In March 2010, this requirement was further tightened. The PRC government set the minimum land premium at not less than 70 per cent. of the benchmark price of the locality where the parcel of land is granted, and the bidding deposit at not less than 20 per cent. of the minimum land premium. Additionally, a land grant contract is required to be entered into within 10 working days after a land grant deal is closed, and the down payment of 50 per cent. of the land premium must be paid within one month after signing of the land grant contract, with the balance to be paid in a timely manner within one year in accordance with the provisions of such land grant contract, subject to limited exceptions. Such change of policy may constrain the Group's cash otherwise available for additional land acquisitions and construction works. There is no assurance that the Group will have adequate resources to fund land acquisitions (including any unpaid land premiums for past acquisitions), or property developments.

On 28 September 2007, the Ministry of Land and Resources issued revised Rules regarding the Grant of State-owned Land Use Rights for Construction by Way of Tender, Auction and Listing-for-sale (Announcement No. 39)(招標拍賣掛牌出讓國有建設用地使用權規定), which provide that property developers must fully pay the land premium for the entire parcel under the land grant contract before they can receive a land use right certificate and commence development of the land. This regulation became effective on 1 November 2007. As a result, property developers are not allowed to bid for a large piece of land, make partial payment, and then apply for a land use right certificate for the corresponding portion of land in order to commence development, which had been the practice in many Chinese cities. In addition, on 8 March 2010, the Ministry of Land and Resources issued the Circular on Strengthening Real Estate Land Supply and Supervision (Guo Tu Zi Fa [2010] No. 34)(關於加強房地產用地供應和監管有關問題的通知), under which property developers are required to pay 50 per cent. of the land premium as a down payment within one month of the signing of a land grant contract, with the total amount of the land premium to be paid in full within one year of the date of the land grant contract. These regulations require property developers to maintain a higher level of working capital. The implementation of these regulations may have a material adverse effect on the Group's cash flow position, financial condition and business plans.

Further, in September 2010, the Ministry of Land and Resources and the Ministry of Housing and Urban-Rural Development (the "MOHURD") jointly issued the *Notice on Further Strengthening the Administration and Control of Real Estate Use and Construction* (關於進一步加強房地產用地和建設管理調控的通知)(Guo Tu Zi Fa [2010] No. 151), which stipulates, amongst other things, that the planning and construction conditions and land use standards should be specified when a parcel of land is to be granted, and the restrictions on the area of any parcel of land granted for commodity properties should be strictly implemented. The construction of large, low-density residential property developments should be strictly restricted, and the plot ratio for residential land is required to be more than one. In addition, a property developer and its shareholders are prohibited from participating in any bidding to acquire additional land until any illegal behaviour and breach of the land grant contract in which it has engaged, such as leaving its land idle for more than one year, has been completely rectified. On 23 May 2012, the Ministry of Land and Resources issued the *Catalogue of Restricted Use of Land (2012 Version)* (限制用地項目目錄(2012年本)) which specifies that (i) the area of a parcel of land granted for commodity housing development may not exceed seven hectares in small cities (towns), 14 hectares in medium size cities or 20 hectares in large cities; and (ii) the plot ratio should not be less than one. If changes in government policy lead to a reduction in land supply for the Group's future projects, or the

Group is not successful in tendering for land or obtaining the land use rights certificates or the other necessary PRC government approvals for the Group's projects, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group's results of operations may be adversely affected if it fails to obtain, or there are material delays in obtaining, requisite governmental approvals for its property developments or its construction projects.

The PRC property market is heavily regulated by the PRC government. PRC property developers must comply with various requirements mandated by laws and regulations, including the policies and procedures established by local authorities designed for the implementation of such laws and regulations. Property developers in the PRC must obtain a formal qualification certificate in order to engage in a property development business in the PRC. According to the Provisions on *Administration of Qualification Certificates of Property Developers* (房地產開發企業資質管理規定), effective on 29 March 2000, and subsequently amended on 4 May 2015 and again on 22 December 2018, newly established developers must first apply for a provisional qualification certificate valid for one year, which can be renewed for a maximum of two years. If a newly established property developer fails to commence property development within one year of the provisional qualification certificate becoming effective, it will not be allowed to extend the terms of validity of its provisional qualification certificate.

In order to develop and complete a property development project, the Group must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development, including Land Use Right Certificates, Planning Permits on Construction Land, the Planning Permit on Construction Projects, Construction Permits, pre-sale permits and certificates or confirmation of completion and acceptance, and each of these approvals is dependent on the satisfaction of certain conditions. There can be no assurance that the Group will not encounter major problems in fulfilling the conditions precedent to the approvals required, or that it will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the property market in general or the particular processes with respect to the granting of approvals. There may also be delays on the part of the administrative bodies in reviewing the Group's applications and granting approvals. If the Group fails to obtain the relevant approvals for its property developments, these developments may not proceed on schedule, and its business and financial condition may be adversely affected.

In addition, property developers in the PRC, such as the Group's individual project companies are required to present a valid qualification certificate when they apply for a pre-sale permit. If a newly established property developer fails to commence property development within one-year of the provisional qualification certificate becoming effective, it will not be allowed to extend the term of validity of its provisional qualification certificate. It is mandatory under government regulations that property developers fulfil all statutory requirements before obtaining or renewing their qualification certificates. In reviewing the renewal of a qualification certificate, the local authority takes into account the property developer's property development investments, history of property development, quality of property construction, expertise of the developer's management, and whether the property developer has any illegal or inappropriate operations. Each of the Group's project companies is responsible for, and monitors, the submission of its annual renewal application. If any of the Group's project company is unable to meet the relevant requirements, and is therefore unable to obtain or renew its qualification certificate, that project company will typically be given a grace period to rectify any insufficiency or non-compliance, subject to a penalty of between RMB50,000 and RMB100,000. Failure to meet the requirements within the specified time frame could result in the revocation of the qualification certificate and the business licence of such project company. There is no assurance that the qualification certificates of any of the Group's project company will continue to be renewed or that formal qualification certificates will be obtained in a timely manner, or at all, as and when they expire. If the Group's project companies or project management companies are unable to obtain or renew their qualification certificates, they may not be permitted to continue their businesses, which could materially and adversely affect the Group's business, financial condition and results of operations.

In addition to the above, there is no assurance that the Group will not encounter significant problems in satisfying other conditions necessary for the issuance of other licences, certificates, permits or approvals. If the Group fails to obtain the necessary licences, certificates, permits or approvals for any of the Group's PRC subsidiaries or property projects, its business, results of operations and financial condition may be materially and adversely affected.

Changes in the laws and regulations with respect to pre-sale may adversely affect the Group's cash flow position and performance.

The Group uses proceeds from the pre-sale of its properties as a source of financing for its construction costs. Under current PRC laws and regulations, property developers must fulfil certain conditions before they can commence the pre-sale of their property development projects and may use pre-sale proceeds to finance their developments. On 13 April 2010, the MOHURD issued the Notice on *Further Strengthening the Supervision of Real Estate Market and Improving the Pre-Sale System of Commodity Housing* (Jian Fang [2010] No. 53)(關於進一步加強房地產市場監管完善商品住房預售制度有關問題的通知). The notice urges local governments to enact regulations on the sale of completed commodity properties in light of the local conditions, and encourages property developers to sell completed commodity properties. No local government has yet promulgated any such regulation for the sale of completed commodity properties. But there can be no assurance that the Group can adapt to new laws, regulations or policies relating to the pre-sale of properties that may come into effect from time to time. Further, there can be no assurance that the PRC government authority will not ban the practice of pre-selling uncompleted properties or implement further restrictions on the pre-sale of properties, such as imposing additional conditions for a pre-sale permit or further restrictions on the use of pre-sale proceeds. Proceeds from the pre-sale of the Group's properties are an important source of financing for its property developments and have a significant impact on the Group's cash flow and liquidity position. Consequently, any restriction on the Group's ability to pre-sell its properties, including any increase in the amount of up-front expenditure the Group must incur prior to obtaining the pre-sale permit or any restriction on the use of pre-sale proceeds, would extend the time period required for recovery of the Group's capital outlays and would result in its needing to seek alternative means to finance the various stages of its property developments. This, in turn, could have an adverse effect on the Group's business, cash flow results of operations and financial condition.

The terms on which mortgages are available, if at all, to purchasers of the Group's properties may affect its sales.

An increasing number of purchasers of the Group's residential properties arrange mortgages to fund their purchases. Any increase in interest rates may increase the cost of mortgage financing, thus reducing the attractiveness of mortgages as a source of financing for property purchases and adversely affecting the affordability of residential properties. In line with macroeconomic policies and policies intended to regulate and cool down the property market in the PRC, the PRC government has taken a number of measures to regulate the availability, terms and pricing of mortgage financing for property purchasers. In addition, the PRC government and commercial banks may also increase the down payment requirement, impose other conditions, or otherwise change the regulatory framework in a manner which would make mortgage financing unavailable or unattractive to potential property purchasers. Further, any increase in interest rates, including the PBOC benchmark rate, will adversely affect the affordability and attractiveness of mortgage financing to potential purchasers of the Group's properties.

If the availability or attractiveness of mortgage financing is reduced or limited, some of the Group's potential purchasers may not be able to purchase its developed properties and, as a result, the Group's business, liquidity and results of operations could be adversely affected.

The Group may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future.

The growth and success of the Group's business depend on its ability to continue identifying and acquiring land reserves located in desirable locations at commercially reasonable prices that are suitable for residential projects and mixed-use complex projects. The Group needs to build up a land reserve in order to grow its business and as a result may incur significant costs in identifying, evaluating and acquiring suitable new sites for future development. However, the Group's ability to acquire land may depend on a variety of factors that it cannot control, such as overall economic conditions, the Group's effectiveness in identifying and acquiring land parcels suitable for development, and competition for such land parcels.

During the three years ended 31 December 2020, the Group's land reserves were primarily acquired through public auction of the local governments. The availability and price of land sold at auctions depend on factors beyond the Group's control, including government land policies and competition. The PRC government and relevant local authorities control the supply and price of new land parcels and approve the planning and use of such land parcels. The PRC government's policy to grant state-owned land use rights through a bidding system has caused an increase in the acquisition cost of land reserves in the PRC, including land acquired through the secondary market. If the Group fails to acquire sufficient land reserves in a timely manner and at acceptable prices, or at all, the Group's business prospects, financial condition and results of operations may be materially and adversely affected.

The Group's land may be forfeited by the PRC government if it fails to comply with the terms of the land grant contracts.

Under PRC law, if a developer fails to develop a plot of land according to the terms of the land grant contract (including those relating to payment of fees, designated use of land, time for commencement and completion of the development of the land), the relevant government authorities may issue a warning to or impose a penalty on the developer or require the developer to forfeit the land.

Any violation of the land grant contract terms may also restrict a developer's ability to participate, or prevent it from participating, in future land bidding. Specifically, under the Law of the People's Republic of China on the *Administration of Urban Real Estates* (中華人民共和國城市房地產管理法), effective on 1 January 1995 and amended on 27 August 2009, further amended on 26 August 2019 and effective on 1 January 2020, the Measures for the Disposal of Idle Land, effective on 1 July 2012 and other PRC laws and regulations, if the Group fails to commence development for more than one year from the commencement date stipulated in any land grant contract, the relevant PRC land bureau may serve a warning notice on the Group and impose an idle land fee on the land of up to 20 per cent. of the land premium. If the Group fails to commence development for more than two years from the commencement date stipulated in the land grant contract, the PRC government may forfeit the land use rights unless the delay in development is caused by government actions, force majeure or by the preliminary works necessary for starting the development. Moreover, even if the time of commencement of the land development is in line with the land grant contract, if (i) the developed Gross Floor Area (the "GFA") on the land is less than one-third of the total GFA of the project under the land grant contract or the total capital invested is less than one-fourth of the total estimated investment of the project under the land grant contract; and (ii) the development of the land has been suspended for over one year without government approval, the land will be treated as idle land. As at the date of this Offering Circular, the Group had commenced development within the time stipulated in the relevant land use right and therefore had no idle land.

Although the Group has not experienced any cases or received any warnings relating to the forfeiture of land by the government authorities, there can be no assurance that circumstances leading to forfeiture of land or delays in the completion of a property development will not arise in the future. If the land is forfeited by the government authorities, the Group will not be able to continue property development on

the forfeited land or recover the costs incurred for the initial acquisition of the forfeited land or recover development costs incurred up to the date of forfeiture, which may have an adverse effect on the business and financial condition of the Group.

The Group's business and property sales may be affected if the Group fails to obtain the record of acceptance examination for its completed projects.

According to the Regulations on Administration of Development and Operations of Urban Real Estate (城市房地產開發經營管理條例)(the “**Development Regulations**”) enacted by the State Council on 20 July 1998 and subsequently amended on 8 January 2011, 24 March 2019 and 29 November 2020, the Regulation on the Quality Management of Construction Projects enacted by the State Council on 30 January 2000 and amended on 7 October 2017, the Administrative Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收備案管理辦法) enacted by the Ministry of Construction in April 2000 and subsequently amended on 19 October 2009, and the Provisions on Acceptance Examination Upon Completion of Buildings and Municipal Infrastructure (房屋建築和市政基礎設施工程竣工驗收規定), effective on 2 December 2013, after completion of work for a project and the subsequent acceptance examination, a real estate developer shall apply to the government property development authority at or above the county level for a record of acceptance examination. For a housing estate or other building complex project, an acceptance examination shall be conducted upon completion of the whole project and where such a project is developed in phases, separate acceptance examinations may be carried out for each completed phase.

The Group cannot assure that it will be able to obtain the record of acceptance examination for its completed projects in a timely manner, or at all. In such event, the Group's business, property sales and financial condition may be materially and adversely affected.

The actual development of some of the Group's property developments may differ from the approved development plan, and the total GFA of some of its property developments may be different from the original authorised area.

When the PRC government grants the land use rights for a parcel of land, it will specify in the land grant contract the permitted use of the land and the total GFA that the developer may develop on the land. However, the actual plan adopted for a property development project may differ from the approved development plan, and the actual GFA constructed may be different from the total GFA authorised in the land grant contract or construction permit due to factors such as subsequent planning and design adjustments. The adjusted planning and design of a property development project and the actual GFA may be subject to approval when the relevant authorities inspect the properties after completion. The developer may be required to pay additional land premium and/or administrative fines or take corrective actions in respect of the adjusted land use and excess GFA before a Record-filing Certificate for Completion Acceptance of Housing Construction Projects and Municipal Infrastructure Projects (房屋建築工程和市政基礎設施工程竣工驗收備案證明) can be issued to the property development. The methodology for calculating the additional land premium is generally the same as the original land grant contract.

According to the PRC Urban and Rural Planning Law, if a construction project is proceeded without obtaining a planning permit for the construction project or by violating the provisions of the planning permit on construction project, the competent department of urban and rural planning of the local government at or above the county level shall order it to stop construction. If it is still possible for the construction entity or individual to take measures to eliminate the impact on the implementation of urban and rural planning, the department shall order the entity or the individual to remedy any violations within a certain time limit and impose a fine of not less than five per cent. but not more than 10 per cent. of the construction cost; if it is impossible to take measures to eliminate the impact, the department shall order the construction entity or individual to dismantle the building or structure within a certain

time limit and confiscate the real objects or the illegal gain, and may also impose a fine not more than 10 per cent. of the construction cost. If this occurs, the Group's business, prospects, financial condition and results of operations may be materially and adversely affected.

The Group may be liable to its customers for damages if it does not deliver individual property ownership certificates in a timely manner.

Under PRC law and regulations, property developers are required to deliver to purchasers the relevant individual property ownership certificates within 90 days after delivery of the property or within a time frame set out in the relevant sale agreement. Property developers, including the Group, generally elect to specify a deadline for the delivery of the individual property ownership certificates in the sale agreements to allow sufficient time for the application and approval processes. Under current regulations, the Group is required to submit requisite governmental approvals in connection with its property developments, including land use right documents and planning and construction permits, to the local bureau of land resources and housing administration within three months after the receipt of the completion and acceptance certificates for the relevant properties, and to apply for the general property ownership certificates in respect of these properties. The Group is then required to submit, within regulated periods after delivery of the properties, the relevant property sale agreements, identification documents of the purchasers, proof of payment of deed tax, together with the general property ownership certificate, for the bureau's review and the issuance of the individual property ownership certificates in respect of the properties purchased by the purchasers. Delays by the various administrative authorities in reviewing the application and granting approval, and certain other factors, may affect timely delivery of the general and individual property ownership certificates. Therefore, the Group may not be able to deliver individual property ownership certificates to purchasers on time as a result of delays in the administrative approval processes or for any other reason beyond its control, which may result in it having to pay default payments and, in the case of a prolonged delay, the purchasers terminating the sale agreements. If the Group becomes liable to a significant number of purchasers for late delivery of the individual property ownership certificates, the Group's business and financial condition may be adversely affected.

Increasing competition in the PRC's property market may adversely affect the Group's profitability.

The Group's property development operations face competition from both international and local property developers with respect to factors such as location, facilities and supporting infrastructure, services and pricing. The Group competes with both local and international companies in capturing new business opportunities in the PRC in cities such as Beijing and Shanghai. In addition, some local companies have extensive local knowledge and business relationships and/or a longer operational track record in the relevant local markets than the Group, while international companies are able to capitalise on their overseas experience to compete in the PRC markets. Intensified competition between property developers may result in increased costs for land acquisition and an over-supply of properties, both of which may adversely affect the Group's business and financial condition. There can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to its activities (including the high-end property market) may not have an adverse effect on the Group's business and financial condition.

The Group is exposed to general risks associated with the ownership and management of real property.

Investment properties are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice, and property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the Group's ability to manage its portfolio in response to changes in economic or other conditions. Moreover, it may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquidity.

Property investment is subject to risks incidental to the ownership and management of residential, office and commercial properties, including, amongst other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increased operating costs and the need to renovate, repair and re-let space periodically and to pay the associated costs.

The Group's lease renewals will be affected by timing and the condition of the rental market.

The leases of the Group are typically entered into for one year for commercial buildings and offices. These leases are usually subject to pre-determined rental escalation or rent review every year. The rents charged are typically adjusted based upon prevailing market rates. Accordingly, it is possible to have a concentration of renewal of leases or rent adjustments in a given year, and that a slowdown in the rental market in a given year may adversely affect the rental income of the Group. See “– *Risks Relating to the Group's Businesses Any future outbreak of mass communicable diseases like such as COVID-19, Severe Acute Respiratory Syndrome, Middle East Respiratory Syndrome, avian influenza, swine influenza or other new or contagious diseases may materially and adversely affect the Group's business and operations, as well as its financial condition and results of operations.*”

The illiquidity of investment properties and the lack of alternative uses of investment properties could significantly limit the Group's ability to respond to adverse changes in the performance of its properties.

As investment properties in general are relatively illiquid, the Group's ability to promptly sell one or more of its properties in response to changing economic, financial and investment conditions is limited. The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Group's control. The Group cannot predict whether it will be able to sell any of its properties for the prices or on the terms set by it, or whether any prices or other terms offered by prospective purchasers would be acceptable to it. It also cannot predict the length of time needed to find willing purchasers and to close the sale of its properties. Should the Group decide to sell a property during the term of that property's management agreement or tenancy agreement, it may have to pay termination fees to its hotel management partners or its anchored retail tenants.

In addition, investment properties may not be readily converted to alternative uses if they were to become unprofitable due to competition, age, decreased demand or other factors. The conversion of hotel and retail properties to alternative uses would generally require substantial capital expenditure. In particular, the Group may be required to expend funds to correct defects or to make improvements before a property can be sold. There is no assurance that the Group will have funds available to correct defects or to make improvements. These factors and any others that would impede the Group's ability to respond to adverse changes in the performance of its properties could affect its ability to compete against its competitors and results of operations.

Increased environmental standards may result in increased costs for the Group.

With increased importance being placed on environmental protection and sustainable development as part of national policy, environmental standards imposed by laws and regulations are expected to become more stringent. While this regulatory development is expected to result in business opportunities for the Group, such increased standards may also result in increased costs for the Group in delivering its services. The Group may, for example, be required to invest in better technology in order to meet higher water and sewage treatment standards while achieving efficiency at the same time. Further, the increase in the breadth and depth of environmental protection laws may also lead to increased compliance costs in the Group's operations.

The Group’s recently expanded environmental engineering business may be subject to government policies and regulations.

The Group has recently expanded its environmental engineering business. The operating income of the environmental engineering business for the financial years ended 31 December 2018, 2019 and 2020 was RMB1,121.0 million, RMB1,099.9 million and RMB1,007.4 million, respectively. The Group’s energy saving and environmental business is subject to governmental regulations. In particular, the PRC government exerts considerable direct and indirect influence on the development of the PRC environmental sector by imposing industry policies, such as the Energy Conservation Law of the PRC (中華人民共和國節約能源法), the Law of the PRC on Promoting Clean Production (中華人民共和國清潔生產促進法) and the Environment Protection Law of the PRC (中華人民共和國環境保護法). There can be no assurance that the PRC or local government will not adopt additional and more stringent industry policies, regulations and measures in the future. If the Group fails to adapt its operations to new policies, regulations or measures that may come into effect from time to time with respect to the energy saving and environmental industry, such policy changes may affect the profitability of the energy saving and environmental business, and the results of operations and financial condition of the Group may be materially adversely affected.

Water shortages and restrictions on the use or supply of water could adversely affect the Group’s business.

In the event of water shortages, additional costs may be incurred in order to provide emergency reinforcement to supplies in areas of shortage which may adversely affect the Group’s business, financial condition and results of operations. In addition, government restrictions on the use or supply of water may adversely affect the Group’s turnover and, in very extreme circumstances, may lead to significant compensation becoming due to customers because of interruptions to supply, both of which could adversely affect the Group’s business, financial condition and results of operations.

The Group’s sewage treatment, waste treatment, soil restoration and resource recycling projects are capital intensive with long payback periods and the Group may require additional funding for these projects.

The Group is engaged in the environment engineering businesses, which comprises sewage treatment, waste treatment, soil restoration and resource recycling projects which typically require significant initial cash outlays and feature long payback periods. Such projects require the Group to make substantial financial investments during the construction phase of the projects. The Group is responsible for the costs of construction of facilities for sewage treatment, waste treatment, soil restoration or resource recycling facilities. The Group’s TOT projects require the Group to pay the proprietors of such facilities for the right to operate such facilities during the concession period (the “**TOT Operation Right**”). During the concession periods for the Group’s TOT projects, the Group bears the operation costs and the costs of maintenance and repair of the facilities. After the construction is completed, and upon obtaining the TOT Operation Right, the Group receives regular, typically monthly, tariff payments from its customers during the concession term.

Due to the capital intensive and long term nature of the Group’s sewage treatment, waste treatment, soil restoration and resource recycling projects, there is no assurance that the Group will be able to secure adequate funding or refinancing for these projects on terms that are acceptable to the Group or at all or that these projects will achieve their initial expected returns. Additionally, the Group may fail to properly perform its obligations in respect of these projects as a result of a funding shortage, which may lead to a reduction in its returns and may lead to the loss of part of its initial capital investments. This may also have a material adverse effect on the Group’s business, financial condition and results of operations.

The Group is subject to various completion risks with respect to its construction of sewage treatment, waste treatment, soil restoration and resource recycling facilities which could give rise to significant delays or additional costs.

The construction of sewage treatment, waste treatment, soil restoration and resource recycling facilities involves many potential risks, including, but not limited to, changes in construction design and opposition by relevant interest groups to the development of land and construction of industrial areas. Any such risks, if realised, could result in cost overruns which may adversely affect the Group's financial condition and results of operations.

In addition, protests and other forms of opposition by relevant interest groups, such as lawsuits or demonstrations, may delay the Group's construction projects. Lawsuits and demonstrations may result in significant delays and increased costs for the Group's construction projects, and materially and adversely affect the Group's financial condition and results of operations.

The Group's various businesses are largely dependent on the level of public spending on infrastructure in the PRC in which it currently or potentially undertakes construction contracting contracts.

The Group's construction and construction related service businesses, such as construction energy reservation and environmental restoration are largely dependent on the level of public infrastructure spending by the relevant government or governmental agencies (including entities administered and financed by such agencies) in the PRC to, amongst other things, improve the living standards of its own people and sustain local economic development. Various factors can affect the nature, scale, location and timing of a government's public investment plans in these infrastructure sectors. These factors may include government's policies and priorities regarding the economy, regulations and general conditions and prospects of its overall economies. Any significant reduction in the public budgets and change in fiscal policies relating to infrastructure could have a material adverse effect on the Group's business, financial condition and results of operations. The PRC government's fiscal and monetary policies which affect the availability of credit and funding for projects, deregulation to encourage private sector participation in the transportation infrastructure sector, and the general condition and prospects of the overall economy, can affect the nature, scale, location and timing of the government's public investment plans in these infrastructure sectors.

The Group is subject to risks associated with technological changes.

As an established integrated water and environmental solutions provider, the Group must ensure that it is able to continually provide relevant solutions to its customers that meet their needs in order to maintain its market share. However, there are rapid changes and improvements in the technology and equipment for sewage treatment, waste treatment, soil restoration and resource recycling. The Group's products and technologies must pass rigorous testing and field trials, which can be time-consuming and expensive. The commencement and completion of the tests and field trials are subject to various risks such as delays in producing or failure to produce test results, data or analysis, inadequate or inconclusive results, changes in regulatory policies or industry standards or delays by government or regulatory authorities. Changes in regulations or standards for sewage treatment, waste treatment, soil restoration and resource recycling in the regions where the Group conducts its business may also necessitate the use of new technologies or the improvement of its existing technologies.

The Group may be subject to product liability exposure, which could harm its reputation and materially adversely affect the business, financial condition and results of operations of the Group.

Potential product liability claims can be filed if the equipment and machinery the Group employs for its industrial materials business and construction projects fail to perform as expected, or are proven to be defective, or if their use causes, results in, or is alleged to have caused or resulted in personal injuries, project delays or damages or other adverse effects. Any product liability claim, whether relating to personal injuries or project delays or damages, or related regulatory actions, could prove costly and time-consuming to defend and could potentially harm the reputation of the Group. If successful, product

liability claims may require the Group to pay substantial damages which may not be sufficiently covered by the claims that the Group is entitled to against the manufacturers or suppliers. The Group may not be fully compensated, or at all, for the damages arising from such product liability claims from the insurance policies available to it.

Moreover, a material design, manufacturing or quality-related failure or defect in equipment and machinery that the Group employs, or other safety issues, could each warrant a request for repair or replacement which may result in increased product liability claims. If the local authorities decide that the equipment or machinery fails to conform to applicable quality and safety requirements and standards, the Group could be subject to regulatory actions. Violation of local laws and regulations relating to product quality and safety may subject the Group to fines and penalties. In case of defects, the Group may be required to repair or replace the defective products, equipment or machinery and effect any modification to render them safe before they can be distributed again on the market or employed in a project, which may also lead to significant expenses. Criminal liability can be triggered by violations of the general obligation to offer safe products or can arise from significant damages caused to the users of any defective products.

Historical consolidated financial information of the Group may not be indicative of its current or future results of operations.

The historical financial information of the Group included in this Offering Circular may not be indicative of its future financial results. In November 2019, BMRB was transferred by Beijing SASAC to the Guarantor for nil consideration pursuant to the Strategic Restructuring. For the year ended 31 December 2019 and as at 31 December 2019, BMRB was a consolidated subsidiary of the Group and the financial results of BMRB were consolidated into the financial statements of the Group pursuant to PRC GAAP. The Guarantor's financial results as at and for the year ended 31 December 2018 have been restated accordingly in the Guarantor's audited consolidated financial statements as at and for the year ended 31 December 2019. For further details, see "*Description of the Group – The Strategic Restructuring*" and relevant notes to the Guarantor's audited consolidated financial statements in this Offering Circular.

As a result of the Strategic Restructuring, the Group's historical financial information may not be directly comparable against the Group's financial information as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular. Investors must therefore exercise caution when making comparisons of any such financial figures after 1 January 2018 against the Group's historical financial figures prior to 1 January 2018 and when evaluating the Group's financial condition, results of operations and results. Investors should note that the Group's financial information is not intended to represent or predict the results of operations of any future periods. The Group's future results of operations may change materially if its future growth does not follow the historical trends for various reasons, including changes of the Group's business operation and direction as well as factors beyond its control, such as changes in economic environment, rules and regulations in the PRC and the domestic and international competitive landscape of the industries in which the Group operates its businesses.

RISKS RELATING TO THE PRC

The Group is subject to the political and economic risks of doing business in the PRC.

A significant portion of the Group's operations are located in the PRC. The Issuer expects that the Group will make further investments in the PRC, and that the Group's assets in the PRC will continue to account for a sizeable share of its overall income base. The Issuer's trading and financial condition, results of operations and future prospects depend to a large extent on the success of the Group's operations in the PRC and are subject, to a significant degree, to the political and economic situation and legal developments in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, including, but not limited to: the extent of government involvement; level of development; growth rate; economic and political structure; the control of foreign exchange; allocation of resources; and regulation of capital reinvestment. While the PRC economy has experienced significant growth in the past 20 years, growth has been uneven, both geographically and amongst the various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall PRC economy but may also have a negative effect on the Group's operations. For example, the Group's business and financial condition may be adversely affected by the PRC government's control over capital investments or any changes in tax regulations or foreign exchange controls that are applicable to it.

The PRC economy has been transitioning from a planned economy to a more market-oriented economy. Although, in recent years, the PRC government has implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC government. Currently, the employment, credit and property market conditions of developed economies are still unstable. The status of the global economy is uncertain and such uncertainties in the global and China's economies may adversely affect the Group's financial condition and results of operations in many ways, including, amongst other things, that the PRC government continues to play a significant role in regulating the development of industries in the PRC by imposing top-down policies. It also exercises significant control over PRC economic growth through the allocation of resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. There is no assurance that future changes in the PRC's political, economic and social conditions, laws, regulations and policies will not have a material adverse effect on the Group's current or future business and financial condition.

The legal system in the PRC is less developed than in certain other countries, and laws in the PRC may not be interpreted and enforced in a consistent manner.

The PRC legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases have little value as precedents. Since 1979, the PRC government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in the PRC and to regulate foreign investment. Progress has been made in the promulgation of new laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. Such new laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. The Group cannot predict the effect of future legal developments in the PRC, including the promulgation of new laws, changes in existing laws or their interpretation and enforcement or the pre-emption of local regulations by national laws. As a result, there is substantial uncertainty as to the legal protection available to the Group. Furthermore, due to the limited volume of published cases and the non-binding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to the Group. In addition, any litigation in China may be protracted and result in substantial costs and the diversion of resources and management attention.

As the PRC legal system develops, the promulgation of new laws, changes to existing laws, the pre-emption of local regulations by national laws and the uncertainty as to how such laws are interpreted and enforced may have an adverse effect on the Group's business and financial condition.

The Group is exposed to foreign exchange rate fluctuations.

Substantially all of the Group's revenue is denominated in Renminbi. The value of Renminbi is subject to changes in PRC governmental policies and to international economic and political developments. There can be no assurance that the exchange rate of Renminbi will remain stable against foreign currencies in the market. As the Group's financial statements are reported in Renminbi, fluctuations in exchange rates may adversely affect the value of the Group's net assets, revenues, earnings and any declared dividends.

Due to the Group's business operations in overseas countries and regions, some of the Group's revenue and profits may be derived from its overseas projects and be paid and cleared in local currency in the foreseeable future. Therefore, some of the Group's businesses are subject to currency value fluctuations and conversion restrictions. See also "*The Group's offshore operations are subject to economic and political uncertainties in overseas markets and are conducted in certain jurisdictions that are subject to economic and/or trade sanctions imposed by the United States, the European Union and other jurisdictions.*"

The Group is subject to significant government regulatory risks.

Property development companies in the PRC, including some of the Group's PRC subsidiaries, are subject to extensive governmental regulation in most aspects of their operations, including those relating to the acquisition of land use rights, resettlement and clearance of land, the approval of property development proposals and pre-sales. There can be no assurance that these regulations will not change in the future in a manner which could adversely affect the Group's business or results of operations. In addition, the PRC government is presently strengthening its regulation and control of the development of properties. While enforcement of these and other regulations is beneficial to the entire property development industry, it is possible that certain individual regulations could adversely affect property development companies, including the Group. As regulations continue to develop, prevailing industry practices may not comply with such regulations.

Under the Enterprise Income Tax Law, the Issuer may be classified as a "resident enterprise" of the PRC. Such classification could result in unfavourable tax consequences to it and its non-PRC Bondholders.

Under the Enterprise Income Tax Law, or the EIT Law, an enterprise established outside of the PRC, but with a "de facto management organisation" located within the PRC, will be considered a "resident enterprise", and consequently will be treated in a manner similar to a Chinese enterprise for EIT purposes. The implementing rules of the EIT Law define "*de facto management*" as "*substantial and overall management and control over the production and operations, personnel, accounting, and properties*" of the enterprise. However, it is still unclear how the PRC tax authorities will determine whether a non-PRC entity (that has not already been notified of its status for EIT purposes) will be classified as a "resident enterprise", and therefore there can be no assurance that the Issuer would not be considered to be a PRC resident enterprise. As described in "*Taxation – PRC*", if the Issuer were treated as a PRC resident enterprise, interest paid by the Issuer to "non-resident enterprise" holders of the Bonds may be treated as income derived from sources within China and be subject to PRC withholding tax at a rate of 10 per cent., and capital gains realised by holders of the Bonds may be treated as income derived from sources within China and be subject to a 10 per cent. PRC tax, in each case, subject to any applicable tax treaty. Interest or gains earned by non-resident individuals may be subject to PRC income tax at a rate of 20 per cent. If the Issuer is required under the EIT Law to withhold PRC tax on its interest payable to its Bondholders it will be required, subject to certain exceptions, to pay such additional amounts as will result in receipt by a holder of the Bonds of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Bonds, and could have a material adverse effect on the Issuer's ability to pay interest on, and repay the principal amount of, the Bonds, as well as their profitability and cash flow.

In certain circumstances described in Condition 6 of the Terms and Conditions of the Bonds, the Issuer may be able to redeem the Bonds in whole, but not in part, in the event the Issuer is required to pay additional amounts mentioned above due to its being treated as a PRC resident enterprise under the EIT Law. The date on which the Issuer elects to redeem the Bonds may not accord with the preference of particular Bondholders.

Increased environmental standards may result in increased costs for the Group.

With increased importance being placed on environmental protection and sustainable development as part of national policy, environmental standards imposed by laws and regulations are expected to become more stringent. While this regulatory development is expected to result in business opportunities for the Group, such increased standards may also result in increased costs for the Group in delivering its services. The Group may, for example, be required to invest in better technology in order to meet higher water and sewage treatment standards while achieving efficiency at the same time. Further, the increase in the breadth and depth of environmental protection laws may also lead to increased compliance costs in the Group's operations.

The Group is subject to potential environmental liabilities.

The Group is subject to a variety of laws and regulations concerning the protection of health and the environment. The particular environmental laws and regulations which apply to any given project development site vary greatly according to the site's location, the site's environmental condition, the present and former uses of the site, as well as the nature of the adjoining properties. Environmental laws and conditions may cause the Group to incur substantial compliance and other costs, and can prohibit, delay, or severely restrict project development activity in environmentally-sensitive regions or areas.

As required by PRC laws and regulations, each project the Group develops is required to undergo environmental assessments, and an environmental impact assessment document is required to be submitted to the relevant government authorities for approval before commencement of construction. The local authorities may request the Group to submit the environmental impact documents, issue orders to suspend construction and impose a penalty amounting from RMB50,000 to RMB200,000 for each of the Group's projects for which approval of the environmental impact assessment document has not been granted prior to the commencement of construction. Furthermore, it is possible that these assessments might not reveal all environmental liabilities, and there may be environmental liabilities of which the Group is unaware that may have a material adverse effect on its business and financial condition.

In addition, PRC law requires environmental facilities to be included in a property development project to pass inspection by the environmental authorities in order to obtain completion approval before commencing operations. Some of the Group's residential and hotel property projects have environmental facilities that are subject to this requirement. If the Group fails to comply with such requirement, the local environmental authorities may order the Group to suspend the construction or use of such facilities, which may disrupt its operations and adversely affect its business. The authorities may also impose on the Group a fine of up to RMB100,000 per incident of breach in respect of such projects.

In the event that more stringent regulations are adopted in the future, the Group cannot guarantee that it will be able to fully comply with such regulations, and the costs of compliance with these new regulations may be substantial. If any of these occur, the Group's business prospects, results of operations and financial condition may be materially and adversely affected.

The Group's businesses are required to comply with the environmental protection regimes.

The Group's various businesses can have a significant environmental impact, and consequently are subject to stringent environmental laws and regulations in the PRC. As part of the regulatory framework, non-compliant entities and facilities can be ordered to suspend or cease operations and effect remedial work in certain circumstances. Failure to adhere to the terms of environmental licences and regulations may also result in penalties or, in extreme cases, the inability to operate, or termination of, the relevant

operation. Licence terms or regulations may also be changed at short notice and it may be difficult to comply with the amended terms in a timely fashion or without significant cost. The Group believes that most of its subsidiaries' business is in compliance with the requirements of existing environmental protection laws and regulations. However, there can be no assurance that the Group's subsidiaries will not encounter problems in obtaining required licences and approvals for the operation and development of their business or in fulfilling the conditions of such licences and approvals from time to time. If any subsidiary of the Group fails to obtain approvals in respect of its operations or fails to fulfil the conditions of those licences, approvals or permits, it may be subject to fines or penalties or be required to halt construction or operations of some of its plants, and the Group's business strategies may not proceed on schedule, and the business, financial condition and results of operations of the Group may be adversely affected.

There can be no assurance of the accuracy or comparability of certain facts, forecasts and statistics contained in this Offering Circular with respect to the Group, the PRC, its economy or its telecommunications industry.

Certain facts, forecasts and statistics in this Offering Circular relating to the PRC, its economy, its telecommunications industries and the Group's market share and ranking are derived from various official and other publicly available sources which are generally believed to be reliable. However, the Group cannot guarantee the quality and reliability of such source materials. In addition, these facts, forecasts and statistics have not been independently verified by the Group or any of their respective directors, employees, representatives, affiliates or advisers and, therefore, none of them makes any representation as to the accuracy or fairness of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up to date. The Group has taken reasonable care in reproducing or extracting the information from such sources.

However, because of possibly flawed or ineffective methodologies underlying the published information or discrepancies between the published information and market practice and other problems, these facts, forecasts and other statistics may be inaccurate or may not be comparable from period to period or be comparable to facts, forecasts or statistics produced for other economies, and should not be unduly relied upon.

The Group is subject to the PRC government's controls on currency conversion and future movements in foreign currency exchange rates.

A majority of the Group's revenues are denominated in Renminbi and they may need to be converted into other currencies to meet its foreign currency obligations. The value of Renminbi against the US dollar and other currencies fluctuates and is affected by many factors, such as changes in political and economic conditions in the PRC and globally. Starting from 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and US dollars, was based on rates set daily by PBOC based on the previous business day's inter-bank foreign exchange market rates and the current exchange rates on the world financial markets. For more than 10 years, the official exchange rate for conversion of Renminbi to US dollars was generally stable. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of Renminbi appreciated by approximately two per cent. against the US dollar.

In July 2008, the PRC government announced that its exchange rate regime would change to a managed floating mechanism based on market supply and demand. Given domestic and overseas economic developments, PBOC decided to further adjust the RMB exchange rate regime in April 2012 to enhance the flexibility of the RMB exchange rate. On 17 March 2014, PBOC continued to expand the floating range of the RMB against the US dollar. The PBOC surprised markets in August 2015 by devaluing the Renminbi several times, lowering its daily mid-point trading price significantly against the US dollar.

The currency devaluation of Renminbi was intended to bring it more in line with the market by taking market signals into account, but also to boost the competitiveness of PRC's exports. The PRC government may make further adjustments to the exchange rate system in the future. Any appreciation of Renminbi against the US dollar or any other foreign currency may result in a decrease in the value of the Group's foreign currency-denominated assets. Conversely, any devaluation of Renminbi may adversely affect the value of the Group's assets in Renminbi terms.

In addition, the Group is required to obtain approval from, or complete registration with, SAFE before converting foreign currencies into Renminbi for non-current account transactions. All these factors could materially and adversely affect the Group's business, financial condition and results of operations.

The PRC government has no obligations under the Bonds and the Deed of Guarantee.

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

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

RISKS RELATING TO THE BONDS AND THE GUARANTEE

If the Guarantor fails to complete registration with SAFE in connection with the Guarantee, there may be logistical hurdles for cross-border payments under the Guarantee.

Pursuant to the Deed of Guarantee executed by the Guarantor, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor is required to submit the Deed of Guarantee to local SAFE for registration in accordance with, and within the time period prescribed by, the Cross-border Security Registration promulgated by SAFE on 12 May 2014.

Although the non-registration does not render the Guarantee ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated timeframe. The Guarantor intends to register the Guarantee as soon as practicable and in any event before the Registration Deadline (being 120 Registration Business Days (as defined in the Terms and Conditions of the Bonds) after the Issue Date). If the Guarantor fails to complete registration with SAFE, there may be logistical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Deed of Guarantee) as domestic banks may require evidence of registration with SAFE in connection with the Deed of Guarantee in order to effect such remittance. As a result, there is no assurance that the Guarantor can remit money to the Issuer to comply with its obligations under the Deed of Guarantee.

Any failure to complete the relevant filings under the NDRC Circular within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds.

NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities (“**Pre-issuance Registration**”), and notify the particulars of the relevant issues within ten working days after the completion of the issue of the securities (“**Post-issuance Filing**”).

The NDRC Circular is silent on the legal consequences of non-compliance with the pre-issue registration requirements. Similarly, the legal consequences of non-compliance with the post-issue notification requirement under the NDRC Circular are unclear. In the worst-case scenario, such non-compliance with the post-issue notification requirement under the NDRC Circular may result in it being unlawful for the Guarantor to perform or comply with any of its obligations under the Bonds, and the Bonds might be subject to enforcement as provided in Condition 9 of the Terms and Conditions of the Bonds. Additional risk warning was issued by NDRC on 25 May 2016 on the NDRC official website (the “**NDRC Warning**”), which states that companies, related underwriting agencies, law firms and other intermediaries involved in debt securities issues which do not comply with the registration requirement under the NDRC Circular will be subject to a blacklist and sanctions. The NDRC Warning is silent as to how such blacklist will be implemented or the exact sanctions that will be enacted by NDRC, or any impact on the holders of the Bonds, in the event of a noncompliance by the Issuer and/or Guarantor with the NDRC Circular. In June 2018, NDRC published Q&As on regulating non-compliant offshore debts issuance by PRC companies and imposing administrative penalties, such as warning on both the issuer and relevant intermediaries participating in the offering. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Guarantor will undertake to file or cause to be filed with the NDRC the particulars of the issue of the Bonds within the prescribe timeframe after the Issue Date.

In addition, the administration of the NDRC Circular may be subject to a certain degree of executive and policy discretion by the NDRC. There is also a risk that the registration approval with the NDRC may be revoked or amended in the future or that future changes in PRC laws and regulations may have a negative impact on the performance or validity and enforceability of the Bonds in the PRC. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

Investors in the Bonds may be subject to foreign exchange risks.

The Bonds are denominated and payable in US dollars. An investor who measures investment returns by reference to a currency other than US dollars would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, amongst other things, economic, political and other factors over which the Group has no control. Depreciation of the US dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

The Issuer or the Guarantor may not be able to redeem the Bonds upon the due date for redemption thereof.

Following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such Bondholder’s Bonds at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of its principal amount, together, in each case, with accrued interest. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. There can also be no assurance that the Guarantor would have sufficient liquidity at such time to make the required redemption of the Bonds. The ability to redeem the Bonds in such event may also be

limited by the terms of other debt instruments. The Issuer's and the Guarantor's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's, the Guarantor's or the Group's other indebtedness.

If any of the Guarantor or its subsidiaries, including the Issuer, is unable to comply with the restrictions and covenants in its respective debt agreements, or the Bonds, there could be a default under the terms of these agreements, or the Bonds, which could cause repayment of the relevant debt to be accelerated.

If the Issuer is unable to comply with the restrictions and covenants in the Bonds, or if any of the Guarantor or its subsidiaries, including the Issuer, is unable to comply with its current or future debt obligations and other agreements, or fails to honour its contractual obligations, there could be a default under the terms of such agreements. In the event of a default under such agreements, the creditors of the debt could terminate their commitments to lend to the Guarantor or its relevant subsidiary, including the Issuer, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, and could also bring lawsuit against the Guarantor or its relevant subsidiary, as the case may be. The Group's business, results of operations and financial condition may be materially and adversely affected as a result.

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

Furthermore, some of the debt agreements entered into by members of the Group, and the Bonds, contain (or may in the future contain) cross-acceleration or cross-default provisions. As a result, the default by the Guarantor or the relevant subsidiary, including the Issuer, under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occurs, there can be no assurance that the assets and cash flows of the Group would be sufficient to repay in full all of their indebtedness, or that they would be able to find alternative financing. Even if alternative financing could be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Guarantor or its subsidiaries, including the Issuer.

The Issuer has limited assets and will need to rely on cash flow from the Guarantor and other subsidiaries of the Guarantor (particularly onshore operating subsidiaries of the Guarantor) to service their respective obligations under the Bonds and the Guarantee.

The Issuer is a wholly-owned subsidiary of the Guarantor and has limited operations of its own and will be dependent upon payments from the Guarantor and its subsidiaries to meet its obligations under the Bonds and the Guarantee.

The Issuer has no business operations other than issuing the U.S.\$600,000,000 5.75 per cent. guaranteed bonds due 2021 (the "**2018 Bonds**") and the Bonds and engaging in related transactions in accordance with the terms and conditions of the 2018 Bonds and the Terms and Conditions of the Bonds. The proceeds from the issuance of the Bonds will be used by the Issuer in refinancing existing offshore indebtedness. See "*Use of proceeds*". Bondholders' recourse to the Issuer is limited as the Issuer has only limited assets. The Issuer's ability to make payments on the Bonds is dependent directly on payments (in the form of capital injections, intercompany loans or otherwise) to the Issuer by the Guarantor and certain of the Guarantor's subsidiaries, which will depend on a number of factors, some of which may be beyond the control of the Guarantor and/or the Issuer. If the Guarantor or any of the Guarantor's subsidiaries is unable to make timely payments to the Issuer, the Issuer will not have any other source of funds to meet its payment obligations under the Bonds.

If the Guarantor does not, or is unable for any reason, to make capital injections, intercompany loans or otherwise to the Issuer, the Issuer may be unable to comply with its payment obligations under the Bonds or the Guarantee.

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

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There can be no assurance that these developments will not occur in the future.

Developments in the international financial markets and world economic conditions may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia, the Middle East and Russia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

For example, the trade dispute between the PRC and the United States may have an adverse effect on the global and the PRC economies, resulting in continuing uncertainty for the overall prospects for the global and the PRC economies. In 2018, the United States announced a series of tariffs on imported goods from the PRC. The PRC imposed tariffs on a wide range of products from the United States in retaliation for the new U.S. tariffs. In December 2018, the PRC and the United States commenced negotiations to resolve their trade conflicts. In May 2019, the United States raised additional tariffs on certain goods imported from the PRC, to which the PRC government responded by announcing further tariffs on certain goods of U.S. origin. In January 2020, the PRC and the United States signed a phase one trade deal, which includes, amongst others, commitments by the PRC to increase purchases of goods and services from the United States. However, the Group cannot predict as to the implementation or effect of the phase one trade deal between the PRC and the United States. It remains uncertain whether or not the PRC and the United States would be able to reach any further trade agreement or otherwise resolve their remaining trade issues in the near future or at all. The adoption and expansion of trade restrictions, the occurrence and escalation of a trade war, or other governmental action related to tariffs or trade agreements or policies, has the potential to adversely impact the PRC economy, which in turn could adversely impact the market price of the Bonds.

Further, the World Health Organisation declared the COVID-19 outbreak to be a global pandemic in March 2020. There has been rapid and widespread increase in new infections in the United States, Europe and other parts of the world and increased fatality rates in many countries. Citizens in many affected countries and areas are being advised or required to stay at their homes subject to limited exceptions. The reduced consumption, commercial activities and industrial production will severely disrupt their economies and the global supply chain and may result in recessions in these economies.

As a result, the global economy is facing significant uncertainties, and the global financial markets are experiencing significant volatilities which may adversely affect the market price of the Bonds. Investors must exercise caution before making any investment decisions.

A trading market for the Bonds may not develop, and there are restrictions on resale of the Bonds.

The Bonds are a new issue of securities for which there is currently no trading market. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price, depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. Further, the Bonds may be allocated to a limited number of investors, in which case liquidity may be limited. The Managers are not obligated to make a market in the Bonds, and any such

market making, if commenced, may be discontinued at any time without notice. Application has been made to the Hong Kong Stock Exchange for listing of, and permission to deal in, the Bonds by way of debt issue to Professional Investors only. No assurance can be given that such application will be approved or, even if the Bonds become so listed, that an active trading market for the Bonds will develop or be sustained. No assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. Bondholders should note that they may need to hold their Bonds until maturity as there may not be an active secondary market for the Bonds. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders of the Bonds will only be able to resell the Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. It is investors' obligation to ensure that offers and sales of the Bonds within relevant countries comply with applicable securities laws. Please see "*Subscription and Sale*". Neither the Issuer nor the Guarantor can predict whether an active trading market for the Bonds will develop or be sustained.

The insolvency laws of Hong Kong, the PRC and other local insolvency laws may differ from those of another jurisdiction with which the Bondholders are familiar.

As the Issuer was incorporated under the laws of Hong Kong and the Guarantor was incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer or, as the case may be, the Guarantor would likely involve insolvency laws of Hong Kong or the PRC, as applicable, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Bondholders are familiar.

Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds, the Trust Deed, the Agency Agreement and/or the Deed of Guarantee by the Trustee or less than all of the Bondholders, and decisions may be made on behalf of all Bondholders that may be adverse to the interests of the individual Bondholders.

The Terms and Conditions of the Bonds also provide that the Trustee may (but shall not be obliged to), without the consent of Bondholders, agree to any modification of the Trust Deed, the Deed of Guarantee, the Terms and Conditions of the Bonds and/or the Agency Agreement (other than in respect of certain reserved matters) which in the opinion of the Trustee will not be materially prejudicial to the interests of Bondholders and to any modification of the Trust Deed, the Deed of Guarantee, the Terms and Conditions of the Bonds and/or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provisions of law.

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders, including those Bondholders who do not attend and vote at the relevant meeting, and those Bondholders who vote in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Bondholders may be adverse to the interests of individual Bondholders.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, the Trust Deed, the Deed of Guarantee, the Terms and Conditions of the Bonds and/or the Agency Agreement (other than a proposed breach or breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

The Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, the giving of notice to the Issuer and the Guarantor pursuant to Condition 9 of the Terms and Conditions of the Bonds and taking steps and/or actions and/or instituting proceedings pursuant to Condition 13 of the Terms and Conditions of the Bonds, the Trustee may, at its sole discretion, request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any step and/or action and/or institutes any proceeding on behalf of Bondholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or to institute proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the Bonds) or the Terms and Conditions of the Bonds and, in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the Bondholders to take such steps and/or actions and/or to institute such proceedings directly.

The Bonds and the Guarantee are unsecured obligations.

The Bonds and the Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Bonds and payment under the Guarantee may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under the Issuer's or the Guarantor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Bonds.

The Bonds may be redeemed by the Issuer in the event of certain withholding taxes being applicable.

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued up to but excluding the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions of the Bonds), as further described in Condition 6(b) of the Terms and Conditions of the Bonds.

If the Issuer redeems the Bonds prior to their maturity date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

The Bonds may be redeemed at the Issuer's option.

The Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 of the Terms and Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, redeem the Bonds in whole, but not in part, (i) at their principal amount, at any time on or after 2 June 2026 (being the date that falls one month prior to the Maturity Date) or (ii) at a Make Whole Price, before 2 June 2026 (being the date that falls one

month prior to the Maturity Date), in each case, together with any interest accrued to but excluding the date fixed for redemption. See “*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption at the Option of the Issuer*”. The date that the Issuer elects to redeem the Bonds may not accord with the preference of individual Bondholders, which may be disadvantageous to holders in light of market conditions or the individual circumstances of the holder of such Bonds. An investor of the Bonds may not be able to reinvest the redemption proceeds in comparable securities at an effective interest rate at the same level as that of the Bonds.

The Issuer and the Guarantor may not be able to meet their outstanding obligations under the Bonds and the Guarantee.

The Issuer may (and at maturity, will) be required to redeem all of the Bonds. In case of failure by Issuer to fulfil its payment obligations under the Bonds, the Guarantor will also be required to pay on behalf of the Issuer under the Guarantee. If any of such events were to occur, the Issuer, or, as the case may be, the Guarantor, may not have sufficient cash on hand and may not be able to arrange financing in time, or on acceptable terms, or at all. The ability of the Issuer to redeem the Bonds, or the ability of the Guarantor to pay under the Guarantee may also be limited by the terms of other debt instruments. Failure to repay, purchase or redeem the Bonds by the Issuer or, as the case may be, failure to pay by the Guarantor under the Guarantee, may constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer’s or the Guarantor’s other indebtedness.

The Group may issue additional Bonds in the future.

The Group may, from time to time, and without prior consultation of the Bondholders create and issue further Bonds (see “*Terms and Conditions of the Bonds – Further Issues*”) or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

The ratings of the Bonds or the Guarantor may be downgraded or withdrawn

The Guarantor is rated “BBB” by S&P with stable outlook and the Bonds are expected to be assigned a rating of “BBB” by S&P. The ratings represent the opinions of the rating agency and its assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Bonds and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Bonds. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to suspension, reduction or withdrawn at any time. There can be no assurance that the ratings assigned to any Bonds will remain in effect for any given period or that the ratings will not be lowered, suspended or withdrawn by the rating agencies in the future if, in their judgment, the circumstances so warrant. Neither the Issuer nor the Guarantor is obligated to inform the Bondholders if the ratings are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price of the Bonds and the Issuer’s ability to access the debt capital markets.

Changes in market interest rates may adversely affect the value of the Bonds.

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

Income or gains on the transfer of the Bonds may be subject to income tax or value added tax (“VAT”) under PRC tax laws.

The Issuer is incorporated under the laws of Hong Kong. Pursuant to the Enterprise Income Tax Law of the PRC (the “**EIT Law**”) and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose “de facto management bodies” are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law, and income or gains paid with respect to the Bonds may be considered to be derived from sources within the PRC.

Under the EIT Law and its implementation rules, any income or gains realised on the transfer of the Bonds by Bondholders who are deemed under the new EIT law as non-resident enterprises may be subject to PRC enterprise income tax if such income or gains are regarded as derived from sources within the PRC. Under the new EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future or the Guarantor is required to discharge its obligations under the Guarantee, interest paid on the Bonds or the Guarantee may be considered to be a PRC source, in which case the Issuer or the Guarantor, as the case may be, would be required to withhold income tax at a rate of 10 per cent. from payments of interest in respect of the Bonds to any non-resident enterprise holders. Any capital gain realised by a non-resident enterprise from the transfer of the Bonds may be regarded as being derived from sources within the PRC and accordingly may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident. Pursuant to the Individual Income Tax Law of the PRC and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise, or in the event that the Guarantor is required to perform its obligations under the Guarantee, the Issuer or the Guarantor, as the case may be, may be obliged to withhold such individual income tax on payments of interests to non-resident individual Bondholders. Any capital gain realised by a non-resident individual holder from transfer of the Bonds may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. if the Issuer is a PRC tax resident enterprise.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “**Arrangement**”) which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds.

On 23 March 2016, the Ministry of Finance and the SAT issued the Circular of Full Implementation of Business Tax to VAT Reform Caishui [2016] No. 36 (“**Circular 36**”), which introduced a new VAT from 1 May 2016. VAT is applicable where the entities or individuals provide services within the PRC. VAT is unlikely to apply to any transfer of Bonds between entities or individuals located outside of the PRC and is therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 and laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Bondholder’s investment in the Bonds may be materially and adversely affected.

The Bonds will be represented by the Global Certificate, and holders of the Global Certificate must rely on the procedures of the relevant Clearing System.

The Bonds will initially be evidenced by beneficial interests in a Global Certificate. Such Global Certificate will be registered in the name of a nominee for, and deposited with, a common depository for Euroclear and Clearstream (the “**Clearing Systems**”). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Bonds. The Clearing Systems will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are evidenced by the Global Certificate, the Issuer or, failing which, the Guarantor will discharge its payment obligations under the Bonds by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer or the Guarantor has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such Bondholders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer or the Guarantor in the event of a default under the Bonds, but will have to rely upon their rights under the Trust Deed.

A change in Hong Kong law which governs the Bonds may adversely affect holders of the Bonds.

The Terms and Conditions of the Bonds are governed by Hong Kong law. No assurance can be given as to the impact of any possible judicial decision or change to Hong Kong law or administrative practice after the date of issue of the Bonds.

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

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

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

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

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

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, or where currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible economic scenarios, such as interest rate and other factors which may affect its investment and the ability to bear the applicable risks.

The obligations of the Guarantor under the Guarantee are structurally subordinated to the liabilities and obligations of its subsidiaries and affiliates.

The Guarantor holds a number of subsidiaries and associates, and the Guarantor's ability to perform its obligations under the Guarantee is effectively dependent on the cash flow of its subsidiaries and associates. Any claim by the Trustee against the Guarantor in relation to the Guarantee will be effectively subordinated to all existing and future obligations of the Guarantor's subsidiaries and associates (other than the Issuer), and all claims by creditors of such subsidiary or associate will have priority to the assets of such entities over the claims of the Trustee under the Guarantee.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds substantially in the form in which they (subject to modification and other than the text in italics) will be endorsed on the definitive certificates and referred to in the global certificate:

The issue of the U.S.\$600,000,000 2.22 per cent. guaranteed bonds due 2026 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 and to be consolidated and forming a single series therewith) was authorised by a resolution of the board of directors of BCEG (HongKong) Company Limited (北京建工(香港)有限公司)(the “**Issuer**”) passed on 18 June 2021 and the guarantee of the Bonds was authorised by a resolution of the board of directors of Beijing Construction Engineering Group Co., Ltd. (北京建工集團有限責任公司)(the “**Guarantor**”) passed on 8 April 2021. The Bonds are constituted by a trust deed (as amended, restated, replaced and/or supplemented from time to time, the “**Trust Deed**”) dated on or about the Issue Date (as defined below) between the Issuer, the Guarantor and DB Trustees (Hong Kong) Limited (the “**Trustee**”, which expression shall, where the context so permits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds. The Bonds have the benefit of a deed of guarantee (as amended, restated, replaced and/or supplemented from time to time, the “**Deed of Guarantee**”) dated on or about 2 July 2021 executed by the Guarantor and the Trustee relating to the Bonds. An agency agreement (as amended, restated, replaced and/or supplemented from time to time, the “**Agency Agreement**”) dated on or about 2 July 2021 relating to the Bonds has been entered into between the Issuer, the Guarantor, the Trustee and Deutsche Bank AG, Hong Kong Branch as initial principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent appointed from time to time in connection with the Bonds), as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as the transfer agent (the “**Transfer Agent**”, which expression shall include any successor transfer agent appointed from time to time in connection with the Bonds) and any other agents named therein. These terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds, the Deed of Guarantee and the Agency Agreement. Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available for inspection upon prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent, at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m.(Hong Kong time), Monday to Friday (other than public holidays)) at the specified office of the Principal Paying Agent (being on the Issue Date at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong), so long as any Bond is outstanding and subject to the relevant documents being provided to the Principal Paying Agent. “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time under the Agency Agreement with respect to the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

The Bonds are issued in registered form in denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by transfer and registration in the register that the Issuer shall procure to be kept by the Registrar and in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the

holder (as defined below) of any Bond shall be deemed to be and shall be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” and, in relation to a Bond “**holder**” mean the person in whose name a Bond is registered in the Register.

*Upon issue, the Bonds will be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). These Conditions are modified by certain provisions contained in the Global Certificate. See “**Summary of Provisions Relating to the Bonds in Global Form**”.*

Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

2 Transfers of Bonds and Delivery of New Certificates

- (a) **Transfer:** A holding of Bonds may, subject to the Agency Agreement and Conditions 2(d) and 2(e), be transferred in whole or in part in the specified denomination as provided by Condition 1 upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate (which shall be in a specified denomination), a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within seven business days of receipt of a duly completed form of transfer, surrender of the existing Certificate(s) and provision of any other evidence required by the Transfer Agent or the Registrar pursuant to Condition 2(a). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), “**business day**” means a day, other than a Saturday or Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (c) **Transfer Free of Charge:** Certificates, on transfer, shall be issued and registered without charge to the relevant Bondholder by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment by the relevant Bondholder of any tax, duty or other governmental charges that may be imposed in relation to them (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require).
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after a Put Exercise Notice has been deposited in respect of such Bond pursuant to Condition 6(c), (iii) after any such Bond has been called for redemption, or (iv) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 7(a)).
- (e) **Regulations:** All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer and registration of Bonds scheduled to the Agency Agreement. Each of the Issuer and the Registrar may change the regulations from time to time, with the prior written approval of the Trustee and (in the case of any regulation proposed by the Issuer), the Registrar. A copy of the current regulations will be available for inspection following prior written request and satisfactory proof of holding and identity at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time), Monday to Friday (other than public holidays)) at the specified offices of the Registrar and the Transfer Agent.

3 Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The obligations of the Guarantor in that respect (the “**Guarantee**”) are contained in the Deed of Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unsubordinated, unconditional and (subject to Condition 4(a)) unsecured obligations of the Guarantor and shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- (b) **Status:** The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all the Issuer’s other present and future unsecured and unsubordinated obligations.

4 Negative Pledge; Undertakings relating to the Guarantee

- (a) **Negative Pledge:** So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of their respective Subsidiaries (other than a Listed Subsidiary and Subsidiaries of a Listed Subsidiary) will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as either (A) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (B) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

- (b) **Undertakings relating to the Guarantee:** The Guarantor undertakes that it will (i) register or cause to be registered with SAFE the Deed of Guarantee in accordance with, and within the time period prescribed by, the Foreign Exchange Administration Rules on Cross-border Security (跨境擔保外匯管理規定)(“**Cross-border Security Registration**”), (ii) use its best endeavours to complete the Cross-border Security Registration and obtain a registration record from SAFE on or before the Registration Deadline and (iii) comply with all applicable PRC laws and regulations in relation to the Guarantee.
- (c) **Notification of Completion of the Cross-Border Security Registration:** The Guarantor shall deliver to the Trustee on or before the Registration Deadline (i) a certificate in English (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory of the Guarantor confirming the completion of the Cross-Border Security Registration, and (ii) a copy of (A) the SAFE registration certificate or (B) any other document issued by SAFE evidencing the completion of SAFE registration, each certified in English by an Authorised Signatory of the Guarantor as a true and complete copy of the original and in the case of each of (A) and (B), together with the particulars of registration ((i) and (ii) being collectively, the “**Cross-Border Security Registration Confirmation Certificate**”). The Guarantor shall give notice to the Bondholders (in accordance with Condition 16) confirming the completion of the Cross-Border Security Registration within 14 Registration Business Days after provision of the Cross-Border Security Registration Confirmation Certificate to the Trustee.
- (d) **Undertakings relating to NDRC:** The Guarantor undertakes that it will within the prescribed timeframe after the Issue Date file or cause to be filed with the NDRC the requisite information and documents in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) issued by the NDRC and which came into effect on 14 September 2015 and any implementation rules issued by the NDRC prior to the submission of such filing (the “**NDRC Post-Issue Filing**”).
- (e) **Notification of Completion of the NDRC Post-Issue Filing:** The Guarantor shall within 15 Registration Business Days after the submission of the NDRC Post-Issue Filing, provide the Trustee with a certificate in English (substantially in the form scheduled to the Trust Deed) signed by an Authorised Signatory of the Guarantor confirming the submission of the NDRC Post-Issue Filing (the “**Registration Confirmation Certificate**”) and having attached to it copies of the relevant documents evidencing due filing with the NDRC. In addition, the Guarantor shall, within 14 Registration Business Days after the Registration Confirmation Certificate is delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the submission of the NDRC Post-Issue Filing.

The Trustee may rely conclusively on the Registration Confirmation Certificate and the Cross-Border Security Registration Confirmation Certificate and shall have no obligation or duty to assist with or to monitor or ensure Cross-border Security Registration is completed as required by Condition 4(b) or the NDRC Post-Issue Filing is made as required by Condition 4(d), or to assist with any of the Cross-border Security Registration or the NDRC Post-Issue Filing, or to verify the accuracy, content, completeness, validity and/or genuineness of any certificates, confirmations or other documents in relation to or in connection with the Registration Confirmation Certificate and the Cross-Border Security Registration Confirmation Certificate, or to procure that the Registration Confirmation Certificate and the Cross-Border Security Registration Confirmation Certificate or any other certificate, confirmation, information or other document not in English is translated into English or to verify the accuracy of any English translation of any certificate, confirmation or other

document (if any), or to give notice to the Bondholders confirming the completion of the NDRC Post-Issue Filing and the Cross-border Security Registration, and the Trustee shall not be liable to Bondholders or any other person for not doing so.

- (f) **Financial Statements of the Guarantor:** So long as any Bond remains outstanding, the Guarantor shall furnish the Trustee with (i) (A) a Compliance Certificate (on which the Trustee may rely conclusively as to such compliance) in accordance with the Trust Deed and (B) a copy of the relevant Guarantor Audited Financial Reports within 180 days of the end of each Relevant Period (audited by a nationally recognised firm of independent accountants) of the Guarantor and its Subsidiaries and, if such statements shall be in the Chinese language, together with an English translation of the same translated by (I) a nationally recognised firm of accountants or (II) a professional translation service provider and checked by a nationally recognised firm of accountants, together with a certificate in English signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate and (ii) a copy of the relevant Guarantor Semi-Annual Management Accounts within 120 days of the end of each Relevant Period prepared on a basis consistent with the Guarantor Audited Financial Reports and, if such statements shall be in the Chinese language, together with an English translation of the same translated by (A) a nationally recognised firm of accountants or (B) a professional translation service provider and checked by a nationally recognised firm of accountants, together with a certificate in English signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate.
- (g) **Ratings:** So long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution of the Bondholders, the Issuer will use its reasonable endeavours to maintain ratings on the Bonds by at least one Rating Agency.
- (h) **Definitions:** In these Conditions:

“**Authorised Signatory**” has the meaning set out in the Trust Deed;

“**Compliance Certificate**” means a certificate of each of the Guarantor and the Issuer (as the case may be) signed by any one of their respective Authorised Signatories that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Guarantor or the Issuer, as the case may be, as at a date (the “**Certification Date**”) not more than five days before the date of the certificate:

- (i) no Event of Default (as defined in Condition 9) or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- (ii) each of the Guarantor and the Issuer (as the case may be) has complied with all its obligations under the Trust Deed, the Deed of Guarantee and the Bonds or, if any non-compliance had occurred, giving details of it;

“**Guarantor Audited Financial Reports**” means, for a Relevant Period the annual audited consolidated profit and loss, balance sheet and cashflow statements of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, prepared in accordance with the applicable PRC GAAP;

“**Guarantor Semi-Annual Management Accounts**” means, for a Relevant Period, the unaudited and unreviewed consolidated profit and loss, balance sheet and cashflow statements of the Guarantor prepared in accordance with the applicable PRC GAAP;

“**Issue Date**” means 2 July 2021;

“**Listed Subsidiary**” means, at any time, any Subsidiary of the Guarantor the ordinary voting shares of which are at such time listed on The Stock Exchange of Hong Kong Limited or any other recognised stock exchange;

“**NDRC**” means the National Development and Reform Commission of the PRC or its local counterparts;

“**Potential Event of Default**” means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default;

“**PRC**” means the People’s Republic of China, and for the purpose of these Conditions only, excluding Hong Kong Special Administrative Region of the People’s Republic of China, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“**PRC GAAP**” means the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC from time to time;

“**Rating Agency**” means (1) Fitch Ratings and its successors; (2) S&P Global Ratings, a division of The McGraw-Hill Companies, Inc., and its successors; (3) Moody’s Investors Service, Inc., a subsidiary of Moody’s Corporation, and its successors or (4) any other reputable credit rating agency of international standing;

“**Registration Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing;

“**Registration Deadline**” means the day falling 120 Registration Business Days after the Issue Date;

“**Relevant Indebtedness**” means any indebtedness incurred outside the PRC which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock certificates or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter market or other securities market;

“**Relevant Period**” means, in relation to the Guarantor Audited Financial Reports, each period of twelve months ending on the last day of the financial year of the Guarantor (being 31 December of that financial year) and in relation to the Guarantor Semi-Annual Management Accounts, each period of six months ending on the last day of the first half of the financial year of the Guarantor (being 30 June of that financial year);

“**SAFE**” means the State Administration of Foreign Exchange or its local branch; and

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

5 Interest

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 2.22 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.\$11.10 per Calculation Amount (as defined below) on 2 January and 2 July in each year (each an “**Interest Payment Date**”) commencing on 2 January 2022.

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day falling seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

If interest is required to be calculated for a period of less than a complete Interest Period (as defined below), the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per U.S.\$1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall (save as provided above in relation to equal instalments) be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

So long as the Bonds are represented by a Global Certificate which is held on behalf of Euroclear, Clearstream or an Alternative Clearing System (as defined in the Trust Deed), the Interests in respect of the Bonds shall be calculated based on the aggregate principal amount of the Bonds represented by the Global Certificate.

6 Redemption and Purchase

- (a) **Final Redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 2 July 2026 (the “**Maturity Date**”), subject as provided in Condition 7. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.
- (b) **Redemption for Taxation Reasons:** The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount together with any interest accrued to but excluding the date fixed for redemption, if the Issuer (or, if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) it (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or

official interpretation of such laws or regulations, which change or amendment becomes effective on or after 23 June 2021, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Prior to the publication of Tax Redemption Notice pursuant to this Condition 6(b), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee (A) a certificate in English signed by an Authorised Signatory of the Issuer (or a certificate in English signed by an Authorised Signatory of the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and (B) an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments, and the Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b) without further enquiry and without liability to any Bondholder or any other person, in which event the same shall be conclusive and binding on the Bondholders. All Bonds in respect of which any notice of redemption is given under this Condition 6(b) shall be redeemed on the date specified in such notice in accordance with this Condition 6(b).

- (c) **Redemption for Relevant Events:** At any time following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date (as defined in this Condition 6(c)) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with accrued interest up to but excluding such Put Settlement Date. In order to exercise such right, the holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of the Principal Paying Agent or any other Paying Agent (a "**Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than 30 days following the occurrence of a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16.

The "**Put Settlement Date**" shall be the fourteenth day (in the case of a redemption for a Change of Control) or the fifth business day (in the case of a redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above. A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds subject to the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The Issuer shall give notice in writing to Bondholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent in writing by not later than 14 days (in the case of a redemption for a Change of Control) or five days (in the case of a redemption for a No Registration Event) following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 6(c).

In this Condition:

“**Beijing SASAC**” means the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality or its successor;

“**business day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks and foreign exchange markets are generally open for business in Hong Kong;

a “**Change of Control**” occurs when:

- (i) (A) Beijing SASAC or (B) any other person directly or indirectly controlled by the central government of the PRC (such person and Beijing SASAC, each a “**PRC Government Person**”), (whether singly or in combination) cease to directly or indirectly hold or own 100% of the issued share capital of the Guarantor; or
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other person or persons, acting together, except (x) where the PRC Government Person(s) directly or indirectly hold or own 100% of the issued share capital of such person(s) or (y) the Guarantor is the surviving party of the consolidation or merger; or
- (iii) the Issuer ceases to be a directly or indirectly wholly-owned Subsidiary of the Guarantor;

a “**No Registration Event**” occurs when the Registration Conditions have not been satisfied in full on or before the Registration Deadline;

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

“**Registration Conditions**” means the receipt by the Trustee of the Cross-border Security Registration Confirmation Certificate; and

a “**Relevant Event**” means a Change of Control or a No Registration Event.

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Relevant Event has occurred or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be responsible or liable to Bondholders, the Issuer, the Guarantor or any other person for any loss or liability arising from any failure to do so. The Trustee shall not be required to investigate or verify the accuracy, content, completeness or genuineness of any document provided to it by the Guarantor or any other person as part of or in connection with or to enable satisfaction of the Registration Conditions, and may rely conclusively on any such document, and shall not be responsible or liable to Bondholders, the Issuer, the Guarantor or any other person for any loss or liability arising from so doing.

- (d) **Redemption at the Option of the Issuer:** On giving not less than 30 nor more than 60 days’ prior notice (an “**Optional Redemption Notice**”) to the Bondholders in accordance with Condition 16 and in writing to the Trustee and the Principal Paying Agent, the Issuer may at any time redeem the Bonds, in whole but not in part:
 - (i) at their principal amount, on or after 2 June 2026 (being the date that falls one month prior to the Maturity Date); or

- (ii) at a Make Whole Price, before 2 June 2026 (being the date that falls one month prior to the Maturity Date),

in each case, together with accrued and unpaid interest, if any, to (but excluding), the redemption date (the “**Optional Redemption Date**”) specified in the Optional Redemption Notice.

In this Condition:

“**Adjusted Treasury Rate**” means, with respect to any Optional Redemption Date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date;

“**Comparable Treasury Issue**” means the U.S. Treasury security having a maturity comparable to the then remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a comparable maturity to most nearly equal to the Maturity Date;

“**Comparable Treasury Price**” means, with respect to any Optional Redemption Date:

- A. the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third New York business day preceding such Optional Redemption Date, as set forth in the daily statistical release (of any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities”; or
- B. if such release (or any successor release) is not published or does not contain such prices on such New York business day, (i) the average of the Reference Treasury Dealer Quotations for such Optional Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (ii) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations,
- C. and if the Comparable Treasury Price cannot be determined in accordance with the above provisions, as determined by the Independent Investment Bank;

“**Independent Investment Bank**” means an independent investment bank of international repute (acting as an expert) selected and appointed by the Issuer and notified to the Trustee and the Principal Paying Agent in writing;

“**Make Whole Price**” means, with respect to a Bond at the Optional Redemption Date, the amount calculated by the Quotation Agent that is the greater of (1) the present value of the principal amount of the Bonds, assuming a scheduled repayment thereof on the Maturity Date plus all required remaining scheduled interest payments due on such Bond through the Maturity Date (but excluding accrued and unpaid interest to but excluding the Optional Redemption Date), computed using a discount rate equal to the Adjusted Treasury Rate plus 25 basis points, and (2) the principal amount of such Bonds. Such Make Whole Price shall be determined and notified in writing by the Quotation Agent to the Trustee, the Principal Paying Agent, the Issuer and the Guarantor;

“**Quotation Agent**” means the Reference Treasury Dealer selected by the Issuer and notified to the Trustee and the Principal Paying Agent in writing;

“**Reference Treasury Dealer**” means each of any three investment banks of recognised standing that is a primary U.S. Government securities dealer in New York, selected and appointed by the Issuer in good faith (at the expense of the Issuer); and

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any Optional Redemption Date, the average as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such Quotation Agent by such Reference Treasury Dealer at 5:00 p.m. (New York time) on the third New York business day preceding such Optional Redemption Date.

- (e) **Notices of Redemption:** All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond (which shall include any Tax Redemption Notice given by the Issuer pursuant to Condition 6(b) or any Optional Redemption Notice given by the Issuer pursuant to Condition 6(d) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.
- (f) **Purchase:** The Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for, among other things, the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 9, 12(a) or 13.
- (g) **Cancellation:** All Certificates representing Bonds redeemed or purchased by or on behalf of the Issuer, the Guarantor and their respective Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

7 Payments

- (a) **Method of Payment:**
 - (i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii).
 - (ii) Interest on each Bond shall be paid on the due date to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in U.S. dollars by transfer to the registered account of the holder of such Bonds. For the purposes of this Condition 7(a), a holder’s “**registered account**” means the U.S. dollar denominated account maintained by or on behalf of it with a bank, details of which appear on the Register at the close of business on the Record Date. In this Condition 7(a)(ii), “**business day**” means a day, other than a Saturday, Sunday or a public holiday, on which the Registrar is open for business in the place of its specified office.

So long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.
- (b) **Payments subject to Fiscal Laws:** Payments in respect of principal, premium (if any) and interest on the Bonds are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.
- (c) **Payment Initiation:** Where payment is to be made by transfer to an account in U.S. dollars, payment instructions (for value on the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated, or, in the case of payments of principal or premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by the stock exchange on which the Bonds may be listed, in each case, as approved in writing by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Bondholders in accordance with Condition 16.

- (e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

- (f) **Non-Payment Business Days:** If any date for payment in respect of any Bond is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “**Payment Business Day**” means a day (other than a Saturday, a Sunday or a public holiday) on which banks and foreign exchange markets are generally open for business in New York City and the place in which the specified office of the Principal Paying Agent is located and where payment is to be made by transfer to an account maintained with a bank in US dollars, the place on which foreign exchange transactions may be carried on in US dollars in the principal financial centre of the country of such currency and, in case of presentation of a Certificate, in the place in which the Certificate is presented.

8 Taxation

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Where such withholding or deduction is made by the Issuer or, as the case may be, the Guarantor by or within the PRC at the rate of up to and including the aggregate rate applicable on 23 June 2021 (the “**Applicable Rate**”) the Issuer or, as the case may be, the Guarantor will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required.

If (i) the Issuer is required to make any deduction or withholding by or within Hong Kong, or (ii) the Issuer, or as the case may be, the Guarantor is required to make a deduction or withholding in respect of PRC tax in excess of the Applicable Rate, in such event that the Issuer (or the Guarantor, as the case may be) shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond (or the Guarantee, as the case may be):

- (a) **Other Connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Hong Kong (in the case of payments made by the Issuer) or the PRC (in the case of payments made by the Issuer or the Guarantor) other than the mere holding of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority; or
- (b) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days (as if such last day were a Payment Business Day).

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Neither the Trustee nor any Agent shall in any event be responsible for paying any tax, duty, assessment, governmental charge, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Bondholder or any third party to pay such taxes, duties, assessments, governmental charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, assessment, governmental charge, withholding or other payment imposed by or in any jurisdiction.

9 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued and unpaid interest:

- (a) **Non-Payment:** there has been a failure to pay the principal of or any premium (if any) or interest on any of the Bonds within 14 days after the due date for such payment; or
- (b) **Breach of Other Obligations:** the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations under the Bonds (other than where it gives rise to a put option under Condition 6(c)), the Trust Deed or the Deed of Guarantee, which default is in the opinion of the Trustee incapable of remedy or, if such default is in the opinion of the Trustee capable of remedy, such default is not remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor (as the case may be) by the Trustee; or
- (c) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or the Guarantor or any of their respective Principal Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or the Guarantor or any of their respective Principal Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent in any other currency; or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or substantial part of the property, assets or revenues of the Issuer or the Guarantor or any of their respective Principal Subsidiaries and is not discharged or stayed within 45 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor or any of their respective Principal Subsidiaries on all or substantial part of its assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 45 days; or

- (f) **Insolvency:** the Issuer or the Guarantor or any of their respective Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt, or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or of a particular type of) its debts, or a moratorium is agreed or declared in respect of or affecting all or any material part of (or of all or any material part of a particular type of) the debts of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; or
- (g) **Winding-up:** an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding-up or dissolution of the Issuer or the Guarantor or any of their respective Principal Subsidiaries, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or any material part of (or of a particular type of) its debts, except for (i) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise continues to be vested in the Issuer, the Guarantor or their respective Subsidiaries in any combination; (ii) a solvent winding-up or dissolution of any Principal Subsidiary other than the Issuer or (iii) a disposal on an arm's length basis where the assets resulting from such disposal are vested in the Guarantor, the Issuer or their respective Subsidiaries in any combination; or
- (h) **Nationalisation:** any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; or
- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Trust Deed and the Deed of Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or
- (j) **Illegality:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Trust Deed and/or the Deed of Guarantee; or
- (k) **Unenforceability of Guarantee:** the Guarantee becomes unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or
- (l) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing Conditions 9(d) to 9(g) inclusive.

“Principal Subsidiary” means any Subsidiary of the Issuer or the Guarantor:

- (a) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least 5 per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Guarantor and its Subsidiaries; or

- (b) whose gross profit or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross profit, as shown by its latest audited income statement are at least 5 per cent. of the consolidated gross profit as shown by the latest audited consolidated income statement of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the Guarantor and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests;
- (c) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least 5 per cent. of the amount which equals the amount included in the consolidated gross assets of the Guarantor and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the investment of the Guarantor in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and after adjustment for minority interests; or
- (d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall cease to be a Principal Subsidiary at the date on which the first audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a), (b) or (c) above of this definition.

provided that, in relation to paragraphs (a), (b) or (c) above of this definition:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (ii) if at any relevant time in relation to the Guarantor or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue, gross profit or gross assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Guarantor;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor; and
- (iv) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor.

10 Prescription

Claims against the Issuer or the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium (if any)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification and Waiver

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement or the Deed of Guarantee. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if it is requested in writing by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the Deed of Guarantee (subject to Condition 12(b)), in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed). The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. A resolution passed in writing or by Electronic Consent will be binding on all Bondholders whether or not they participated in such resolution.
- (b) **Modification and Waiver:** The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed the Agency Agreement or the Deed of Guarantee, that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to

comply with any mandatory provision of law, and (ii) any other modification (except as mentioned in the Trust Deed and the Deed of Guarantee), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable in accordance with Condition 16.

- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require on behalf of any Bondholder, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement, the Bonds and/or the Deed of Guarantee (as the case may be), but it need not take any such steps, actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including without limitation provisions relieving it from taking any steps and/or actions and/or instituting proceedings to enforce its rights under the Trust Deed, the Agency Agreement, the Deed of Guarantee and/or these Conditions and in respect Bonds or to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed provides that, when determining whether an indemnity and/or security and/or pre-funding is satisfactory to it, the Trustee shall be entitled (a) evaluate its risk in any given circumstance by considering the worst-case scenario and (b) to require that any indemnity and/or security and/or pre-funding given to it by the Bondholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security. The Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantor and any entity related (directly or indirectly) to the Issuer or the Guarantor and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any of any entity related (directly or indirectly) to the Issuer or the Guarantor, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship

without regard to the interests of, or consequences for, the Bondholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and the Agents may rely conclusively without liability to Bondholders, the Issuer, the Guarantor or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal counsel, auctioneers, surveyors, brokers, accountants, auditors, valuers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively (without further investigation or enquiry) on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer, the Guarantor and the Bondholders (and in the case of the Issuer and the Guarantor, provided that the report, confirmation, certificate, information, advice or opinion is procured or issued by the Issuer and/or the Guarantor, or the Issuer and/or the Guarantor expressly agreed to be bound by it).

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Deed of Guarantee, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions or clarification of any direction from the Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Guarantor, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such directions or clarifications of any direction from the Bondholders or in the event that no such directions or clarifications of any direction are given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible or liable for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer and/or the Guarantor in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Neither the Trustee nor any of the Agents shall be under any obligation to ascertain or monitor whether any Event of Default, Potential Event of Default (as defined in the Trust Deed), Relevant Event or any other event which could give rise to a right on the part of the Issuer to redeem the Bonds has occurred or may occur or monitor compliance by the Issuer or the Guarantor with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions, and shall not be liable to the Issuer, the Guarantor, the Bondholders or any other person for not doing so.

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

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

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue price, the issue date, the first payment of interest on them and the timing for complying with the requirements set out in these Conditions in relation to the NDRC Post-Issue Filing and the Cross-Border Security Registration) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any such other bonds issued pursuant to this Condition 15 and forming a single series with the Bonds. Any further bonds forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

16 Notices

All notices to the holders of Bonds will be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

So long as the Global Certificate is held on behalf of Euroclear or Clearstream, any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

17 Contracts (Rights of Third Parties) Ordinance

Without prejudice to Condition 13, no person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Ordinance.

18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Agency Agreement, the Deed of Guarantee and the Bonds are governed by, and shall be construed in accordance with, Hong Kong law.
- (b) **Jurisdiction:** The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed or the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Deed of Guarantee, the Trust Deed or the Agency Agreement (“**Proceedings**”) may be brought such courts. Pursuant to the Trust Deed and the Deed of Guarantee, each of the Issuer and the Guarantor has irrevocably submitted to the jurisdiction of such courts.
- (c) **Agent for Service of Process:** Each of the Issuer and the Guarantor irrevocably agrees to receive service of process from the Issuer at RHT Corporate Advisory (HK) Limited, Unit 912, 9th Floor, Two Harbourfront, 22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong in

any Proceedings in Hong Kong. If the Issuer ceases to be a process agent of the Guarantor, the Guarantor shall as soon as practicable appoint a substitute agent in Hong Kong to accept service of process on behalf of the Issuer or the Guarantor, as the case may be, and deliver to the Trustee a copy of the agent's acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

- (d) **Waiver of Immunity:** Each of the Issuer and the Guarantor has, pursuant to the Trust Deed and in the Deed of Guarantee, waived any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

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

Terms defined in the Terms and Conditions of the Bonds set out in this Offering Circular have the meaning in the paragraphs below.

The Bonds will be evidenced by a Global Certificate which will be registered in the name of a nominee of, and deposited with, a common depository on behalf of Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, will promise to pay such principal, interest and premium (if any) on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Bonds.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved by the Trustee, the Principal Paying Agent and the Registrar (an “**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business, or does in fact do so.

The individual definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate. Such exchange will be effected in accordance with the provisions of the Trust Deed, the Agency Agreement and the regulations concerning the transfer and registration of the Bonds scheduled thereto and, in particular, shall be effected without charge to any holder of the Bonds or the Trustee, but against such indemnity and/or security as the Registrar or the relevant Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

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

Payment

So long as the Bonds are evidenced by the Global Certificate, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder of the Bonds in the Register at the close of business (of the relevant clearing system) on the Clearing System Business Day immediately prior to the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Calculation of Interest

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Bonds from the Issue Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate.

Notices

So long as the Bonds are evidenced by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream and/or any Alternative Clearing System, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear, Clearstream and/or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions of the Bonds. Any such notice shall be deemed to have been given to the holders of the Bonds on the Business Day on the day on which the said notice was given to Euroclear, Clearstream and/or such Alternative Clearing System.

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds evidenced by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.\$1,000 in principal amount of Bonds for which the Global Certificate is issued.

Bondholder's Redemption

The Bondholder's redemption option in Condition 6(c) of the Terms and Conditions of the Bonds may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions of the Bonds, in accordance with the rules and procedures of Euroclear and Clearstream or any Alternative Clearing System, and stating the principal amount of Bonds in respect of which the option is exercised.

Issuer's Redemption

The option of the Issuer provided for in Conditions 6(b) of the Terms and Conditions of the Bonds shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in, and containing the information required by, the Terms and Conditions of the Bonds.

Transfers

Transfers of interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

Cancellation

Cancellation of any Bond represented by the Global Certificate following its redemption or purchase by the Issuer or the Guarantor or their respective Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders and the Global Certificate.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity

of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

The Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds, after deducting commissions and other estimated expenses payable in connection with the offering of the Bonds, is approximately U.S.\$597.1 million. The Issuer intends to use the net proceeds in refinancing existing offshore indebtedness.

CAPITALISATION AND INDEBTEDNESS

Capitalisation of the Guarantor

The following table sets out the consolidated capitalisation of the Guarantor as derived from its audited consolidated financial statements as at 31 December 2020 and as adjusted to give effect to the issue of the Bonds, before deducting the commissions and estimated offering expenses. The table should be read in conjunction with the Guarantor's audited financial statements as at 31 December 2020 and the notes thereto:

	As at 31 December 2020			
	Actual		As adjusted	
	(RMB in millions)	(U.S.\$ in millions) ⁽¹⁾	(RMB in millions)	(U.S.\$ in millions)
Current Indebtedness				
– Short-term loans	19,460.2	2,982.4	19,460.2	2,982.4
– Non-current liabilities due within one year	9,762.7	1,496.2	9,762.7	1,496.2
Non-current Indebtedness				
– Long-term loans ⁽²⁾	32,136.2	4,925.1	32,136.2	4,925.1
– Bonds payable	6,800.0	1,042.1	6,800.0	1,042.1
– Bonds to be issued ⁽³⁾	–	–	3,915.0	600.0
Total Borrowings⁽⁴⁾	68,159.1	10,445.8	72,074.1	11,045.8
Total Shareholders' Equity	43,488.5	6,664.9	43,488.5	6,664.9
Total Capitalisation⁽⁵⁾	111,647.6	17,110.7	115,562.6	17,710.7

⁽¹⁾ For convenience only, all translations from Renminbi into U.S. dollars are made at the rate of RMB6.5250 to U.S.\$1.00, based on the noon buying rate as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve Bank System on 31 December 2020.

⁽²⁾ Since 1 January 2021, the Group's long-term loans have increased by approximately 6.69 per cent. due to optimisation of debt structure.

⁽³⁾ Refers to the aggregate principal amount of the Bonds before deducting the commissions and estimated offering expenses.

⁽⁴⁾ Total borrowings represents the sum of short-term loans, non-current liabilities due within one year, long-term loans, bonds payable and the Bonds to be issued.

⁽⁵⁾ Total capitalisation represents the sum of total borrowings and total shareholders' equity.

Save as indicated above, as at the date of this Offering Circular, there has been no material change in the capitalisation of the Guarantor since 31 December 2020.

DESCRIPTION OF THE ISSUER

Formation

The Issuer was incorporated as a public limited company on 18 May 2015 under the laws of the Hong Kong, with the registration number 2238718. The registered office of the Issuer is at Unit 912, 9th Floor, Two Harbourfront, 22 Tak Fung Street, Hung Hom, Hong Kong. As at the date of this Offering Circular, the Issuer has a total issued share capital of HK\$1,000,000 in 1,000,000 ordinary shares of HK\$1 each. The Issuer was established under the approval of Beijing Municipal Commission of Commerce.

The rights of the Guarantor as the sole shareholder of the Issuer are contained in the articles of association of the Issuer, and the Issuer will be managed in accordance with those articles and the laws of Hong Kong.

Business Activities

The Issuer is a wholly-owned subsidiary of the Group. As at the date of this Offering Circular, the Issuer has not engaged, since its incorporation, in any material activities other than issuing the 2018 Bonds and entering into arrangements for the proposed issue of the Bonds and on-lending of the proceeds thereof to the Group. As at the date of this Offering Circular, the Issuer has no subsidiaries or employees.

Directors

The directors of the Issuer as at the date of this Offering Circular are Ms. Liu Peng, Mr. Zeng Peng and Mr. Wang Shancai. The business address of the three directors is 19 Nanlishi Road, Xicheng District, Beijing, Beijing No. 6 Construction Engineering Co., Ltd, 32 Fuxing Road, Haidian District, Beijing and 207 Building, A-17 Daliushu Road, Haidan District, Beijing, respectively. There are no potential conflicts of interest between any duties of the Issuer's directors to the Issuer, and their private interests and/or other duties.

Financial Statements

As the Issuer is a public company limited by share incorporated under the Companies Ordinance, it is required under the Companies Ordinance to deliver annual audited financial statements to the Registrar of Companies. As at 31 December 2020, the Issuer recorded a loss for the year of approximately U.S.\$1.3 million due to interest expenses exceeding interest revenue.

DESCRIPTION OF THE GROUP

OVERVIEW

The Company is a wholly state-owned limited liability company held by the Beijing SASAC. Since its establishment in 1953, the Group has grown to become a large enterprise group that spans multiple industries and jurisdictions, with a focus on construction. The Guarantor is also a leading state-owned construction company in China with tremendous brand value and strong market influence. The Group's construction business is distinguished as a national leader by its scale, integrated business model and brand recognition.

The Group operates across multiple regions spanning the PRC as well as other regions in Asia, Middle East, Africa, Europe and the Americas. By leveraging the joint development of different business segments and capital management, during the "13th Five Year Plan" period the Group has formed a diversified portfolio of business segments, amongst which, the construction business, the construction material sales business, and the services and others, consultation services and other businesses form the Group's traditional main business. The traditional main business is further supplemented by real estate development (including common property and policy housing) as a secondary main business, environmental engineering as a third main business, and health and elderly care as a key future development or cultivating business of the Group. The diverse portfolio of businesses provides the Group with significant advantages as it is able to provide a wide range of professional services encompassing the entire construction industry chain which allows the Group to deliver integrated and customised services. In recent years, the Group has strengthened its national presence with a dominant position in Beijing. The Group established regional branches or offices in more than 30 provinces in China except Tibet, and in 28 countries and regions around the world. The Group focuses on high quality blue chip customers, including provincial and municipal governments, government agencies, universities and state-owned enterprises.

The Group's geographical presence in Beijing, combined with its extensive experience, has positioned the Group to become a central force in the construction industry in Beijing. The Group has constructed many of Beijing's iconic landmarks and major construction projects, which has helped develop a positive public image for the Group and established it as one of the top companies for modern and cultural construction within Beijing. Outside Beijing and in other parts of the PRC, the Group has participated in major construction projects, including housing construction, roads and bridges, municipal administration, airports, and power plants.

In November 2019, BMRB was transferred by Beijing SASAC to the Guarantor for nil consideration (the "**Strategic Restructuring**"), where the Group has seen substantial increase in its assets and revenues, with significantly improved comprehensive strength in municipal engineering construction services. Further to the Strategic Restructuring, as required by Beijing SASAC, the Guarantor aims to actively create a diversified business structure of "three main businesses and one cultivation" during the "14th Five Year Plan" period, covering the entire value chain of the construction industry, and is committed to becoming a domestically first class and internationally renowned comprehensive service provider in the construction engineering industry.

The Group operates in various business segments, including the construction business, property development business, industrial material business and other business.

Construction Business: Construction is the Group's traditional and core business segment. The Group is capable of providing customised and integrated construction services to customers. Since establishment, the Group has completed construction projects with an area spanning over 300 million square metres. The Group has completed a number of landmark projects, covering a variety of areas, including large residential complexes, central business districts, office buildings, hotels and restaurants, infrastructure and plants, stadiums and transportation facilities, which are located in major cities in the PRC. The Group has five special-grade General Contractor of House Architectural Engineering and Construction

qualifications in total, one special-grade General Contractor of Municipal Administration Public Construction qualification, and one special-grade General Contractor of Public Transport qualification and various other grade one and lower qualifications, as well as qualifications for foreign contracting projects. The total value of completed construction work of the Group for the year ended 31 December 2020 was RMB112.0 billion, which amounts to a 9.6 per cent. increase from the total value of completed construction work for the year ended 31 December 2019. The Group achieved new construction contract value of RMB188.0 billion in 2020, which represents a 27.8 per cent. increase from 2019.

Real Estate Development Business: The Group has been granted grade one qualification in real estate development and has a management team operating professionally, providing property management and administration services for both the primary and secondary property development markets. The Group has developed diversified projects, including development of affordable housing (also known as common property and policy housing) and residential real estate in cities including Beijing, Shanghai, Jinan, Xi'an and Yixing in Jiangsu and primary land development projects in cities such as Beijing and Chengdu.

Construction Material Sales Business: The Group's construction material sales business covers the production and sales of construction installation components. These components include commercial concrete, building components, asphalt concrete and tower cranes, with commercial concrete being the primary component. The Group's annual production volume of commercial concrete is approximately 9.37 million cubic metres, which places the Group at the forefront of the major construction groups providing such services in Northern China, in particular after the consolidation of BMRB.

Environmental Engineering Business: The Group also operates in the environmental engineering business. The environmental engineering business is a growing and rapidly expanding business within the Group and holds a market leading position in the environment restoration sector in the PRC. The Group is committed to developing "habitable environments for people." The Group's extensive industry experience, high levels of working capital and quality construction services have allowed it to achieve significant milestones in energy saving, environmental protection, restoration, sewage treatment, water services and other areas.

Services and Others, Consultation Service and Other Businesses: The Group is committed to developing services relating to its construction business, including construction techniques research, planning and design, construction materials and logistics, engineering supervision consulting, technology consulting and inspection and testing. The development of the construction related services corresponds to market demand and allow the Group to provide services required for the entire construction industry chain.

For the years ended 31 December 2018, 2019 and 2020, the Group's total operating income (inclusive of primary activities and other operating activities) amounted to RMB83,875.8 million, RMB95,667.9 million and RMB105,512.1 million, respectively. In addition, the Group generated net profit of RMB1,838.1 million, RMB1,688.2 million and RMB1,858.1 million, respectively for the years ended 31 December 2018, 2019 and 2020. As at 31 December 2018, 2019 and 2020, the Group had total assets of RMB144.9 billion, RMB170.0 billion and RMB202.1 billion.

COMPETITIVE STRENGTHS

The description of support from the PRC government in this section relates to the support given to the Guarantor's business operations and should not be read as any indication that the PRC government will provide any financial support to the Issuer or the Guarantor in respect of its obligations under the Bonds or the Guarantee of the Bonds. Any ownership or control by the PRC government does not necessarily correlate to, or provide any assurance as to, the Issuer or the Guarantor's financial condition. Please see "Risk Factors – The PRC government has no obligations under the Bonds and the Deed of Guarantee."

As a leading company with a focus on the construction businesses, the Group believes that its success and prospects are primarily attributed to the following competitive strengths:

Beijing SASAC, as the controlling shareholder, provides long-term stable and strong support for the Group's business development

The Guarantor is wholly owned by the Beijing SASAC. As a state-owned enterprise, most directors and senior executive of the Group are appointed by Beijing Municipal Party Committee and Municipal Government. The Group's industry positioning and strategic planning are approved by Beijing SASAC. The Group also reports to, and operates under the guidance and supervision of, Beijing SASAC. Further, as a state-owned enterprise, the Group is a competitive enterprise and undertakes certain social responsibilities and political tasks. The Group devotes a set proportion of its housing construction to municipal public works to ensure such functions and responsibilities are met. In terms of its overseas business, the Group cater to the PRC's diplomacy directions and focuses on the foreign aid projects of the Ministry of Commerce, and embassy and consulate projects of the Ministry of Foreign Affairs.

As a state-owned enterprise, the Group's background has lent it support in various aspects, including control and governance, operational support, capital and asset injection, funding support, government subsidy and preferential tax treatment:

- *Control and governance:* The Guarantor is wholly owned by the Beijing SASAC, and the Group believes that the Beijing SASAC will maintain its 100 per cent. shareholding in the Guarantor in the foreseeable future. The majority board members and senior management of the Guarantor are appointed by Beijing government directly. The industry positioning and the strategic planning of the Group is reviewed and approved by Beijing SASAC. The Guarantor reports to Beijing SASAC, implements Beijing SASAC's strategic decisions and receives guidance and governance from Beijing SASAC.
- *Operational support:* the Guarantor has signed a number of strategic cooperation agreements with governmental authorities, including the municipal governments of West City, Changping, Daxing and Shunyi regions of Beijing, Kunming municipal government, Yuanyang municipal government, Xiamen Tongan region municipal government, Qingdao municipal government and Xuchang municipal government. In recent years, the Guarantor has also been granted priority in Tiananmen tower and terrace repair projects. As a state-owned enterprise with top industry capabilities, the Group possesses certain exclusive qualifications relating to national key projects construction and has undertaken a large number of projects with national strategic importance. In the past ten years, the Group has independently completed the construction of approximately 132 national key projects. The Group is also directly assigned projects relating to healthy elderly care, leading to a dominating market share in this area. Under emergency conditions, the Group has participated in many national emergency projects without having to enter a public bidding process, further demonstrating the business support received by the Group as a state-owned enterprise.

Furthermore, the average value of successfully bid contracts of BMRB, a subsidiary of the Group, accounts for more than 50 per cent. of the total bid value of major business providers such as Beijing Highway Administration, Beijing Gonglian Road Contact Line Co., Ltd., Beijing Capital Highway Development Group Co., Ltd., and Beijing Rail Transit Construction Management Co., Ltd.

In addition, the Group has been awarded several affordable housing development projects by the Beijing Municipal Government and has approximately 24 years of experience in affordable housing project development. In 2007, the Group's subsidiary, Beijing No. 4 Construction Engineering Co., Ltd won the title of "advanced developer in affordable housing projects" by the Leading Group of Housing Security and Housing Reform of Beijing. Examples of the affordable housing projects undertaken by the Group include Baiziwan Home (Beijing) (the first affordable housing project that won Gold Award of "Zhan Tianyou Award for Outstanding Residential Area" in China), BCEG Songjiazhuang Home (Beijing) (an economically affordable housing project that won Gold Award of "Zhan Tianyou Award for Residential Area") and BCEG Shuanghe Home (Beijing) (one of the first batches of affordable housing neighbourhoods that won the Lu Ban award in China). In May 2017, the Group was also officially awarded the project for shanty town relocation and reconstruction of six villages in Zhangjiawan Town, Tongzhou District in Beijing City with a total area of 328.2 hectares.

- *Capital and asset injections:* historically, the Group consistently received capital injections from the Beijing Municipal Government. From 2000 to 2020, Beijing SASAC injected a total of RMB113.0 million capital into the Group. In 2019, the Strategic Restructuring took place and BMRB, as a high-quality state-owned asset was transferred to the Group at zero consideration, whereby the overall asset size of the Group increased from RMB108.2 billion to RMB170.0 billion.
- *Capital support:* The Beijing SASAC supports the Group through project funding. In 2020, the Beijing SASAC approved the Group's application of funding support of RMB10 million for green high-performance concrete technology research and development and industrialisation projects (amounting to approximately 29 per cent. of total project investment) and the funding support of RMB20 million for BMRB's snow melting and anti-icing pavement technology research and development and industrialisation project (amounting to approximately 30 per cent. of total project investment).

From 2016 to 2020, the Group received RMB60.7 million fund supports for projects. As at 31 December 2020, The Export-Import Bank of China and China Development Bank provided the Group with a credit facility of RMB3.5 billion and RMB1.5 billion, respectively.

Further, the Beijing Municipal Development and Reform Commission has included the Guarantor in the list of companies with financial support for epidemic prevention and control, which has secured a special low interest loan of RMB1 billion for the Group's various epidemic prevention projects (such as the Xiaotangshan Hospital, Ditan Hospital, Huairou Hospital).

- *Government subsidies and preferential tax treatment:* the Group also enjoys direct government support, such as grant of subsidies amounting to approximately RMB111.1 million, RMB86.9 million and RMB112.2 million for the years ended 31 December 2018, 2019 and 2020, respectively. From 2016 to 2020, the Group received RMB392.1 million government subsidies in total. In addition, the Group enjoys preferential tax treatment, such as tax exemption for foreign aid projects, reduction in the value added tax for certain supplies, favourable tax treatment for hi-tech companies at 15 per cent. of the corporate income tax and tax exemption and reduction for subsidiaries engaging in environmental protection, energy saving and water saving businesses, and resource recycling.

Potential investors should be aware that in relation to the Bonds or the Guarantee, any government referred to herein is not an obligor and shall not under any circumstances bear any obligations arising out of or in connection with the Bonds or the Guarantee in lieu of the Issuer or the Guarantor. The PRC government only assumes limited liability as a shareholder in the Guarantor, which is limited to its equity contributions in the Guarantor only. The Bonds are solely to be repaid by the Issuer, and the Guarantee is to be provided by the Guarantor, each as an independent legal person.

A leading construction company in China, a key contractor of national key projects and a comprehensive urban comprehensive urban service provider

The Group has a leading position in the PRC construction market, over 60 years of experience and excellent brand recognition, with business spanning across over 30 provinces in China except Tibet, as well as 28 countries and regions, with numerous award winning projects undertaken by the Group. Throughout its over 60 years of evolution and continual development as well as its participation in constructing trophy projects in the Beijing Olympics, the Group has successfully built an image of credibility in the “**Beijing Construction Engineering**” brand and has become one of the PRC’s leading construction companies. Since its establishment, the Group has been engaged in a cumulative construction of more than 300 million square metres of construction projects, where the standard and quality of the Group’s construction projects have achieved and maintained a “**pass**” rate of 100 per cent. and “**excellent**” rate of 80 per cent., respectively.

Out of the 70 projects subcontracted by the PRC government for the Beijing Olympic Games in 2008, the Group successfully bid for 29 projects, with a total GFA of over 1,700,000 square metres and a total contract price of over RMB80 billion. Key projects the Group has undertaken include the Olympic Water Park, the National Convention Centre, the New Capital Museum and Terminal T3B at the Beijing Capital Airport. In December 2020, the Group successfully bid for 13 projects in Xiong’an New Area with a total contract value of RMB7.8 billion. Through these high profile projects and construction works undertaken by the Group’s construction business, the Group has strengthened and enhanced its brand image and profile within the industry. For the year ended 31 December 2020, the Group’s annual construction area within the PRC that has begun or resumed construction reached 49.21 million square meters, representing a 12.7 per cent. increase year-on-year. As at 31 December 2020, the Group has achieved full coverage of the road maintenance market in urban and suburban areas of Beijing, with its market share in the road maintenance market in Beijing accounting for 70 per cent., and with strong competitive advantage. Entrusted by the Ministry of Construction and the Beijing Municipal Construction Committee, the Group has led the compilation of a number of national, industry and local standards in the municipal sector, and is also the founder and organiser of four professional associations in the municipal construction industry in the PRC.

The Group was also highly ranked amongst the Top 500 Chinese enterprises. In 2020, the Group was ranked No. 117 amongst the Top 250 International Contractors globally, according to the Engineering News-Record in the United States, which is the 27th consecutive year that the Group has been included on this list. In 2020, the Group was ranked No. 227 amongst the Top 500 Chinese Enterprises according to the China Enterprise Confederation, amongst which it is ranked No. 14 amongst the 41 construction enterprises on the list. In 2020, the Group was ranked No. 10 amongst the Top 80 Chinese Contractors.

The Group has received numerous awards establishing the Group as one of the premier construction enterprises in Beijing. 101 of the Group’s projects have been awarded the Lu Ban award (中國建設工程魯班獎), an award given by the China Construction Industry Association and Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部). The Group has also received 56 Zhan Tianyou Civil Engineering Prizes (中國土木工程詹天佑獎), being the award of highest honour for scientific and technological innovation of engineering construction projects in the field of civil engineering in China. Nine of the Group’s projects have been awarded as 100 Outstanding Civil Engineering Projects (百年百項傑出土木工程), a further nine of its projects have been selected as top 100 classic and high-quality projects in China for the 70th anniversary of the founding of the PRC (新中國成立70周年百項經典暨精品工程) and nine of its projects have been selected as top 100 classic

projects of the 40th anniversary of the reform and opening up of China (改革開放40年百項經典工程). The Group received 75 China National Outstanding Quality Engineering Awards (國家優質工程獎), an award given by the National Outstanding Quality Construction Project Review Committee, for a number of its construction projects. Amongst the 40 projects that were selected in the four sessions of the Beijing Top Ten Architectures (北京市十大建築), the Group had constructed 22 of such projects. The Group has also received 305 Municipal level Excellent Project Awards (市級優質工程獎), 57 National level Science and Technology Progress Awards (國家級科技進步獎), 459 Provincial level Science and Technology Progress Award (省部級科學進步獎), 97 Huaxia Construction Science and Technology Awards (華夏建設科學技術獎) and 346 Beijing Science and Technology Progress Awards (北京市科技進步獎).

With the support of the municipal government, the Group has also accelerated the development of municipal engineering business, focusing on rail transit, urban roads, water environment management, amongst others businesses. The integration of BMRB has greatly enhanced the comprehensive competitiveness of the Group's municipal engineering business. The Group has also undertaken several Beijing metro projects in recent years and has successfully undertaken projects in other cities, including Guangdong, Shandong, Henan and Jiangsu. Further, the Group leverages on increasing investment in infrastructure development and the "Integration of Beijing, Tianjin and Hebei" strategy in China to focus on promoting infrastructure construction and maintenance projects. The Group leverages on the increased national infrastructure construction investment to concentrate its efforts on the construction of a city sub-centre in Tongzhou.

In 2018, the Guarantor won the Excellent Unit of Beijing Guaranteed Housing Construction. The Guarantor has successively built Beijing's first large scale industrialised public rental housing: – Majuqiao public rental housing, Beijing Baiziwan public rental housing with the highest assembly rate, Haidian District's largest shared ownership housing, – Yongliang Home, and Fangshan District's largest affordable housing. As at 31 December 2020, the Group has developed and constructed total of approximately five million square meters of policy oriented housing, and provided more than approximately 60,000 sets of residential housing to new owners.

Integrated business model covering full construction value chain creates broad and diversified revenue sources and strong business synergy

One of the key competitive strengths of the Group is the integrated business model of construction it adopts. The Group's business covers all aspects of the construction sector, including: (i) upstream service, comprising investment, ecological assessment, planning and design, environmental protection and engineering technology research and development; (ii) engineering construction, comprising real estate development, building materials research and development and manufacturing; and (iii) city operation and maintenance, comprising such services for properties, road maintenance and operation, energy management, water operation, parking management and pipe corridor operation. The Group's strengths in its business segments make the Group more competitive against other construction companies. The diversified business offerings and products covering the entire value chain enable the Group to offer its customers an integrated and one-stop service. Such an integrated business model and diversified offering provides the Group with a wide revenue base and an optimised risk return profile.

- In relation to the upstream service aspect, the Group mainly carries out environmental projects. The Guarantor is one of the earliest environmental protection companies in China, specialising in environmental restoration. Currently, its environmental restoration business has accounted for 60 per cent. in terms of market share in Beijing and ranks No.1 nationwide in the PRC. In addition, the Group has the only national engineering laboratory in the field of contaminated site restoration in China, the "National Engineering Laboratory for Contaminated Site Safety Remediation Technology". The Group also operates the resource recycling business, which has accounted for 80 per cent. in terms of market share in Beijing.

- In relation to construction aspect, the Group carries out: (i) real estate development, including commercial housing, affordable housing, construction and land primary development projects; (ii) construction materials research and development and manufacturing as well as building materials sales, including developing new asphalt materials and new technologies and maintaining a leading position in Beijing and nationwide; (iii) building and municipal projects with a stellar track record and experience.
- In relation to the city operation and maintenance aspect, the Group is responsible for the maintenance and vegetation tasks of 70 per cent. of roads and bridges in the Beijing urban areas and 100 per cent. of the roads and bridges above county level. The Group undertakes important social responsibilities such as the professional guaranteed support of Beijing's national defence traffic highway bridges, the emergency responses to unexpected events occurring to transportation infrastructure and public facilities, the emergency response of public facilities, and the shovelling and snow removal of suburban roads. In 2015, the Group's self-developed 1,000 ton load lifting and erecting integrated machine was used to successfully complete the overall beam replacement of the 1,350 ton Beijing Sanyuan Bridge in only 43 hours, creating a new technical example of one off large scale bridge replacement in important traffic intersection in a large city.

In 2019, the Group initiated the integration of information technology and urban facilities operation services, putting forth the development concept of “urban property smart housekeeper” to standardise business processes through information support. The Group also aims to discover and review problems through professional inspections and solve problems through standardised operations. Through tailored services, the Group aims to improve Beijing's comprehensive response and emergency support capabilities. The Group created the “Chang'an Avenue Management” service model that integrates urban infrastructure construction, management, and maintenance, and established the brand image of “Shenzhou First Street”. The Group believes that the “safe, comfortable, convenient, environmentally-friendly and durable” traffic environment is a major breakthrough in the development of road and bridge maintenance enterprises.

Major business models of the Group covering the entire value chain include:

- *Yixing Model* – A number of key projects undertaken by the Group in Yixing City of Jiangsu Province span different industries along the value chain, such as construction, urban development, real estate development and environmental protection and energy saving. Yixing Model represents a set of comprehensive urban development service that can be replicated by other projects to be undertaken by the Group.
- *Green and Smart City Development Model* – Leveraging technology advantages in environment restoration and building energy conservation, the Group has adopted the Green and Smart City Development Model to successfully execute projects including Beijing Lize Finance and Business District, Northern Haidian New Area and Underground Space of Suzhou City of Jiangsu Province.
- *Manchester Airport City Model* – Manchester Airport City Model represents the largest infrastructure project developed in the United Kingdom by a Chinese company in the name of both equity investor and EPC (Engineer, Procure, Construct) contractor, which is an integration of manufacturing, warehousing as well as office, hotel, retail and recreation facilities.
- *Super High-Rise buildings Model* – The Group has adopted the Super high-rise buildings Model to develop landmark buildings for many cities and regions, including Observation Tower of Beijing Olympic Park, Haikou Twin Tower (428 metres in height), Bangkok Riverside Landmark (303 metres in height) and Xi'an Guorui Financial Centre (350 metres in height).
- *Beijing Tongzhou City Sub-centre* – The Beijing Tongzhou City Sub-centre projects involved 21 of the Group's subsidiaries, participating in related projects and undertaking a large number of key construction tasks such as the A2 and B3 projects of the administrative office area of Beijing sub-

centre, the municipal infrastructure of Tongzhou Cultural Tourism Zone, and the PPP construction project of urban sub-centre water environment governance. These projects involved many business areas such as construction and installation, real estate development, energy conservation and environmental protection, spanning urban super high-rise complexes, shantytown renovation, PPP projects, consulting service projects and other business types.

The Group won the bid for various construction projects in the Xiong'an New Area in December 2020 to carry out infrastructure construction, road and subway construction and shanty-town restoration. Capitalising on the construction experience from the Beijing Tongzhou City Sub-centre, in particular, the Group plans to provide intelligent city design, planning and construction to the Xiong'an New Area. A subsidiary of the Group, BCEG New Building Materials Co., Ltd. is able to provide high-end energy conservation and to package new construction materials and services to assist in green, modern and intelligent city construction. The Group also plans to provide environmental restoration, construction renovation and construction waste recycling services to assist the Xiong'an New Area in the full chain of activities, including water, soil restoration, construction, waste recycling and water treatment.

Within the construction industry, the Group has developed an array of operating models for its construction projects. In addition to the standard project type that requires less capital investment, the Group also operates engineering, procurement and construction (“EPC”), and public private partnership (“PPP”) models. The Group is able to switch to different project models depending on the customers and risks involved.

The Group has historically focused on certain key business segments of construction, property development, energy saving and environmental protection, construction related services, the industrial materials business and other sectors. This business portfolio provides a diversified source of income for the Group. In addition, some of the Group's investments involve projects that have generated, and are expected to continue to generate, long-term recurring income. The Group believes that its diversified business portfolio will help to improve its financial stability and provide a solid foundation for long-term development.

Completed strategic layout in the national and international market, leveraging on its operational advantages in the capital city

In addition to the Greater Beijing region, the Group has also branched out to selected overseas markets, including Asia, the Middle East, Europe, the United States and Africa. The construction industry in Beijing is one of the fastest growing industries in the PRC and plays a key role in the rapid and continual development of the Group's business, with the Group maintaining a leading position. Over the years, due to the Group's breadth of experience in the construction industry and the advantage of being headquartered in Beijing, the Group has become one of the key players in the construction industry in the capital city as well as covering more than 30 provinces in the PRC except Tibet. The Group's standardised business model has been replicated to all provinces, cities, and autonomous regions except Tibet and Taiwan, with formation of multiple central markets. The Group also established seven “regions”, including Beijing-Tianjin-Hebei, South China, East China, Southwest China, North China, Central China, and Northwest China, and comprising the “1+2+8+X” urban market layout. The Group is also in the process of realising its international expansion, with its business in 28 countries and regions around the world, and its undertaking of a number of local projects such as housing construction, roads and bridges, municipal administration, airports, and power plants.

For the years ended 31 December 2018, 2019 and 2020, the Group has secured new contracts with a total value of RMB117.6 billion, RMB171.9 billion and RMB209.4 billion, respectively. For the years ended 31 December 2018, 2019 and 2020, the Group's ongoing projects value of construction and municipal engineering business had a total contract value of RMB220.1 billion, RMB438.3 billion and RMB447.4 billion, respectively. As at 31 December 2020, some of the Group's key projects include, amongst others:

- *In Beijing*: teaching staff residences, integrated kindergartens, the second lot of Beijing Qinghe No. 2 Recycling Water Plant and Armed Police General Hospital No. 1 Sub-Hospital Phase I Patient Building (武警總醫院分院一期綜合病房樓), Great Hall of the People, Tian'anmen Gate Tower Rebuild Project, Chairman Mao Memorial Hall, Beijing Daxing International Airport, Beijing Municipal Administrative Center, Beijing International Horticultural Exhibition, and the XXIV Olympic Winter Games in Beijing.
- *Outside of Beijing and in the PRC*: The Group has also secured important projects in 2020, including Linyi Xicheng Youjin Lake International New City District Infrastructure Project (EPC) with a contractual value of RMB9 billion; Rongdong District B1, B2, C, D1, D2, E Group Resettlement Houses General Contract with a contractual value of RMB3.5 billion; Yongqing Number 1 Project with a contractual value of RMB2.7 billion; Jining Rencheng New District Hospital and Convalescence Project with a contractual value of RMB1.8 billion; Wudang District Dongxin Road Project with a contractual value of RMB2.8 billion; Changzhi City Xiaochangpian District Bitou Village and Zhangze Village Urban Village Project with a contractual value of RMB 1.5 billion; National Highway G508 Chifeng to Caoheidian Highway Pingquan City Renovation and Construction Project with a contractual value of RMB1.5 billion; Shaoxing City Railway Transit Number 1 Subway Installation and other Projects with a contractual value of RMB1.5 billion; Procurement by the Private Party of COMAC Dongying Flight Test Base with a contractual value of RMB1.4 billion; and Tianjin Datang Pandian to Baodi District Heating Main Line and Relay Pump Station Project with a contractual value of RMB1.3 billion.
- *Outside the PRC*: In addition to the domestic construction market in which the Group is one of the leading players, the Group was also actively involved in the overseas construction market, operating in over 28 countries and regions as at 31 December 2020.

The Group has participated in the construction of some of the Chinese embassies or consulates in these foreign countries, including Swiss Consulate General in Guangzhou. Overseas, the Group has participated in major construction projects including the Chinese Embassy in Indonesia, the Chinese Embassy in Mauritius, the Chinese Consulate General in Adelaide, the Chinese Embassy in Mongolia, the Chinese Embassy in Cape Verde, the Chinese Embassy in the United Kingdom (Pre-Engineering project, bidding completed in November 2020), as well as providing aid to Bandaranaike International Conference Building in Sri Lanka, aid to Togo Presidential Palace, aid to Rwanda Ministry of Foreign Affairs office building, and aid to Guinea-Bissau Government office building.

Some of the Group's overseas projects include the headquarters of the Royal Committee of Saudi Arabia Jeddah City, Manchester Airport City, Bangkok Riverside Landmark, California Shores Apartment Community and Congo-Brazzaville Commercial Centre.

Operating income from the Group's overseas business for the years ended 31 December 2018, 2019 and 2020 amounted to RMB3,900 million, RMB3,980 million and RMB3,380 million, respectively, accounting for approximately 5.4 per cent., 4.9 per cent. and 3.9 per cent. of the operating income of the construction business during the same period, respectively. In addition, the Group has also diversified the project models used in its overseas business, and progressively increased the overseas projects that operate under EPC and PPP models. For details, please see the section titled "*The Group's Business – Construction Business – Diversified Project Models*".

Leading technology and research and development capabilities help to stabilise the Group's market position and further boost business growth

The Group places a strong focus on technology and research and development capabilities to support its diverse businesses. The Group's proficiency in scientific research, development and application are consistently in the forefront of the industry. As at 31 December 2020, the Group has developed 2,055 patents, obtained 57 National level Science and Technology Progress Awards, 459 Provincial level Science and Technology Progress Awards, 97 Huaxia Construction Science and Technology Awards,

and 346 Beijing Science and Technology Progress Awards. The Group's wide scope of research includes structural engineering, foundation work, civil engineering, mechanical and electrical machinery, detection and identification, construction materials, construction energy conservation, engineering supervision and information technology.

Since incorporation, the Group has participated in more than 60 research and development projects of various types, including four national "863 plan" science and technology research and development projects, eight national key research and development plan projects, as well as more than 40 international science and technology cooperation projects, national science and technology major special projects and national major scientific instrument and equipment development special technologies projects. During the 13th Five-Year Plan period, the Group had 35 National key scientific research projects (by topics) and 102 Provincial and ministerial scientific research projects (by topics).

The Group also established the "1+1+13+N" technology research and development system, which comprises one national technology centre, one national engineering laboratory, 13 Beijing enterprise technology centres, two post-doctoral workstations, 47 national high-tech enterprises and many upgraded R&D institutions and several corporate innovation studios. As at 31 December 2020, the Group employs approximately 25,000 professional and technical personnel, 82 doctorates, 207 professor-level senior engineers, 11,114 employees with high- and intermediate-level professional titles, and 5,747 registered constructors. One of the key technology supports of the Group's national technology centre is the Beijing Construction and Engineering Research Institute, which was established in 1956 and employs over 200 experts in the field of building and construction. This institute is also an important unit supporting the post-doctoral workstations, where post-doctoral experts from educational institutions including Tsinghua University, Northern Jiaotong University and the Beijing University of Technology conduct research work and contribute to the Group's development.

The Group also carried out the research and application of BIM technology. By leveraging on the Guarantor's consulting, design, construction and operation expertise covering the entire industry chain, the Guarantor develops its BIM platform with BIM standards and a database to establish a BIM application flow covering the entire process of BIM creation, modification, exchange, application and delivery. The Group's BIM application is show cased in the China Life Insurance Data Centre Project, Beijing Automotive Industry R&D Base, the Beijing Municipal Service Centre and the Colombo TV Tower in Sri Lanka.

As the Guarantor is one of the earliest enterprises engaged in the environmental restoration business, it has also established the National Engineering Laboratory for Contaminated Site Safety Remediation Technology. Further to the approval of the NDRC on 21 October 2016, the Group collaborated with Tsinghua University, Chinese Research Academy of Environmental Sciences, the Nanjing Institute of Soil Science of the Chinese Academy of Sciences, and the Ministry of Ecology and Environment Chinese Academy of Environmental Planning to establish the only national laboratory in the contaminated site remediation field, the National Engineering Laboratory for Contaminated Site Safety Remediation Technology. This laboratory aims to conduct research on safe restoration of contaminated petroleum, chemical, smelting and mining sites in the PRC. It also aims to build a platform to promote national environmental governance planning through the stabilisation of heavy metal pollutants, separation and degradation of organic pollutants and materials and equipment for diagnosis. In response to the outstanding environmental and ecological risks of contaminated sites in the country's chemical, smelting, mining, and petroleum industry, the laboratory focuses on the urgent need for safe and efficient remediation of contaminated sites, and builds a research platform for the application of contaminated site safety, remediation technology to support the development of contaminated site monitoring and diagnosis, R&D and engineering of technologies, materials and equipment such as blocking and stabilisation of heavy metal pollution, separation and degradation of organic pollution.

In addition, the Group frequently co-operates with Tsinghua University, Northern Jiaotong University and the Beijing University of Technology to co-develop new technologies relevant and useful for the industry, and has established post-doctoral research workstations. The Group established an industry-university-research cooperation mechanism, ranging from basic research, process equipment, pharmaceutical research and development to actual site demonstration applications, which has effectively promoted the integration and development of upstream and downstream industries in the industry, and has formed a series of independent innovation and core competitiveness.

For the years ended 31 December 2018, 2019 and 2020, the Group invested approximately RMB1,425.5 million, RMB1,789.6 million and RMB2,145.0 million in technology and research and development (research expenses include the capitalised portion), accounting for approximately 1.7 per cent., 1.9 per cent. and 2.1 per cent. of its total operating income of the primary businesses, respectively.

Abundant financing channels and close banking relationships

The Group maintains long-standing relationships with major commercial banks in the PRC. As at 31 December 2020, the Group's financing channels were supported by The Export-Import Bank of China, China Development Bank, Industrial and Commercial Bank of China, Bank of China, Agricultural Bank of China, China Construction Bank, Bank of Communications, Postal Saving Bank of China, China Merchants Bank, China CITIC Bank, China Everbright Bank, China Minsheng Bank, Ping An Bank, Industrial Bank Co., Ltd., Huaxia Bank, Shanghai Pudong Development Bank Co., Ltd., China Guangfa Bank, Bank of Beijing, Beijing Rural Commercial Bank, Bank of Tianjin, Bank of Qingdao, Bank of Shanghai, Bank of Ningbo Co., Ltd., Bank of Hangzhou, Bank of Jiangsu, Bank Of Nanjing Co., Ltd., China Bohai Bank, Xiamen International Bank, Hengfeng Bank, The Bank of East Asia, Hong Kong and Shanghai Banking Corporation and American International Group. As at 31 December 2020, the Group had total bank credits of RMB258.4 billion and unused bank credits of RMB167.0 billion, or 64.6 per cent. of total bank credits. As at 31 December 2020, the debt maturity profile of the Group consisted of debt maturing within one year, debt maturing between one to three years, debt maturing between three to five years and debt maturing over five years of approximately RMB20.5 billion, RMB25.9 billion, RMB12.7 billion and RMB10.0 billion, respectively, or 30 per cent., 37 per cent., 18 per cent. and 16 per cent. of the debt maturity profile of the Group, respectively.

As at 31 December 2020, the Group's financial structure consisted of 52.6 per cent. of long-term loans, 28.1 per cent. of short-term loans, 8.0 per cent. of domestic bonds, 5.7 per cent. of offshore USD bonds, 4.2 per cent. of medium term notes, and 1.4 per cent. of perpetual bonds. The Group's entire borrowing portfolio consists of 50.9 per cent. of credit loans, 28.9 per cent. of guaranteed loans, 11.0 per cent. of mortgaged loans, and 9.2 per cent. of pledged loans.

Experienced and stable management team and advanced management system

The Group's business is led by a management team comprising industry veterans with extensive experience. Some of the team members are equipped with architectural and engineering knowledge and have provided valuable advice and support to the execution of the Group's projects. The Group frequently hires experts in the construction field and its senior management panel has spent an average of more than 15 years in the construction industry. The Group's employees include 3,530 first class construction architects, 2,217 second class construction architects, one royal chartered architect, 20 registered first class architects and 923 project managers. The Group also trains personnel who are entitled to receive government grants and accolades given by the PRC government. From its expertise in the construction industry, the Group has set up comprehensive training schemes, providing an excellent training ground for future project managers and engineers. The key directors have built up a deep knowledge and a thorough understanding of the business and the operation of the Group. As a result, the Group's core management team has been able to work efficiently as a team and deliver many of the Group's development projects successfully over the years.

STRATEGIES

The construction business is the Group's core businesses. In the next five years, the Group aims to further strengthen its position as a construction company, enhance its profitability and competitiveness within the industry and becomes one of the most successful construction companies in the PRC.

The Group intends to achieve its business objectives and to enhance its profitability by pursuing the following strategies:

Expand the Group's operations in the PRC to maintain its position as a leading construction company in Beijing and beyond

The Group aims to maintain its position as a leading national construction enterprise in the PRC. Although the Group has traditionally focused on construction and infrastructure in Beijing, the Group has since expanded its business operations into other cities in the PRC, with significant growth potential and a stable environment. The Group will continue its selective and strategic expansion of its market share nationally in the PRC to further consolidate its market leading position. The Group believes that its geographical diversification will enable it to alleviate the risks associated with having too much of its operation concentrated in one particular city or region in the PRC, strengthen its regional competitiveness, improve profitability and maintain its position as a leading national construction company in the PRC. In particular, the Group views the "*Integration of Beijing, Tianjin and Hebei*" ("京津冀一體化") strategy proposed by the PRC central government as an opportunity for the Group. Leveraging its geographic vicinity to the Beijing, Tianjin and Hebei region, with its integrated business model and strong research and development capacity, the Group believes that it is well positioned to benefit from growing construction demand as a result of the implementation of the "*Integration of Beijing, Tianjin and Hebei*" strategy.

Further develop the Group's integrated business model

The Group intends to capture opportunities for offering integrated solutions created by increased demand in the global construction market by fully integrating its operations, and expanding horizontally and vertically along the industry chain. The Group intends to further integrate engineering design with construction, capital operations with industrial operations and international operations with domestic operations, as well as focus on sustainable development of its downstream industries to enhance overall efficiency. Further, the Group adopts a "double core business and double incubation" business structure and continues to develop both upstream and downstream segments to strengthen the full industry value chain operation.

The Group plans to implement the foregoing plans by fully utilising its expertise in the various industry segments, taking advantage of economies of scale, using its capital effectively and procuring advanced equipment and facilities while improving its construction technology and consolidating its resources. By focusing on further integration of its technology and the allocation of assets and industry value chains, the Group expects to continue to reinforce its leading position in its core business segments, which include the provision of energy saving and environment protection and industrial materials, especially in the construction field. In addition, the Group plans to further leverage its expertise in engineering design to attract construction projects, in particular with the projects under the EPC project model, which is centred on the design of the project. The Group believes that its full value chain model will enable it to boost its multinational operations and competitiveness overseas, allowing it to participate more extensively in large-scale international projects.

Develop the Group's core competitiveness and investment operations

Capitalising on its resources and expertise, the Group has moved to develop an investment operation strategy that utilises a full value chain model built on the foundation of its core competitiveness. Within the construction industry, the Group has developed an array of operating models for its construction projects. In addition to the standard operating model that requires less capital investment, the Group also

operates EPC and PPP models, which have a higher investment return, although this entails a higher capital investment initially. The Group is able to selectively switch to different project models depending on the customers and risks involved.

Enhance the Group's brand recognition in the PRC

To enhance the Group's competitive position in its key markets, the Group intends to further promote the public recognition of "Beijing Construction Engineering" as a national brand standing for quality property and construction projects in the PRC. The Group seeks to maintain high standards in the properties and projects it develops in terms of design, materials used as well as finishing in order to maintain its reputation as a property developer and construction company of quality in developing middle-to-high end projects.

Improve in risk control system and project management to safeguard work quality and corporate reputation

The Group will continue to improve and streamline its risk control system and management structure, so as to increase its capability in terms of safety and quality control and to improve its production capacity, quality and efficiency. To ensure a safe working environment, the Group is committed to implementing rigorous risk control measures, including continuous on-site inspection, providing safety training to new employees and overseeing various essential stages of the construction process led by itself, its subsidiaries and third-party contractors. In addition, the Group considers effective project management to be critical to enhancing its overall operational efficiency. Mechanisms will be put in place to gradually implement the coordination of tendering and bidding management amongst various operational units, for example, to avoid two subsidiaries competing against each other for the same project. The Group will also allocate more resources to the Group's research and development for construction, new technologies and products, and project and operation management, while gradually implementing a centralised management system over its fixed assets, such as key technical equipment.

Continue to invest in research and development and technology innovation

The Group believes that utilisation of advanced technologies is vital to the maintaining and further developing of its competitiveness. The Group will continue to invest in its research and development efforts and technology innovation, focusing on developing proprietary key technologies. For example, the Group has jointly set up four technology centres with universities and research institutes such as Tsinghua University, Beijing University of Technology and Northern Jiaotong University. The Group will closely monitor industry trends and communicate with its clients from time to time so that it can refine and adjust its investments in research and development to maximise its returns.

Implement cost control measures and improve its operational and capital efficiencies

The Group intends to continue to improve its profitability by implementing cost control measures in order to manage its development and operating costs as well as other efficiency strategies. The Group has begun to implement various initiatives including:

- formulating and executing centralised corporate procurement strategies to maximise its collective material procurement power;
- establishing its own loyalty club programme to enhance its customer information database and coordinate its cross-selling efforts;
- reviewing its construction outsourcing strategy with a view to realising potential savings on LAT liabilities; and
- standardising the design and layout plans of residential property development projects across China.

In addition, the Group seeks to further optimise its capital structure to provide shareholders with a competitive return and at the same time continue to invest in new project to achieve further growth. In particular, the Group will continue to review appropriate opportunities in a selective manner to:

- partner with other investors and participate in joint ventures to reduce capital cost and minimise risks; and
- dispose of certain non-core but matured investment properties to realise the capital value of such properties and enhance its cash flow.

Cultivating business operations under the 14th Five Year Plan

Under the Group's development strategy for the 14th Five Year Plan, the Group aims to carry out the following in relation to its various existing and new business operations:

- Construction and municipal engineering businesses: the Group aims to enhance the geographic management, optimise business structure and geographic layout, strengthen the competitive advantage in municipal infrastructure constructions and empower the new infrastructure business.
- Property development and management businesses: the Group aims to enhance the synergy between business segments, enhance technology synergy, revitalise free lands, optimise land reserves and improve qualification and achieve stable growth.
- Energy savings and environmental protection businesses: the Groups aims to continuously apply innovation in business models, create a diversified and reasonable business portfolio, expand its business scale, explore new fields with high value-add, and create access to capital markets with innovative financing methods.
- Services and other businesses: the Group aims to utilise its cultivating or growing business of health and elderly care to revitalise the existing available assets. The Group also aims to establish featured real estate business with elderly care elements in future.

CORPORATE HISTORY AND STRUCTURE

Key Corporate Milestones

Establishment and Development

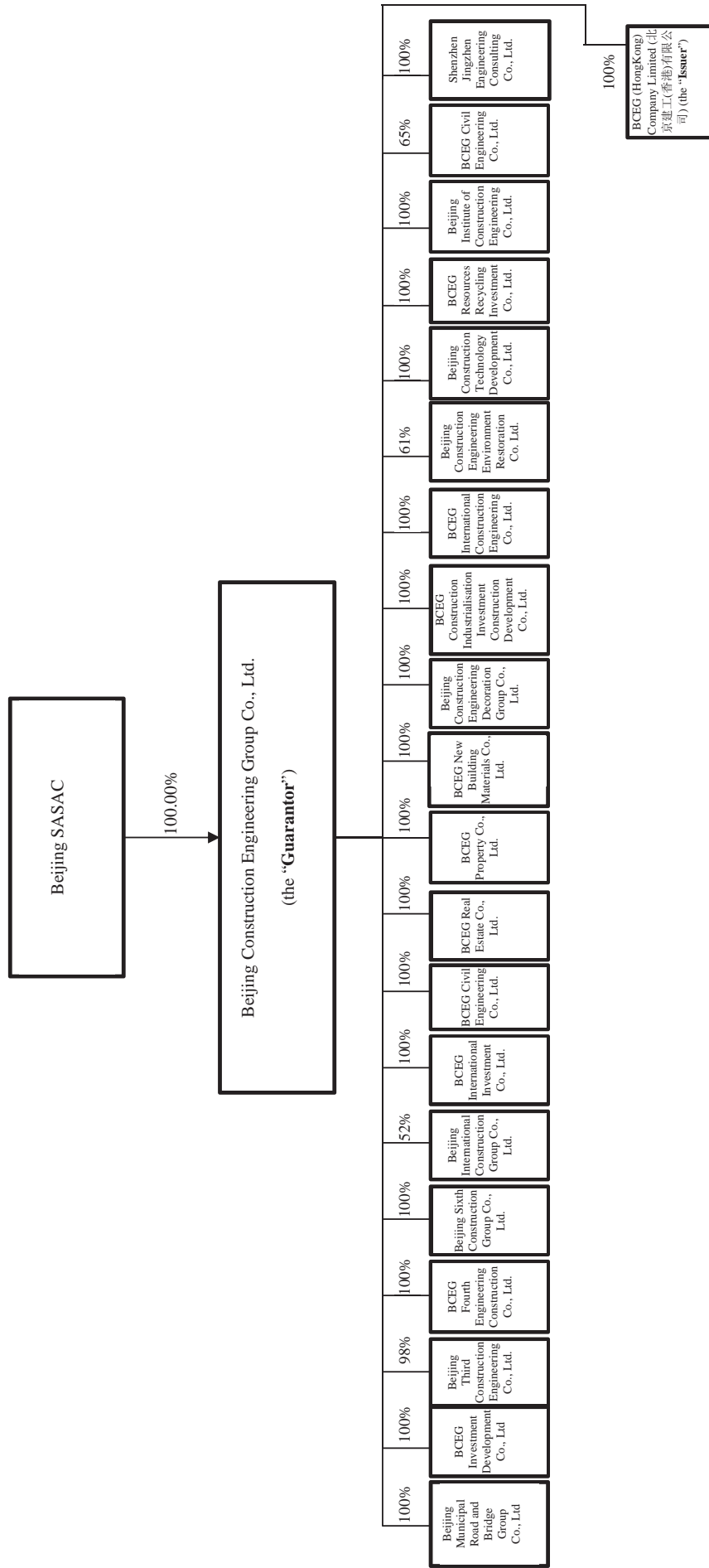
- On 19 January 1953, the predecessor of the Group, Beijing Architectural Engineering Bureau, was established with the approval of the Government Administration Council of the PRC.
- In 1984, Beijing Architectural Engineering Bureau was restructured into Beijing Architectural Engineering Company.
- In 1992, upon receipt of approval from the Beijing government, Beijing Architectural Engineering Company was restructured into Beijing Construction Engineering Group.
- On 17 November 1993, Beijing Construction Engineering Group obtained its Business Registration Certificate issued by the Beijing Administration for Industry and Commerce.
- On 5 June 1995, Beijing Construction Engineering Group obtained a licence to operate and hold state-owned assets for its business, and its Board of Directors was appointed to the Representative Committee for National Interests and the Committee for Business Strategy in the PRC as a key decision maker.

- On 12 October 1996, upon the approval by the Beijing government, Beijing Construction Engineering Group was reconstituted into a state-owned owned limited liability company and was re-named as Beijing Construction Engineering Group Co., Ltd, with Beijing government as the shareholder.
- On 28 September 1999, as approved by the Beijing government, the Guarantor obtained its Business Registration Certificate issued by the Beijing Administration for Industry and Commerce and was reconstituted into a wholly state-owned limited liability company. At the same time, it had registered capital of approximately RMB794.1 million and the Beijing SASAC held 100 per cent. equity interest in the Guarantor. Subsequently, upon acquisition of its import-export business licence, its scope of business expanded and its business registration was amended numerous times.
- In 2002, the Group won the bid for Beijing Metro Line 5, a breakthrough for the Group in the field of subway construction.
- In 2007, BCEG Environmental Development Co., Ltd. and the first domestic environmental restoration company, BCEG Environmental Restoration Company, were set up; BCEG US Co., Ltd. and BCEG US Joint Venture Company were established to venture into the construction contracting market. At same the time, the six regional market layouts in the strategic planning of the Guarantor had been initially realised, namely the Middle East, Eastern and Southern Africa, Central and Western Africa, Central and North Asia, Southeast Asia and the US.
- In 2008, the 29 Beijing Olympic Games and related projects undertaken by the Guarantor were highly acclaimed.
- In 2009, the Group won the bid for Beijing Shanghai High speed Railway Tianjin West Station Building project, which was the first project for the Group to enter the field of high speed railways.
- In 2012, the Group won the bid for the Tanzania National Stadium project with total construction area of 68,000 square meters and total investment of RMB40.1 billion. The project won the “China Construction Project Lu Ban Award (Overseas Project)” granted by the China Construction Association.
- In 2013, the Group officially entered the UK market and participated in the investment and construction of the Manchester Airport City project, becoming the first Chinese engineering contracting company to participate in a large scale infrastructure construction project in the UK as an equity investor and a general contractor.
- In 2016, the Group’s new contract value exceeded the RMB100 billion. In the same year, the Group also won the bid for Building A2 and Building B3 of the office area project of Beijing Administrative Sub central Office, with total contract value of approximately RMB2.9 billion; the Group also won the bid for the passenger terminal and comprehensive transfer centre (corridor) project of Beijing New Airport, with total contract value of approximately RMB3.3 billion.
- In 2017, the Group’s credit rating was raised from AA to AA+ according to China Chengxin International Credit Rating Co., Ltd., demonstrating the strong recognition of the Group’s credit and fund raising capacity.
- On 17 October 2017, BCEG New Building Materials Technology Co., Ltd. was officially listed on the National Equities Exchange and Quotations, marking a breakthrough of the Group in the Capital Markets industry.

- In 2017, the Group also won the bid for the first urban tram project in Beijing Yizhuang New City Modern Tram T1 Line Engineering Project Civil Construction Section 2, which was the first urban tram project undertaken by the Group. The Group also won the bid for the A section project of the permanent office space of the Asian Infrastructure Investment Bank Headquarters, which was a leading project in the infrastructure project of “One Belt One Road” initiative.
- In 2018, the Group won the bid for the first comprehensive passive energy saving building Changping District Future Science City Second Middle School Construction Project.
- In 2019, BMRB was transferred by Beijing SASAC to the Guarantor for zero consideration.
- In 2019, the Guarantor obtained an AAA issuer credit rating from the Golden Credit Rating.
- In 2020, the Group won the bid to aid the Belarusian international standard swimming pool project. It is a key cooperation project between China and Belarus in the “One Belt One Road” initiative, a key foreign aid project of the Ministry of Commerce in 2020, and is the first Belarusian project won by the Group.
- In 2021, the Guarantor obtained BBB international issuer ratings from S&P with a stable outlook.

CORPORATE STRUCTURE

The following chart sets forth the simplified structure of the principal subsidiaries of the Group as at 31 December 2020:



THE STRATEGIC RESTRUCTURING

In November 2019, BMRB was transferred by Beijing SASAC to the Guarantor for nil consideration, where the Group has seen substantial increase in its assets and revenues, with significantly improved comprehensive strength in municipal engineering construction services. For the year ended 31 December 2019 and as at 31 December 2019, BMRB was a consolidated subsidiary of the Group and the financial results of BMRB were consolidated into the financial statements of the Group pursuant to PRC GAAP.

BMRB was established in December 2000 and is a large state owned construction enterprise under the control and supervision of the Beijing SASAC with a long history. Its predecessor can be traced back to the Beijing Construction Bureau established in 1949 and its main operating entity, Beijing Municipal Road and Bridge Co., Ltd. (BMRB), is one of the Top 500 Chinese Enterprises and ranks No. 8 amongst civil engineering construction companies in the PRC. With infrastructure construction, maintenance and operation management as its main businesses, BMRB has built up five business segments, including scientific research and design, engineering construction, green building materials, maintenance operations, and resource development, with whole industry chain comprehensive service capabilities covering project investment, design consulting, engineering construction, building materials production, and maintenance and operation. Projects of BMRB cover approximately 30 cities and provinces (including autonomous regions) across the nation as well as developing countries including Pakistan, Sri Lanka, Equatorial Guinea, Papua New Guinea, amongst others.

Further to the strategic restructuring, the Group will internalise BMRB's expertise in infrastructure construction by leveraging its strong track record, qualifications and its strategic role in urban construction in Beijing.

RECENT DEVELOPMENTS

The outbreak of COVID-19

The recent outbreak of COVID-19 has caused substantial disruptions in the PRC and international economies and markets as well as additional uncertainties in the Group's operating environment. The Group has been closely monitoring the impact of the outbreak and continued escalation of COVID-19 on the Group's businesses and will keep its contingency measures and risk management under review as the situation evolves.

THE GROUP'S BUSINESS

Principal Businesses

The following table sets forth operating income from each of the Group's business segments and the percentage contribution to the Group's total operating income of its primary businesses for the periods indicated.

	Year Ended 31 December								
	2018			2019			2020		
	Operating income	%	Gross profit	Operating income	%	Gross profit	Operating income	%	Gross profit
	<i>(RMB in millions, except for percentages)</i>								
Construction	72,465.6	87.4	4,278.9	81,273.0	86.1	4,504.1	86,357.0	82.8	4,156.8
Real Estate Development	2,960.4	3.6	1,397.4	3,154.6	3.3	1,819.3	6,809.2	6.5	1,222.0
Construction Material Sales	3,696.4	4.5	747.0	5,775.9	6.1	638.7	5,839.5	5.6	948.1
Environmental Engineering	1,121.0	1.4	222.2	1,099.9	1.2	231.7	1,007.4	1.0	215.4
Services and others, consultation and service, others	2,688.4	3.2	865.7	3,102.7	3.3	996.2	4,336.6	4.2	1,448.0
Total	82,931.8	100.0	7,511.1	94,406.1	100.0	8,190.0	104,349.6	100.0	7,990.4

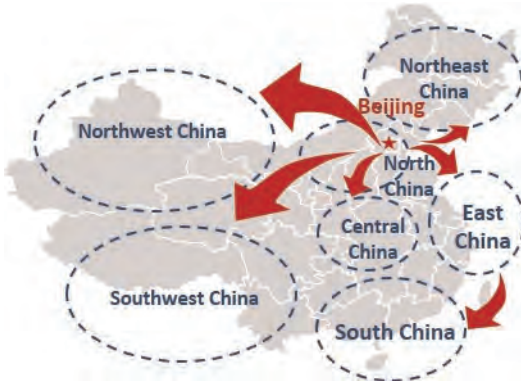
For the year ended 31 December 2020, the operating income of the (i) construction, (ii) real estate development, (iii) construction material sales, (iv) environmental engineering and (v) services and others, consultation and services, and other segments comprise 81.8 per cent., 6.5 per cent., 5.5 per cent., 1.0 per cent. and 5.2 per cent. of the total operating income of the Group (including of the Group’s non-primary business) respectively.

As at 31 December 2020, the Group had total bank credits of RMB258.4 billion and unused bank credits of RMB167.0 billion, or 64.6 per cent. of total bank credits.

Construction Business

The construction business is the core of the Group’s major business segments and the main revenue contributor. As at 31 December 2020, the Group’s projects have spread across more than 30 provinces in the PRC, not including Tibet. The Group also operates across 28 countries and regions including the United States, the United Kingdom, Australia, Thailand, New Zealand, Mongolia, Singapore, Malaysia, Mauritius, Rwanda, Angola, Mali, the Republic of Congo, Saudi Arabia, Israel, Côte d’Ivoire, Tanzania, Grenada, Togo, Algeria, Cape Verde, Hong Kong, Macao, Gibraltar, Trinidad and Tobago, Belarus, Myanmar and Antigua and Barbuda.

The map below shows the geographical locations of the Group’s business in the PRC.



The map below shows geographical locations of the Group’s business overseas.



The Group has a total of 488 qualifications, including seven special grade qualifications for general contracting of construction engineering, municipal public works and highways (the Group is the only large scale enterprise group in Beijing that owns special grade qualifications for general contracting of municipal public works, highway engineering and construction engineering); 156 grade one qualifications for general construction contracting and special contracting; 55 grade A qualifications for engineering surveying, design, consultancy, and supervision and management; and 69 other qualifications in real estate development, engineering inspection and others. On 2 December 2020, the Ministry of Housing and Urban-Rural Development issued the Reform Plan for the Qualification Management System of Construction Engineering Enterprises (建設工程企業資質管理制度改革方案(建市[2020] 94號)), which reformed and reduced the qualifications of construction engineering companies.

The Group has completed a number of construction projects in the PRC including its own projects and projects contracted by third parties. The projects that the Group has completed, is constructing and/or has been awarded include large residential complexes, central business districts, office buildings, infrastructures, plants and transportation facilities which are located in major cities in the PRC. The landmark projects in the PRC that the Group has been involved in include the Great Hall of the People, the Conference Hall for the Standing Committee of the Chinese People's Political Consultative Conference, the Tiananmen Square Buildings, China Central Television Tower, National Conference Centre, Terminal T3B of Beijing Capital Airport, Beijing Daxing International Airport, Beijing West Railway Station, Beijing Oriental Plaza, People's Bank of China Financial Centre, Beijing Yanxi Lake International Convention and Exhibition Centre, Expo 2019, Capital Museum New Building, International Horticultural Exhibition, the USA Embassy in China, the French Embassy in China, the Beijing TV Centre, Beijing Jade Palace Hotel, the Great Wall Sheraton Hotel Beijing, various projects for the Beijing Subway System, the National Library of China Project, Henderson Centre, Beijing Huairou G20 Convention Centre, the Deputy Administrative Centre of Beijing Municipal Government, the New World Centre, the permanent premise, of Asia Infrastructure Investment Bank (Phase A), China Southern Airlines' base at Beijing's new international airport (Phase 1), China Eastern Airlines' base at Beijing's new international airport (Phase III Stage 1), the A2 Building of Beijing Urban Sub-centre Office Premises, and the Beijing fresh agricultural products distribution centre. The Group has also participated in the construction of Beijing Universal Studios, which is expected to become the world's latest Universal Studios when it opens in July 2021. Outside Beijing and in other parts of PRC, the Group has participated in major construction projects including the Swiss Consulate General in Guangzhou. The Group has constructed over 80 per cent. of the modern architecture along Chang An Street and has completed 29 projects for the 2008 Beijing Olympics.

Additionally, the Group has in recent years constructed a number of landmarks in other countries. – *See Overseas Expansion below.*

The Group has successfully established and maintained good long-term strategic partnerships with the PRC government and numerous domestic and foreign major institutions. The Group also tailors a variety of high quality services to fulfil the individual needs of its customers. The Group maintains and constantly strengthens its advantages in construction engineering, while simultaneously enhancing its competitiveness in design, scientific research, consulting, construction materials and investment and financing, which enables it to fully utilise its advantages along the whole vertical chain of property development, as well as utilise its resources within and outside the Group, in order to provide its customers with a full and comprehensive service from project pre-commencement stages to post-completion operations.

The Group has completed a variety of landmark projects in both domestic and overseas markets on General Engineering Contracts, which includes operating EPC and PPP. The Group is able to switch to different project models depending on the customers and risks involved. The Group also has numerous achievements in high-end projects in a number of high-end markets, such as Europe, the Americas and the Middle East. The Group has constructed over 18,000 kilometres of urban roads and main highways, over 1,900 bridges, around 35 subway lines and over 400 kilometres of subway rails, over 100 treatment plants or water plants and over 23,000 kilometres of pipelines.

Operating income from the Group's construction business for the years ended 31 December 2018, 2019 and 2020 amounted to RMB72,465.6 million, RMB81,273.0 million and RMB86,357.0 million, respectively, accounting for approximately 87.4 per cent., 86.1 per cent. and 82.8 per cent. of the total operating income of its primary businesses during the same periods. For the years ended 31 December 2018, 2019 and 2020, the Group's total completed contract value amounted to RMB52.5 billion, RMB100.6 billion and RMB112.0 billion, respectively. The table below sets forth the area under construction by the Group as at the dates indicated.

	As at 31 December		
	2018	2019	2020
		<i>(sq.m.)</i>	
Total area under construction	40,694,600	47,930,000	51,420,000
Include: new area under construction	11,637,600	11,820,000	17,286,600
Area with completed construction	8,941,400	13,620,000	10,250,200

As at 31 December 2020, the Group has been awarded numerous distinctions due to the high quality of its construction work, including 101 Lu Ban awards (中國建設工程魯班獎), 56 Zhan Tianyou Civil Engineering Prizes (中國土木工程詹天佑獎) and 75 China National Outstanding Quality Engineering Awards (國家優質工程獎).

Contract Backlog

Backlog is the total estimated value of uncompleted contracts as at a certain date. Such estimated contract value fluctuates from time to time as a result of changes in project scope or adjustment to contract terms. The Group's backlog is also affected by its entry into new contracts.

The Group's construction contracts are generally fixed-price contracts with an agreed completion schedule. Some of them contain detailed schedules for fee adjustments upon the occurrence of specified events, such as price increases in raw materials. In addition, the Group's clients may from time to time issue change orders to reflect changes to design, method, facility, equipment and target completion date. Such change orders will result in corresponding adjustments to the Group's estimated contract value in the backlog.

New Contract Value

New contract value is the aggregate monetary value of the contracts the Group enters into during a specified period. In cases where the Group has commenced work with respect to a contract which has not been signed, the new contract value equals the price at which the contract is awarded. For the three years ended 31 December 2018, 2019 and 2020, the Group's new construction contract value of its construction segment operations was approximately RMB103.4 billion, RMB147.0 billion and RMB188.0 billion, respectively.

The following table sets forth the Group's new construction contract value for the periods indicated (taking into account consolidation of BMRB as at 31 December 2019):

	As at 31 December		
	2018	2019	2020
		<i>(RMB in billions)</i>	
Buildings	74.4	90.3	111.7
Municipal works (including roads and bridges)	19.7	40.0	65.2
Decoration	2.7	3.8	2.8
Installation	3.4	4.4	5.3
Other	3.2	8.7	3.7
Total	103.4	147.1	188.0

The following table sets forth the Group's new construction contract value by geography for the periods indicated:

	As at 31 December		
	2018	2019	2020
	<i>(RMB in billions)</i>		
Beijing.	44.9	69.1	100.6
PRC (excluding Beijing).	54.2	73.2	85.6
Outside PRC.	4.3	4.8	1.8
Total.	103.4	147.1	188.0

Major Subsidiaries Operating in the Construction Business Segment

The Group operates its construction business through its major subsidiaries Beijing No. 3 Construction Engineering Co., Ltd., Beijing No. 4 Construction Engineering Co., Ltd., Beijing No. 6 Construction Engineering Co., Ltd., Beijing International Construction Group Limited Company, BCEG International Co., Ltd. and BMRB.

Beijing No. 3 Construction Engineering Co., Ltd. has been granted a special grade of general contracting for construction engineering, grade A qualification of engineering design and construction industry, grade one qualification of professional contracting for building mechanical and electrical installation engineering, grade one qualification of professional contracting for building decoration engineering, grade one qualification of professional contracting for lifting equipment installation engineering and grade A qualification of lightning protection device detection. Beijing No. 3 Construction Engineering Co., Ltd. has completed a number of construction projects in China, including the Great Hall of the People, National Library, Tianjin West Railway Station, Harbin Grand Theater, Beijing Government Service Centre, Changsha Convention and Exhibition Center and many other large landmark public buildings. As at 31 December 2020, Beijing No. 3 Construction Engineering Co., Ltd. had total assets of RMB8.7 billion and total liabilities of RMB7.1 billion. For the year ended 31 December 2020, the operating income and the net profit of Beijing No. 3 Construction Engineering Co., Ltd. were RMB5.9 billion and RMB62.4 million, respectively.

Beijing No. 4 Construction Engineering Co., Ltd. has been granted special grade in general contracting of house architectural engineering construction, grade one in special contracting of decoration engineering, grade one in special contracting of steel structure engineering, grade one in special contracting of lifting equipment installation, grade two in general contracting for municipal public engineering, grade one in special contracting in lifting equipment installation engineering and grade one in special contracting of electrical installation. It is a professional contractor for lifting equipment installation and electrical installation. It has also been granted the grade A qualification on decoration design engineering and a national level laboratory examination qualification. Major construction projects completed by Beijing No. 4 Construction Engineering Co., Ltd. include the construction of Beijing Hospital of Hotan City (recipient of the Lu Ban award), Xinhaihang Building (recipient of the Lu Ban award), Minmetals (Yingkou) Industrial Park Enterprise Service Centre (being a project receiving the China National Outstanding Quality Engineering Awards), Bilingual Model Kindergarten Construction Project in Huanhu New District of Hotan City (being a project receiving the China National Outstanding Quality Engineering Awards), Hotan City Beijing Haidian Primary School and Hotan City Beijing Haidian Kindergarten Project (being a project awarded the China National Outstanding Quality Engineering Awards) and the Beijing Free Trade Zone Innovation Service Centre Project. As at 31 December 2020, Beijing No. 4 Construction Engineering Co., Ltd. had total assets of RMB3.42 billion and a total liability of RMB2.69 billion. For the year ended 31 December 2020, the operating income and the net profit of Beijing No. 4 Construction Engineering Co., Ltd. were RMB5.10 billion and RMB103.29 million, respectively.

Beijing Sixth Construction Group Co., Ltd. has the special grade qualification for general contracting of housing and the qualification certificate of the PRC for foreign contracting projects. It has a number of qualifications such as the grade one professional contracting of building decoration and decoration

engineering, the grade one professional contracting of steel structure engineering, the grade one professional contracting of lifting equipment installation engineering, the grade two general contracting of municipal public works construction and the grade two general contracting of mechanical and electrical equipment installation engineering. Beijing Sixth Construction Group Co., Ltd. is also a professional contractor for municipal public construction, professional contractor for electrical installation, general contractor for housing construction projects and professional contractor for installation of lifting equipment. Two projects, including the Great Wall Hotel Beijing, were awarded the “Beijing Top Ten Buildings in the 1980s”; three projects, including the CCTV Tower, were awarded the “Beijing Top Ten Buildings in the 1990s”; and four projects, including Jinyun Building and Guohong Building, were awarded a national Quality Engineering Award; 18 projects including the People’s Bank of China, Sinochem Tower, Jingsheng Plaza, Customs Information Management Center, Northern Jiaotong University Academic Exchange Center and Tianjin TEDA Football Stadium, won the Lu Ban Gold Award. As at 31 December 2020, Beijing Sixth Construction Group Co., Ltd. had total assets of RMB5.07 billion and a total liability of RMB4.44 billion. For the year ended 31 December 2020, the operating income and the net profit of Beijing Sixth Construction Group Co., Ltd. were RMB3.16 billion and RMB15.95 million, respectively.

Beijing International Construction Group Co., Ltd. (北京國際建設集團有限公司) has the grade one qualification in general contracting for construction engineering, grade one in general contracting for construction of municipal public works, professional contracting for steel structure engineering grade A and grade A special contracting of building decoration and decoration projects. The business scope of this subsidiary includes general engineering contracting, engineering survey, design, construction and consulting, real estate development, sales of self-developed commercial housing and economic information consulting. As at 31 December 2020, Beijing International Construction Group Co., Ltd. had total assets of RMB3.03 billion and a total liability of RMB2.80 billion. For the year ended 31 December 2020, the operating income and the net profit of Beijing International Construction Group Co., Ltd. were RMB2.70 billion and RMB36.11 million, respectively.

BCEG International Co., Ltd. (北京建工國際建設工程有限責任公司) engages in the business of construction general contracting, special contracting, dispatch of labour personnel to implement the Group’s overseas projects, technology development, technical consulting, technical services, construction technology training, construction machinery and equipment leasing, goods import and export, technology import and export, agent import and export and sales of furniture and building materials. As at 31 December 2020, BCEG International Co., Ltd. had total assets of RMB2.87 billion and a total liability of RMB2.97 billion. For the year ended 31 December 2020, the operating income and the net profit of BCEG International Co., Ltd. were RMB0.57 billion and RMB-134.43 million, respectively. BCEG International Co., Ltd. experienced a net loss in 2020 because it lacked certain qualifications for some revenue to be attributed to it and the actual revenue it generated was recorded at Group level, while costs and expenses were recorded to it in the financial statements, thus resulting in a reflection of net loss in the income statement.

BMRB has three special qualifications for general contracting of municipal public works, highway engineering and construction engineering. Prior to the Strategic Restructuring, BMRB constructed notable infrastructures such as the Beijing Chang’an Avenue, Beijing Hong Kong Macao Expressway, Fuxingmen Overpass (China’s first interoperable urban overpass), Beijing Lishui West Bridge (the first subway cable stayed bridge in Asia), Beijing Metro Line 1 (Beijing’s first subway line), Beijing Metro Line 13 (the first light rail in China), Beijing Ninth Water Plant (Asia’s largest water plant), Gaobeidian Sewage Treatment Plant (China’s largest sewage treatment plant), Beijing’s first gas, heat and natural gas pipeline and the South to North Water Transfer Pipeline. As at 31 December 2020, BMRB had total assets of RMB66.94 billion and a total liability of RMB53.06 billion. For the year ended 31 December 2020, the operating income and the net profit of BMRB were RMB43.19 billion and RMB843.20 million, respectively.

Operation Process

The Group normally secures projects through a competitive tender process, which includes sealed bidding procedures where the Group submits technically acceptable and competitive proposals, or the Group submits a competitive order along with other bidders against existing construction contracts. The Group will usually be awarded the construction contract if it can submit a satisfactory proposal with proof of viable technical solutions and performance that meets the relevant regulatory standards at a reasonable price.

As a general contractor, the Group is involved in the day-to-day management and implementation of the construction projects awarded to the Group. The Group sometimes delegates part of the construction work to subcontractors and coordinates with customers, consultants, subcontractors and suppliers when carrying out the construction. The general business process of the Group's construction business consists of the below phases:

Project originating, planning and project evaluation

As part of its project origination process, the Group provides initial instructions to its technical, business, financial and risk management teams upon receiving details of a potential project. The teams then compile information on factors such as the nature, size and scope of the project, technical requirements, financing requirements, payment terms, personnel allocation, economic and technical risks and anticipated length of construction, in order to establish a preliminary strategy and assessment.

Tender process and award of contract

For major construction projects, the Group is usually required to submit a technical proposal and a price proposal as part of the tender process. The proposals will first be evaluated for technical viability and quality and then be evaluated in terms of pricing. Normally, the proposals that have the highest "price to performance" ratio will be selected. If the Group is short listed, it will then receive feedback about the relationship between price and technical viability and quality for its proposals. The Group will have the option of amending its technical proposal or price proposal and hold negotiations and discussions with the property development company. If the proposals can be amended to better meet the property development company's needs compared with the other shortlisted bidders, the Group will be selected for the construction project. As the Group is a state-owned entity and possesses an emergency response team in Beijing, it is from time to time commissioned to undertake governmental emergency projects for construction without participating in the tender process. The Group assisted in developing the Lushi Villa as an anti-SARS medical staff resting base within 24 hours. In 2008, to assist the urgent reconstruction after the catastrophic earthquake in Sichuan province, the Group provided transitional housing in Jiangyou and aided the rebuilding of the Shifang People's Hospital and the Rehabilitation Center. In 2012, after a disaster in the Fangshan District, the Group assisted in constructing the Fangshan District Mountainous Population Resettlement Center within eight months. The Group was also involved in the following: building the SARS Ward in Xiaotangshan Sanatorium in 2003; constructing the Jiangyou Transitional Resettlement Housing as part of the Sichuan relief and construction project in 2008; constructing the H1N1 spare ward in the Chaobaihe Orthopaedics Hospital in 2009; the comprehensive renovation of Beijing Qinghe Wool Spinning North old quarter in 2017; the 70th anniversary of the National Day service guarantee mission in 2019; the five emergency projects for epidemic prevention and control including Xiaotangshan Hospital and Ditan Hospital in 2020; construction of the 17 Hetian aid construction projects from 2012 to 2020; and the upgrade and reconstruction of nine projects for Beijing Municipal Hospitals Fever Clinics, "One Hospital, One Policy".

Project implementation

In order to carry out the work in accordance with the agreed timeline, price and scope of work as set out in the tender documents and contracts, the Group utilises a comprehensive set of internal control systems to manage and control each stage of a project, including project planning, project implementation, financial management, labour management, monitoring of equipment and materials,

quality and cost control, safety measures and compliance and certification. If proprietors request any modification to the scope of work during the construction phase, the price and project timetable are adjusted after further negotiations.

Project completion, inspection and transfer

Upon completion of the project in accordance with the terms of the contract, the Group typically submits an application (containing a project completion report) for examination by the project supervisory agency appointed by the proprietor. The proprietor would generally be invited to inspect the project. Where the proprietor is satisfied, the Group is provided with a construction transfer certificate, to be signed by the proprietor or a representative and such certificate demonstrates the completion of the project.

Generally, the Group provides a contractual maintenance period of 12 to 24 months from the date the construction transfer certificate is signed for the project. During this maintenance period, the Group is generally liable in accordance with the terms of the contract for any defective work. The duration for each step of the business process (except for the maintenance period, which generally lasts for 12 to 24 months after project transfer) and the entire business process varies depending on the nature of each project (e.g., the complexity and technical requirements of the project), as well as circumstances beyond the Group's control. It typically takes three to five years for the Group to complete a construction project.

Project payment

During bidding, the Group is typically required to provide a bid bond, which will be released upon winning the bid and signing the contract. After winning a bid, the Group typically requires the proprietor to make an advance payment equal to a certain percentage of the total contract amount; in return, the Group procures a bank to issue an advance payment bond in the proprietor's favour to guarantee the Group's refund of the advance payment if it does not complete the project pursuant to the contract terms. As the project progresses, the proprietor typically makes progress payments to the Group with reference to the amount of work completed at specific milestone dates. From time to time, the Group may be required to commit cash and other resources to the project prior to receiving full payment from the proprietor to cover certain expenditure on the project as they are incurred. To safeguard its performance of its obligations under the contract, the Group is generally required by the proprietor to provide a performance bond. Such performance bond will typically expire around the date of signing the provisional acceptance certificate (the "PAC") for the relevant project and delivery of the project to the proprietor.

After the signing of the PAC, a retention bond is usually retained by the proprietor and will generally expire at the end of the maintenance period, typically 12 to 24 months after a construction transfer certificate is issued. Where a project is financed by credit, the Group, as contractor, typically will provide funding to a project principally with loans and credit facilities provided by financial institutions and to a lesser extent with the Group's own financial resources, such that the proprietor will make payment to it on a deferred basis.

Construction Projects Portfolio Summary

The following table sets out a summary of certain details of the major construction projects completed by the Group as at 31 December 2020. It should be noted that project names used in this Offering Circular are names the Group has used, or intends to use, for the purpose of marketing its properties. Some of the project names require approval of the relevant authorities, and the relevant authorities may not accept the names the Group has used or those that the Group intends to use as the registered names of these projects. As a result, the actual names registered with the relevant authorities may be different from the names used in this Offering Circular and may be subject to change. Furthermore, for the

avoidance of doubt, references to development costs of any property project in this Offering Circular, whether actual or expected, include the paid or payable (as applicable) portion of land premium for the relevant land use rights under such project.

Project Name	Location	Type	Client Name	Commencement Date of Construction Works	Approximate Contract Value
Major Construction Projects of the Group					<i>(RMB in millions)</i>
Beijing New Airport Passenger Terminal and Comprehensive Transfer Centre	Between Beijing and Langfang City, Hebei Province	Housing Project	Beijing New Airport Construction Headquarters	15 March 2016	3,384
Underground space of Xixia Road Station, Branch Line 4 of Suzhou Metro	Taihu New Town, Suzhou	Civil Engineering	Suzhou Wuzhong Rail Transit Co., Ltd.	1 July 2014	2,986
Office area project (Phase I) Building A2 of Beijing Administrative Deputy Central Office.	Tongzhou, Beijing	Housing Project	Beijing Municipal Administration Sub-center Engineering Construction Office	1 July 2016	2,513
Section A of the permanent office space of the Asian Infrastructure Investment Bank Headquarters.	Chaoyang District, Beijing	Housing Project	Beijing Xinao Group Co., Ltd.	2 May 2017	2,101
Maintenance Facilities Project of the First Section of China Southern Airlines Base of Beijing New Airport	Between Beijing and Langfang City, Hebei Province	Housing Project	China Southern Airlines Co., Ltd.	3 November 2017	1,468
Second bid for Qinghe Second Reclaimed Water Plant	Chaoyang District, Beijing	Civil Engineering	Beijing Urban Drainage Group Co., Ltd.	1 May 2014	1,163
China Life Data Centre	Zhongguancun Environmental Protection Technology Demonstration Park, Haidian District, Beijing	Housing Project	China Life Insurance Company Limited	6 January 2011	1,052
The supporting resettlement housing project for the 2016 World Rose Intercontinental Conference.	Daxing District, Beijing	Housing Project	Beijing Xingfu Airport Industry Development Co., Ltd.	1 November 2017	967
Section of the Bank of Beijing Shunyi Technology R&D Centre	Shunyi New Town, Beijing	Housing Project	Bank of Beijing Co., Ltd.	1 May 2015	927
Plots of Yancun Town, Fangshan District, R2 second-class residential land, S4 social parking lot land, and A33 basic education land project	Fangshan, Beijing	Housing Project	Beijing Longyuan Real Estate Development Co., Ltd.	11 November 2018	791

The following table sets out a summary of certain details of the major ongoing construction projects of the Group as at 31 December 2020.

Project Name	Location	Client Name	Type	Approximate Contract Value
Major housing construction Projects				
The second phase of the National Convention Centre.	Beijing	Beijing Beichen Exhibition Investment Co., Ltd.	Commercial	5,051
Resettlement Housing and Supporting Facilities Project of Group B2 in Rongdong Area.	Xiong'an	China Xiong'an Group Urban Development Investment Co., Ltd.	Residential	3,515
Beijing Fresh Agricultural Products Circulation Center	Beijing	Beijing Agricultural Products Central Logistics Park Co., Ltd.	Commercial	3,378
Section of Beijing City Sub-central Station Comprehensive Transportation Hub Project	Beijing	Beijing Jingtou Transportation Hub Investment Co., Ltd.	Commercial	3,275
Phase II of the construction project of Zone A of the International Energy Revolution Science and Technology Innovation Park in Datong City.	Datong	Datong City Economic Construction Investment Co., Ltd.	Commercial	2,358
Section of the land development project of the Qianweigou Group shantytown reconstruction project in Sunhe Township, Chaoyang District.	Beijing	Beijing Kuntai Jiaheng Real Estate Development Co., Ltd.	Commercial	2,333

Project Name	Location	Client Name	Type	Approximate Contract Value <i>(RMB in millions)</i>
General contracting of the first phase project of the old village renovation project in Diaozhen Town, Zhangqiu City.	Zhangqiu	Zhangqiu Huinong New Countryside Construction Investment Development Co., Ltd.	Residential	2,093
Shanxi Transformation Comprehensive Reform Demonstration Zone Innovation Green City Project Construction Project	Taiyuan	Shanxi Science and Technology Innovation City Investment Development Co., Ltd.	Commercial	1,683
Construction Project of the Eastern Hospital of Beijing Chaoyang Hospital, Capital Medical University	Beijing	Beijing Chaoyang Hospital, Capital Medical University	Commercial	1,636
The third bid section of the southeast group of the second phase of Beijing City Sub-centre.	Beijing	Beijing City Sub-center Engineering Construction Management Office	Commercial	1,430
Major municipal engineering projects (excluding rail transit projects)				
Changzhi Mayor North Main Line Expressway Construction Project (road and bridge).	Changzhi	Changzhi Municipal Administration Centre	Municipal Engineering	1,337
EPC project of Phase I of comprehensive improvement of Wusong River Basin	Jiangsu	Kunshan Water Affairs Group Co., Ltd.	Municipal Engineering	1,326
Shanxi Transformation Comprehensive Reform Demonstration Zone, Xiaohu Industrial Park, Taiyuan Starting Zone Xiaoni Line Comprehensive Pipe Gallery and Renmin Road PPP Project.	Taiyuan	Shanxi Transformation and Comprehensive Reform Demonstration Zone Xiaoni Pipe Gallery Project Management Co., Ltd.	Municipal Engineering	1,298
Tianjin Datang Pandian to Baodi District Heating Main Line-level Relay Pumping Station Project	Tianjin	Tianjin Jibao Thermal Power Co., Ltd.	Municipal Engineering	1,282
Major construction projects				
National Highway 109 New Line Expressway (West Sixth Ring Road-City Boundary Section) Government and Social Capital Cooperation Project.	Beijing	Beijing Municipal Transportation Commission	Municipal Engineering	15,390
Beijing City Sub-central Station Comprehensive Transportation Hub Project.	Beijing	Beijing Jingtou Transportation Hub Investment Co., Ltd.	Commercial	10,570
Yuanyang County CBD Central District Municipal Infrastructure Project.	Xinxiang	Yuanyang County Jingjian Construction Management Co., Ltd.	Municipal Engineering	9,870
Linyi Xicheng Youjinhu International New City Area Infrastructure Construction Project	Linyi	Linyi Lanshan District Urban Development and Construction Investment Group Co., Ltd.	Municipal Engineering	9,000
National Convention Centre Phase II Project.	Beijing	Beijing Beichen Exhibition Investment Co., Ltd.	Commercial	5,051
Resettlement Housing and Supporting Facilities Project in Rongdong Area	Xiong'an	China Xiong'an Group Urban Development Investment Co., Ltd.	Residential	3,515
Beijing Fresh Agricultural Products Circulation Center Project.	Beijing	Beijing Agricultural Products Central Logistics Park Co., Ltd.	Commercial	3,380
Section of the Shantytown Reconstruction Project in Qianweigou Group, Sunhe Township, Chaoyang District	Beijing	Beijing Kuntai Jiaheng Real Estate Development Co., Ltd.	Residential	2,333

Overseas Expansion

In addition to the domestic construction market in which the Group is one of the leading players, the Group is also actively involved in the overseas construction market. The implementation of international business is mainly carried out by the international department of the Group, and overseas expansion is mainly carried out through its subsidiaries BCEG International Investment Co., Ltd., Beijing International Construction Engineering Co., Ltd. and International Engineering Department of Beijing Sixth Construction Group Co., Ltd.

The international business of the Guarantor began with national foreign economic aid projects in the 1950s, and in 1992 it obtained the qualification for foreign project contracting. Since the 1990s, the Group has undertaken housing construction, roads and bridges, municipal, airports, and power plants, amongst other overseas projects. The Group mainly adopts traditional construction general contracting models in certain regions of Asia and Africa. In mid to high-end regional markets including the US and Europe, the Group has begun to obtain construction projects through investment driven construction. An example includes the Group's Landmark project in Bangkok, Thailand and the Airport City Project in Manchester, UK.

In the future, the Group will actively attempt the "self operated + platform" business model innovation to establish and strengthen the cooperative relationship between the internal and the external of the Group, achieve complementary advantages and win-win cooperation, and enhance the Group's international competitiveness. The Group will also focus on cultivating and shaping its specialised areas with competitive advantages, including strong ties with experts, good revenue performance, close cooperation with upstream partners and achieving high profits. Possible ventures to achieve these goals include airport construction and operation, sewage plant construction and operation and overseas industrial parks. Major markets are to be identified based on the external environment and the Group also aims to focus on the market of aid projects of the Ministry of Commerce and embassies and consulate projects of the Ministry of Foreign Affairs in response to the country's diplomatic policy. The Group will also actively explore the market for foreign aid preferential loan projects and preferential export buyer credit projects.

As at 31 December 2020, the Group operated in 28 countries and regions outside the PRC. The Group has also participated in the construction of some of the Chinese embassies or consulates in these foreign countries. Operating income from the Group's overseas construction business for the years ended 31 December 2018, 2019 and 2020 amounted to RMB3,900 million, RMB3,980 million and RMB3,380 million, respectively, accounting for approximately 5.4 per cent, 4.9 per cent. and 3.9 per cent., respectively, of the operating income of the construction business during the same periods.

Additionally, the Group has in recent years constructed a number of landmarks in other countries. In Europe, the Group constructed the largest residential real estate project in the outskirts of the city of Manchester, the Manchester Middlewood Locks Phase I & II, in the United Kingdom in 2016 and has recently completed the new Enterprise Way link road at Manchester Airport City, one of the biggest business hubs currently in development in the United Kingdom. In the United States, the Group has participated in the TMC Intercontinental Hotel Project. In Africa, the Group was recently selected to be in charge of the Mwanza Airport expansion and reconstruction project in Tanzania and was responsible for building the Tanzanian National Stadium. In the Middle East, the Group has become the first Chinese company to set foot in the real estate industry in Israel by entering into a deal as a general contractor with an Israeli real estate company in November 2017. In Asia, the Group was responsible for constructing Chao Phraya Estate Project in Bangkok. The Chao Phraya Estate Project consists of Jiapile Hotel, Four Seasons Apartments and Four Seasons Hotel, covering an area of 50,000 square metres and has a total construction area (including underground) of 282,203 square metres. The Group won the bid for Belarus's International Standard Swimming Pool Aid Project, which is a key cooperation project of the Belt and Road Initiative between China and Belarus, and the first project of BCEG in Belarus. After completion, it is expected to become the largest swimming pool in Belarus.

Other than the above, some other overseas projects include the headquarters of the Royal Committee of Saudi Arabia Jeddah City, the Saudi Arabia Residential Housing Projects, Bangkok Riverside Landmark, California Shores Apartment Community, Congo-Brazzaville Commercial Centre, the Tel Aviv Residential Housing Project, the modernisation of Zanzibar Airport, the restoration of Cape Verde's parliamentary building, aid to Myanmar National Arts Theatre, aid to Côte d'Ivoire Abidjan Stadium, aid to Cape Verde Assembly Hall Maintenance, aid to low income housing in Grenada (Phase II) and aid to Congo Nguwabi University Expansion.

Rail Transit Projects

In recent years, the Group has also focused on developing rail transit projects, undertaking a number of rail transit projects in Beijing, Guangzhou and Zhengzhou. As a result of the growth in the Group's rail transit projects and from the Strategic Reorganisation, the Group's municipal engineering projects have increased in terms of new contract value. In 2020, the Group continued to maintain its position as a leading rail transit developer in Beijing and won the bids for two new Beijing rail transit projects.

As at 31 December 2020, the Group had 42 major railway lines under construction. The following table sets out certain details of major rail transit projects:

Project Name	Location	Client Name	Approximate Contract Value
			<i>(RMB in millions)</i>
The 21st contract section of the civil construction of the second phase of Beijing Metro Line 17	Beijing	Beijing Rail Transit Construction Management Co., Ltd. Beijing Infrastructure Investment Co., Ltd.	3,059.10
The 18th contract section of the civil construction of the second phase of Beijing Metro Line 6	Beijing	Beijing Rail Transit Construction Management Co., Ltd.	2,226.46
Civil construction of Line 1 of urban rail transit in Shaoxing City	Shaoxing, Zhejiang	Shaoxing Jingyue Metro Co., Ltd.	1,937.29
Beijing Metro Line 3 Line Section 03	Beijing	Beijing Rail Transit Construction Management Co., Ltd.	1,823.11
Beijing Metro Line 3 Line Section 01	Beijing	Beijing Rail Transit Construction Management Co., Ltd.	1,524.45

Diversified Project Models

Besides the Group's general contractor business model, the Group is further involved in business models such as the EPC and the PPP business model, where the Group collaborates with governments and proprietors (either in the PRC or overseas). Under the EPC model, the general contractor of the project undertakes the design, procurement, construction and trial operation services of the project in accordance with the contract, and is fully responsible for the quality, safety, construction period and cost of the contracted project. It is also called turnkey project. Under the PPP model, the Group is required to establish a PPP project company in cooperation with the local government (and representatives) and invest according to the project company's shares. The project company is responsible for the investment, financing, construction and operation of the PPP project, and then the PPP project is issued by the issuing company. Under a PPP project contract signed by the implementing agency and the project company, the PPP project is divided into a construction period and an operation period. The government finance department pays the Group for availability or user fees during the operation period according to the agreement in order to recover total project investment and income. After the expiration of the concession period, the project company will transfer the project assets to the government or its designated agency free of charge.

The table below shows certain representative projects of the Group's PPP business as at 31 December 2020:

Project Name	Total Investment <i>(RMB in millions)</i>	Project Model	Project Commencement	Expected Project Completion	Repurchase Commencement
National Highway 109 New Line Expressway (West Sixth Ring Road-City Boundary Section) Government and Social Capital Cooperation (PPP) project	22,092.4	PPP	3 November 2020	16 December 2023	2024
Shaoxing Urban Rail Transit Line 1 PPP Project	19,778.5	PPP	14 January 2020	30 December 2023	2024
New Airport Rail Line Socialized Investment Project	14,994.4	PPP	1 June 2017	1 June 2019	2020
Government and Social Capital Cooperation (PPP) Project for the Reconstruction and Reconstruction of Beijing Workers' Stadium	6,116.6	PPP	14 January 2021	9 December 2022	2023
Procurement by a social party of the comprehensive pipeline corridor and supporting facilities of the Knowledge City	4,034.7	PPP	1 June 2021	1 June 2024	2025
Luzhou Tuojiang New City's overall urbanisation municipal road and comprehensive pipeline corridor PPP construction project	3,000.0	PPP	1 August 2017	15 September 2020	2021
PPP project of comprehensive management and operation and maintenance of Longjinyang branch water system in Cangshan, Fujian	2,413.1	PPP	20 April 2017	31 September 2020	2021
PPP project of Wu'an City Tourism Dedicated Line Road Project and Taihang Iron and Steel's Retreat from City to Park Road Project	2,000.5	PPP	1 January 2017	24 January 2019	2020
Shanxi Transformation Comprehensive Reform Demonstration Zone Xiaohe Industrial Park Taiyuan Starting Zone Xiaoni Line Comprehensive Pipe Gallery and Renmin RoadEngineering PPP Project	1,939.7	PPP	8 August 2019	8 August 2021	2022

Procurement

The Group adopts three different methods of procurement for its construction operations; namely, procurement by the Group, procurement controlled by the owner and procurement by the contractor, in accordance with different provisions under its construction contracts. The raw materials it uses for infrastructure construction include steel, timber, cement, crude, pyrotechnics, waterproof materials, geotextile materials and additives.

The Group is in charge of the procurement of certain raw materials, such as steel, wood and cement. Procurement controlled by the owner means that the owner will first supervise the contractor in the organisation of the bidding and determination of the raw materials supplier, following which the contractor will negotiate business terms and enter into a purchase agreement with the suppliers designated by the owner. Most of the Group's contracts are fixed-price contracts under which the Group is responsible for procuring raw materials. The procurement costs consist of part of its construction costs and the owner will not refund the payments already made for raw material procurement.

As part of the "Big Data Centre" project, the Group has a centralised procurement system – the Procurement Information Platform – which enables all entities of the Group to share information on the suppliers, notably, the price information of the raw materials. Through collecting the procurement

contracts inventory and other procurement related documents and analysing the procurement price and suppliers, this measure will eventually reduce the procurement costs, ensure consistent quality of raw materials and increase the rate of return of the Group.

In order to implement dynamic management, the Group and its second level subsidiaries have established a comprehensive supplier evaluation system. Every unit and project is regularly evaluated by the supplier resource library, which evaluates and audits the unit or project's supply capacity and sales services, amongst other things. The Group then publishes an "Approved Supplier List" to create a network of comparatively stable approved suppliers and establish stable long-term co-operative relationships. In the Group's implementation of dynamic management, the Group employs a "blacklist" policy for any instances of severe defects in product quality and prohibits its supply across the entire Group, hence ensuring that the raw materials supplied to the Group meets its quality standards. The Group has consummated its "Approved Suppliers Management Approach" to further improve and strengthen the systems and processes it utilises for supplier selection and management. See "*Preliminary Preparation – Construction*" for further details.

The Group believes that it has maintained stable relationships with its main suppliers of raw materials, which has enabled it to secure reliable supplies of raw materials used in infrastructure construction. It also believes that the raw materials it purchases are commodities generally available in the market. In addition, the Group conducts logistics and materials supply businesses and therefore anticipates that it will not be difficult to procure sufficient raw materials.

Real Estate Development

The Group has an extensive real estate development business and in the subsequent sales of properties. In recent years, the Group has gradually expanded its base in Beijing to other cities in economically developed areas within the PRC including, but not limited to, cities in the Pan-Bohai Rim, the Yangtze River Delta and the Pearl River Delta. Through focusing on seizing the regional demand gaps in the market and using the core business areas as a foundation, the Group was able to further expand into the surrounding tier 2 and tier 3 cities, such as Tianjin, Chengdu and Zhongshan. The main business areas for the construction and development of affordable housing and residential real estate include Beijing, Shanghai, Jinan, Xi'an and Yixing in Jiangsu. Areas of primary land development projects mainly include Beijing and Chengdu. The Group takes advantage of its complete vertical chain to form partnerships and co-operate with business partners who do not have operations up or down the vertical chain to add additional project opportunities. The Group constructed policy housing to reflect its commitment to corporate social responsibility, utilised its primary land development to obtain the right to develop in the secondary land development market, and formed a diverse products development system. Although the Group engaged in commercial housing development previously, the Group aims to focus on affordable housing, common property housing and policy housing in future in its real estate development business.

The Group generally adopts three business models, which include: (i) the acquisition of land through open bidding, auctions or listed sales, followed by independent development and construction; (ii) the acquisition of project development rights through the acquisition of shares; and (iii) building strategic co-operations with other companies for joint development and construction.

For the years ended 31 December 2018, 2019 and 2020, operating income from the Group's real estate development business amounted to RMB2,960.4 million, RMB3,154.6 million and RMB6,809.2 million, respectively, accounting for approximately 3.6 per cent., 3.3 per cent. and 6.5 per cent. of the total operating income of the primary businesses, respectively, during the same periods. For the years ended 31 December 2018, 2019 and 2020, the Group recorded GFA under construction of 0.6 million sq.m., 1.7 million sq.m. and 2.5 million sq.m., respectively.

The Group has successfully developed and built real estate projects in Beijing, such as the Rong Yu Home, Lan Hua International, and Baiziwan Home. As at 31 December 2020, the Group's main real estate projects within Beijing include, but are not limited to, Changyang Jianbang Huating, Beijing Dongli Port, affordable housing project of No. 6 Qingchun Road and its supporting projects and Yongliang Home. Outside of Beijing, the Group has land reserves and development projects in various cities including, but not limited to, Jinan, Xi'an, Shanghai, Chengdu, Tianjin, Ningbo, Yixing and Quzhou. The Group's major real estate projects on sale outside of Beijing include, but are not limited to, Xi'an Jianbang Huating, Jinan Yuanxiang Xigu AB Plot, Huayue Jiufeng Court, Shanghai Newport City and Jianbang Huaming Commercial Complex (Phase I of Foch Plaza).

The following table sets out a summary of certain details of the Group's major properties.

<u>Project Name</u>	<u>Location</u>	<u>Type</u>	<u>Total GFA</u> <i>(sq.m.)</i>
Anyi Project	Beijing	Commercial Residence	1,010,000
Jianbang Huafu	Beijing	Commercial Residence	190,000
Changyang Project	Beijing	Commercial Residence	240,000
Shuanghe Home	Beijing	Apartment with Double Limitations, Low-Rent Housing	640,000
Baiziwan Home	Beijing	Affordable Housing	610,000
Jinan Branch	Jinan	House, Commercial Residence	650,000
Jihua Group	Jilin	Company Dormitory Apartments	3,990,000
North China Petroleum Administration Bureau	Cangzhou	Company Dormitory Apartments	5,050,000
Zhaojia Songyuxili Community	Beijing	Company Dormitory Apartments	100,000
Fazhan Building	Beijing	Commercial Building	45,000
Jiangong Building	Beijing	Commercial Building	65,000

The Group has obtained all the relevant land use rights certificates for its completed properties and properties under development, and has obtained land use rights certificates or entered into land use right grant contracts for its projects held for future development.

The Group also participates in affordable housing construction, with ten such projects under construction (including three common ownership housing projects), five primary land development projects and 16 residential real estate projects under construction. Below are some key projects under constructions as at 31 December 2020:

Project Name	Project Commencement	Estimated Total Investment
Residential real estate projects		
<i>(RMB in million)</i>		
Shanghai Jinshan New City Project	April 2018	3,091
Residential project in Qingfeng District, Ningbo	June 2018	1,455
CDEF plot of the original Xiangxi Valley in Jinan	August 2018	2,659
Chengdu Pixian Garden Town Project	November 2019	712
Chengdu Pixian Garden Town Project	March 2021	2,830
Common property and policy housing projects		
Shanty town renovation project in Xishatun Changping	December 2017	1,793
Shanty town renovation project in Lisui Shunyi	November 2020	2,390
Urban village reconstruction project in Datangtou Area, Jiangjiashan	January 2018	1,564
Chaoyang Dongba Shandian Village Consortium Common Property Project	October 2019	3,477
Shared property housing project Dongxiazhuang, Shijingshan District	December 2018	3,625
Yongfeng Common Property Housing Project in Haidian District	November 2020	5,143
Houshayu Project in Shunyi District	May 2019	4,013
Changping Shahe Town Consortium (Limited Availability Housing)	January 2019	11,132
Various projects in Pangezhuang Project	January 2020	5,439
Construction project of second-class residential land and basic education land in Dongxiaokou Town, Changping District, Beijing	November 2020	11,471
Commercial real estate project		
Jianbang, Huaming Commercial Complex (Foch Plaza Phase III)	March 2019	490
Service apartment and office project		
Jianbang Huaming Commercial Complex (Phase II of Foch Plaza)	March 2019	968
Primary development projects		
Shanty town renovation project in Xishatun Beijing	December 2017	12,116
Shanty town renovation project in Lisui Beijing	September 2018	7,571
Garden Town project in Pi County, Chengdu	August 2016	770
Datangzhuang project in Miyun County, Beijing	To be commenced	1,389
The first-level development project of the original land occupied by Beijing College of Business Administration in Yanqing County	September 2010	580

Real Estate Development Process

The Group has established various procedures and policies to manage its real estate development process.

The following outlines the core elements of the Group's typical project development process:



Site Selection and Market Research

The Group places great emphasis on and devotes significant management resources to site selection, as it is the fundamental step to its success in project development. The Group's project companies are responsible for conducting research on the potential demand for a property development on such site, determining the market positioning, calculating certain operational and financial ratios based on its internal benchmarks such as the target internal rate of return for a project and then formulating a preliminary project feasibility study report for approval.

The Group's major criteria of site selection include:

- the ability to develop a property that fits its growth strategies;
- development potential in the nearby areas and cities;
- demand for the planned project from nearby connected communities and the neighbourhood;
- potential competition in the region;
- future growth potential and appreciation of the land and potential returns of project development;
- convenience of the site, such as the availability of public transportation and infrastructure support; and
- government existing and future development plans for the area.

Preliminary Preparation

Land Acquisition

The Group acquires a substantial amount of its land for property development from the PRC government through negotiation and discussion with the government prior to the tender process, which makes it easier for the Group to win the bid in the tender process with legally preferential terms due to its brand and high quality projects with designs conforming to the city development plan by the local government.

The Group also acquires land for property development through different means. This includes: (i) acquiring land use rights on the secondary market through purchasing projects which have not been completed; (ii) acquiring project companies directly from other property developers; (iii) acquiring land in undeveloped areas through participating in the development of those areas with the government; and (iv) acquiring land by cooperation with the government in the renovation and urban renewal of old construction sites and the construction of ancillary infrastructure. The Group acquires a small amount of its land by public tenders, auctions or listings-for-sale for land use rights in accordance with the Regulations on Granting State-owned Construction Land Use Right through Tenders, Auction, and Putting up for Bidding, promulgated on 28 September 2007 and which became effective on 1 November 2007. It provides that the PRC government may only grant land use rights in respect of state-owned land for business, tourism, entertainment and residential commodity property development purposes by way of public tenders, auctions or listings-for-sale. Material investments on land acquisition are assessed and approved by the investment and decision-making committee of the Group's Board in accordance with the authorisation of the Board. For any investment exceeding the amount authorised by the Board, such investment is submitted to the Board for its approval. The table below sets forth the approximate size and costs in relation to the Group's land acquisitions for the periods indicated.

	Year ended 31 December		
	2018	2019	2020
Total area acquired (sq.m.)	294,400	129,900	356,700
Total acquisition costs (RMB in millions)	9,966	5,360	15,669

Project Financing

The Group finances its projects primarily through internal cash flows, including proceeds from pre-sales and sales of its properties, bank loans and trust financing. According to the Circular of China Banking Regulatory Commission on Printing and Distributing the Guidelines for Risk Management over Real Estate Loans of Commercial Banks issued by the China Banking and Insurance Regulatory Commission on 30 August 2004, no commercial bank loan may be granted to projects which have not obtained the relevant land use rights certificates, construction land planning permits, construction work planning permits and construction work commencement permits. The notice provides that the minimum portion of

the capital funding for affordable housing and residential apartments project is 20 per cent., and the minimum portion of the capital funding for other real estate development projects is 25 per cent. On 25 May 2009, the State Council issued a Notice on Adjusting the Capital Ratio of Fixed Assets Investment Project. On 9 September 2015, the State Council issued a Notice on Adjusting and Improving the Capital System for Fixed Assets Investment Project.

The Group uses proceeds from the pre-sales and sales of its properties to fund part of the construction costs of the relevant projects and to settle bank loans. Proceeds from the pre-sales form the important source of operating cash inflows during the Group's project development. According to the laws of the PRC, the Group may pre-sell properties under construction after certain criteria are met, and proceeds from pre-sales are normally used for the construction of such properties. The Group's policy is to finance its property developments with internal resources to the extent practicable so as to reduce the level of external funding required.

Construction

Occasionally, the Group engages construction companies for its projects through tender processes in accordance with the Law on Tender and Bidding of the PRC and the Administrative Measures on the Tender and Bidding for Construction Projects. In order to ensure the quality and workmanship standards of its properties, the Group applies stringent criteria in the selection of construction companies, and conducts detailed due diligence on them during the bidding process. The Group typically assesses the professional qualifications, reputation and credentials in the project market, financial condition, experience, price quoted and technical abilities of the construction companies.

After the tender process, the Group generally accepts the winning bidder's offer and enters into a construction contract with it, under which the construction company is subject to warranties in respect of the quality and construction completion schedule and is obligated to provide periodic progress reports to enable the Group to closely monitor the construction progress. The construction companies are also required to pay fines in the event of a delay and bear the costs of rectifying any construction defects. Payment to construction contractors by the Group is made in stages in accordance with the terms and conditions stipulated in the construction contracts, and the percentage of stage payments varies from case to case. Upon completion of the project, the contractors will receive approximately 80 to 85 per cent. of the total payment. The Group will settle the remaining payment at closing and settlement, with 5 per cent. as retention money for a period of one to two years. The retention money is used to cover any contingent expenses incurred as a result of any construction defects.

Quality Control and Construction Supervision

The Group places great emphasis on the quality control and construction supervision of its properties to ensure that it complies with relevant regulations and its quality standards. The Group has established a standardised, professional and procedural operational system of property development and has formulated various management measures for projects management, cost management, procurement management and contracts management as a constituent part of its quality control system.

In compliance with the relevant PRC laws and regulations, the Group engages certified construction supervision companies to monitor certain aspects of its construction of projects. They conduct quality and safety control checks on all construction materials and workmanship on-site and monitor the progress of construction, work site safety and the construction completion schedule. In addition to engaging external professionals, the Group's project management team of each project company closely oversees the whole construction process, particularly the quality and timetable of construction works, as well as the selection of construction materials to ensure that the Group's property developments comply with applicable national quality control standards and its own stringent quality control standards.

Sales and Marketing

Pre-sales

Pre-sales of the Group's properties commence before the completion of a project or a project phase. Under the Law of the PRC on Urban Real Estate Administration, Regulations on Administration of Development and Operations of Urban Real Estate and the Measures for the Administration of Pre-sale of Commodity Buildings, certain conditions must be fulfilled before the pre-sale of a particular property, including, but not limited to, the full payment of land premiums and obtaining the relevant land use rights certificate, the construction work planning permit and the construction work commencement permit. Please refer to the section headed "*PRC Regulations*" in this Offering Circular for further details of the applicable PRC laws and regulations. Proceeds from pre-sales are generally deposited in escrow accounts and can only be used for financing the construction of the relevant properties.

The Group sets its selling prices of its properties by taking into account local market trends, development costs, expected investment returns and prevailing supply and demand conditions. The Group will enter into a standard contract with each of its purchasers, which mainly specifies the GFA of the property to be sold, purchase price, method of payment and the date of delivery of the completed property.

Completion, Delivery and After-sales Services

Delivery of Properties

The Group closely monitors the construction progress of its properties and endeavours to deliver its properties to purchasers within the time frame stipulated in the respective sale and purchase agreements. Under the current PRC laws and regulations, the Group is required to obtain a Record of Acceptance Examination Upon Project Completion prior to the delivery of properties to the purchasers. Once a property development project has passed the requisite completion and acceptance inspections, the Group will notify the purchasers in respect of the delivery on a timely basis. However, if the Group fails to deliver the properties to purchasers on the date of delivery stipulated in the respective sale and purchase agreements, it will be obliged to pay a compensation fee of a certain percentage of the purchase price.

After the delivery of properties, the Group is required to obtain a general property ownership certificate for each of its projects and the Group also offers assistance to purchasers in applying for the strata-title Building Ownership Certificate by providing the requisite information to the local title registration office.

After-sales Services

The Group's customer relationship department is responsible for after-sales customer services. The Group provides comprehensive after-sales services, including assistance to its customers in obtaining property title certificates. A customer service staff member is dedicated to each customer to provide after-sales services. The Group believes the provision of high quality after-sales services could enhance its brand recognition and goodwill, and help to generate new sales and customer referrals for its properties.

Property Management

Property management is an important part of the Group's property development and operation business. The Group places great emphasis on property management as a protective measure of its after-sales services, which the Group believes could enhance its property value and promote its brand recognition.

The Group's property management business includes operating properties and community property management. As at 31 December 2020, the area of properties under management reached 14.86 million square metres, with leasable area of 313,000 square metres and an occupancy rate of 81 per cent.

The Group owns two property management companies, Beijing Construction Engineering Property Service Co., Ltd. and Beijing Zhaojia Real Estate Management Co., Ltd., and has a total property management area for neighbourhood properties of over 14.9 million square metres with an annual revenue of over RMB500 million, which places the Group at the forefront of wholly state-owned property management companies. The Group manages a variety of properties, including high-end commercial residential buildings, office buildings, affordable housing and old neighbourhoods, and serves over 175,000 property owners. Beijing Construction Engineering Property Service Co., Ltd. has been granted grade one property management qualifications and mainly manages commercial residential buildings, commercial buildings, houses, apartment with double limitations, low-rent housing and affordable housing. Beijing Zhaojia Real Estate Management Co., Ltd. has grade three property management qualifications and mainly manages old neighbourhoods. Landmark projects completed by the Group include: (i) high-end commercial residential buildings and mansions, such as Jianbang Huafu, Jianbang Jiayuan, Jianbang Huating (Xi'an), Rongyu Jiayuan, Yuanxiang Xigu (Jinan) and Sunshine Shinkansen; (ii) large affordable housing plots, such as Cuigu Yujingyuan, Songjiazhuang Home, Shuanghe Home and Baiziwan Home; and (iii) High-end commercial buildings such as the Jiangong Building, Jiangong Development Building and Beijing Link. Following the PRC's "three supply and one service (water supply, power supply, heat supply and property management)" policy, the Group signed an agreement with two subsidiaries of China National Petroleum Corporation, to undertake the property management of an area over nine million square metres and the property management service of A2 and B3 project areas of the Deputy Administrative Centre of Beijing Municipal Government.

The Group charges its customers management fees on a monthly or quarterly basis. Under PRC laws, property owners have the right to engage or dismiss a property management service provider with the consent of more than a half of all owners of the building and consent of owners who represent more than 50 per cent. of the interest in the non-communal area of the building in the aggregate. As at the date of this Offering Circular, the Group's property management companies have not been dismissed from the management of any properties.

Construction Material Sales Business

The Group operates its construction material sales business through its major subsidiaries, including the Group's BCEG Advanced Construction Materials Technology Co., Ltd., Beijing Municipal Road & Bridge Building Material Group Co., Ltd., Beijing City Lvyuan Environmental Protection Technology Co., Ltd., Beijing Building Industrialization Group Co., Ltd., Beijing Gaoqiang Concrete Co., Ltd. and Beijing Gangchuang Ruibo Concrete Co., Ltd., with products including commercial concrete, building components and asphalt concrete. The Group is currently one of the largest ready-mixed concrete producers in Northern China, with annual capacity of about 9.37 million cubic metres. It also has an approximately 55 per cent. market share in the asphalt pavement materials sector in Beijing.

The Group's construction material sales business covers the production and sales of construction and installation components. These components include commercial concrete, building components and tower cranes, with commercial concrete being the primary component. The Group's annual production volume of ready-mixed concrete is approximately 9.37 million cubic metres, which places the Group at the forefront of the major construction groups in Northern China. The Group is the first in China to launch green and environmental-friendly concrete. The products have obtained the three-star certification of green building materials, and all the factories have met the green standard production requirements. Examples of the Group's green high performance concrete application include China Zun, Tianjin 117 Tower, Asian Infrastructure Investment Bank Building, the New Beijing Airport and Beijing Municipal Administrative Centre. Under the Group's concrete segment there are 30 production units located in the Beijing-Tianjin-Hebei, Yangtze River Delta, and Xiong'an New Areas, with annual designed capacity of 9.37 million cubic metres, out of which BMRB has 18 production units in Beijing and BCEG Advanced Construction Materials Technology Co., Ltd. has 12 production units. The Group has super high rise pumping technology, up to more than 800 metres tall.

The Group has also undertaken concrete distribution tasks for many key projects in Beijing (including materials delivery), such as: China Zun project, Asian Infrastructure Investment Bank Building, urban sub-centre project, the New Beijing Airport, National Conference Centre Phase II, Winter Olympics stadium and related facilities and other super high rise projects, Beijing key projects, water conservancy projects, municipal projects, public construction projects, south to north water transfer projects and integrated pipe corridor projects, amongst other things. As at 31 December 2020, nearly a quarter of the shield segments of Beijing Metro are produced and supplied by the Group.

Operating income from the Group's construction material sales business for the years ended 31 December 2018, 2019 and 2020 amounted to RMB3,696.4 million, RMB5,775.9 million and RMB5,839.5 million, respectively, accounting for approximately 4.5 per cent., 6.1 per cent. and 5.6 per cent., respectively, of the total operating income of its primary businesses during the same period.

Environmental Engineering Business

The energy saving and environmental segment is a growing and rapidly expanding business within the Group. The Group is committed to developing "habitable environments for people". The Group's extensive industry experience, high levels of working capital and quality construction services have allowed it to achieve significant milestones in energy saving, environmental protection, restoration, water services and other areas. The Group's development of environmentally-friendly industries has been conducted in conjunction with its other business segments. Beijing Construction Engineering Environment Restoration Co. Ltd., one of the Group's subsidiaries, was the first professional environmental restoration firm to be established in the PRC. According to the Review and Prospect of Remediation of Industrial Contaminated Sites in China (2007 – 2017), amongst the 286 industrial contamination site restoration projects in the PRC included in the report, 66 of the projects were attributable to the Group, with a total contract value of approximately RMB3,750 million, where the Group ranked No. 1 in the PRC in terms of number of contracts and total contract value in terms of industrial contamination sites restoration projects within the PRC.

Operating income from the Group's environmental engineering business for the years ended 31 December 2018, 2019 and 2020 amounted to RMB1,121.0 million, RMB1,099.9 million and RMB1,007.4 million, respectively, accounting for approximately 1.4 per cent., 1.2 per cent. and 1.0 per cent., respectively, of the total operating income of its primary businesses during the same period.

Environmental Restoration

Following the national development strategy, the Group has actively participated in key development areas such as the Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt, the Yellow River Basin, and the Pearl River Delta in relation to its environmental restoration business. Beijing Construction Engineering Environment Restoration Co. Ltd., the first professional environmental restoration firm that was established in the PRC, engages in soil restoration, ecological restoration and water restoration, amongst other things. It combines leading technology and advanced concepts from international fields, and was the first entity in the PRC to launch soil restoration as well as being responsible for the introduction of the PRC's first direct thermal desorption device. It also established an environmental restoration independent research and development centre in Beijing, and established and maintained multi-level partnerships with the PRC government and numerous domestic and foreign major institutions. It has entered into a cooperative framework agreement with the Netherlands Organisation for Applied Scientific Research, a Dutch independent research organisation. It has also cooperated with the Environmental Science of Engineering Department of Tsinghua University, Chinese Research Academy of Environmental Sciences, the Nanjing Institute of Soil Science of the Chinese Academy of Sciences and the Ministry of Ecology and Environment Academy of Environmental Planning. With some of these partners, the Group helped build the only national engineering laboratory of contaminated site remediation in China-"National Engineering Laboratory for Contaminated Site Safety Remediation Technology".

As at 31 December 2020, the Group has been awarded 2,055 patents, including 264 inventory patents, and obtained a level one licence for environmental contractor (環保工程專業承包以及資質). It also provides, amongst other things, site investigations, risk assessments, programme designs, restoration projects and post-assessments of the industry chain as well as integrated solutions to customers. The Group was the first environment restoration enterprise in the PRC, and it continues to lead in market share. The environmental restoration business is one of the Group's rapidly developing businesses and it believes there is great potential for further development.

For the year ended 31 December 2020, there were 16 newly signed contracts with a total contract value of RMB543 million. For the year ended 31 December 2020, the Group's environmental restoration business has a 60 per cent. market share in Beijing, ranking No. 1 in the restoration industry.

As at 31 December 2020, the Group has completed and is working on more than 300 on-site investigations and pollution remediation projects, including coking, petrochemical, pesticide, dye, smelting and other typical remediation projects for various contaminated sites, as well as representative landmark projects with multiple environmental restoration directions and high technical difficulties.

The Group has proven its strong track record and expertise by the remarkable projects it has participated in. These environmental restoration and resources recycling projects include:

- the first soil restoration project (for Beijing No. 3 Chemical Works) in the PRC, being the first coking and chemistry site restoration project (southern part of Beijing Coking and Chemistry Plant) in the PRC;
- the first restoration project for sites polluted by pesticides (Beijing Red Lion Paint Plant) in the PRC and the first petrochemical site restoration project (demolition of old nitrobenzene unit of Lanzhou Petrochemicals) in the PRC;
- the “Dahua Group Soil Pollution Treatment Project”, being the first soil leaching restoration project in the PRC;
- the “Tianjin Pesticide Land Rehabilitation Project”, the soil and underground water restoration project with the single largest contract value in the PRC;
- the “Guangzhou Iron and Steel Plot Restoration Project”, being the first “factory repair” multi-technology co-processing system in the PRC;
- the “Beijing Global Theme Park Project”, being the first miscellaneous soil fill disposal project in the PRC;
- the “Chaoyang Sunhe Project”, being the first shanty town on-site construction waste recycling project to dispose of temporary facilities in the PRC, with a recycling rate of more than 95 per cent. of construction waste; and
- the “Shanghai Renovation Waste Project”, being the first renovation waste high-recycling project in the PRC, with a compact recycling system within a narrow space and comprehensive renovation waste disposal artisan system. The project aims to dispose of 300,000 tonnes of renovation waste per year with a recycling rate of up to 85 per cent.

Resources recycling

The Group also specialises in the recycling of construction waste and decoration waste, and has formed full chain service capacity for construction waste resource treatment. Such business is mainly carried out through its subsidiary BCEG Resources Recycling Investment Co., Ltd. (“**BCEG Resources**”).

Recycling”), which was established in 2014 and was recognised as a national high-tech enterprise in September 2018 and passed the “Quality, Environment, Occupational Health and Safety” management system certification in December 2020.

BCEG Resources Recycling’s core business is the entire industrial chain of construction waste resource disposal and utilisation, including construction and demolition waste resource disposal and decoration waste resource disposal. At the same time, it actively expands the treatment of atypical waste landfills, slag disposal, engineering mud disposal, river bottom mud treatment, bulky waste disposal, restaurant and kitchen waste treatment, and household waste classification., amongst other things, to create a “2+N” solid waste comprehensive disposal business system. BCEG Resources Recycling utilises a business model that combines light assets and heavy assets such as investment, construction and operation (including PPP, BOT, BOO), EPC and EPC+O project implementation and production and sales of recycled products. BCEG Resources Recycling also aims to provide professional one-stop services and comprehensive solutions including (i) pre-project research and evaluation; (ii) planning and policy formulation; (iii) business model and management policy consultation; (iv) process design and equipment integration; (v) investment, construction and operation management; and (vi) production and reuse of products, with targeted annual operation and disposal capacity to reach 15 million tonnes spanning across Beijing, Shanghai, Jiangsu, Hebei and other regions in the future.

BCEG Resources Recycling also conducts research on the composition of waste in key cities such as Beijing, Shanghai, Shenzhen, and Wuxi, forming a large database of urban solid waste composition, filling the gaps in the domestic industry. It also develops process plans and core equipment, carries out renewable product research and development and innovation, and explores mature construction/decoration waste resource disposal technology suitable for China’s environment. Further, BCEG Resources Recycling combines project operation and management experience to form a rich operation big data management platform to harness such experience for future development.

Construction Energy Conservation

Beijing Construction Technology Development Co. Ltd., one of the Group’s subsidiaries, is strongly committed to construction energy conservation, construction waste recycling, constructing healthy and habitable environments, researching and promoting techniques for the sustainable development of new energy resources and sustainable energy resources, and the combined synergy from general research, consultation, technological expertise, project implementation and energy operation management services. Accordingly, it consults in construction energy conservation services, new and existing buildings energy conservation services, energy management and operation services, sales of independent research products and other business areas. It has also established post-doctoral employment stations and undertakes national and local policy research as well as standard-setting and technology development, leading to a number of scientific achievements. The Group has undertaken projects for the construction of the permanent premises of Asia Infrastructure Investment Bank (Phase A), China Southern Airlines’ base at Beijing’s new international airport (Phase 1), China Eastern Airlines’ base at Beijing’s new international airport (Phase III Stage 1), the A2 Building of Beijing Urban Sub-centre Office Premises, the passenger terminal and transfer centre of Beijing’s new international airport, Beijing fresh agricultural products distribution centre to support China’s 13th Five-Year Plan, and governmental scientific research projects.

Sewage Plant Construction and Operation

The Group was the first in the industry to introduce the concept of property management in environmental pollution, creating a novel service style for the operation and management of environmental protection facilities. The Group also researches and develops new technologies to meet the special requirements and needs of its customers.

Since entering the sewage treatment business in 2002, the Group has accumulated experience in technical knowhow, management and operation and cost control, while actively undertaking key national projects and cooperating with industry leaders. The Group has undertaken the construction of Beijing

Qinghe Water Recycling Plant (Phase II), which is one of the largest water recycling plant construction projects in terms of scale in the PRC. The Group currently holds 26 sewage treatment plants under operation with daily treatment capacity of 2.13 million tons. Such water plants were previously under the management of the Group.

Beijing Environmental Remediation Co., Ltd., the platform through which the Group operates its sewage plant construction and operation business, is one of the leading sewage treatment companies in the PRC, has been awarded the Most Professional Operation Service Company in 2020. Kunshan North District Sewage Treatment Plant, under the Beijing Environmental Remediation Co., Ltd., was awarded the National Operation and Management Benchmark Sewage Treatment Plant. Yixing City Sewage Treatment Plant won the National Plant Network Integration Benchmark Water Plant. In 2020, the Group acquired a new project of the Second Phase of the Northwest Sewage Treatment Plant in Daye City, Hubei Province, with a total scale of 55,000 tonnes. Under the TOT model, the local government or state-owned enterprise transfers the property rights or operation rights of constructed projects to investors for a certain period, and the investors pay a certain fee to such local government or state-owned enterprise. Investors recover the entire investment and get a reasonable return within a predetermined period by operating and managing the projects, and after the expiration of the contracts, the property rights or operation rights of such constructed projects are returned to the local government or state-owned enterprise.

Services and Others, Consultation and Service and Other Businesses

Construction Industry-related Services Business

The Group is committed to developing services relating to its principal businesses of construction, including planning and design, research and development, construction materials and logistics, project management and inspection and testing. The development of the construction industry-related service industry accommodates market demand and allows the Group to provide the services required for the entire construction industry chain.

Planning and Design

The Group operates its construction planning and design business mainly through its subsidiary, Beijing Building Construction Research Institute Co., Ltd. The Group possesses grade A qualifications on engineering design as well as independent design research institutes and extensive experience in cooperating with internationally renowned design agencies. The Group provides feasibility studies, initial assessment plans, general plans, various public and civilian-use architectural designs, interior design, landscape design, and other professional services for domestic and foreign property owners. The Group is able to fully utilise its advantages in design and demonstrate excellence in its ability to integrate the design and construction aspects of its projects.

Construction Materials Logistics

“Construction materials logistics” is the synergised logistical support of steel, cement, and other building materials as well as warehousing, sales, road transport and rail transport agency. The Group also supplies project materials through large logistics and distribution companies while simultaneously expanding its material sales, warehousing, processing services, sorting and distribution, and other business areas to build internal and external collaboration for the smooth flow of goods in order to facilitate a timely and economical logistics service system.

Project Management Consulting

The Group has a comprehensive engineering construction consultation and enterprise supervision practice, with grade A qualifications in housing construction works supervision, municipal public works supervision, engineering consulting, project cost and tendering, amongst other qualifications. The Group has engaged in hundreds of consultation and supervision projects with its core principle of “**understanding the customer’s current and future needs**” to maintain its high quality standards.

Operating income from the Group's services and others, consultation and service and other business for the years ended 31 December 2018, 2019 and 2020 amounted to RMB2,688.4 million, RMB3,102.7 million and RMB4,336.6 million, respectively, accounting for approximately 3.2 per cent., 3.3 per cent. and 4.2 per cent., respectively, of the total operating income of its primary businesses during the same period.

Cultivating Business – Health and Elderly Care

The Group aims to venture into the health and elderly care business as part of its area of future growth, focusing on establishing health and elderly care integrated institutions, providing one stop elderly care services and health management services.

Financial Policies

The Group aims to steadily implement its “Deleveraging” plan in accordance with the “14th Five Year Plan” approved by the Beijing SASAC, with the belief that it will reduce the Group's asset liability ratio to approximately 75 per cent. by 2025, as well as increase its return on equity to approximately 6.5 per cent. by 2025 and return on equity attributable to the parent company to approximately 8.5 per cent. by 2025. According to the regulations of the Beijing SASAC, after deduction of the unrecovered losses of the previous year and withdrawal of the statutory provident fund, 25 per cent. of the annual net profit attributable to the parent company shall be paid.

To manage exchange rate risks, the Group manages foreign currency financing by type and lock-up exchange risk through financial instruments. Each project is managed accordingly, and upon signing of the contract, a mainstream or most beneficial currency is to be chosen as the receiving currency. Exchange rate fluctuation limitation clauses are to be added in contracts of small currencies and will be included in cost planning to ensure steady project income. The Group also consider the construction condition as one of the factors when assessing exchange rate risk, while planning for the project cost, and reasonably arrange the currency for advance payment and prepaid income. The Group also conducts real-time monitoring and analysis of the influencing factors of exchange rate risk and propose timely response measures. In terms of daily management, implementation rules for foreign exchange risk management will be launched to further standardise the foreign exchange risk management process. Economic activities will be analysed on quarterly basis, and regular monitoring and control of foreign exchange risks will be implemented. The Group also sets up a Focus Group of Exchange Rate Risk Management to enhance the information communication efficiency and closely monitor the exchange rate risk exposure.

Competition

The property market in China is highly competitive. The Group competes with other construction enterprises in the PRC in terms of a number of factors, including location, product quality, service quality, price, financial resources, brand recognition and the ability to acquire good quality land reserves. The Group's existing and potential competitors include major domestic property developers, such as Beijing Urban Construction Group, which has a similar scale and geographic focus as the Group, although the Group has developed a different market positioning further to the Strategic Restructuring. The Group believes that, with its solid and strong national foothold as well as extensive experience in urban complexes and residential property development, energy saving and environmental protection, the provision of construction industry-related services and industrial materials to form an integrated industry chain, the Group has demonstrated resilience to the market changes. Further, given the Group's brand recognition and reputation, product creativity, credibility, quality products and services in the past years, the Group believes it can react promptly to challenges in the property market in the PRC. Please refer to the section headed “*Risk Factors – Risks Relating to the Group's Business – Increasing competition in the PRC's property market may adversely affect the Group's profitability*” in this Offering Circular.

Intellectual Property Rights

The Group's intellectual property forms an integral basis for its strong brand recognition and is of vital importance to its business. As at 31 December 2020, the Group has applied for 50 various trademarks in the name of the Group and owns 2,055 patents (including 264 inventory patents), and the Group was not aware of any infringement: (i) by the Group of any intellectual property rights owned by third parties; or (ii) by any third party of any intellectual property rights owned by the Group.

Insurance

Construction companies are responsible for quality and safety control during the course of construction, and are required to maintain accident insurance for their construction workers pursuant to PRC laws and regulations. To ensure construction quality and safety, the Group has set up a set of standards and specifications which construction workers must comply with during property construction. The Group engages qualified supervision companies to oversee the construction process. Under PRC laws, the owner or manager of properties under construction bears civil liability for personal injuries arising out of construction work under some circumstances, unless the owner or manager can prove that it is not at fault. And where construction workers of constructors suffer personal injury in the course of carrying out an activity of employment, the constructors shall bear liability for damages. However, if contractors are aware of the deficiency of qualification or work safety maintenance of the constructors, contractors may bear civil liability for personal injuries suffered by construction workers with constructors jointly and severally. In addition, according to the Group's construction contracts, any liability that may arise from tortious acts committed on work sites will be borne by the construction companies.

As part of the protection against operating hazards, the Group maintains insurance coverage which the Group believes is consistent with customary practice in the PRC and international practices in which the Group operates. When the Group acts as a proprietor, it typically purchases employer insurance, life and accident insurance, company assets insurance and automobile insurance. When the Group acts as a contractor, it typically purchases construction insurance, erection risk insurance, third party liability insurance, life accident insurance, company assets insurance and automobile insurance. The Group usually selects its insurers through bidding, and the insurance expenses are determined through bidding or negotiation.

The Group believes that its insurance coverage is adequate and its insurance policies are in line with customary industry practice of property developers. However, the Group can not guarantee that it has sufficient or any insurance coverage for losses, damages and liabilities that may arise in its business operations. Please refer to the section headed "*Risk Factors – Risks Relating to the Group's Business – The Group may not have adequate insurance to cover potential losses and claims and may therefore be subject to uninsured risks*" in this Offering Circular for details.

Environmental Matters

The Group is subject to a number of environmental laws and regulations including, but not limited to, the Environment Protection Law of the PRC, the Prevention and Control of Noise Pollution Law of the PRC, the Environmental Impact Assessment Law of the PRC, and Administrative Regulations on Environmental Protection for Development Projects. Please refer to the section headed "*PRC Regulations*" in this Offering Circular for details of these environmental laws and regulations. As at the date of this Offering Circular, the Group has not encountered any material issues in passing inspections conducted by the relevant environmental authorities upon completion of its properties.

In compliance with the National 14th Five Year Plan in 2021, the Group's corporate mission is to continue to improve its corporate responsibility and maintain environmentally-friendly operations. The Group has made active efforts for energy conservation and emission reduction, and the promotion of green technology.

The Group has distinct competitive advantages in the energy-saving and environmental restoration sector. The Group's environmental restoration business has always been a leader in the industry in terms of technology research and development, talent training, and market expansion. The resource recycling companies continue to lead the development of the industry in the resource disposal of construction waste and decoration waste. The environmental company has a strong position in the field of comprehensive water environment management.

Employees and Safety

The Group regards occupational health and safety as one of its most important corporate and social responsibilities. Some of the Group's business operations involve significant risks and hazards that could result in damage or destruction of property, death and personal injury, business interruption, and possible legal liabilities. The Group is subject to various PRC laws and regulations in respect of labour, insurance, accidents, health and safety, including the Labour Law of the PRC, the Labour Contract Law of the PRC, the Interim Regulations on Collection and Payment of Social Insurance Premiums, the Regulations on Work-related Injury Insurance, the Regulations on Unemployment Insurance, the Trial Procedures for Childbirth Insurance of Enterprise Employees, the Safety Production Law of the PRC and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

The Group has implemented rigorous internal control procedures in order to (i) ensure the safety and quality control of the Group's construction projects; (ii) regulate labour, hygiene and safety conditions; and (iii) monitor compliance with statutory environmental protection regulations relating to air, water, noise and solid waste pollution. The Group conducts regular internal safety and environmental inspections, at all stages of its operations in order to minimise the possibility of work-related accidents and injuries. It also monitors the safety and environmental protection aspects of its sub-contractors' operations. The Group also carries out regular safety training sessions and provides safety education to employees. It has established safety standards in connection with matters such as purchasing, installation and operation of new equipment, construction of new facilities and renovation of existing facilities. All of the Group's operating subsidiaries have obtained and maintained a safe production permit issued by relevant PRC local authorities. With regard to its overseas operations, the Group is committed to strict compliance with applicable local laws on occupational health, safety and environmental protection. Its ability to comply with local laws is an important consideration before the Group decides to commence operations in foreign jurisdictions.

Due to the various risk control measures in place, the Group had not experienced material accidents as at 31 December 2020.

The Group is committed to recruiting, training and retaining skilled and experienced employees throughout its operations. The Group intends to achieve this by offering competitive remuneration packages as well as by focusing on training and career development.

As at 31 December 2020, the Group had a total of approximately 38,669 full-time employees. In accordance with the relevant PRC laws and regulations, in addition to the housing fund, the Group contributes to social welfare insurance for its full-time employees in the PRC, including basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance and maternity insurance.

Legal Proceedings

The Group is involved in legal or other disputes from time to time in the ordinary course of its business. Each of these proceedings is, in the Group's view, immaterial in terms of their impact on the business, financial condition or results of operations of the Group. The Group is not aware of any legal proceeding, pending, or threatened against the Group or its Directors, which could be expected to have a material adverse effect on its business, financial condition and results of operations.

MANAGEMENT OF THE GUARANTOR

Board of Directors

Mr. FAN Jun, born in 1965, is a postgraduate degree holder and a professor level senior engineer. Mr. Fan is the party secretary, director and chairman of the Guarantor. He was previously an assistant engineer of the third branch of Beijing Urban Construction Group Co., Ltd, the chief engineer of the ninth branch of Beijing Urban Construction Group Co., Ltd, the project manager of the Taoyuan River Bridge that forms part of the Jinan-Qingdao Expressway, the deputy head and chief of the technical team of the general contracting department of Xindong'an Plaza under Beijing Urban Construction Group Co., Ltd, the head of engineering and assistant to the commander-in-chief of the Capital Airport Engineering Command Post under Beijing Urban Construction Group Co., Ltd, the deputy manager and the executive manager of the general contracting department of the third terminal of the Beijing Airport under Beijing Urban Construction Group Co., Ltd, the party branch secretary and manager of the fourth contracted section of the Panhai Expressway under Beijing Urban Construction Group Co., Ltd, the engineering manager of the general contractor group for the National Grand Theatre Project, the decoration manager for the National Grand Theatre Project under Beijing Urban Construction Group Co., Ltd, the deputy manager of the general contracting department and executive manager of the general contracting department for Capital Airport Terminal 3 Project under Beijing Urban Construction Group., Ltd., the assistant to the general manager, the manager, the deputy manager and the deputy party secretary of Beijing Urban Construction Group Co., Ltd., the deputy general manager of Beijing Urban Construction Group Co., Ltd., the party standing committee member and deputy general manager of Beijing Urban Construction Group Co., Ltd, the deputy party secretary, director and general manager of the Guarantor and the party secretary and chairman of the Guarantor.

Mr. CHANG Yongchun, born in 1971, is a university degree holder and a senior economist. Mr. Chang is the deputy party secretary, director and general manager of the Guarantor. He was previously a budget analyst, bridge project deputy manager, Dongfang square project 1 deputy manager, the 14th project department deputy manager, special assistant to the manager, special assistant to the manager cum bidding and pricing department manager, deputy general manager cum bidding and pricing department manager, deputy general manager cum commercial bidding department manager, deputy general manager cum commercial bidding department manager and decisions committee member, deputy general manager and chief economist and chief accountant, director and deputy party secretary of Beijing No. 3 Construction Engineering Co., Ltd.

Mr. LI Jun, born in 1965, is a university degree holder and a professor-level senior engineer. Mr. Li is the deputy party secretary, the deputy general manager, and director of the Guarantor. He was previously the deputy general manager of Beijing Municipal Second Engineering Company, the assistant to the general manager and deputy general manager of Beijing Municipal Engineering Corporation, and the deputy party secretary and deputy general manager of BMRB.

Mr. SHI Meng, born in 1965, is a postgraduate degree holder and a professor-level senior engineer. Mr. Shi is the deputy general manager and director of the Guarantor. He was previously the staff member of Beijing Architectural Engineering Design Company, the staff member and director of the Third Design Division at Beijing Xingsheng Architectural Engineering Design Company, the manager of Beijing Jianzi Kaike System Integration Co., Ltd., the deputy chief engineer of Beijing Construction Engineering Group Co., Ltd. and concurrently as Manager of Beijing Jianzhi Kaike System Integration Co., Ltd., the deputy chief engineer of Beijing Construction engineering Group Co., Ltd. and concurrently as manager representing the Chinese party at Beijing Great Wall Belfingerberg Construction Engineering Co., Ltd., the assistant to the general manager and deputy chief engineer of Beijing Construction Engineering Group Co., Ltd. and the senior economist of the Guarantor.

Mr. MA Tieshan, born in 1961, is a university degree holder, master of civil engineering degree holder and a senior engineer. Mr. Ma is the a director of the Guarantor. He was previously a technician, project manager and team leader of the 2nd working zone of Beijing No. 5 Construction Engineering Co., Ltd,

project manager of the foreign economic department, manager of the Mauritius management department, person in-charge for domestic projects, deputy chief engineer and deputy general manager of Beijing Great Wall Engineering Corporation, manager of the international construction department of the Guarantor and subsequently assistant chief engineer and assistant to the general manager of the Guarantor.

Ms. MA Xiaoxia, born in 1963, is a postgraduate degree holder and a senior economist. Ms. Ma is the vice chairman of the Guarantor and the external director of Beijing Architectural Design and Research Institute Co., Ltd. She was previously the deputy leader of Pinggu Team on the Lecturers' Panel in Beijing Municipal Commission, the Cadre of Equipment Division in the Beijing Municipal Commission of Construction, the deputy director of bulk cement office in the Beijing Municipal Commission of Construction, the deputy director of the construction industry management office in Beijing Municipal Commission of Construction and the director of municipal office of building energy efficiency and walls materials innovation, the director of the office in the Beijing Municipal Commission of Construction, the deputy party secretary in the urban construction committee in the Beijing Municipal Commission, the director and deputy general manager of Beijing Gonglian Highway Connecting Links Co., Ltd., the deputy party secretary, secretary of the discipline inspection commission and the director and deputy general manager of Beijing Gonglian Highway Connecting Links Co., Ltd., the deputy party secretary, secretary of the discipline inspection commission and the director and general manager of the Beijing Gonglian Highway Connecting Links Co., Ltd. and the deputy party secretary, director and general manager of Beijing Gonglian Highway Connecting Links Co., Ltd.

Mr. SUN Weihong, born in 1967, is a postgraduate degree holder and a senior economist. Mr. Sun is the external director of the Guarantor. He was previously the secretary in the Anti-corruption Bureau of Baotou Railway Transportation Procuratorate, the legal counsel and senior economist of Hohhot Railway Bureau, a lawyer in Hengxin Greatwall Law Firm in Inner Mongolia, the deputy director in Beijing Lawyers' Association Tort Law Branch and a member of the business guidance and continuing education committee of Beijing Bar Association.

Ms. MA Ping, born in 1965, is a doctoral degree holder. Ms. Ma is the external director of the Guarantor and the director and partner of Yiqun Investment Holdings Co., Ltd. She was previously the cadre and chief clerk of Beijing Municipality, the presiding deputy director of public offering and listing division of Beijing Securities Supervision and Regulatory Bureau, the deputy general manager of investment banking in Beijing Securities Co., Ltd., the Vice President of Beijing SIWA Future Education Enterprise Co., Ltd., the president of Beijing Youth Venture Capital Co., Ltd, the general manager of Anhui Sun-Create Electronics Co., Ltd., the director and supervisor of China Investment Credit Guarantee Co., Ltd., the vice president of Beijing Kande Investment (Group) Co., Ltd and Jing Fu Ma International Investment Group, the chairman of Beijing Huatai Dingyin Investment Management Co., Ltd., the director and partner of Yiqun Investment Holdings Co., Ltd. and the external director of Ershang Group Co., Ltd.

Mr. LI Zunnong, born in 1963, is a university graduate and a senior accountant. Mr. Li is the external director of the Guarantor and the chief partner of Zhongxinghua Certified Public Accountants. He was previously the deputy divisional director of the accounting department of the Ministry of Finance, the chief accountant of China Economic and Technological Investment Guarantee Corporation, the chief accountant of Zhongfa Accounting Firm, the chief accountant of Zhongxinghua Certified Public Accountants, the deputy chief accountant of Tianyi Certified Public Accountants and the chief accountant of Zhongxing Huafu Certified Public Accountants.

Mr. WU Jiwei, born in 1971, is a postgraduate degree holder, a senior accountant, and a senior international financial manager. Mr. Wu is the external director of the Guarantor. Mr. Wu was previously the chief accountant of CNPC International Logging Technology Service Company, the deputy chief accountant of CNPC Engineering Technology Company, the director of Financial Management Centre of China Chengtong Holding Group, the chief accountant and member of the Standing Party Committee of China Building Materials Group Co., Ltd, the executive VP of Dongxu Group Co., Ltd., and the chairman of Dongxu Optoelectronics Co., Ltd. Mr. Wu currently also serves as the executive director of SPT Energy Group Inc, the chairman of SPT Investment Holdings (Shenzhen) Co., Ltd., and the legal representative of Shenzhen Zhongruixiang Fund Management Co., Ltd

Supervisors

Mr. KONG Huai, born in 1962, is a university degree holder and a senior economist. Mr. Kong is the employee supervisor, the party secretary of the general contracting department and the deputy general manager of the general contracting department of the Guarantor. He was previously the head of department of human resource of the Guarantor.

Other Senior Management

Mr. CHANG Yongchun, for details of Mr. Chang, see “– *Board of Directors*” above.

Mr. LI Jun, for details of Mr. Li, see “– *Board of Directors*” above.

Mr. SHI Meng, for details of Mr. Shi, see “– *Board of Directors*” above.

Mr. ZHANG Chuancheng, born in 1965, is a postgraduate degree holder, doctor of engineering degree holder and a professor level senior engineer. Mr. Zhang is the deputy general manager of the Guarantor. He was previously a technician with the Prestressing Force Centre of Beijing Research Institute for Construction and Engineering and the deputy executive director of Beijing Research Institute for Construction and Engineering. He subsequently became an assistant director, deputy director and head of the Materials Centre of the Hainan Branch of Beijing Research Institute for Construction and Engineering, deputy head of the management and engineering department, executive deputy head of the business department, deputy chief economist and deputy manager of the general contracting section of Oriental Plaza under the Guarantor and subsequently the assistant to the general manager, deputy chief economist and head of the business department of the Guarantor.

Mr. LI Jianjun, born in 1966, is a postgraduate degree holder, a senior economist and a senior engineer. Mr. Li is the deputy general manager of the Guarantor and the standing party member. He was previously the chief of the Technology Development Section of the Economic Work Committee of Mentougou District, Beijing, a member and the deputy director of the Economic Work Committee of Mentougou District, Beijing, Party secretary and director of the Management Committee of Beijing Shilong Industrial Development Zone, Party group member and the district chief of the People’s Government of Mentougou District, Beijing, standing Party committee member, director and the deputy general manager of Beijing BBMG Co Ltd, and the deputy Party secretary of BMRB.

Mr. WANG Shancai, born in 1962, is a postgraduate degree holder and a senior accountant. Mr. Wang is the Chief Financial Officer of the Guarantor. He was previously a Chief Financial Officer of Beijing Xinao Group Co., Ltd., the deputy chief accountant and director of the auditing department of Beijing Urban Construction Group Co., Ltd and supervisor of Beijing Chengjian New City Shuncheng Investment and Development Co., Ltd. and a director and Chief Accountant of Beijing Urban Xinlong Construction Co., Ltd.

Mr. HE Haiqi, born in 1973, is a university degree holder. Mr. He is the deputy general manager of the Guarantor.

PRC REGULATIONS

This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations.

The PRC Legal System

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws, laws of Special Administrative Regions and laws resulting from international treaties entered into by the PRC government. In general, PRC court judgments do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The National People's Congress of the PRC (the "NPC") and the Standing Committee of the NPC are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

The State Council is the highest organ of the State administration and has the power to enact administrative rules and regulations. The ministries and commissions under the State Council are also vested with the power to issue orders, directives and regulations within the jurisdiction of their respective departments. All administrative rules, regulations, directives and orders promulgated by the State Council and its ministries and commissions must be consistent with the PRC Constitution and the national laws enacted by the NPC. In the event that a conflict arises, the Standing Committee of the NPC has the power to annul such administrative rules, regulations, directives and orders.

At the regional level, the provincial and municipal congresses and their respective standing committees may enact local rules and regulations and the people's governments may promulgate administrative rules and directives applicable to their own administrative areas. These local rules and regulations must be consistent with the PRC Constitution, the national laws and the administrative rules and regulations promulgated by the State Council.

The State Council, provincial and municipal governments may also enact or issue rules, regulations or directives in new areas of the law for experimental purposes or in order to enforce the law. After gaining sufficient experience with experimental measures, the State Council may submit legislative proposals to be considered by the NPC or the Standing Committee of the NPC for enactment at the national level.

The PRC Constitution vests the power to interpret laws in the Standing Committee of the NPC. The Supreme People's Court, in addition to its power to give general interpretation on the application of laws in judicial proceedings, also has the power to interpret specific cases. The State Council and its ministries and commissions are also vested with the power to interpret rules and regulations that they have promulgated. At the regional level, the power to interpret regional rules and regulations is vested in the regional legislative and administrative bodies which promulgated such laws.

The PRC Judicial System

Under the PRC Constitution and the Law of Organisation of the People's Courts, the judicial system is made up of the Supreme People's Court, the local courts, military courts and other special courts.

The local courts are comprised of the basic courts, the intermediate courts and the higher courts. The basic courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate courts are organised into divisions similar to those of the basic courts, and are further organised into other special divisions, such as the intellectual property division. The higher level courts supervise the basic and intermediate courts. The people's procuratorates also have the right to exercise

legal supervision over the civil proceedings of courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the administration of justice by all other courts.

The courts employ a two-tier appellate system. A party may appeal against a judgment or order of a local court to the court at the next higher level. Second judgments or orders given at the next higher level and the first judgments or orders given by the Supreme People's Court are final. First judgments or orders of the Supreme People's Court are also final. If, however, the Supreme People's Court or a court at a higher level finds an error in a judgment which has been given by any court at a lower level, or the president of a court finds an error in a judgment which has been given in the court over which he presides, the case may then be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012, and last amended on 1 July 2017, respectively, sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the court to request for enforcement of the judgment, order or award. The time limit imposed on the right to apply for such enforcement is two years. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by any party to the action, mandatorily enforce the judgment.

A party seeking to enforce a judgment or order of a court against a party who is not located within the PRC and does not own any property in the PRC may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or order. A foreign judgment or ruling may also be recognised and enforced by a PRC court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination in accordance with the principle of reciprocity, unless the court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

Foreign Exchange Controls

The lawful currency of the PRC is the Renminbi, which is subject to foreign exchange controls and is not freely convertible into foreign currency at this time. SAFE, under the authority of PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

Prior to 31 December 1993, a quota system was used for the management of foreign currency. Any enterprise requiring foreign currency was required to obtain a quota from the local SAFE office before it could convert Renminbi into foreign currency through PBOC or other designated banks. Such conversion had to be effected at the official rate prescribed by SAFE on a daily basis. Renminbi could also be converted into foreign currency at swap centres. The exchange rates used by swap centres were

largely determined by the demand for, and supply of, the foreign currency and the Renminbi requirements of enterprises in the PRC. Any enterprise that wished to buy or sell foreign currency at a swap centre had to obtain the prior approval of SAFE.

On 28 December 1993, PBOC, under the authority of the State Council, promulgated the “*Notice of PBOC Concerning Further Reform of the Foreign Currency Control System*”, effective from 1 January 1994. The Notice announced the abolition of the foreign exchange quota system, the implementation of conditional convertibility of Renminbi in current account items, the establishment of the system of settlement and payment of foreign exchange by banks, and the unification of the official Renminbi exchange rate and the market rate for Renminbi established at swap centres. On 26 March 1994, PBOC promulgated the “*Provisional Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange*” (the “**Provisional Regulations**”), which set out detailed provisions regulating the trading of foreign exchange by enterprises, economic organisations and social organisations in the PRC.

On 1 January 1994, the former dual exchange rate system for Renminbi was abolished and replaced by a controlled floating exchange rate system, which was determined by demand and supply of Renminbi. Pursuant to such system, PBOC set and published the daily central parity of Renminbi-US dollar exchange rate. Such exchange rate was determined with reference to the transaction price for Renminbi-US dollar in the inter-bank foreign exchange market on the previous day. Also, PBOC, with reference to exchange rates in the international foreign exchange market, announced the exchange rates of Renminbi against other major foreign currencies. In foreign exchange transactions, designated foreign exchange banks may, within a specified range, freely determine the applicable exchange rate in accordance with the rate announced by PBOC.

On 29 January 1996, the State Council promulgated the “*Regulations for the Control of Foreign Exchange of the PRC*” (“**Control of Foreign Exchange Regulations**”) which became effective from 1 April 1996. The Control of Foreign Exchange Regulations classifies all international payments and transfers into current account items and capital account items. Most current account items are subject to the approval by relevant banks that are duly authorised by SAFE to do so, while capital account items are still subject to SAFE approval directly. The Control of Foreign Exchange Regulations was subsequently amended on 14 January 1997. Such amendment affirms that the State shall not restrict international current account payments and transfers. On 1 August 2008, the Control of Foreign Exchange Regulations were further amended pursuant to a resolution of the State Council of China and came into effect on 5 August 2008 (the “**New Forex Regulation**”). Under the New Forex Regulation, foreign currency received under current account by onshore entities will not be asked to be settled into Renminbi automatically, while foreign currency under capital account may also be maintained upon approval. The Renminbi will be convertible for current account items (including the distribution of dividends, interest and royalties payments and trade and service-related foreign exchange transactions) upon presentation of valid receipts and proof certifying the purposes of the conversion of Renminbi into foreign currency to the designated foreign exchange banks. Conversion of Renminbi into foreign exchange and remittance of foreign exchange funds outside of PRC for capital account items, like direct investment, loan, loan guarantee, securities investment, capital contribution and repatriation of investment, is still subject to restriction and prior approval from SAFE or its competent branch.

On 20 June 1996, PBOC promulgated the “*Regulations for Administration of Settlement, Sale and Payment of Foreign Exchange*” (the “**Settlement Regulations**”) which became effective on 1 July 1996. The Settlement Regulations superseded the Provisional Regulations and abolished the remaining restrictions on convertibility of foreign exchange in respect of current account items while retaining the existing restrictions on foreign exchange transactions in respect of capital account items. Domestic entities seeking to enter into foreign exchange transactions are required to open up foreign exchange accounts for current account or capital account transactions, as the case may be, at banks involved in foreign exchange business. Interest payments for foreign debt may be made from a foreign exchange account of a domestic entity or using foreign exchange purchased at designated foreign exchange banks after the verification of the *bona fide* nature of the transaction by SAFE. Domestic entities may apply to

SAFE for approval to purchase foreign exchange by presenting valid documents required by the Settlement Regulations for repayment of foreign debt principal, and such payment can be made upon the approval of SAFE.

On 25 October 1998, PBOC and SAFE promulgated the “*Notice Concerning the Discontinuance of Foreign Exchange Swap Business*”, pursuant to which and with effect from 1 December 1998, all foreign exchange swap business in the PRC for foreign-invested enterprises was discontinued, while the trading of foreign exchange by foreign-invested enterprises was to be regulated under the system for the settlement and sale of foreign exchange applicable to banks.

On 21 July 2005, PBOC announced that, beginning from 21 July 2005, the PRC will implement a regulated and managed floating exchange rate system based on market supply and demand and by reference to a basket of currencies. The Renminbi exchange rate is no longer pegged to the US dollar only. PBOC will announce the closing price of a foreign currency such as the US dollar traded against the Renminbi in the inter-bank foreign exchange market after the closing of the market on each business day, setting the central parity for trading of the Renminbi on the following business day.

Rules for Cross-border Renminbi Business

On 5 July 2013, PBOC issued the 2013 PBOC Notice to simplify the procedures under the cross-border Renminbi trade settlement, relaxed deadlines and financing account limit, regulate the domestic non-financial institutions Renminbi offshore lending business and provide external guarantees and other services. The 2013 PBOC Notice encourages the domestic bank to carry out cross-border Renminbi financing business, and the domestic non-financial institutions to apply to the domestic bank for its offshore Renminbi settlement business as well.

According to the 2013 PBOC Notice, PBOC does not set limits for the qualification and guaranteed amount of domestic non-financial institutions engaging in the cross-border Renminbi guarantee business.

Regulations Regarding Overseas Investment and Acquisition Activities

NDRC Supervision

According to the “*Administrative Measures for Overseas Investment by Enterprises*” effective from 1 March 2018 and replacing the “*Measures for the Administration of Approval and Filing of Overseas Investment Projects*”, the approval administration and filing administration shall be respectively applied to different overseas investment projects. Specifically, projects that are subject to approval are sensitive projects carried out by investors either directly or through overseas enterprises controlled, and with NDRC being the approval authority. “**Sensitive projects**” includes those projects involving sensitive countries or regions or industries. Projects subject to filing are non-sensitive projects directly carried out by investors.

Specifically, overseas investment projects carried out by enterprises under central management, and those carried out by local enterprises in which the amount of Chinese investment reaches or exceeds U.S.\$300 million shall be subject to record-filing by NDRC. Those carried out by local enterprises in which the amount of Chinese investment is below U.S.\$300 million shall be subject to record-filing by the local provincial development and reform authority.

Investment projects carried out by investors directly or through enterprises under their control in Hong Kong, Macao or Taiwan shall be governed by the “*Administrative Measures for Overseas Investment by Enterprises*”.

MOFCOM Supervision

MOFCOM issued the new version of the Administration of Overseas Investment on 6 September 2014, effective from 6 October 2014 (the “**New Overseas Investment Rules**”). Under the New Overseas Investment Rules, a domestic enterprise intending to carry out any overseas investment shall report to

the competent department of commerce for verification or filing and shall, with regard to an enterprise so verified or filed, issue thereto an Enterprise Overseas Investment Certificate. If two or more enterprises make joint investment to establish an overseas enterprise, the larger (or largest) shareholder shall be responsible for the verification or filing procedure after soliciting written consent of other investing parties.

An enterprise that intends to invest in a sensitive country or region or a sensitive industry shall apply for verification by MOFCOM. “**Sensitive countries and regions**” means those countries without a diplomatic relationship with the PRC, or subject to UN sanctions or otherwise under the list of verified countries and regions published by MOFCOM from time to time. “**Sensitive industries**” mean those industries involving the products and technologies which are restricted from being exported, or affecting the interests of more than one country (or region). In accordance with the New Overseas Investment Rules, a Central Enterprise shall apply to MOFCOM for verification and MOFCOM shall, within 20 working days of accepting such application, decide whether or not the verification is granted. For a local enterprise, it shall apply through the provincial department of commerce to MOFCOM for such verification. The provincial department of commerce shall give a preliminary opinion within 15 working days of accepting such local enterprise’s application and report all application documents to MOFCOM, while MOFCOM shall decide whether or not the verification is granted within 15 working days of receipt of such preliminary opinion from the provincial department of commerce. Upon verification, the Enterprise Overseas Investment Certificate shall be issued to the investing enterprise by MOFCOM.

Other than those overseas investments subject to MOFCOM verification as described above, all other overseas investments are subject to a filing requirement. The investing enterprise shall complete the filing form through the Overseas Investment Management System, an online system maintained by MOFCOM, and print out a copy of such filing form for stamping with the company chop, and then submit such stamped filing form, together with a copy of its business licence, for filing at MOFCOM (for a Central Enterprise) or the provincial department of commerce (for a local enterprise), respectively. MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within three working days of receipt of such filing form.

The investing enterprise must carry out the investment within two years of the date of the relevant Enterprise Overseas Investment Certificate, otherwise such Certificate will automatically expire and a new filing or verification application has to be made by the investing enterprise after such expiry if the investing enterprise still needs to make overseas investment. In addition, if any item recorded in such Certificate is changed, the investing enterprise shall handle an updating process at MOFCOM or the provincial department of commerce (as the case may be).

If an overseas invested company carries out a re-investment activity offshore, the investing enterprise shall report such re-investment activity to MOFCOM or the provincial department of commerce (as the case may be) after the investment is completed offshore. The investing enterprise shall fill in and print out a copy of the Overseas Chinese-invested Enterprise Re-investment Report Form from the Overseas Investment Management System and stamp and submit such Report Form to MOFCOM or the provincial department of commerce.

The New Overseas Investment Rules specifically provide that an overseas invested company cannot use the words “China” (“中國” or “中華”) in its name, unless otherwise approved.

Foreign Exchange Administration

According to the “Circular of the State Administration of Foreign Exchange on Promulgating the Administrative Provisions on Foreign Exchange of the Outbound Direct Investments of Domestic Institutions”, “Notice of SAFE on Further Improving and Adjusting the Foreign Exchange Administration Policies on Direct Investment” and “Notice of SAFE on Further Simplifying and Improving the Foreign Exchange Administration Policies on Direct Investment”, corporations, enterprises or other economic organisations (domestic investors) that have been permitted to make

outbound investment shall go through the procedures of registration with the Foreign Exchange Bureau. The Foreign Exchange Bureau shall issue the Agreement Processing Certificate generated by the capital account information system for overseas direct investment to the domestic institution. The domestic institution shall go through the formalities for outward remittance of funds for overseas direct investment at a designated foreign exchange bank by presenting the approval document issued by the department in charge of overseas direct investment and the Agreement Processing Certificate for overseas direct investment. The scope of foreign exchange funds for overseas direct investment of domestic institutions includes their own foreign exchange funds, domestic loans in foreign currencies in compliance with relevant provisions, foreign exchange purchased with Renminbi, material objects, intangible assets and other foreign exchange funds approved by the Foreign Exchange Bureaus for overseas direct investment. The profits gained from overseas direct investment of domestic institutions may be deposited in overseas banks and used for overseas direct investment.

EIT Law

Prior to 1 January 2008, under the then applicable PRC law and regulations, entities established in the PRC were generally subject to a 33 per cent. EIT. However, entities that satisfied certain conditions enjoyed preferential tax treatment. In accordance with the tax laws and regulations effective until 31 December 2007, foreign invested manufacturing enterprises scheduled to operate for a period no less than ten years were exempted from paying state income tax for two years starting from its first profit making year and were allowed a 50 per cent. reduction in its tax rate in the third, fourth and fifth years (“**two-year exemption and three-year reduction by half**”).

On 16 March 2007, the NPC enacted the EIT law which became effective on 6 December 2007, and amended on 24 February 2017 and 29 December 2018, together with its related implementation rules issued by the State Council on 6 December 2007 which became effective on 1 January 2008 and amended on 23 April 2019. The new EIT law imposes a single uniform income tax rate of 25 per cent. on all Chinese enterprises, including foreign invested enterprises, and eliminates or modifies most of the tax exemptions, reductions and preferential treatments available under the previous tax laws and regulations. On 26 December 2007, the State Council issued a “*Notice on the Implementation of the Transitional Preferential Tax Policies*”, or Circular 39. Further, as at 1 January 2008, the enterprises that previously enjoyed “two-year exemption and three-year reduction by half” of EIT and other preferential treatments in the form of tax deductions and exemptions within specified periods may, after the implementation of the new EIT law, continue to enjoy the relevant preferential treatments until the expiration of the time period. However, if such an enterprise has not enjoyed the preferential treatments yet because of its failure to make profits, its preferential time period shall be calculated from 2008.

After the implementation of the new EIT law, the preferential tax treatment for encouraged enterprises located in western China and certain industry-oriented tax incentives are still available. Pursuant to the “*Notice on Tax Policy Issues Concerning Further Implementing the Western China Development Strategy*”, effective from 1 January 2011, and “*Announcement on Continuation of CIT Policies for Large-scale Development in the Western Region*” which came into effect from 1 January 2021, the enterprises within the state-encouraged industry located in western China are taxed at a preferential income tax rate of 15 per cent. for years from 1 January 2011 to 31 December 2030 after being approved by the competent tax authority.

In addition, pursuant to the “*Circular of the Ministry of Finance and State Administration of Taxation on Issues Relevant to the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment*” promulgated on 23 September 2008 (“**Circular 46**”) and the “*Circular of the State Administration of Taxation on the Issues of the Implementation of the Key Public Infrastructure Projects Supported by the State and Entitled for Preferential Tax Treatment*” with effect from 1 January 2008 (“**Circular 80**”), an enterprise set up after 1 January 2008 and engaged in public infrastructure projects is entitled to three-year full exemption followed by a three-year 50 per cent. exemption commencing from the first year it generates operating income. Accordingly, wind power

projects which have obtained government approval on or after 1 January 2008 are fully exempted from EIT for three years starting from the year when operating income is first derived from the sales of electricity, and is 50 per cent. exempted from EIT for three years thereafter.

Value-added Tax

According to the “*Tentative Regulations on the Value-added Tax of the PRC*” which came into effect on 1 January 2009 and was amended on 19 November 2017, and the “*Detailed Implementation Rules of the Tentative Regulations on the Value-added Tax of the PRC*” promulgated by the PRC Ministry of Finance which came into effect on 1 January 2009 and was amended on 28 October 2011, organisations or individuals who sell commodities, provide processing, repairing or replacement services, or import commodities within the PRC’s territories are subject to value-added tax, and shall pay the value-added tax accordingly. The rate of the value-added tax shall be 17 per cent., 11 per cent. or 6 per cent., depending on the commodities being sold. For taxpayers exporting commodities, the tax rate shall be zero per cent.

Environmental Protection Laws

The State Environmental Protection Administration is responsible for the overall supervision and management of environmental protection in the PRC. All manufacturers in the PRC must comply with environmental laws and regulations including the Environmental Protection Law of the PRC, Prevention and Control of Water Pollution Law of the PRC, Prevention and Control of Air Pollution Law of the PRC and Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC, and relevant environmental regulations such as provisions regarding the treatment and disposal of pollutants and sewage, discharge of polluted fumes and the prevention of industrial pollution. Depending on the circumstances and the seriousness of the violation of the environmental regulations, the local authorities are authorised to impose various types of penalties on the persons or entities in violation of the environmental regulations. The penalties which could be imposed include the issue of warning, suspension of operation or installation and use of preventive facilities which are incomplete and fail to meet the prescribed standard, reinstallation of preventive facilities which have been dismantled or left idle, administrative sanction against office-in-charge, suspension of business operations or shut-down of the enterprise or institution. Fines could also be levied together with these penalties. The relevant local authorities may apply to the court for compulsory enforcement of environmental compliance. The persons or entities in violation of the applicable laws and regulations may also be liable to pay damages to the victims and/or result in criminal liability.

Other environmental protection laws applicable to the Group include the “*Regulations of Environmental Protection Management on Construction Project* (建設項目環境保護管理條例)”, the “*Interim Measures for Environmental Protection Acceptance of Construction Projects* (建設項目竣工環境保護驗收暫行辦法)” and the “*Environmental Impact Evaluation Law of the PRC* (中華人民共和國環境保護法)”.

Cross-border Security Laws

On 19 May 2014, the SAFE promulgated the Notice concerning the Foreign Exchange Administration Rules on Cross-Border Security and the relating implementation guidelines (國家外匯管理局關於發布《跨境擔保外匯管理規定的通知》)(collectively the “**New Regulations**”). The New Regulations, which came into force on 1 June 2014, replace twelve other regulations regarding cross-border security and introduce a number of significant changes, including: (i) abolishing prior SAFE approval and quota requirements for cross-border security; (ii) requiring SAFE registration for two specific types of cross-border security only; (iii) removing eligibility requirements for providers of cross-border security; (iv) the validity of any cross-border security agreement is no longer subject to SAFE approval, registration, filing, and any other SAFE administrative requirements; and (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the New Regulations. The New Regulations classify cross-border security into three types:

- Nei Bao Wai Dai (內保外貸)(“NBWD”): security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor.
- Wai Bao Nei Dai (外保內貸)(“WBND”): security/guarantee provided by an offshore security provider for a debt owing by an onshore debtor to an onshore creditor.
- Other Types of Cross-border Security (其他形式跨境擔保): any cross-border security/guarantee other than NBWD and WBND.

In respect of NBWD, in the case where the onshore security provider is a non-financial institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). The onshore security provider can pay to the offshore creditor direct (by effecting remittance through an onshore bank) where the NBWD has been registered with SAFE. In addition, if any onshore security provider under a NBWD provides any security or guarantee for an offshore bond issuance, the offshore issuer’s equity shares must be fully or partially held directly or indirectly by the onshore security provider. Moreover, the proceeds from any such offshore bond issuance must be applied towards the offshore project(s), where an onshore entity holds equity interest, and in respect of which the related approval, registration, record, or confirmation has been obtained from or made with the competent authorities subject to PRC Laws. According to the “Notice of State Administration of Foreign Exchange on Improving the Check of Authenticity and Compliance to further Promote Foreign Exchange Control” which came into effect on 26 January 2017, the funds borrowed offshore under a NBWD are allowed to be directly or indirectly repatriated or used onshore by domestic lending, equity investment or other means.

The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor’s obligations in respect of the Bonds and the Trust Deed (the “**Guarantee**”) are contained in the Deed of Guarantee. The Deed of Guarantee will be executed by the Guarantor on or before the Issue Date. Under the New Regulations, the Deed of Guarantee does not require any pre-approval by SAFE and is binding and effective upon execution.

The Guarantor is required to submit the Deed of Guarantee to the local SAFE for registration within 15 working days after its execution. The SAFE registration is merely a post signing registration requirement, which is not a condition to the effectiveness of the Guarantee.

Under the New Regulations, the local SAFE will go through a procedural review (as opposed to a substantive approval process) of the Guarantor’s application for registration. Upon completion of the review, the local SAFE will issue a registration notice or record to the Guarantor to confirm the completion of the registration. The Guarantor has been advised by its PRC legal advisers that there are no foreseeable obstacles to the completion of the registration so long as all relevant documents have been duly submitted to SAFE.

Under the New Regulations:

- non-registration does not render the Guarantee ineffective or invalid under PRC law, although SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated timeframe of 15 working days; and
- there may be logistical hurdles at the time of remittance (if any cross-border payment is to be made by the Guarantor under the Guarantee), as domestic banks may require evidence of SAFE registration in order to effect such remittance, although this does not affect the validity of the Guarantee itself.

The Terms and Conditions of the Bonds provide that the Guarantor will register, or cause to be registered, the Deed of Guarantee with SAFE in accordance with, and within the time period prescribed by, the New Regulations and use its best endeavours to complete the registration and obtain a registration record from SAFE on or before the day falling 120 Registration Business Days (as defined in the Terms and Conditions of the Bonds) after the Issue Date (the “**Registration Deadline**”). If the Guarantor fails to complete the SAFE registration and deliver the registration records to the Trustee before the Registration Deadline, the holders will have a put option to require the Issuer to redeem the Bonds held by them at their principal amount together with accrued interest (see Condition 6(c) of the Terms and Conditions of the Bonds).

A PRC non-financial institution may provide a CNY guarantee for external parties in accordance with the PRC Civil Code and other relevant laws. Where the PRC non-financial institution uses CNY to perform its obligations as a guarantor of external guarantees, the relevant PRC Bank shall process CNY settlement for the said institution after examining the authenticity of relevant transactions, and submit relevant information to the cross-border CNY receipt and payment information management system. The PRC non-financial institution may also directly pay the funds for performance of its obligations as the guarantor with the CNY funds retained overseas.

TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Bonds is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any Bondholder or any persons acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. Persons considering the purchase of the Bonds should consult their own tax advisers concerning the possible tax consequences of buying, holding or selling any Bonds under the laws of their country of citizenship, residence or domicile.

Hong Kong

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No Hong Kong stamp duty will be chargeable upon the issue or transfer of the Bonds.

PRC

The following summary describes certain PRC tax consequences of ownership and disposition of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes.

These beneficial owners are referred to as non-PRC Bondholders in this “Taxation – PRC” section. In considering whether to invest in the Bonds, investors should consult their own tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Income Tax

Pursuant to the EIT Law and its implementation regulations, enterprises that are established under laws of foreign countries and regions (including the Hong Kong and Macau Special Administrative Regions and Taiwan) but whose “de facto management body” is within the territory of the PRC are treated as PRC tax resident enterprises for the purpose of the EIT Law and must pay PRC enterprise income tax at the rate of 25 per cent. in respect of their taxable income. Although the rules are not entirely clear, dividends from a PRC tax resident enterprise should be excluded from the taxable income of a recipient that is also a PRC tax resident enterprise. If relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the “de facto management body” of the Issuer is within the territory of PRC, the Issuer may be treated as a PRC tax resident enterprise for the purpose of the EIT Law, and the Issuer may be subject to PRC enterprise income tax at the rate of 25 per cent. on its taxable income. At the date of this Offering Circular, the Issuer has not been notified or informed by the PRC tax authorities that it is considered as a PRC tax resident enterprise for the purpose of the EIT Law.

However, there can be no assurance that the Issuer will not be treated as a PRC tax resident enterprise under the EIT Law and related implementation regulations in the future. Pursuant to the EIT Law and its implementation regulations, any non-resident enterprise without an establishment within the PRC or whose income has no connection to its establishment inside the PRC must pay enterprise income tax on income sourced within the PRC, and such income tax must be withheld at source by the PRC payer. Accordingly, if the Issuer is treated as a PRC tax resident enterprise by the PRC tax authorities, the Issuer may be required to withhold income tax from the payments of interest in respect of the Bonds to any non-PRC Bondholder, and gain from the disposition of the Bonds may be subject to PRC tax, if the income or gain is treated as PRC-source. The tax rate is generally 10 per cent. for non-resident enterprise Bondholders and 20 per cent. in the case of non-resident individuals, subject to the provisions of an applicable tax treaty. The Issuer has agreed to pay additional amounts to Bondholders, subject to certain exceptions, so that they would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Bonds.

In addition, as the Guarantor is currently regarded as a PRC tax resident enterprise, if the Issuer is not able to make payments under the Bonds and the Guarantor fulfils the payment obligations under the Guarantee, the Guarantor must withhold PRC income tax on payments with respect to the interest accrued on the Bonds to non-resident enterprise holders generally at the rate of 10 per cent. (and possibly at a rate of 20 per cent. in the case of payments to non-resident individual holders), subject to the provisions of any applicable tax treaty.

Stamp duty

No PRC stamp duty will be imposed on non-PRC Bondholders either upon the issue of the Bonds or upon a subsequent transfer of Bonds to the extent that the register of holders of the Bonds is maintained outside the PRC and the issue and the sale of the Bonds is made outside of the PRC.

Value-added Tax (“VAT”)

On 23 March 2016, the MOF and the State Administration of Taxation (the “SAT”) issued the Circular of Full Implementation of Business Tax to VAT Reform (《關於全面推開營業稅改徵增值稅試點的通知》)(Caishui [2016] No. 36, “Circular 36”), which confirms that business tax will be completely replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by and be subject to VAT.

According to Circular 36, the entities and individuals providing services within the PRC shall be subject to VAT. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the “loans” refers to the activity of lending capital for another’s use and receiving the interest income thereon. Based on the definition of “loans” under Circular 36, the issuance of Bonds is likely to be treated as the holders of the Bonds providing loans to the Issuer, which thus shall be regarded as financial services subject to VAT.

It is not clear from the interpretation of Circular 36 if the provision of loans to the Issuer could be considered services provided within the PRC, which thus could be regarded as the provision of financial services that could be subject to VAT. Furthermore, there is no assurance that the Issuer will not be treated as a “resident enterprise” under the EIT Law. PRC tax authorities could take the view that the holders of the Bonds are providing loans within the PRC because the Issuer is treated as a PRC tax resident. In which case, the issuance of the Bonds could be regarded as the provision of financial services within the PRC that is subject to VAT.

If the Issuer is treated as a PRC tax resident and if PRC tax authorities could take the view that the holders of the Bonds are providing loans within the PRC, or if the interest component of the amount payable by the Guarantor to the Bondholders under the Deed of Guarantee is viewed as interest income arising within the territory of the PRC, the Bondholders shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Bonds. In addition, the holders of the Bonds shall be subject to the local levies at approximately 12 per cent. of the VAT payment and consequently, the combined rate of VAT and local levies would be around 6.72 per cent. Given that the Issuer or the Guarantor pays interest income to Bondholders who are located outside of the PRC, the Issuer or the Guarantor, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT and local levies from the payment of interest income to Bondholders who are located outside of the PRC.

Where a Bondholder who is an entity or individual located outside of the PRC resells the Bonds to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically Circular 36 does not apply and the Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC.

Circular 36 has been issued quite recently, and the above statement may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

Pursuant to the EIT Law and the VAT reform detailed above, the Issuer shall withhold EIT (should such tax apply) from the payments of interest in respect of the Bonds for any non-PRC-resident Bondholder and the Issuer shall withhold business tax or VAT (should such tax apply) from the payments of interest in respect of the Bonds for any Bondholders located outside of the PRC. However, in the event that the Issuer is required to make such a deduction or withholding (whether by way of EIT, VAT or otherwise), the Issuer has agreed to pay such additional amounts as will result in receipt by the Bondholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. For more information, see “*Terms and Conditions of the Bonds – Condition 8 (Taxation)*”.

The Proposed Financial Transactions Tax (“FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the current European Commission proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

EXCHANGE RATE

The PBOC sets and publishes a daily base exchange rate with reference primarily to the supply and demand of Renminbi with reference to a basket of currencies in the market during the prior day. The PBOC also takes into account other factors such as general conditions existing in the international foreign exchange markets. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and US dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's interbank foreign exchange market rates and current exchange rates in the world financial markets.

From 1994 to July 2005, the official exchange rate for the conversion of Renminbi to US dollars was generally stable. Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currency for current account items, conversion of Renminbi into foreign currency for capital items, such as foreign direct investment, loans or securities, requires the approval of the SAFE and other relevant authorities. On 21 July 2005, the PRC government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. The PRC government has since made and in the future may make further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 am each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over the counter exchange rate for that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the interbank foreign exchange spot market of Renminbi against the US dollars from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the US dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. On 19 June 2010, the PBOC announced that it intended to further reform the Renminbi exchange rate regime by allowing greater flexibility in the Renminbi exchange rate, and on 16 April 2012, the band was expanded to 1.0 per cent. The band was further expanded to 2.0 per cent. on 17 March 2014.

In August 2015, the PBOC moved to devalue the Renminbi against the US dollar and announced a policy change allowing a more market-based determination of the official fixing rate. Following such announcement, the Renminbi depreciated significantly against the US dollar. In January and February 2016, the Renminbi experienced further fluctuations in value against the US dollar. Following the gradual appreciation against US dollar in 2017, Renminbi experienced a recent depreciation in value against U.S. dollar followed by a fluctuation in 2018 and early 2019. On 5 August 2019, PBOC set the Renminbi's daily reference rate above 7 per US dollar for the first time in over a decade amidst an uncertain trade and global economic climate. The PRC government may from time to time make further adjustments to the exchange rate system in the future. The PBOC authorised the China Foreign Exchange Trading Centre to announce the central parity exchange rate of certain foreign currencies against the Renminbi on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over-the-counter exchange rate for the business day.

The following table sets forth, for the periods indicated, certain information concerning the exchange rates between Renminbi and US dollars, as published in the H.10 statistical release of the Board of Governors of the Federal Reserve System of the United States.

Period	Noon Buying Rate			
	Low	Average ⁽¹⁾	High	Period End
	<i>(Renminbi per U.S.\$1.00)</i>			
2015	6.1870	6.2869	6.4896	6.4778
2016	6.4480	6.6549	6.9580	6.9430
2017	6.4773	6.7350	6.9575	6.5063
2018	6.2649	6.6322	6.9737	6.8755
2019	6.6822	6.9014	7.1786	6.9618
2020	6.5208	6.8878	7.1681	6.5250
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4344	6.4601	6.4869	6.4730
March	6.4648	6.5109	6.5716	6.5518
April	6.4710	6.5186	6.5649	6.4749
May	6.3674	6.4321	6.4749	6.3674
June (through to 11 June)	6.3796	6.3923	6.4036	6.3967

Note:

⁽¹⁾ Determined by averaging the rates on the last business day of each month during the relevant year, except for the average rates of the relevant periods in 2021, which are determined by averaging the daily rates during the periods indicated.

Source: Federal Reserve Bank of New York

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Managers dated 23 June 2021 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Managers, and the Managers have severally, but not jointly, agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth in the Subscription Agreement opposite its name below.

The Managers	Principal Amount of the Bonds to be Subscribed
BNP Paribas	U.S.\$156,000,000
China International Capital Corporation Hong Kong Securities Limited	U.S.\$156,000,000
Deutsche Bank AG, Singapore Branch	U.S.\$156,000,000
Bank of China Limited	U.S.\$12,000,000
Bank of Communications Co., Ltd. Hong Kong Branch	U.S.\$12,000,000
China Everbright Bank Co., Ltd., Hong Kong Branch	U.S.\$12,000,000
China Securities (International) Corporate Finance Company Limited	U.S.\$12,000,000
CMB Wing Lung Bank Limited	U.S.\$12,000,000
Hua Xia Bank Co., Limited Hong Kong Branch	U.S.\$12,000,000
ICBC International Securities Limited	U.S.\$12,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	U.S.\$12,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	U.S.\$12,000,000
Shenwan Hongyuan Securities (H.K.) Limited	U.S.\$12,000,000
Silk Road International Capital Limited	U.S.\$12,000,000
Total	U.S.\$600,000,000

The Subscription Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent, and entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer and the Bonds being issued. The Issuer or, as the case may be, the Guarantor will pay the Managers’ fees and commissions in connection with the offering and will reimburse the Managers for certain fees and expenses incurred in connection with the offering.

In connection with the issue of the Bonds, any Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but, in so doing, the Stabilisation Managers shall act as principal and not as agent of the Issuer or the Guarantor. However, there is no assurance that the Stabilisation Managers will undertake stabilisation action. Any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by the Stabilisation Managers or in the manner agreed by them.

The Managers and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities (“Banking Services or Transactions”). The Managers and their affiliates have, from time to time, performed, and may in the future perform, various banking services or transactions for the Issuer and the Guarantor, for which they have received, or will receive, fees and expenses.

The Managers and their respective affiliates may purchase the Bonds and be allocated the Bonds for asset management and/or proprietary purposes but not with a view to distribution. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the Bonds being ‘offered’ should be read as including any offering of the Bonds to the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor for their own

account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. If such transaction occurs, the trading price and liquidity of the Bonds may be impacted. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Bonds. If this is the case, liquidity of trading in the Bonds may be constrained (see “*Risk Factors – Risks Relating to the Bonds and the Guarantee – A trading market for the Bonds may not develop, and there are restrictions on resale of the Bonds*”). The Issuer, the Guarantor and the Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Bonds, and could adversely affect the trading price and liquidity of the Bonds. The Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer or the Guarantor.

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or the Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering or publicity material in connection with the Bonds may be distributed or published, by the Issuer, the Guarantor or the Managers in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction, and will not impose any obligations on the Issuer, the Guarantor or the Managers.

United States

The Bonds and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of Bonds or Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

United Kingdom

Each of the Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA received by it in connection with the issue or sale of the Bonds) in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Bonds described herein. The Bonds may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Offering Circular nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland.

Hong Kong

Each of the Managers and Joint Bookrunners have represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the

Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

The PRC

Each of the Managers has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macao Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Singapore

Each Manager has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA, except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;

- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Taiwan

Each of the Managers has represented, warranted and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan, except as permitted by the securities laws of Taiwan.

GENERAL INFORMATION

1. **Clearing System:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 235627116 and the ISIN for the Bonds is XS2356271168.
2. **Authorisations:** The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of their respective obligations under the Bonds, the Deed of Guarantee, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer dated 18 June 2021. The Guarantor has obtained all necessary approvals in connection with the Guarantee. The execution of the Deed of Guarantee, the issue of the Bonds and the giving of the Guarantee were authorised by a resolution of the board of directors of the Guarantor dated 8 April 2021. The Guarantor also obtained a certificate from the NDRC in respect of the NDRC Circular on 11 May 2021 (which remains valid, in full force and effect and has not been revoked as of the date of this Offering Circular).
3. **No Material and Adverse Change:** Save as disclosed in this Offering Circular, has been no material and adverse change in the financial or trading position, prospects or results of operations of the Issuer, the Guarantor or the Group since 31 December 2020.
4. **Litigation:** As at the date of this Offering Circular, none of the Issuer, the Guarantor or any member of the Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on their businesses, results of operations and financial condition, nor is the Issuer or the Guarantor aware that any such proceedings are pending or threatened.
5. **Available Documents:** Copies of the Guarantor's audited consolidated financial statements as at and for the years ended 31 December 2018, 2019 and 2020, the Deed of Guarantee, the Trust Deed and the Agency Agreement relating to the Bonds will be available for inspection from the Issue Date at the Guarantor's registered office at Jiangong Building, No. 1 Guanglian Road, Xicheng District, Beijing 100055 China, and upon prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent, at the specified office of the Principal Paying Agent (being on the Issue Date at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong), at all reasonable times during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time), Monday to Friday (other than public holidays)), so long as any Bond is outstanding and subject to the relevant documents being provided to the Principal Paying Agent.
6. **Audited Financial Statements:** The Guarantor's audited consolidated financial statements as at and for the years ended 31 December 2018, 2019 and 2021, which are included elsewhere in this Offering Circular, have been audited by Grant Thornton, Certified Public Accountants, in accordance with PRC GAAP.
7. **Listing of Bonds:** Application has been made to the Hong Kong Stock Exchange for permission to deal in the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 5 July 2021.
8. **Legal Entity Identifier:** The legal entity identifier of the Issuer is 3003005SOPRBUDFEY106.

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Auditor's Report
Beijing Construction Engineering Group
Company Limited
For the financial years of 2018,2019 and2020

Grant Thornton

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(English Translation for Reference Only)

Auditor's Report

GTCNZZ (2021) NO.110C012152

To the Board of Directors of Beijing Construction Engineering Group Company Limited,

Opinion

We have audited the consolidated financial statement of Beijing Construction Engineering Group Company Limited and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, 31 December 2019 and 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statement present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, 31 December 2019 and 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statement* Section of our report. We are independent of the Group in accordance with the Code of Ethics for Chinese Certified Public Accountant (Ethics Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we fulfilled our other ethical responsibilities in accordance with these requirements and the Ethics Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charge with Governance for the Financial Statement

Management of the Group is responsible for the preparation and fair presentation of the financial statement in accordance with Accounting Standards for Business Enterprises, and for such internal control as management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Auditor's signature and stamp



Auditor's signature and stamp



China · Beijing

31 March 2021

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

Balance Sheet

As at 31 December 2020

Prepared by: Beijing Construction Engineering Group Co., Ltd.

Expressed in RMB

Item	Note	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018
Current assets:				
Cash at bank and on hand	8.1	29,975,075,812.54	25,353,971,775.17	24,984,803,368.90
Financial assets at fair value through profit or loss	8.2	1,286,085,057.01	852,351,727.14	120,363,589.55
Derivative financial assets				
Bills receivable	8.3	824,779,947.21	603,892,762.96	511,565,038.21
Accounts receivable	8.4	29,602,402,466.31	24,721,496,503.22	21,108,445,942.12
☆ Accounts receivable financing	8.5	3,400,000.00		
Prepayments	8.6	4,277,518,316.39	3,973,162,176.84	4,077,300,453.44
Other receivables	8.7	13,816,903,017.89	7,839,896,023.78	7,908,242,731.42
Including: Dividends receivable		131,332,620.48	127,291,476.88	121,894,041.50
Inventories	8.8	74,612,812,500.27	66,819,348,288.16	54,326,276,313.01
☆ Contract assets	8.9	934,171,008.17	754,475,775.15	
Assets held for sale				
Non-current assets due within one year	8.10	68,048,978.01		
Other current assets	8.11	3,340,523,327.58	2,735,296,335.47	1,737,664,660.14
Total current assets		158,741,720,431.38	133,653,891,367.89	114,774,662,096.79
Non-current assets:				
Available-for-sale financial assets	8.12	3,825,452,665.31	1,949,360,084.64	1,160,536,952.72
Held-to-maturity investments	8.13	711,225,081.06	723,709,479.36	736,942,953.63
Long-term receivables	8.14	12,282,490,585.33	10,013,364,972.35	7,398,470,173.05
Long-term equity investments	8.15	6,788,201,260.96	7,478,549,741.32	5,343,106,851.05
Investment properties	8.16	10,437,673,859.13	7,700,019,105.75	7,578,244,297.21
Fixed assets	8.17	5,680,441,377.21	5,111,280,595.94	4,581,749,019.86
Construction in progress	8.18	619,553,782.62	707,446,765.67	850,922,874.02
Productive biological assets				
Oil and gas assets				
Intangible assets	8.19	1,336,178,157.30	1,154,500,198.66	1,130,453,570.25
Development costs	8.20	13,290,537.99	25,798,017.31	10,960,076.89
Goodwill	8.21	202,826,995.30	190,196,439.57	195,796,867.37
Long-term deferred expenses	8.22	516,504,957.35	478,611,575.01	388,764,090.82
Deferred tax assets	8.23	599,607,871.65	516,120,482.60	446,289,729.45
Other non-current assets	8.24	358,499,699.62	330,432,335.24	270,217,243.02
Total non-current assets		43,371,946,830.83	36,379,389,793.42	30,092,454,699.34
Total assets		202,113,667,262.21	170,033,281,161.31	144,867,116,796.13

Legal representative:

The person in charge of accounting affairs:

The person in charge of accounting affairs:

Balance Sheet(continued)

As at 31 December 2020

Prepared by: Beijing Construction Engineering Group Co., Ltd.

Expressed in RMB

Item	Note	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018
Current liabilities:				
Short-term loans	8.25	19,460,183,701.86	25,328,591,628.73	25,200,784,931.84
Financial liabilities at fair value through profit or loss				
Derivative financial liabilities				
Bills payable	8.26	4,909,821,327.38	4,042,365,672.80	2,727,449,551.81
Accounts payable	8.27	47,444,126,761.57	38,060,192,391.33	33,213,274,450.09
Advances from customers	8.28	26,656,807,735.04	23,007,754,470.42	15,699,184,227.64
☆Contract liabilities	8.29	19,594,947.60	38,147,460.79	
Employee benefits payable	8.30	987,067,533.76	921,784,993.57	852,373,450.56
Taxes payable	8.31	1,252,596,271.10	1,273,482,418.38	825,114,497.82
Other payables	8.32	7,074,642,760.30	8,698,484,294.35	7,731,382,131.42
Including: Dividends payable		46,715,752.57	53,622,149.86	49,138,600.53
Liabilities held for sale				
Non-current liabilities due within one year	8.33	9,762,693,061.83	7,256,309,419.10	4,006,964,200.00
Other current liabilities	8.34	584,802,033.51	500,799,400.79	115,549,952.20
Total current liabilities		118,152,336,133.95	109,127,912,150.26	90,372,077,393.38
Non-current liabilities:				
Long-term loans	8.35	32,136,241,811.03	21,798,980,328.75	17,708,636,264.72
Bonds payable	8.36	6,800,000,000.00	5,971,142,110.98	5,695,169,116.43
Long-term payables	8.38	609,929,575.54	447,763,779.18	794,136,092.13
Long-term employee benefits payable				
Provisions	8.39	4,877,282.43	1,777,160.87	7,009,300.99
Deferred income	8.40	81,623,464.22	82,286,088.93	81,665,228.26
Deferred tax liabilities	8.23	829,632,160.56	697,503,138.26	673,391,308.23
Other non-current liabilities	8.41	10,487,240.41	10,629,305.64	42,357,800.92
Total non-current liabilities		40,472,791,534.19	29,010,081,912.61	25,002,665,111.68
Total liabilities		158,625,127,668.14	138,137,994,062.87	115,374,742,505.06
Equity:				
Paid-in capital	8.42	8,285,155,000.00	7,273,500,000.00	4,264,000,000.00
Other equity instruments	8.43	1,000,000,000.00	2,000,000,000.00	2,000,000,000.00
Capital reserve	8.44	2,659,276,113.35	2,593,285,615.27	2,486,436,365.38
Less: treasury shares				
Other comprehensive income		2,148,559,048.77	2,211,756,050.88	1,822,493,208.24
Specific reserve	8.45	64,935,235.74	37,020,114.52	93,634,581.48
Surplus reserve	8.46	610,037,453.84	467,752,906.36	401,612,614.74
Undistributed profit	8.47	5,141,043,075.62	5,464,062,379.01	8,759,114,222.30
Total equity attributable to shareholders of the Company		19,909,005,927.32	20,047,377,066.04	19,827,290,992.14
Non-controlling interests		23,579,533,666.75	11,847,910,032.40	9,665,083,298.93
Total shareholders' equity		43,488,539,594.07	31,895,287,098.44	29,492,374,291.07
Total liabilities and shareholders' equity		202,113,667,262.21	170,033,281,161.31	144,867,116,796.13

Legal representative:

The person in charge of accounting affairs:

The person in charge of accounting affairs:

Income Statement

For the year ended 31 December 2020

Prepared by: Beijing Construction Engineering Group Co., Ltd.

Expressed in RMB

Item	Note	Year ended 31/12/2020	Year ended 31/12/2019	Year ended 31/12/2018
I. Operating income	8.48	105,512,109,113.03	95,667,938,862.51	83,875,839,431.52
Less: operating costs	8.48	96,725,533,032.59	86,561,264,754.54	75,742,257,640.74
Taxes and surcharges		528,990,398.23	1,228,930,394.94	646,896,574.70
Selling and distribution expenses	8.49	396,768,161.86	373,227,220.78	309,086,666.35
General and administrative expenses	8.50	3,150,187,467.76	2,926,527,282.62	2,754,026,196.78
Research and development expenses	8.51	1,055,798,469.40	900,226,050.63	783,171,826.55
Financial expenses	8.52	1,308,232,292.50	2,010,893,798.69	1,735,867,817.52
Add: Other income	8.53	110,116,998.61	86,944,898.94	71,735,991.03
Investment income ("-" for losses)	8.54	244,459,789.48	360,244,330.76	282,154,971.87
Including: Income from investment in associates and joint ventures		177,498,001.84	74,471,387.56	204,888,673.52
Gains from changes in fair value ("-" for losses)	8.55	480,016,882.37	108,094,387.20	117,012,520.28
☆Credit impairment losses ("+" for losses)	8.56	-7,219,446.30		
Impairment losses	8.57	-661,358,091.15	-404,203,819.64	-278,855,186.13
Gains from assets disposal ("-" for losses)	8.58	14,821,773.02	463,018,000.94	154,264,056.59
II. Operating profit ("-" for losses)		2,527,437,196.72	2,280,967,158.31	2,250,845,062.52
Add: Non-operating income	8.59	98,003,251.35	139,778,737.95	89,431,428.73
Less: Non-operating expenses	8.60	88,929,810.87	74,860,504.77	149,492,344.95
III. Profit before income tax ("-" for losses)		2,536,510,637.20	2,345,885,391.49	2,190,784,146.30
Less: Income tax expenses	8.61	678,445,797.14	657,734,125.90	352,718,101.51
IV. Net profit for the year ("-" for losses)		1,858,064,840.06	1,688,151,265.59	1,838,066,044.79
(1) Classification according to attribute				
Including: Shareholders of the company		1,194,935,286.50	1,143,070,177.58	1,334,349,935.33
Non-controlling interests		663,129,553.56	545,081,088.01	503,716,109.46
(2) Classification according to operation continuity				
Including: Net profit from continuing operations ("-" for net loss)		1,858,064,840.06	1,688,151,265.59	1,838,066,044.79
Net profit from discontinued operations ("-" for net loss)				
V. Other comprehensive income, net of tax		-73,657,950.10	-400,595,646.56	172,480,547.96
Other comprehensive income (net of tax) attributable to shareholders of the company		-63,197,002.11	389,262,842.64	198,202,638.37
A. Items that will not be reclassified to profit or loss				
a. Remeasurement of defined benefit plan liability or asset				
b. Share of other comprehensive income of the equity method investments				
c. Others				
B. Items that may be reclassified to profit or loss		-63,197,002.11	389,262,842.64	198,202,638.37
a. Share of other comprehensive income of the equity method investments		-24,930,866.68	336,856,540.14	210,716,941.14
b. Gains or losses arising from changes in fair value of available-for-sale financial assets		-36,872,254.63	1,907,515.79	-59,766,919.40
c. Gains or losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets				
d. Effective portion of gains or losses arising from cash flow hedging instruments				
e. Translation differences arising from translation of foreign currency financial statements		-9,731,486.08	10,599,374.16	7,986,971.70
f. Others		8,337,605.28	39,899,412.55	39,265,644.93
Other comprehensive income (net of tax) attributable to non-controlling interests		-10,460,947.99	11,332,803.92	-25,722,090.41
VI. Total comprehensive income for the year		1,784,406,889.96	2,088,746,912.15	2,010,546,592.75
Attributable to:				
Shareholders of the company		1,131,738,284.39	1,532,333,020.22	1,532,552,573.70
Non-controlling interests		652,668,605.57	556,413,891.93	477,994,019.05
VII. Earnings per share:				
(1) Basic earnings per share				
(2) Diluted earnings per share				

Legal representative:

The person in charge of accounting affairs:

The head of the accounting department:

Cash Flow Statement

For the year ended 31 December 2020

Prepared by: Beijing Construction Engineering Group Co., Ltd.

Expressed in RMB

Item	Note	Year ended 31/12/2020	Year ended 31/12/2019	Year ended 31/12/2018
I. Cash flows from operating activities	8.67			
Proceeds from sales of goods or rendering of services		105,782,130,472.51	105,707,118,742.74	80,924,953,749.42
Refund of taxes		143,915,360.54	69,754,668.74	43,734,110.16
Proceeds from other operating activities		13,259,817,616.98	13,269,574,260.33	12,674,691,818.68
Sub-total of cash inflows		119,185,863,450.03	119,046,447,671.81	93,643,379,678.26
Payment for goods and services		86,968,398,249.11	90,211,913,283.94	71,043,625,347.11
Payment to and for employees		7,052,056,070.74	6,777,596,121.57	6,101,290,524.21
Payments of various taxes		3,445,425,644.16	3,690,413,460.17	2,830,601,922.27
Payment for other operating activities		15,739,208,695.47	12,845,103,823.40	13,673,009,952.65
Sub-total of cash outflows		113,205,088,659.48	113,525,026,689.08	93,648,527,746.24
Net cash flows from operating activities		5,980,774,790.55	5,521,420,982.73	(5,148,087.98)
II. Cash flows from investing activities				
Proceeds from disposal of investments		5,761,909,872.43	5,389,275,548.85	4,688,908,446.34
Investment returns received		383,547,007.12	475,150,818.36	202,539,233.44
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		329,238,494.86	11,049,697.28	78,577,329.58
Net proceeds from disposal of subsidiaries and other business units		10,767,959.31	699,850.85	150,464.00
Proceeds from other investing activities		5,786,847,028.93	1,203,688,220.45	24,096,818.41
Sub-total of cash inflows		12,272,310,362.65	7,079,864,135.79	4,994,272,291.77
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,135,615,395.80	770,598,914.58	738,273,054.03
Payment for acquisition of investments		10,324,385,759.27	8,435,253,727.52	7,210,085,183.32
Net payment for acquisition of subsidiaries and other business units		14,908,020.00	899,994,800.00	
Payment for other investing activities		10,664,423,133.22	1,737,560,000.00	693,533,501.34
Sub-total of cash outflows		22,139,332,308.29	11,843,407,442.10	8,641,891,738.69
Net cash flows from investing activities		-9,867,021,945.64	-4,763,543,306.31	-3,647,619,446.92
III. Cash flows from financing activities				
Proceeds from investors		11,557,345,840.76	2,049,193,327.28	5,239,367,616.69
Including: Proceeds from non-controlling shareholders of subsidiaries		1,557,345,840.76	2,015,343,327.28	5,193,083,296.69
Proceeds from borrowings		57,473,902,875.17	44,639,602,219.21	46,209,516,729.05
Proceeds from other financing activities		248,220,676.76	41,580,000.00	196,250,000.00
Sub-total of cash inflows		69,279,469,392.69	46,730,375,546.49	51,645,134,345.74
Repayments of borrowings		51,158,206,746.72	37,819,626,974.95	40,504,232,058.32
Payment for dividends, profit distributions or interest		4,493,280,987.63	5,207,781,630.34	2,548,428,000.46
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		27,416,861.38	506,469,061.49	303,121,896.30
Payment for other financing activities		5,051,329,723.03	4,206,908,742.64	826,339,640.24
Sub-total of cash outflows		60,702,817,457.38	47,234,317,347.93	43,878,999,699.02
Net cash flows from financing activities		8,576,651,935.31	-503,941,801.44	7,766,134,646.72
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-147,778,630.84	12,138,474.37	25,634,676.94
V. Net increase in cash and cash equivalents		4,542,626,149.38	266,074,349.35	4,139,001,808.76
Add: Cash and cash equivalents at the beginning of the year		24,745,400,538.80	24,479,326,189.45	20,340,324,380.69
VI. Cash and cash equivalent at the end of the year		29,288,026,688.18	24,745,400,538.80	24,479,326,189.45

Legal representative:

The person in charge of accounting affairs:

The person in charge of accounting affairs:

Consolidated Statement of Changes in Shareholders' Equity
For the year ended 31 December 2020

Item	Year ended 31/12/2020							Total	
	Attributable to shareholders' equity of the parent company								
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Undistributed profit		
I. Balance at the end of last year	7,273,500,000.00	2,000,000,000.00	2,593,285,615.27	2,211,756,050.88	37,020,114.52	467,752,906.36	5,466,993,839.98	11,849,753,384.99	31,900,061,912.00
Add: Changes in accounting policies									
Correction of prior period errors									
Others									
II. Balance at the beginning of the year	7,273,500,000.00	2,000,000,000.00	2,593,285,615.27	2,211,756,050.88	37,020,114.52	467,752,906.36	5,464,062,379.01	11,847,910,032.40	31,895,287,098.44
III. Changes in equity during the year("- "for decrease)	1,011,655,000.00	-1,000,000,000.00	65,990,498.08	-63,197,002.11	27,915,121.22	142,284,547.48	-323,019,303.39	11,731,623,534.35	11,593,252,495.63
(I) Total comprehensive income				-63,197,002.11			1,194,935,286.50	652,668,605.57	1,784,406,889.96
(II) Shareholders' contributions and decrease of capital	11,655,000.00	-1,000,000,000.00	65,990,498.08				70,289,152.12	11,369,626,235.25	10,517,560,885.45
1. Contribution by ordinary shareholders	11,655,000.00								10,502,842,685.61
2. Contribution by owners of other equity instruments		-1,000,000,000.00							-1,000,000,000.00
3. Equity settled share-based payments									
4. Others									
(III) Specific Reserve									
1. Appropriation during the year					27,915,121.22				878,438,549.64
2. Utilisation during the year					1,373,129,951.74				25,806,650.82
(IV) Appropriation of profits									
1. Appropriation for surplus reserves					-1,345,214,830.52				3,605,056.70
2. Distributions to shareholders									-316,477,857.29
3. Others									
(V) Transfer within equity	1,000,000,000.00								
1. Share capital increased by capital reserves transfer									
2. Share capital increased by surplus reserves transfer									
3. Transfer of surplus reserve to offset losses									
4. Others									
IV. Balance at the end of the year	8,285,155,000.00	1,000,000,000.00	2,659,276,113.35	2,148,559,048.77	64,935,235.74	610,037,453.84	5,141,043,075.62	23,579,533,666.75	43,468,539,594.07

Consolidated Statement of Changes in Shareholders' Equity (continued)

For the year ended 31 December 2020

Prepared by: Beijing Construction Engineering Group Co., Ltd.

Year ended 31/12/2019

Item	Attributable to shareholders' equity of the parent company						Non-controlling interests	Total	
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve			Undistributed profit
I. Balance at the end of last year	4,254,000,000.00	2,000,000,000.00	2,466,436,365.38	1,822,493,208.24	93,634,581.48	401,612,614.74	8,759,114,222.30	9,665,063,298.93	29,492,374,291.07
Add: Changes in accounting policies Correction of prior period errors Others									
II. Balance at the beginning of the year	4,264,000,000.00	2,000,000,000.00	2,466,436,365.38	1,822,493,208.24	93,634,581.48	401,612,614.74	8,759,114,222.30	9,665,063,298.93	29,492,374,291.07
III. Changes in equity during the year ("+" for increase)	3,009,500,000.00		106,849,249.39	389,262,842.64	-56,614,466.96	66,140,291.62	-3,292,120,382.32	2,184,670,086.06	2,407,687,620.93
(I) Total comprehensive income:				389,262,842.64			1,143,070,177.58	566,413,891.93	2,088,746,912.15
(II) Shareholders' contributions and decrease of capital:			116,349,249.39					2,015,259,854.36	2,131,609,104.25
1. Contribution by ordinary shareholders			29,819,663.80					1,996,123,791.05	2,025,943,474.85
2. Contribution by owners of other equity instruments									
3. Equity settled share-based payments									
4. Others									
(III) Specific Reserve			86,529,566.09		-56,614,466.96			19,136,063.31	106,665,629.40
1. Appropriation during the year					1,292,580,512.58			-12,743,248.45	-69,357,715.41
2. Utilisation during the year					-1,349,194,979.54			-12,743,248.45	1,279,837,264.13
(IV) Appropriation of profits									
1. Appropriation for surplus reserves									
2. Distributions to shareholders									
3. Others									
(V) Transfer within equity	3,009,500,000.00		-9,500,000.00						
1. Share capital increased by capital reserves transfer	9,500,000.00		-9,500,000.00						
2. Share capital increased by surplus reserves transfer									
3. Transfer of surplus reserve to offset losses									
4. Others									
IV. Balance at the end of the year	7,273,500,000.00	2,000,000,000.00	2,593,285,615.27	2,211,756,050.88	37,020,114.52	467,752,906.36	5,466,993,839.98	11,849,753,384.99	31,900,061,912.00

Consolidated Statement of Changes in Shareholders' Equity(continued)
For the year ended 31 December 2020

Prepared by: Beijing Construction Engineering Group Co., Ltd.

Year ended 31/12/2018

Item	Attributable to shareholders' equity of the parent company						Non-controlling interests	Total	
	Paid-in capital	Other equity instruments	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve			Undistributed profit
I. Balance at the end of last year	4,249,500,000.00	2,000,000,000.00	2,495,051,024.25	1,624,290,569.87	71,656,127.22	356,065,345.63	7,756,041,556.07	4,182,133,880.57	22,734,738,303.61
Add: Changes in accounting policies									
Correction of prior period errors									
Others									
II. Balance at the beginning of the year	4,249,500,000.00	2,000,000,000.00	2,495,051,024.25	1,624,290,569.87	71,656,127.22	356,065,345.63	7,756,041,556.07	4,182,133,880.57	22,734,738,303.61
III. Changes in equity during the year ("+" for increase)	14,500,000.00	-	(8,614,658.87)	198,202,638.37	21,978,454.26	45,547,269.11	1,003,072,666.23	5,482,949,418.36	6,757,635,787.46
(I) Total comprehensive income				198,202,638.37			1,334,349,935.33	477,994,019.05	2,010,546,592.75
(II) Shareholders' contributions and decrease of capital			5,885,341.13					5,273,871,357.91	5,279,756,699.04
1. Contribution by ordinary shareholders			19,060,607.16					5,250,829,577.38	5,259,890,184.54
2. Contribution by owners of other equity instruments									
3. Equity settled share-based payments									
4. Others									
(III) Specific Reserve			(13,175,266.03)					23,041,780.53	9,866,514.50
1. Appropriation during the year					21,978,454.26			8,054,366.83	30,032,821.09
2. Utilisation during the year					1,020,890,223.38			8,054,366.83	1,028,944,590.21
(IV) Appropriation of profits									
1. Appropriation for surplus reserves									
2. Distributions to shareholders									
3. Others									
(V) Transfer within equity	14,500,000.00		-14,500,000.00						
1. Share capital increased by capital reserves transfer	14,500,000.00		-14,500,000.00						
2. Share capital increased by surplus reserves transfer									
3. Transfer of surplus reserve to offset losses									
4. Others									
IV. Balance at the end of the year	4,264,000,000.00	2,000,000,000.00	2,486,436,365.38	1,822,493,208.24	93,634,581.43	401,612,614.74	8,759,114,222.30	9,665,083,298.93	29,492,374,291.07

The person in charge of accounting affairs:

The person in charge of accounting affairs:

Notes to the Financial Statements

I. Company's Information

1. Company profile

Beijing Construction Engineering Group Co., Ltd. (hereinafter "the Group") was established on 19 January 1953 by the approval of People's Government of Beijing, and was transformed as state-owned limited liability company on 24 August 1999. Enterprise business license number 110000005019596 was obtained and the registered capital was RMB 794.07 million. On 17 February 2012, the Group's registered capital was increased to RMB 824.439 million, and was verified by Grant Thornton issuing capital verification report Zhitong Yanzi (2013) No. 110ZC0025. In November 2012, the Group received RMB 20 million of national capital, the paid-in capital increased to RMB 844.439 million. In 2013, the Group received RMB 4.6 million of national capital, the paid-in capital increased to RMB 849.039 million. In 2014, the Group received RMB 1.3 million of national capital, the paid-in capital increased to RMB 850.339 million. In 2015, the Group received RMB 28 million of national capital, the paid-in capital increased to RMB 878.339 million. In 2016, the Group received RMB 2 million of national capital, the paid-in capital increased to RMB 880.339 million. In 2017, paid-in capital increased by capital reserves transfer, registered capital was increased to RMB 2,000.00 million. The Group received RMB 15 million of national capital, the paid-in capital increased to RMB 2,015.00 million. In 2019, according to the "Notice on the merger and reorganization of Beijing Construction Engineering Group Co., Ltd. and Beijing Municipal Road and Bridge Group Co., Ltd." issued by the State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government (JingGuoZi[2019] No. 140), Beijing Municipal Road and Bridge Group Co., Ltd. was transferred into the Group free of charge, and the paid-in capital increased by RMB 2.2585 billion; In 2019, the undistributed profit of the Group was converted into capital of 3 billion yuan. As of December 31, 2019, the registered capital of the Group was RMB 2 billion and the paid in capital had increased to RMB 7.2735 billion. In 2020, the state-owned capital operation budget of RMB 11.655 million was received to increase the state-owned capital, and the undistributed profit of the Group was converted into capital of RMB 1 billion. As of December 31, 2020, the paid in capital of the Group has increased to RMB 8.285155 billion and the registered capital has increased to RMB 8.2735 billion. Registered address is No. 1 Guanglianlu, Western District, Beijing, and the headquarter of the Company is No. 1 Guanglianlu, Western District, Beijing. Unified social credit code is 911100001011328547. Legal representative is Mr. Jun Fan.

The Group is administered by general manager under supervision of board of directors. Board of directors is the highest authority of the Group.

Organisation structure: The Group owns 17 principal subsidiaries under the scope of consolidation; 298 entities were under consolidation scope, including: Group's parent company, 53 secondary level subsidiaries, 101 third level subsidiaries, 68 fourth level subsidiaries, 68 fifth level subsidiaries, 8 sixth level subsidiaries. The company's wholly-owned and holding secondary subsidiaries are as follows:

NO.	Enterprise name	Business nature	Paid-in capital	Investment amount	Holding %	Voting right %
1	Beijing Third Construction Engineering Co. Ltd.	Housing construction	1,000,000,000.00	980,000,000.00	98.00	98.00
2	Beijing Sixth Construction Group Co., Ltd.	Housing construction	500,000,000.00	500,000,000.00	100.00	100.00
3	BCEG Investment Development Co., Ltd.	Investment and Assets Management	600,000,000.00	600,000,000.00	100.00	100.00

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

4	BCEG Fourth Engineering Co., Ltd.	Housing construction	500,000,000.00	500,000,000.00	100.00	100.00
5	Beijing Construction Engineering Decoration Group Co., Ltd.	Architectural Decoration Industry	129,000,000.00	167,515,241.73	100.00	100.00
6	BCEG Properties Co., Ltd.	Real estate Leasing Business	100,000,000.00	100,365,900.00	100.00	100.00
7	BCEG Urban Renewal Investment Construction Co.,Ltd.	Housing construction	100,000,000.00	59,300,712.64	70.00	70.00
8	BCEG Environment Restoration Co., Ltd.	Solid Waste Management	106,992,359.00	150,436,955.88	61.39	61.39
9	BCEG Xincheng Investment Development Co., Ltd.	Real Estate Development and Operation	190,000,000.00	133,000,000.00	70.00	70.00
10	Jinan Jianbang Properties Co., Ltd.	Real Estate Development and Operation	80,000,000.00	85,787,353.00	100.00	100.00
11	BCEG Engineering Research Institute Co., Ltd.	Engineering Management and Services	78,300,000.00	64,960,479.07	100.00	100.00
12	BCEG Resources Recycling Investment Co., Ltd.	Investment and Assets Management	65,000,000.00	65,000,000.00	100.00	100.00
13	Beijing International Construction Group Co., Ltd.	Housing construction	60,000,000.00	31,200,000.00	52.00	52.00
14	BCEG Changzhu Construction Engineering Co., Ltd.	Housing construction	60,000,000.00	67,101,626.52	100.00	100.00
15	BCEG Construction Industrialization Investment Construction Development Co.,Ltd.	Housing construction	100,000,000.00	100,000,000.00	100.00	100.00
16	BCEG International Investment Co., Ltd.	Investment and Assets Management	50,000,000.00	50,000,000.00	100.00	100.00
17	Xi'an Green Homeland Shopping Plaza Co., Ltd.	Real Estate Development and Operation	50,000,000.00	50,000,000.00	100.00	100.00
18	Beijing Construction Materials Supply Company	Construction Materials Wholesale	49,262,415.62	49,262,415.62	100.00	100.00
19	Beijing Jianbang Tonghui Real Estate Co., Ltd.	Real Estate Development and Operation	100,000,000.00	100,000,000.00	100.00	100.00
20	Beijing Construction Engineering Machinery Factory	Construction Machinery Manufacturing	35,840,000.00	35,840,000.00	100.00	100.00
21	BCEG Logistic Co. Ltd.	Construction Materials Wholesale	30,000,000.00	32,881,480.60	100.00	100.00
22	Beijing First Construction Component Factory	Concrete Structure Component Manufacturing	28,952,021.82	28,952,021.82	100.00	100.00
23	BCEG Yinlai Fiberglass Products Co., Ltd.	Glass Fiber Reinforced Plastic Products Manufacturing	27,108,881.00	21,401,926.45	100.00	100.00
24	Beijing Guangyu Construction Machinery Equipment Leasing Co., Ltd.	Construction Engineering Machinery and Equipment Leasing	22,761,706.76	22,761,706.76	100.00	100.00
25	Zhangjiakou Jingzhang Jiantou Construction Co., Ltd.	Housing construction	20,000,000.00	14,000,000.00	70.00	70.00
26	Beijing Construction Moshi Factory	Housing construction	14,854,253.87	14,854,253.87	100.00	100.00
27	Shenzhen Jingzhen Engineering Consulting Co., Ltd.	Engineering Management and Services	10,500,000.00	13,853,014.84	100.00	100.00
28	BCEG Communist Party School	Vocational Skill Training	2,668,266.28	2,668,266.28	100.00	100.00
29	BCEG(Hongkong) Co., Ltd.	Investment and Assets Management	800,625.60	800,625.60	100.00	100.00
30	Construction Technology Magazine Co., Ltd.	Periodical Publications	257,788.16	257,788.16	100.00	100.00
31	BCEG Labour Development Co., Ltd.	Housing construction	200,000.00	200,000.00	100.00	100.00
32	Beijing Fifty-seventh Profession Identification Agent	Vocational Skill Training	50,000.00	50,000.00	100.00	100.00
33	Qingdao Jingjian City Construction Investment Co., Ltd.	Housing construction	303,620,101.60	202,428,700.00	66.01	66.01
34	Zhejiang Beijian Properties Co., Ltd.	Real Estate Development and Operation	50,000,000.00	50,000,000.00	100.00	100.00
35	BCEG New Building Materials Co., Ltd.	Cement products manufacturing	302,000,000.00	302,000,000.00	100.00	100.00
36	Beijing Construction Real Estate Co., Ltd.	Real Estate Development and Operation	300,000,000.00	300,000,000.00	100.00	100.00

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

37	Jiangsu Jianbang Properties Co., Ltd.	Real Estate Development and Operation	100,000,000.00	100,000,000.00	100.00	100.00
38	BCEG Internationale Construction Engineering Co., Ltd.	Housing construction	150,000,000.00	150,000,000.00	100.00	100.00
39	Beijiangong (Guangzhou) Construction Co., Ltd.	Housing construction	10,000,000.00	10,000,000.00	100.00	100.00
40	Beijing Construction Engineering Design Co., Ltd.	Housing construction	40,000,000.00	26,000,000.00	65.00	65.00
41	BCEG HR Service Co., Ltd.	Other human resource services	500,000.00	500,000.00	100.00	100.00
42	BCEG Shanxi Construction Co., Ltd.	Housing construction	51,000,000.00	51,000,000.00	51.00	51.00
43	BCEG Civel Engineering Co., Ltd.	Housing construction	350,000,000.00	350,000,000.00	100.00	100.00
44	Beijing Construction Technology Development Co., Ltd.	Energy saving technology promotion service	33,269,100.00	33,269,100.00	100.00	100.00
45	Shanxi Transformation and Comprehensive Reform Demonstration Zone Xiaoniuguanlang Project Management Co., Ltd.	Engineering Management Service	194,023,190.00	164,827,211.00	84.97	84.97
46	Yuanyang Jingjian Construction Management Co., Ltd.	Municipal Facilities Management	258,628,200.00	255,824,100.00	93.97	98.92
47	Xianghe Yinbao Street Real Estate Development Co. Ltd.	Real Estate Development and Operation	20,000,000.00	12,000,000.00	60.00	60.00
48	BCEG Jianxing Engineering Co. Ltd.	Housing construction	10,000,000.00	10,000,000.00	100.00	100.00
49	Beijing Municipal Road and Bridge Group Co. Ltd	Other road, tunnel and bridge engineering construction	2,258,500,000.00	7,753,855,075.71	100.00	100.00
50	Beijing Machinery Construction Group Co. Ltd.	Housing construction	120,000,000.00	120,000,000.00	100.00	100.00
51	BCEG First Management Consulting Partnership (Limited Partnership)	Business Service	6,250,000,000.00	1,249,900,000.00	19.9984	19.9984
52	BCEG Second Management Consulting Partnership (Limited Partnership)	Business Service	5,000,000,000.00	999,900,000.00	19.9980	19.9980

The Group's industry is construction. Principal business is construction, real estate development and property management.

The prescribed business scope on business license:

General business scope: Authorized business administration of state-owned assets; Investment management; Construction contractor; Real estate development; Construction engineering design; Professional subcontractor; Construction technology development、technology advisory; Construction machinery leasing; Import and export of commodity and technology; except for exporting of commodity and technology prohibited by government; Contractor of overseas and domestic engineering bidding; Export of equipments or supplies for the above overseas project; Property management; Leasing of building or office; Greening or cleansing service; Sale of concrete; Sale of environmental protection equipments, products or machineries.

Authorized business scope: Building subcontractor、Installation engineering insurance and property insurance of the Group's industry; Motor vehicle insurance and accident insurance; Forwarder insurance、Household property insurance; Expatriate of engineering, production and service labour (not including seaman); Transportation of goods; Production of concrete.

The Group's operation period is from 28 September 1999 to long-term.

This report of financial statements and notes to financial statements were approved on 31 March 2021.

2. Consolidated financial statements scope

Consolidated financial statements scope include the Group and holding subsidiary.

The Group owned 275 legal entities under the scope of consolidation in 2018, including: Group's parent company and secondary level subsidiaries in total 42, 60 third level subsidiaries, 95 fourth level subsidiaries, 66 fifth level subsidiaries, 12 sixth level subsidiaries.

The Group owned 277 legal entities under the scope of consolidation in 2019, including: Group's parent company and secondary level subsidiaries in total 50, 92 third level subsidiaries, 63 fourth level subsidiaries, 64 fifth level subsidiaries, 8 sixth level subsidiaries.

The Group owned 298 legal entities under the scope of consolidation in 2020, including: Group's parent company and secondary level subsidiaries in total 53, 101 third level subsidiaries, 68 fourth level subsidiaries, 68 fifth level subsidiaries, 8 sixth level subsidiaries.

II. Basis of preparation

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and corresponding application guidance, interpretations and other related provisions issued by the Ministry of Finance (collectively, "Accounting Standards for Business Enterprises").

The financial statements of the Company have been prepared on going concern basis.

III. Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely present the Company's and consolidated financial position as at 31 December 2018, 31 December 2019, 31 December 2020 and the Company's and consolidated operating results and cash flows for the year ended 31 December 2018, 31 December 2019 and 31 December 2020.

Beijing Construction Environmental Remediation Co., Ltd., which is included in the scope of merger, has implemented the Accounting Standards for Business Enterprises No. 14 - Revenue (2017 Revision) (CaiKuai [2017] No. 22) (hereinafter referred to as the "New Revenue Standards") issued by the Ministry of Finance on July 5, 2017 from January 1, 2020.

Other subsidiaries have not yet implemented.

According to the CaiKuai[2017] No. 22 and other provisions, when preparing the consolidated financial statements, the Group did not adjust the financial statements of the subsidiaries that have implemented the new Financial Instruments Standards, the new Revenue Standards and the new Leasing Standards in accordance with the accounting policies of the parent company. In the description of accounting policies and accounting estimates, the group distinguishes "companies that have implemented the new income standard" from "companies that have not implemented the new Income Standard".

IV. Significant accounting policies and accounting estimates

1、 Accounting Period

The accounting period of the Company is from 1 January to 31 December.

2、 Functional currency

The Group use Renminbi ("RMB") as their functional currency.

3、 Accounting basis and valuation principal

The Company adopts the accrual basis of accounting. Except for certain financial instruments and investment properties, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

4、Business combinations

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, the assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date, except for adjustments due to different accounting policies. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings.

The overhead for the business combination are recorded in profit or loss for the current period when incurred.

(2) Business combinations involving enterprises not under common control

For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair value of assets transferred, liabilities incurred or assumed and equity securities issued by the acquirer in exchange for control of the acquiree. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value. The acquiree's identifiable asset, liabilities and contingent liabilities, are recognised at their acquisition-date fair value.

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt securities issued as the considerations of business combination are included in the initial recognition amount of the equity or debt securities.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill, and subsequently measured on the basis of its cost less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period after reassessment.

For business combinations involving entities not under common control achieved in stages that involves multiple transactions, in the consolidated financial statements, the cost of business combination is the sum of the consideration paid at the acquisition date plus the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquire prior to the acquisition date are transferred to profit or loss for the current period except for other comprehensive income due to the movement of net liabilities or assets in the investee's re-measurement defined benefit plan.

5、Basis of preparation of consolidated financial statements

The scope of consolidation of the consolidated financial statements includes the Group and all of its subsidiaries.

The scope of consolidated financial statements shall be determined on the basis of control.

The consolidated financial statements are prepared by the Company based on the financial statements of the Company and its subsidiaries and other relevant information. When preparing consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Company, and all significant intra-group balances and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary or business are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented in the consolidated statement of financial position within owner's equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated statement of comprehensive income below the "net profit" line item as "minority interests". When the loss of the subsidiary attributable to minority interests is more than minority interests in that subsidiary at beginning of the period, the minority interest is reversed by the balance of the loss of the subsidiary attributable to minority interests.

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the noncontrolling interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (capital surplus) in the consolidated statement of financial position, with any excess adjusted to retained earnings.

When the Company loses control over subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss and is calculated by the aggregate of the fair value of consideration received in disposal of the equity investment and the fair value of remaining part of the equity investment, and deduct the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the relating goodwill is derecognized.

Other comprehensive income and the movement of other owners' equity related to the former subsidiary shall be transferred to profit or loss for the current period of disposal, except for those comprehensive income arising on the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognized in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

6、Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Company recognizes the following items relating to its interest in a joint operation, and account for them in accordance with relevant accounting standards:

- A、 its solely-held assets, and its share of any assets held jointly;
- B、 its solely-assumed liabilities, and its share of any liabilities assumed jointly;
- C、 its revenue from the sale of its share of the output arising from the joint operation;
- D、 its share of the revenue from the sale of the output by the joint operation; and
- E、 its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Company adopts equity method under long-term equity investment in accounting for its investment in joint venture.

7、 Cash and cash equivalents

Cash comprises cash in hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

8、 Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transactions

Foreign currency transactions are translated to the functional currency of the Group at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognised in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss.

(2) Translation of foreign currency financial statements

When translating the foreign currency financial statements of overseas subsidiaries, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding "retained earnings", are translated to Renminbi at the spot exchange rates at the transaction dates.

Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates.

Cash flow statement of foreign operation is translated to Renminbi at the spot exchange rates at the cash flow occurrence dates. Effect of foreign exchange rate changes on cash and cash equivalents is presented separately as "Effect of foreign exchange rate changes on cash and cash equivalents" in the cash flow statement.

The resulting translation differences are recognised in other comprehensive income in shareholders' equity of balance sheet.

The translation differences accumulated in shareholders' equity with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

9、Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or an equity instrument of another enterprise.

(1) Classification and measurement of financial assets

The Company classifies financial assets into four categories at initial recognition: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are measured initially at fair value. For financial assets at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets, any related directly attributable transaction costs are included in their initial costs.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated to financial assets at fair value through profit or loss on initial recognition. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, and changes therein and any dividend or interest income earned on the financial assets are recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses arising from derecognition, impairment or amortization is recognised in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available for sale and other financial assets which do not fall into any of the above

categories. Available-for-sale financial assets are measured at fair value subsequent to initial recognition and changes therein are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognised directly in profit or loss. When an investment is derecognised, the gain or loss accumulated in other comprehensive income is reclassified to profit or loss. The discount or premium are amortised using the effective interest method and recognised as interest income. Dividend and interest are recognised in profit or loss using the effective interest method.

(2) Classification and measurement of financial liabilities

The Group classifies financial liabilities into different categories at initial recognition: financial liabilities at fair value through profit or loss, and other financial liabilities. For financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial liabilities, any related directly attributable transaction costs are included in their initial costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated to financial liabilities at fair value through profit or loss on initial recognition. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein and any dividend or interest income earned on the financial liabilities are recognised in profit or loss.

Other financial liabilities

Derivative liabilities that are linked to and must be settled by delivery of equity instruments without quoted price in an active market whose fair value cannot be measured reliably, are measured at cost subsequent to initial recognition. Other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses arising from derecognition or amortization is recognized in profit or loss for the current period.

(3) Impairment of financial assets

“Companies that have not yet implemented the new revenue standard”:

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognised. Objective evidence of impairment of financial assets are the matters that occurred after initial recognition of financial assets which has impact on the expected future cash flows of financial assets, and can be reliably measured by the Company.

Available-for-sale financial assets

When an available-for-sale financial asset is impaired, the cumulative loss arising from a decline in fair value that has been recognised directly in other comprehensive income is reclassified to profit or loss. The reclassified accumulated loss is the asset's initial cost deducting amounts recovered and amortized, current fair value and impairment losses previously recognized in profit or loss.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit

or loss. An impairment loss recognised for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

Financial assets measured at cost

When an equity instrument without quoted price in an active market whose fair value cannot be measured reliably, and derivative assets that are linked to and must be settled by delivery of such unquoted equity instruments, is impaired, the difference between the carrying amount and the present value discounted at the market rate of return on future cash flows of the similar financial assets shall be recognized as impairment loss in profit or loss. The impairment loss recognized is not reversed.

“Companies that have implemented the new revenue standard”:

On the basis of expected credit losses, the Group conducts impairment treatment and recognizes loss provisions for financial assets measured at amortized cost, contract assets, investments in debt instruments measured at fair value and the changes included in other comprehensive income, lease receivables and financial guarantee contracts as described in Note III (X)1(3)3). The term "expected credit loss" refers to the weighted average of the credit loss of a financial instrument weighted by the risk of default. Credit loss refers to the difference between all contractual cash flows receivable under the contract and all cash flows expected to be collected by the Group discounted at the original effective interest rate, that is, the present value of all cash shortages.

For the purchased or source generated financial assets with credit impairment, the company only recognizes the accumulated changes in expected credit losses in the whole life period after initial recognition as loss reserves on the balance sheet date.

For receivables or contract assets and lease receivables formed by transactions regulated by Accounting Standards for Business Enterprises No. 14 - Revenue, the Group adopts the simplified measurement method to measure the loss reserves according to the amount equivalent to the expected credit loss in the whole duration.

For financial instruments other than the above measurement methods, the Group measures the loss provision in the general way, and assesses whether the credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has increased significantly since the initial recognition, the company measures the loss provision according to the amount of expected credit loss in the whole duration; If the credit risk does not increase significantly after the initial recognition, the company measures the loss provision according to the amount of expected credit loss of the financial instrument in the next 12 months.

The expected credit loss in the whole duration refers to the expected credit loss caused by all possible default events in the whole expected duration of a financial instrument. The expected credit loss in the next 12 months refers to the expected credit loss caused by the possible default event of financial instruments within 12 months after the balance sheet date (if the expected duration of financial instruments is less than 12 months, it is the expected duration), which is a part of the expected credit loss in the whole duration.

The Group considers all reasonable and well founded information, including forward-looking information, and determines the relative change of default risk within the expected duration of financial instruments by comparing the default risk of financial instruments on the balance sheet date with that on the initial recognition date, so as to assess whether the credit risk of financial instruments has increased significantly since the initial recognition. For financial instruments that cannot obtain sufficient evidence of significant

increase in credit risk at a reasonable cost at the level of single instrument, the Group considers whether the credit risk increases significantly on a portfolio basis. If the Group judges that a financial instrument has only low credit risk on the balance sheet date, it is assumed that the credit risk of the financial instrument has not increased significantly since its initial recognition.

The Group recalculates the expected credit loss on each balance sheet date, and the amount of the increase or reversal of the loss provision thus formed is recorded into the current profit and loss as an impairment loss or profit. For a financial asset measured at amortized cost, the loss provision shall offset the carrying value of the financial asset as stated in the balance sheet; For the debt instrument investment measured at its fair value and its changes included in other comprehensive income, the company recognizes its loss provision in other comprehensive income and does not offset the carrying value of the financial asset listed in the balance sheet.

(4) Basis for measuring gain or loss on financial assets and financial liabilities

A gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss. A gain or loss on an available-for-sale financial asset shall be recognized directly in equity, through the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the entity's right to receive payment is established.

For the fair value determination method of financial assets and financial liabilities, please refer to Note IV.32.

For financial assets and financial liabilities carried at amortized cost with effective interest rate, a gain or loss will be recognised when the financial asset or financial liability is derecognised or impaired. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company considers the future cash flows according to all contractual terms of the financial instrument (but shall not consider future credit losses). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

On derecognition of a financial asset, the difference between the carrying amount and the consideration received and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

If part of a financial asset being considered meeting the conditions for derecognition, the carrying amount of the transferring financial asset shall be allocated based on the relative fair values. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognised with other comprehensive income allocated shall be recognised in profit or loss.

10、Receivables

Receivables include bills receivable, accounts receivables and other receivables.

(1) Receivables that are individually significant and assessed individually for impairment:

Method of provisioning for bad and doubtful debts for receivables that are individually significant and assessed individually: Receivables that are individually significant are subject to separate impairment assessment, if there is objective evidence that the impairment occurred, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows.

For receivables not having been individually assessed as impaired, the Company makes impairment assessment collectively.

(2) Receivables that are individually insignificant but assessed individually for impairment:

Reasons for assessing individually for impairment of receivables that are individually insignificant	Litigation receivables, receivables with customer credit deterioration
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Method of provisioning for bad and doubtful debts	An impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows.
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(3) Receivables that are collectively assessed for impairment based on credit risk characteristics:

Receivables that have not been individually assessed as impaired in the assessments in (1) and (2) above, are included in the collective assessment of impairment for receivables sharing similar credit risk characteristics.

Group of collective assessment	Basis for collective assessment	Method of provision for bad and doubtful debts collectively
Aging	Aging status	Aging analysis method
Deposit and security group	Nature of fund	No provision
Related party group	Nature of fund	No provision
Non-risky group	Nature of fund	No provision

The provisioning for groups of receivables using the ageing analysis method is as follows:

Aging	Provision as a percentage of accounts receivable (%)	Provision as a percentage of other receivables (%)
Within 1 year (inclusive)	0-0.5	0-0.5
1-2 years	0-5	5
2-3 years	5-15	10-15
3-4 years	15-20	20
4-5 years	25-50	30-50

Over 5 years

50-100

50-100

Account receivables between the Group and related parties, except for obvious evidence to show the related parties (Debtors) have been deregistered, bankrupt, financial position at net liabilities, significant deficit in cash flow, are not providing for bad debt. Deposit for bidding, guarantee deposit for contract, security deposit and petty cash advanced to staff, are non-risky account receivables and are not provided for bad debt.

11、Inventories

(1) Classification

Inventories include finished product developments and temporarily leased development of products which intended for sale and finished products (the above three categories were presented as finished products in this note), assets under construction contracts (project construction), perishable materials, raw materials, finished goods, work-in progress and consumables, product developments in progress (this category is presented as self-constructed work-in progress in this note).

(2) Measurement method of cost and amortization of inventories

The Company maintains a perpetual inventory system, Inventories are initially measured at cost. Raw materials, work in progress, finished goods and issuing goods are calculated using weighted average method, Low-value consumables are calculated using fifty-five amortization method. Packaging materials are amortised in instalments when they are used.

(3) method for provision for obsolete inventories

Any excess of the cost over the net realisable value of of inventories is recognised as a provision for obsolete inventories, and is recognised in profit or loss. The Company usually recognises provision for decline in value of inventories by a single inventory item. If the factors caused the value of inventory previously written-down have disappeared, the provision for decline in value of inventories previously made is reversed.

(4) Basis for determining the net realisable value

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. The net realisable value is measured based on the verified evidences and considerations for the purpose of holding inventories and the effect of post balance sheet events.

(5) Construction contract project

Measurement of construction contract project: project cost is accounted as the actual costs, including direct and indirect expenses in relation to the execution of contract. Project cost is accounted on individual contract basis and accumulating the actual costs, including direct materials, direct labour, equipment costs, other direct cost and relevant indirect costs. At period end, contract revenue and contract cost are recognised on percentage of completion method.

Determination of percentage of completion: According to regulation of 《Accounting Standards for Business Enterprise – Construction contract》, the Group adopts accumulated contract cost incurred as a percentage of estimated total contract cost to determine the completion progress of contract.

Presentation of construction contract project: The amount is being the difference between cumulative incurred costs of in-progress contract with its cumulative gross profit(loss) recognised and amount of settlement received of in-progress contract.

- ① Sum of cumulative incurred costs and cumulative gross profit(loss) recognised in individual contract is greater than the amount of settlement received, the difference is presented as "Assets completed but not settled" under inventory in statement of financial position.
- ② Amount of settlement received of individual contract is greater than the sum of cumulative incurred costs and cumulative gross profit(loss) recognised, the difference is presented as "Settled but uncompleted projects" under receipt in advance in statement of financial position.

Recognition basis and measurement method of expected contract loss: At balance sheet date of annual or interim report, the Group review contracts for expected total contract costs in excess of expected total contract revenue. The difference of the amount of expected total contract costs exceeded expected total contract revenue and the loss previously recognised for the contract is accrued as expected contract loss provision.

(6) Real estate development cost

Actual costs of the property development including preliminary expenses, land-transferring fees, infrastructure and affiliated spending, construction and installation expenditure, borrowing cost before the development of the product completed and other related expenses. Property development is accounted for specific identification method. When development is completed and certification is obtained, the development costs are transferred to development products. Development product is measured at actual costs. Cost of specific identification is transferred when it's sold.

12、Contract assets

"Companies that have implemented the new revenue standard":

(1) Contract assets refer to the right that a company has transferred goods to its customers and is entitled to receive consideration, and the right depends on factors other than the passage of time. The company's right to collect consideration from customers unconditionally (depending only on the passage of time) is listed as receivables. The company shall set off the contract assets and contract liabilities under the same contract and present them in net amount.

or the contract assets of the group, no matter whether there is significant financing component or not, the company measures the loss provision according to the expected credit loss of the whole duration. The environmental remediation engineering services provided by the company generally constitute a single performance obligation and belong to the performance obligation within a certain period of time. The company adopts the output method to determine the performance progress according to the proportion of the accumulated actual work completed in the estimated total work. The remediation engineering services shall be settled with the customer regularly. The relevant contract consideration shall constitute the right of the group to collect the consideration from the customer unconditionally after the settlement agreed in the contract, which shall be listed in the accounts receivable.

Generally, there is a time difference between the performance schedule and the settlement schedule of the engineering repair service contract. The performance progress of some repair service contracts is

greater than the settlement progress, thus forming relevant contract assets, which will be transferred into receivables when the contract consideration is settled. Part of the environmental restoration projects that have been accepted or delivered are conditional collection rights according to the contract not reaching the settlement time point, forming relevant contract assets. The unexpired quality guarantee deposit belongs to conditional collection right according to the contract and forms relevant contract assets.

(2) Impairment of contract assets

The Group determines the expected credit loss of contract assets and conducts accounting treatment according to the simplified measurement method described in Notes IV 9. On the balance sheet date, the group measures the credit loss of contract assets according to the present value of the difference between the contract cash flow to be received and the expected cash flow to be received. When a single contract asset cannot assess the expected credit loss at a reasonable cost, the group divides the contract asset into several combinations according to the characteristics of credit risk. Referring to the historical credit loss experience, combining the current situation and considering the forward-looking information, the group estimates the expected credit loss on the basis of the combination. The basis for determining the combination is as follows:

Group of collective assessment	Basis for determining the collective assessment	Expected credit loss rate
Contract assets of projects under construction	The overall expected risk of credit loss is low for projects that settle normally according to the settlement schedule agreed in the contract	The credit impairment loss is calculated and withdrawn according to 1% of the ending balance
Accepted or delivered unsettled contract assets	Conditional collection right formed by acceptance or delivery	The same proportion as the expected credit loss of receivables
Unexpired warranty deposit	Conditional collection right	The same proportion as the expected credit loss of receivables

13、Contract cost

“Companies that have implemented the new revenue standard”:

(1) Confirmation conditions of contract cost

Contract cost includes contract acquisition cost and contract performance cost.

If the incremental cost incurred by the company to obtain the contract is expected to be recovered, it shall be recognized as an asset as the contract acquisition cost. Other expenses incurred by the Company for obtaining the contract, other than the incremental costs expected to be recovered, shall be recorded into the profit and loss of the current period at the time of occurrence, except those expressly borne by the customer.

The cost incurred by the company for the performance of the contract, which does not fall within the scope of other accounting standards for business enterprises except the revenue standards and simultaneously meets the following conditions, is recognized as an asset as the performance cost of the contract: The costs are directly related to a current or prospective contract and include direct labor, direct materials, manufacturing costs or (similar), costs expressly borne by the customer and other costs incurred solely in connection with the contract; ② This cost increases the company's future resources for fulfilling its performance obligations; ③ The cost is expected to be recovered.

(2) Amortization of assets related to contract cost

The assets recognized at the cost of contract acquisition and the assets recognized at the cost of contract

performance (hereinafter referred to as "assets related to contract cost") are amortised on the same basis as the income of goods or services related to the assets, and are included in the current profits and losses. If the amortization period does not exceed one year, it shall be included in the current profit and loss when it occurs.

(3) Impairment of assets related to contract cost

When determining the impairment loss of assets related to the contract cost, the company first determines the impairment loss of other assets related to the contract that are recognized in accordance with other accounting standards for business enterprises; Then determine the impairment loss of assets related to the contract cost. If the book value of the assets related to the contract cost is higher than the difference between the residual consideration expected to be obtained by the company due to the transfer of the goods related to the assets and the estimated cost to be incurred for the transfer of the relevant goods, the excess part shall be withdrawn for impairment provision and recognized as the loss of asset impairment.

After the provision for impairment is made, if the factors of impairment in the previous period change, so that the difference between the expected residual consideration obtained by the company due to the transfer of the goods related to the asset and the estimated cost to be incurred for the transfer of the goods is higher than the book value of the asset, the provision for impairment of the asset shall be reversed and included in the current profits and losses, However, the book value of the asset after reversal shall not exceed the book value of the asset on the reversal date without provision for impairment.

14、 Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Group has significant influence.

(1) Determination of initial investment cost

The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost is the combination cost. If the business combination is implemented step-by-step through multiple transactions, the cost of the long-term equity investment is the sum of book value of the equity investment of acquiree held before the purchased date and the new investment cost of purchased date.

A long-term equity investment acquired other than through a business combination: A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Company acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For a long-term equity investment which is accounted for using the cost method, Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit

distributions declared by the investee as investment income for the current period.

For a long-term equity investment which is accounted for using the equity method, where the initial cost of a long-term equity investment exceeds the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Company's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

Under the equity method, the Company recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Company. Changes in the Company's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Company's equity, and the carrying amount of the investment is adjusted accordingly. In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition.

When the Company becomes capable of exercising joint control or significant influence (but not control) over an investee due to additional investment or other reasons, the Company uses the fair value of the previously-held equity investment, together with additional investment cost, as the initial investment cost under the equity method. The difference between the fair value and carrying amount of the previously-held equity investment, and the accumulated changes in fair value included in other comprehensive income, shall be transferred to profit or loss for the current period upon commencement of the equity method.

Unrealised profits and losses resulting from transactions between the Company and its associates or joint ventures are eliminated to the extent of the Company's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Company and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

(3) Criteria for determining the existence of control, joint control or significant influence over an investee

Control is the Company held the rights in investee and enjoys the changeable return through the participation relevant activities in the investee and has the ability to use the investee's rights to influence the return amount. Subsidiary refers to controlled by the Company (including enterprise, separable parts in investee and structuring bodies controlled by the enterprise, etc.).

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. When assessing whether the Company can exercise joint control over an investee, the Company first considers whether no single participant party is in a position to control the investee's related activities unilaterally, and then considers whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control. All the parties, or a group of the parties, control the arrangement collectively when they must act together to direct the relevant activities. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. A party that holds only protective rights does not have joint control of the arrangement.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. When determining whether the Company can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the Company or other parties that are currently exercisable or convertible shall be considered.

When the Company, directly or indirectly through subsidiaries, owns 20% of the investee (including 20%) or more but less than 50% of the voting shares, it has significant influence over the investee unless there is clear evidence to show that in this case the Company cannot participate in the production and business decisions of the investee, and cannot form a significant influence. When the Company owns less than 20% of the voting shares, generally it does not have significant influence over the investee, unless there is clear evidence to show that in this case the Company can participate in the production and business decisions of the investee so as to form a significant influence.

(4) Disposal of long-term equity investments

On disposal of a long-term investment, the difference between the carrying amount of the investment and the actual consideration paid is recognized in current profit or loss. For a long-term equity investments accounted for using the equity method, when dispose of the investment, same basis shall be adopted as if the investee is dispose relevant assets or liabilities, other comprehensive income shall be accounted for on a pro-rata basis according to the proportion of disposed investment.

When the joint control or significant influence over the invested unit are lost due to disposal of partial equity investment, the residual equity after disposal shall be recognized in current profit or loss as the variance between the fair value on the date of joint control or significant influence is lost and book value. Other comprehensive income for the original equity investment confirmed by equity method should, when equity method is terminated for accounting, adopt the same accounting treatment as the investee directly dispose relevant assets or liabilities; the change of other owners' equity related to the original equity investment shall be transferred into current profit and loss.

When the control over the investee are lost due to disposal of partial equity investment etc., if the residual equity after disposal could exert common control or important influence over the investee, equity method shall be adopted for the accounting, and adjustment shall be made on this partial equity deemed that equity method has been used for accounting since the acquisition; when the residual equity after disposal could not exert common control or important influence over the investee, accounting treatment shall be made according to relevant regulations in Accounting Standard for Business Enterprises No. 22-The recognition and measurement of financial instruments, and the difference between the fair value and book value on the date when the control right is lost shall be recorded in the current profit and loss.

(5) Method of impairment testing and impairment provision

For investments in subsidiaries, associates and joint ventures, refer to Note IV. 20 for the Company's method of asset impairment.

15、 Investment property

Investment properties are properties held either to earn rental income or for capital appreciation or for both. The Company's investment properties include leased land use rights, land use right held and provided for to transfer after appreciation and leased building and construction.

Investment properties are initially measured at acquisition cost, investment property has an active real

estate market and the Group is able to obtain the market value and other relevant information for the same or similar property, as a result the Group is able to perform reasonable estimate on the fair value of investment property. The Group's investment property is subsequently measured at fair value model and the change in fair value is recognised in profit or loss for current period.

In determination of fair value of investment property, reference is made to current prices in an active market for same or similar property. In the absence of current prices in an active market, reference is made to recent prices of same or similar property, with adjustments to reflect transaction situation, transaction date, locations, etc. so as to reasonably estimate the fair value of investment property; or by discounted cash flows projections based on estimates of future cash flows of lease and relevant cash flows to determine the fair value.

In exceptional case, there is clear evidence when the Group first acquires an investment property (or when an existing property first becomes investment property after a change in use) that the fair value of the property will not be reliably measurable on a continuing basis, the investment property is measured on cost model until disposal, and residual value is assumed to be zero.

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

16、Recognition of fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Company for use in production of goods, use in supply of services, rental or for administrative purposes with useful lives over one accounting year.

Fixed assets are only recognised when its related economic benefits are likely to flow to the Company and its cost can be reliably measured.

Fixed asset are initially measured at cost.

(2) Depreciation of fixed assets

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is classified as held for sale. Not considering impairment provision, the estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate %	Depreciation rate %
Land			
Buildings	5-50	5	19.00-1.90
Machinery and equipment	3-10	5	31.67-9.50
Motor vehicles	3-10	5	31.67-9.50
Electronic equipment	3-10	5	31.67-9.50
Office equipment	3-10	5	31.67-9.50
Hotel furniture	3-10	5	31.67-9.50

Others	3-10	5	31.67-9.50
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For impaired fixed assets, cumulative amount of impairment provision is deducted in determining the depreciation rate.

(3) For the impairment of the fixed assets, please refer to Note IV.20.

(4) Recognition and measurement of fixed assets acquired under finance leases

Fixed assets under finance leases are recognised if they meet one or more of the following criteria:

- ① The ownership of leased assets is transferred to the Company by the end of the lease term.
- ② The Company has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date of the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.
- ③ Even if the ownership of assets is not transferred, the lease term covers the major part of the useful life of the asset.
- ④ At the inception of lease, the present value of minimum lease payments amount to substantially all of the fair value of leased asset.
- ⑤ Leased assets are of a specialized nature that only the Company can use them without major modifications.

An asset acquired under a finance lease is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. Long-term payable is recorded at an amount equal to the sum of all future minimum lease payments. The difference between the carrying amount of the leased assets and the minimum lease payments is accounted for as unrecognised finance charges. Initial direct costs attributable to a finance lease incurred during the process of lease negotiation and the signing of the lease agreement, including service charges, attorney's fees, travelling expenses and stamp duty, that are incurred by the Company are added to the carrying amount of the leased asset. Unrecognised finance charges are recognised as finance charge for the period using the effective interest method over the lease term.

Depreciation is accounted for in accordance with the accounting policies of fixed assets. If there is reasonable certainty that the Company will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

(5) Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

The Company adjusts the useful lives of fixed assets if their expected useful lives are different with the original estimates and adjusts the estimated net residual values if they are different from the original estimates.

(6) Overhaul costs

Overhaul costs occurred in regular inspection are recognized in the cost if there is undoubted evidence to confirm that this part meets the recognition criteria of fixed assets, otherwise, the overhaul costs are recognized in profit or loss for the current period. Depreciation is provided during the period of regular overhaul.

17、 Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalised borrowing costs and any other costs directly attributable to bringing the asset to working condition for its intended use.

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

For the impairment of construction in progress, please refer to Note IV.20.

18、 Borrowing costs

(1) Capitalisation criteria

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. Other borrowing costs are expensed in profit or loss as incurred. The capitalisation of borrowing costs shall commence only when the following criteria are met:

- ① capital expenditures have been incurred, including expenditures that have resulted in payment of cash, transfer of other assets or the assumption of interest-bearing liabilities;
- ② borrowing costs have been incurred;
- ③ the activities that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Capitalisation period

The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use, the borrowing costs incurred thereafter are recognised in profit or loss for the current period.

Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

19、 Intangible assets

The group's intangible assets include Land rights, Software, Patent right, Non-patented technology, Trademark, Copyright, Concession, Right to use office building, etc.

Intangible assets are stated at actual cost upon acquisition and the useful economic lives are determined at the point of acquisition. When the useful life is finite, amortisation method shall reflect the pattern in which the asset's economic benefits are expected to be realised. If the pattern cannot be determined reliably, the straight-line method shall be used. An intangible asset with an indefinite useful life shall not be amortised.

The Group participated with other entity in energy saving reform and entered into contract of "Contract Energy Management". According to contract terms, share of profit is based on the energy saving efficiency, and the cost of reformation is amortised on straight line basis over the contract terms.

The Group shall review the useful life and amortisation method of an intangible asset with a finite useful life at least at each year end. Changes of useful life and amortisation method shall be accounted for as a change in accounting estimate.

An intangible asset shall be derecognised in profit or loss when it is not expected to generate future economic benefits.

For the impairment of intangible assets, please refer to Note IV.22.

20、 Research and development expenditure

Expenditure on an internal research and development project is classified into expenditure incurred during the research phase and expenditure incurred during the development phase.

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is capitalised if the product or process is technically and commercially feasible; the Group intends to complete the development; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development and use or sell the intangible asset; and development costs can be measured reliably. Other development expenditure is recognised as an expense in the period in which it is incurred.

Research and development projects of the Group will enter into the development phase when they meet the above conditions, technical and economic feasibility research is finished and necessary approval of the project is obtained.

Capitalised expenditure on the development phase is presented as "development costs" in the balance sheet, and is transferred to intangible assets when the project is completed to its intended use.

21、 Long-term deferred expenses

Long-term deferred expenses of the Group include decoration of rental property, fixed asset repair expenses and the amortization period of other deferred expenses more than one year.

Long-term deferred expenses are recorded at the actual cost, and amortized using a straight-line method within the benefit period. For long-term deferred expense that cannot bring benefit in future period, the Group recognized its amortised cost in profit or loss for the current period.

22、 Impairment of assets

The impairment of long-term equity investments in subsidiaries, associates and joint ventures, investment properties measured using a cost model, fixed assets, construction in progress, intangible assets, goodwill etc. (Excluding inventories, investment property measured using a fair value model, deferred tax assets and financial assets) is determined as follows:

At each balance sheet date, the Company determines whether there is any indication of impairment. If any indication exists, the recoverable amount of the asset is estimated. In addition, the Company estimates the recoverable amounts of goodwill, intangible assets with indefinite useful lives and intangible assets not ready for use at each year-end, irrespective of whether there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its present value of expected future cash flows. The recoverable amount is estimated for each individual asset. If it is not possible to estimate the recoverable amount of each individual asset, the Company determines the recoverable amount for the asset group to which the asset belongs. An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly.

For goodwill impairment test, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying amount of goodwill is unable to be allocated to asset group, the carrying amount of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can be benefit from synergies of a business combination and is not greater than the reportable segment of the Company.

In impairment testing, if impairment indication exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted for asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated and any impairment loss is recognized. Then impairment test is conducted for asset group or portfolio of asset group containing goodwill by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

23、Contract liabilities

“Companies that have implemented the new revenue standard”:

Contract liabilities refer to the obligation that the company has received or receivable the consideration from the customer and should transfer the goods to the customer. The company shall set off the contract assets and contract liabilities under the same contract and present them in net amount.

24、Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the Company's spouse, children, dependents, family members of deceased employees or other beneficiaries are also part of the employee benefits.

(2) Short-term employee benefits

In the current period, the Company has accrued for the actual wages, bonuses, medical insurance for employees based on standard rate, work injury insurance and maternity insurance and other social insurance and housing fund incurred and these are recognised as liabilities and corresponding costs in the profit or loss. If these liabilities are not expected to be fully paid 12 months after the end of the reporting period in which employee renders the service to the Company, and if the financial impact is significant, these liabilities shall be discounted using the net present value method.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which an enterprise pays fixed contributions into a separate fund and will have no future obligations to pay the contributions. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include primary endowment insurance, unemployment insurance.

Besides basic pension insurance, the Company establishes corporate pension plans in accordance with the related policies of corporate pension regulations. Employees can join the pension plan voluntarily. The Company has no other significant commitment of employees' social security.

The Company shall recognise, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the profit or loss for the current period or the cost of a relevant asset.

(4) Termination benefits

The Company provides for termination benefits to the employees and shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss for the current period, at the earlier of the following dates: When the Company cannot unilaterally withdraw the offer of the termination benefits because of an employment termination plan or a redundancy proposal; or when the Company recognises the costs or expenses relating to a restructuring that involves the payment of the termination benefits.

For staff early retirement plan, the compensation paid before the official retirement date is regarded as termination benefits. The amount need to pay for the early retired staff salary and social security contribution since the date of termination to official retirement date is one-off charged to profit or loss for current year. Compensation after official retirement date (such as normal pension fund) is treated as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Company to the employees satisfied the conditions for classifying as a defined contribution plan; those benefits shall be accounted for in accordance with the above requirements relating to defined contribution plan. When the benefits satisfied a defined benefit plan, it shall be accounted for in accordance with the above requirements relating to defined benefit plan, but the movement of net liabilities or assets in re-measurement of defined defined benefit plan shall be recorded in profit or loss for the current period or cost of relevant assets.

25、Bonds payable

The bonds issued externally shall be initially measured according to the amount that the fair value net of transaction expense, and subsequently measured at amortized cost using the effective interest method during the maturity date.

Interest expenses are directly recorded into current profit or loss, except in certain situation where they meet the requirements of borrowing expense costs capitalization.

26、Provisions

A provision is recognised for an obligation related to a contingency if all the following conditions are satisfied:

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

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. The Company reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

If all or part of the expenditure necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying amount of the provision.

27、preference shares, perpetual bonds and other financial instruments

The financial instruments issued by the group are initially recognized and measured in accordance with the standards for financial instruments; Thereafter, interest or dividends are accrued on each balance sheet date and treated in accordance with the relevant specific accounting standards for business enterprises. That is to say, based on the classification of financial instruments issued, the accounting treatment of interest expense or dividend distribution of the instrument is determined. For the financial instruments classified as equity instruments, the interest expense or dividend distribution shall be regarded as the profit distribution of the group, and the repurchase and cancellation shall be regarded as the change of equity; For financial instruments classified as financial liabilities, the interest expense or dividend distribution shall be treated as borrowing costs in principle, and the profits or losses arising from repurchase or redemption shall be included in the current profits and losses.

When the group issues financial instruments, the transaction expenses such as handling charges and commissions, which are classified as debt instruments and measured at amortised cost, shall be included in the initial measurement amount of the issued instruments; If it is classified as equity instrument, it shall be deducted from equity.

28、Revenue

“Companies that have not yet implemented the new revenue standard”:

(1) Sale of goods

Revenue is recognised when all the following conditions are satisfied: significant risks and rewards of ownership of goods have been transferred to the buyer; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; it is probable that the economic benefits will flow to the Company; and the revenue and costs can be measured reliably.

(2) Rendering of services

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion.

The stage of completion is based on the proportion of costs incurred to date to the estimated total costs.

Rendering of services can be estimated reliably when all the following conditions are satisfied:

- A. The revenue can be measured reliably;
- B. It is probable that the economic benefits will flow to the Company;
- C. The stage of completion can be measured reliably;
- D. The costs incurred and to be incurred in the transaction can be measured reliably.

Where the outcome cannot be estimated reliably, revenues are recognised to the extent of the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; otherwise, the costs incurred are recognised in profit or loss and no service revenue is recognised.

(3) Royalties from intangible assets

Revenue is recognized when it is probable that the economic benefits will flow to the Company, and the revenue can be measured reliably.

(4) Revenue from construction contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract expenses associated with the construction contract are recognised using the percentage of completion method. When the outcome of a construction contract cannot be estimated reliably, if the contract costs can be recovered, revenue is recognised to the extent of contract costs incurred that can be recovered, and the contract costs are recognised as contract expenses when incurred; otherwise, the contract costs are recognised as contract expenses immediately when incurred, and no contract revenue is recognised.

If the estimated total costs exceed contract revenue, the Company recognises estimated loss in profit or loss for the current period.

The stage of completion of a contract is determined based on the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

The outcome of a construction contract can be estimated reliably when all the following conditions are satisfied:

- A. The contract revenue can be measured reliably;
- B. It is probable that the economic benefits will flow to the Company;
- C. The actual contract costs incurred can be distinguished clearly and measured reliably;
- D. The completion progress of the contract and the costs need to be incurred to complete the contract can be measured reliably.

(5) Sale of commodity housing

Proceeds received on pre-sale of commodity housing are recorded as receipts in advance. Revenue is recognised on sale of commodity housing when the following conditions are met:

- ① Development products are finished and certified acceptance by relevant authorities;
- ② Housing sale contract is properly signed with customers and the consideration is received and probably receivable;
- ③ Sold housing is accepted by customers and procedures of transfer is completed;
- ④ Cost information and budget information are providing reliable costing data.

(6) Property management

When property management service is rendered and its relevant service cost can be measured reliably, and associated economic benefits are likely to flow into the Company, revenue is recognized in accordance to the contract terms, contract period and service fee charging standard.

“Companies that have implemented the new revenue standard”:

(1) General principles

The Group recognizes revenue when it fulfills the performance obligation in the contract, that is, when the customer obtains control of the relevant goods or services.

If there are two or more performance obligations in the contract, the group will allocate the transaction price to each single performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each single performance obligation on the start date of the contract, and measure the income according to the transaction price allocated to each single performance obligation.

If one of the following conditions is satisfied, the Group shall perform its obligations within a certain period of time; Otherwise, it belongs to the performance obligation at a certain point:

- ① The Client obtains and consumes the economic benefits brought by the Group's performance at the same time.
- ② The customer is able to control the goods under construction during the Group's performance process.
- ③ The commodities produced by the Group during the performance of the Contract are of irreplaceable use, and the Group is entitled to collect payment for the accumulated part of the performance completed

so far during the whole period of the Contract.

For the performance obligations performed within a certain period of time, the Group shall recognize the income in accordance with the performance progress within that period. If the performance progress cannot be reasonably determined and the Group is expected to be compensated for the costs already incurred, the revenue shall be recognized according to the amount of the costs already incurred until the performance progress can be reasonably determined.

For the performance obligations performed at a certain time point, the Group recognizes revenue at the time point when the customer obtains control over the relevant goods or services. In determining whether a customer has acquired control of goods or services, the group will consider the following signs:

- ①The Group has a current payment right for the goods or services, i.e. the customer has a current payment obligation for the goods.
- ②The group has transferred the legal ownership of the goods to the customer, that is, the customer has the legal ownership of the goods.
- ③The Group has transferred the goods in kind to the customer, that is, the customer has physical possession of the goods.
- ④The group has transferred the main risks and rewards of the ownership of the goods to the customer, that is, the customer has obtained the main risks and rewards of the ownership of the goods.
- ⑤The customer has accepted the goods or services.
- ⑥Other indications that the customer has taken control of the goods.

The Group has transferred goods or services to customers and has the right to receive consideration (and the right depends on other factors other than the passage of time) as contract assets. The contract assets are depreciated on the basis of expected credit loss (see Note IV.9). The Group's right to collect consideration from customers unconditionally (only depending on the passage of time) is listed as receivables. The obligation of the Group to transfer goods or services to customers after receiving or receiving customers' consideration shall be regarded as contractual liabilities.

The contract assets and contract liabilities under the same contract are listed in net amount. If the net amount is the debit balance, it shall be listed in "contract assets" or "other non current assets" according to its liquidity; If the net amount is the credit balance, it shall be listed in "contract liabilities" or "other non current liabilities" according to its liquidity.

(2) Specific methods

The Group recognizes revenue when it fulfills the performance obligation in the contract, that is, when the customer obtains control over the relevant goods or services. To gain control of the relevant goods or services means to be able to dominate the use of the goods or the provision of the services and obtain almost all the economic benefits from them.

①Construction contract

The construction contract between the Group and its customers usually includes the performance

obligation of environmental restoration. The Group regards it as the performance obligation to be performed within a certain period of time, and recognizes the income according to the performance progress, except that the performance progress cannot be reasonably determined. The Group determines the performance schedule of the services provided according to the output method, that is, the performance schedule is determined according to the proportion of the completed contract workload to the expected total contract workload.

For in-situ disposal projects, the Group recognizes the current income according to the output value (or the completed workload multiplied by the contract unit price) confirmed by the supervisor or the owner;

For projects with ectopic terminal disposal process, the workflow includes excavation, outward transportation, terminal disposal and backfilling (if necessary); If all processes have been completed, the group shall recognize the income according to the output value (or the completed workload multiplied by the contract unit price) confirmed by the supervisor or the owner; If there are uncompleted processes, the group shall recognize the income according to the amount of the output value confirmed by the supervisor or the owner after deducting the corresponding output value of the uncompleted process (or the workload of the uncompleted process multiplied by the contract unit price).

Specific revenue confirmation evidence includes contract, confirmation sheet of output value (engineering quantity), disposal certificate, etc.

① Service contract

The service contracts between the Group and its customers are mainly performance obligations such as contaminated site investigation and technical services. The Group analyzes whether the contracts meet the performance obligations within a certain period of time under the new revenue criteria according to the contracts. For the contracts that the Group meets the performance obligations within a certain period of time, the revenue is recognized according to the performance progress, Unless the progress of performance cannot be reasonably determined. The Group determines the performance schedule according to the proportion of the cost incurred in the total estimated cost, and the current revenue is recognized according to the amount of the contract revenue multiplied by the performance schedule minus the revenue recognized in the previous period. At the end of each month when the project cost occurs, the Group recognizes the performance progress and the income of the current month. The specific evidence of revenue recognition includes the contract, the breakdown of estimated total cost, the calculation table of performance progress percentage, etc.

For the contracts that the Group does not meet the performance obligations within a certain period of time, the Group recognizes the revenue according to the time point, that is, the revenue is recognized after the service is provided and accepted by the owner. The specific revenue confirmation evidence includes the contract and the acceptance certificate.

② Sales contract

The sales contracts between the Group and its customers usually only include the performance obligations of the transferred goods. The Group generally recognizes the income at the time of control transfer on the basis of comprehensive consideration of the following factors: the current right to receive the goods, the transfer of the main risks and rewards of the ownership of the goods, the transfer of the legal ownership of the goods, the transfer of the physical assets of the goods, and the acceptance of the goods by the customers.

The Group recognizes revenue when the goods are delivered to the customer and signed by the customer.

The specific evidence of revenue recognition is the customer's receipt.

29、Government grants

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB 1.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets.

For government grants with unspecified purpose, the amount of grants used to form a long-term asset is regarded as government grants related to an asset, the remaining amount of grants is regarded as government grants related to income. If it is not possible to distinguish, the amount of grants is treated as government grants related to income.

A government grant related to an asset is offset against the carrying amount of the related asset, or recognised as deferred income and amortised to profit or loss over the useful life of the related asset on a reasonable and systematic manner. A grant that compensates the Group for expenses or losses already incurred is recognised in profit or loss or offset against related expenses directly. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in profit or loss or offset against related expenses in the periods in which the expenses or losses are recognised.

A grant related to ordinary activities is recognised as other income or offset against related expenses based on the economic substance. A grant not related to ordinary activities is recognised as non-operating income.

When a recognised government grant is reversed, carrying amount of the related asset is adjusted if the grant was initially recognized as offset against the carrying amount of the related asset. If there is balance of relevant deferred income, it is offset against the carrying amount of relevant deferred income. Any excess of the reversal to the carrying amount of deferred income is recognised in profit or loss for the current period. For other circumstances, reversal is directly recognized in profit or loss for the current period.

30、Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to transactions or items recognised directly in equity and goodwill arising from a business combination.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All the taxable temporary differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

(1) initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);

(2) taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises a deferred tax asset for deductible temporary differences, deductible losses and tax credits carried forward to subsequent periods, to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, deductible losses and tax credits can be utilised, except for those incurred in the following transactions:

(1) a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss);

(2) deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future; and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

31、leases

(1) Classification of leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee. An operating lease is a lease other than a finance lease.

If the leasing meets one or more of the following criteria should be recognized as finance lease: ① ownership of the asset is transferred to the lessee at the end of the lease term;

②the lease contains a bargain purchase option to buy the equipment at a price which is less than fair market value, therefore the lessee will be reasonably deemed to exercise this option at the beginning of leasing date;

③the lease term is for the major part of the economic life of the asset even if the title is not transferred;

④at the inception of the lease, the lease present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;

⑤the leased assets are of a specialized nature such that only the lessee can use them without major modifications being made.

(2) Accounting treatment for the operating lease as lessee

Rental payments under operating leases are recognised as part of the cost of another related asset or as expenses on a straight-line basis over the lease term. Initial direct costs are charged to profit or loss immediately.

The initial direct costs incurred are recognized in profit or loss for the current period.

(3) Accounting treatment for the operating lease as lessor

Rental receipt from operating leases is recognized in profit or loss on a straight-line basis over the lease term. If large amount of initial direct costs incurred, they are capitalized and subsequently recognized in profit or loss under the same basis of income recognition or straight line method; for smaller amounts of initial direct costs, they are recognized in profit or loss for current period when incur.

Contingent rents are recognized in the profits and losses for current period when they actually arise.

Assets leased out under operating leases are included in the statement of financial position items according to their nature. The depreciation of fixed assets under operating leases is accordance with the depreciation policies on the similar assets of the Company. For other assets under operating lease, amortization is made on a systematic basis.

32、 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measure of the Group's assets and liabilities include: Financial assets at FVTPL, AFS financial assets and investment property.

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active markets as their fair value. If there is no active market, the Company uses valuation technique to determine their fair value. Valuation techniques mainly include the discount cash flow approach and the market approach, etc. Valuation techniques input mainly include the risk-free interest rate, the benchmark interest rate, exchange rate, credit spreads, liquidity premium, lack of liquidity discount, etc.

The fair value measurement of non-financial assets considers the highest and best use of the asset by market participants or the assets are sold to other market participants who have the ability to generate economic benefits.

The Company adopts the valuation technique that is suitable for the current situation and there is enough data and other information to support. The priority is the observable inputs. If there are no observable inputs, the Company uses unobservable inputs.

Financial assets or financial liabilities fair value changes generate the gains or loss, except for hedging, it should follow the below rules: ① the realized gains or losses of financial assets or financial liabilities at fair value through profit or loss, should recognize in profit or loss for the current period. ② the gains and losses arising from changes in fair value of available-for-sale financial assets, except for impairment loss and exchange difference of foreign currency financial assets, should directly recognize in owner's equity and recognize in current profit or loss when the financial assets disposed.

Investment property under fair value measurement model adjusts the carrying value to amount of fair

value of investment property as at balance sheet date. The difference between fair value and carrying value is recognised in profit or loss for current period.

Assets and liabilities measured or disclosure at financial statements are determined the fair value level based on the lowest level input that is significant to the measurement in its entirety. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The Company should re-evaluate the asset and liabilities measured at fair value continuously on the balance sheet date to determine whether the level is changed.

33、 Safety production fund and environmental restoration fund

Safety production fund and environmental restoration fund are recorded to the costs of related products or recognized in the profit or loss for the current period, and credited to special reserve.

When safety production fund and environmental restoration fund are utilized for qualified expenditures, if the expenditures are regarded as expenses, they are charged against the special reserve; if the expenditures are used to build up fixed assets, the costs are charged to construction in progress, and reclassified to fixed assets when the projects reach the status ready for intended use. Meanwhile, expenditures in building up fixed assets are directly charged against the special reserve with the accumulated depreciation recognized at the same amount. Such fixed assets are not depreciated in subsequent period.

V.Changes in accounting policies, accounting estimates and correction of errors in prior periods

According to "Notice related to revising and issuing the financial statements format in 2018 for general enterprises" (Caikuai [2018] No.15), the Group revised the financial statements format as follows: The "Bills receivable" and "Accounts receivable" were integrated as "Bills receivable and accounts receivable"; The "Interests receivable" and "Dividends receivable" were integrated into "Other receivables"; The "Fixed assets to be disposed of" was integrated into "Fixed assets"; The "Construction materials" was integrated into "Construction in progress"; The "Bills payable" and "Accounts payable" were integrated as "Bills payable and accounts payable"; The "Interests payable" and "Dividends payable" were integrated into "Other payables"; The "Special payables" was integrated into "Long-term payables"; "Research and development costs" was presented separately from "General and administrative expenses"; "Interest expenses" and "Interest income" were presented separately under "Financial expenses"; Under the "Transfer within equity" line item, "Changes because of remeasurement of net defined benefit plan liability or asset" was changed to "Changes of the defined benefit plan recognize in retained earning"; Above changes in accounting policies are adjusted retrospectively according to Caikuai [2018] No.15. The revisions of the financial statement format have no impact on the Group's total assets, total liabilities, net profit, the other comprehensive income and so on.

On April 30, 2019, the Ministry of Finance issued the "Notice of the Ministry of Finance on Revising and Issuing the General Financial Statement Format of the Year 2019" (No.6 of Caikuai [2019]), and the "Notice of the Ministry of Finance on Revising and Issuing the General Financial Statement Format of the Year 2018" (No.15 of Caikuai [2018]) issued on June 15, 2018 shall be abolished simultaneously; On September 19, 2019, the Ministry of Finance issued the "Notice of the Ministry of Finance on Revising and Issuing the Format of Consolidated Financial Statements (Version 2019)" (No.16 of Caikuai [2019]), and the "Notice of the Ministry of Finance on Revising and Issuing the Format of Consolidated Financial

Statements for 2018” (No.1 of Caikuai [2019]) shall be abolished simultaneously. According to No.6 of Caikuai [2019] and No.16 of Caikuai [2019], the Group has revised the financial statement format as follows: Balance sheet: dividing the line item of “bills receivable and accounts receivable” into “bills receivable” and “accounts receivable”; dividing the line item of “bills payable and accounts payable” into “bills payable” and “accounts payable”. The Group shall adjust the comparative amounts of the comparable periods according to No.6 of Caikuai [2019]. The revision of the financial statement format has no effect on the Group's total assets, total liabilities, net profits and other comprehensive income.

On May 16, 2019, the Ministry of Finance issued the “Accounting Standards for Business Enterprises No.12 - Debt Restructuring” (hereinafter referred to as the “new debt restructuring standard”), which has modified the definition of debt restructuring, and has been clear about the debt restructuring involved in financial instruments for accounting standards such as “Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments”, etc. The new debt restructuring standard has also been clear about the initial measurement at cost of assets other than financial assets accepted by creditors, and has clarified that the obligors paying off the debts with assets shall no longer distinguish between gains and losses from assets disposal and gains and losses from debt restructuring. In accordance with the provisions of No.6 of Caikuai [2019], “non-operating income” and “non-operating expenditure” line items no longer include gains or losses arising from the disposal of non-current assets in debt restructuring. The Group adopts the prospective method to deal with the debt restructuring newly occurred on January 1, 2019, and does not make retroactive adjustments to the debt restructuring occurred before January 1, 2019.

On May 9, 2019, the Ministry of Finance issued the “Accounting Standards for Business Enterprises No.7 - Exchange of Non-monetary Assets”(hereinafter referred to as the “new non-monetary exchange standard”), has clarified the concept of monetary and non-monetary assets, the scope of the standard, when to recognize exchange of non-monetary assets, the measurement basis and accounting methods of exchange of non-monetary assets under different conditions, and meanwhile has perfected the disclosure requirements. The Group adopts the prospective method to deal with exchange of non-monetary assets that occur after January 1, 2019, and does not make retroactive adjustments to exchange of non-monetary assets that occurred before January 1, 2019.

In 2017, the Ministry of Finance issued the “Accounting Standards for Business Enterprises No.14 – Income(revised)”(hereinafter referred to as the “new income standard”), Beijing Construction Environmental Remediation Co., Ltd., a secondary subsidiary of the group, has implemented the standards since January 1, 2020 and adjusted the relevant contents of accounting policies of Beijing Construction Environmental Remediation Co., Ltd. Please refer to note 4 and 28 for the changed accounting policies. Revenue is recognized when the performance obligation in the contract is fulfilled, that is, when the customer obtains control of the relevant goods or services. When certain conditions are met, it belongs to the performance obligation within a certain period of time; otherwise, it belongs to the performance obligation at a certain point of time. If the contract contains two or more performance obligations, the transaction price shall be apportioned to each single performance obligation according to the relative proportion of the individual selling price of the goods or services promised by each single performance obligation on the start date of the contract, and the income shall be measured according to the transaction price apportioned to each single performance obligation. According to the specific provisions of the new income standards on specific events or transactions, the relevant accounting policies are adjusted. The group has transferred goods to customers and has the right to receive consideration, which depends on factors other than the passage of time and is listed as contract assets. The group's obligation to transfer goods to customers for consideration received or receivable from customers is listed as contract liabilities. The group adjusted the amount of retained earnings and other related items in the financial statements of the group at the beginning of 2020 according to the cumulative

impact of the first implementation of the new income standard by the subsidiary Beijing Construction Environmental Remediation Co., Ltd., but did not adjust the comparative financial statement data. The group only adjusts the amount of retained earnings and other related items in the financial statements of the group at the beginning of 2020 for the cumulative impact of the contracts not yet completed on January 1, 2020.

In December 2019, the Ministry of Finance issued the Interpretation No. 13 of accounting standards for business enterprises (CK [2019] No. 21) (hereinafter referred to as "Interpretation No. 13"). Interpretation No. 13 revises the three elements of business, refines the judgment conditions of business, and introduces the method of "concentration test" when the purchaser of business combination not under the same control judges whether the acquired business activities or the combination of assets constitute a business. Interpretation No. 13 specifies that related parties of an enterprise include joint ventures or joint ventures of other joint member units (including parent company and subsidiary company) of the enterprise group to which the enterprise belongs, and joint ventures or joint ventures of investors who jointly control the enterprise. Interpretation No. 13 comes into effect on January 1, 2020. The group adopts the future applicable method to deal with the above accounting policy changes. The adoption of Interpretation No. 13 has no significant impact on the financial position, operating results and related party disclosure of the group.

In June 2020, the Ministry of Finance issued the "Notice on the issuance of the Accounting Treatment Regulation > for COVID-19 Outbreak Related Rent Concessions" (Caikuai [2020] No. 10), and simplified methods can be adopted for the COVID-19 Outbreak Related Rent Concessions according to the accounting treatment regulation. The Group has not chosen to adopt a simplified approach to this provision and therefore this provision has not had a material impact on the Group's financial position and operating results.

In the accounting policies issued in the above years, the Group has adjusted all of them according to the corresponding provisions, and the amounts listed in this note are the adjusted amounts.

VI. Taxation

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate%
VAT	Taxable income	3-16
City maintenance and construction tax	Turnover tax payable	1、 5、 7
Corporate income tax	Taxable profits	5、 15、 20、 25
Land appreciation tax	Value-added amount	Progressive tax rate 30~60

2. Tax preferential treatments and approval documents

1) VAT preference

(1) 2018

①In accordance with the provisions of the Notice on Continuing to Implement the Preferential Policies on Value-added Tax, Property Tax and Urban Land Use Tax of Heating Enterprises (Caishui [2011] No. 118) issued by the Ministry of Finance and the State Administration of Taxation, Subsidiaries Beijing construction technology development co., LTD., Beijing jianjia property management co., LTD., and

Beijing Construction Engineering Boiler Pressure Vessels Engineering Company, are exempt from value-added tax on the heating fee income derived from individual residents' heating.

②According to the notice of the State Administration of Taxation on the value added tax policy for new wall materials (CS [2015] No. 73) issued by the Ministry of finance, Beijing Yantong construction components Co., Ltd., a subsidiary, implements the policy of 50% VAT refund on the sales of new wall materials (prefabricated wall panels (bodies)) that are included in the notice.

(2) 2019

①In accordance with the provisions of the Notice on the Extension of the Preferential Policies on Value-added Tax, Property Tax for Heating Enterprises and Urban Land Use Tax ([2019] No. 38) issued by the Ministry of Finance and the State Administration of Taxation, Subsidiaries such as Beijing Construction Technology Development Co., Ltd., Beijing Jianjia Property Management Co., Ltd., and Beijing Construction Engineering Boiler Pressure Vessels Engineering Company, are exempt from value-added tax on the heating income from individual residents, and the plant and land used for heating for residents are exempt from real estate tax and urban land use tax.

②The waste asphalt concrete sold by the subsidiary Beijing Municipal Road and Bridge Building Materials Group Co., Ltd. meets the name requirements of comprehensive utilization of resources and comprehensive utilization of products in the notice on printing and distributing the preferential catalogue of value added tax on resources comprehensive utilization products and services (CS [2015] No. 78), and the raw materials used meet the required technical standards and relevant conditions, Enjoy the preferential tax policy of 50% VAT refund.

③Beijing Yantong construction component Co., Ltd., a subsidiary, implements the policy of VAT on new wall materials (CS [2015] No. 73) issued by the State Administration of Taxation of the Ministry of Finance on the sale of new wall materials (prefabricated in accordance with wall panels (bodies) attached to the notice by the taxpayer, and the VAT will be levied and refunded by 50%.

(3) 2020

①According to the "Provisional Regulations of the People's Republic of China on Value-added Tax" and the detailed implementation rules, "Announcement of the State Administration of Taxation on Issues Related to Exemption of Value-added Tax and Business Tax for Small and Micro Enterprises" (Announcement of the State Administration of Taxation No. 57, 2014) and "Ministry of Finance" Notice of the State Administration of Taxation on Continuing to Implement the Policy of Value-added Tax and Business Tax for Small and Micro-sized Enterprises (Cai Shui [2015] No. 96) The state administration of taxation on further support small micro enterprise value added tax and business tax policy notice (caishui [2014] no. 71), "the Treasury's part of the state administration of taxation on a suspension of small micro enterprise value added tax and business tax notice (caishui [2013] no. 52), the business tax paid VAT instead of cross-border VAT tax taxable behavior management approach (trial)" (Announcement of the State Administration of Taxation No. 29, 2016), Notice of the State Administration of Taxation of the Ministry of Finance on the Extension of Value-added Tax Policy for Small and Micro Enterprises (Caishui [2017] No. 76) and other relevant provisions, Subsidiaries such as Beijing 57th Vocational Skilled Appraisal Institute, Beijing Construction Labor Service Co., Ltd., Beijing Pengyuan Overseas Labor Training Center Co., Ltd., Municipal Technology Magazine Co., Ltd., enjoy VAT exemption policy.

②According to the notice of the Ministry of Finance and the State Administration of Taxation on extending the preferential policy of value-added tax, real estate tax and urban land use tax for heating enterprises

(CS [2019] No. 38), from January 1, 2019 to the end of the heating period in 2020, the heating fee income obtained by heating enterprises from individual residents (hereinafter referred to as residents) shall be exempted from value-added tax; From January 1, 2019 to December 31, 2020, the factories and land used by heating enterprises that charge heating fees for residents are exempt from house property tax and urban land use tax. Subsidiary companies such as Beijing Construction Technology Development Co., Ltd. and Beijing Construction Engineering Boiler Pressure Vessels Engineering Company enjoy the preferential policy.

③According to the notice of the State Administration of Taxation on the value added tax policy for new wall materials issued by the Ministry of Finance (CS [2015] No. 73), the subsidiary Beijing Yantong Building Components Co., Ltd. sells the new wall materials (prefabricated wallboard (body)) which are included in the notice, and implements the policy of 50% refund of value-added tax immediately.

④According to the Announcement of the General Administration of Taxation of the Ministry of Finance on the Relevant Tax Policies to Support the Prevention and Control of the Epidemic of Pneumonia Infected by Novell Coronavirus (Announcement of the General Administration of Taxation of the Ministry of Finance No. 8, 2020), the subsidiary Beijing Heng Xing Property Management Group is exempted from VAT on the income obtained by providing taxpayers with life services.

2) Income tax preference

(1) 2018

①Subsidiaries such as Municipal Technology Magazine Co., Ltd., Beijing Chaoxu Dingxin Municipal Engineering Testing Technology Co., Ltd., and Beijing Urban and Rural Construction Survey and Design Institute Co., Ltd. According to the "Notice on Expand the Scope of Preferential Policies for Small and Low-profit Enterprises Income Tax" (Cai Shui [2017] No. 43), since January 1, 2017, The upper limit of annual taxable income of small low-profit enterprises will be raised from 300,000 yuan to 500,000 yuan. For small low-profit enterprises whose annual taxable income is less than 500,000 yuan (including 500,000 yuan), their income will be reduced by 50% and included into the taxable income amount, and the enterprise income tax will be paid at the tax rate of 20%.

②Subsidiaries such as BCEG Environmental Remediation Co., Ltd., Beijing Construction Engineering Research Institute Co., Ltd., Beijing No.3 Construction Engineering Co., Ltd., BCEG No.4 Construction Engineering Construction Co., Ltd., Beijing Construction Technology Development Co., Ltd., BCEG New Building Materials Co., Ltd., Beijing Yiwei Kaimu Environmental Technology Co., Ltd., BCEG Civil Engineering Co., Ltd., Beijing Municipal Road and Bridge Co., Ltd., Beijing National Highway Design and Research Institute Co., Ltd., Beijing Construction Engineering Third Testing Institute Co., Ltd., Beijing Panshi Construction Supervision Co., Ltd., Beijing Municipal Professional Design Institute Co., Ltd., Beijing Municipal Road and Bridge Building Materials Group Co., Ltd., Beijing Municipal Road and Bridge Zhengda Road Technology Co., Ltd., Beijing Road and Bridge Construction Group Ruicheng Engineering Test Co., Ltd., Beijing Municipal Road and Bridge Management Group Co., Ltd., Beijing Road and Bridge Ruitong Maintenance Center Co., Ltd., Beijing Municipal Construction Group Co., Ltd Beijing Municipal Fourth Construction Engineering Co., Ltd., Beijing Yicheng Municipal Engineering Co., Ltd. and Beijing Yantong Construction Component Co., Ltd. are recognized as high-tech enterprises and enjoy 15% preferential corporate income tax rate.

(2) 2019

①Subsidiaries such as BCEG Environmental Remediation Co., Ltd., Beijing Construction Engineering

Research Institute Co., Ltd., Beijing No.3 Construction Engineering Co., Ltd., Beijing Construction Engineering No.4 Construction Engineering Co., Ltd., Beijing Construction Engineering Yinlai FRP Products Co., Ltd., Beijing Construction Technology Development Co., Ltd., BCEG New Building Materials Co., Ltd., Beijing Construction Engineering Civil Engineering Co., Ltd., Beijing Construction Engineering Resources Recycling Investment Co., Ltd., Beijing Yiwei KAIMU Environmental Technology Co., Ltd., Beijing Jianzi Kaike System Engineering Co., Ltd., Beijing Construction Engineering Quality First Testing Institute Co., Ltd., Beijing Municipal Road and Bridge Co., Ltd., Beijing guodaotong highway design and Research Institute Co., Ltd Beijing municipal professional Design Institute Co., Ltd., Beijing Municipal Road and Bridge Building Materials Group Co., Ltd., Beijing Municipal Road and Bridge Ruicheng Technology Co., Ltd., Beijing Third Construction Quality Inspection Institute Co., Ltd., Beijing Panshi Construction Supervision Co., Ltd., Beijing Jianzhuang Consulting Co., Ltd Beijing Municipal Road and Bridge Zhengda Road Technology Co., Ltd. are recognized as high-tech enterprises and enjoy 15% preferential corporate income tax rate.

②On January 17, 2019, the Ministry of Finance and the State Administration of Taxation issued the document "notice on the implementation of inclusive tax relief policy for small and micro enterprises" (CaiShui [2019] No. 13), which stipulates that for small and micro enterprises with low profits, the part of annual taxable income not exceeding 1 million yuan shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at a tax rate of 20%; If the annual taxable income exceeds 1 million yuan but does not exceed 3 million yuan, 50% of it shall be included in the taxable income, and the enterprise income tax shall be paid at the rate of 20%; The document is valid from January 1, 2019 to December 31, 2021. Subsidiary companies such as BEEG Hengjun Engineering Testing Co., Ltd., Tianjin Gangbei Concrete Industry Co., Ltd., Beijing Xincheng Lvyuan Technology Development Co., Ltd., Suzhou Beijian Energy Saving Technology Co., Ltd., BCEG Labor Service Co., Ltd., Beijing Pengyuan Expatriate Labor Training Center Co., Ltd., Beijing Construction Engineering Measurement Station Co., Ltd. enjoy the policy.

(3) 2020

①Subsidiary such as BCEG Civil Engineering Co., Ltd., BCEG Yinlai Glass Fiber Reinforced Plastic Products Co., Ltd., BCEG New Building Materials Co., Ltd., BCEG Investment and Development Co., Ltd., Beijing Construction Technology Development Co., Ltd., Beijing Construction Engineering Research Institute Co., Ltd., Beijing Construction Engineering Quality First Testing Co., Ltd., Beijing Jianzi Kaike System Engineering Co., Ltd., BCEG Environmental Remediation Co., Ltd., Beijing Yiwei Kaimu Environmental Technology Co., Ltd., Beijing No.3 Construction Engineering Co., Ltd., Beijing Guodaotong Highway Design and Research Institute Co., Ltd., Beijing No.3 Testing Institute of Construction Engineering Co., Ltd., Beijing Panshi Construction Supervision Co., Ltd Beijing Jianzhuang Consulting Co., Ltd., Beijing Municipal Road and bridge management and maintenance Group Co., Ltd., Beijing Road Bridge Ruitong Maintenance Center Co., Ltd., Beijing Municipal Construction Group Co., Ltd., Beijing Municipal Second Construction Engineering Co., Ltd., Beijing Municipal Third Construction Engineering Co., Ltd., Beijing Municipal Fourth Construction Engineering Co., Ltd Beijing Yicheng Municipal Engineering Co., Ltd., Beijing Urban Green Source Environmental Protection Technology Co., Ltd., Beijing Municipal Road Bridge Ruicheng Technology Co., Ltd., Beijing urban and Rural Construction Group Co., Ltd., Beijing residential industrialization Group Co., Ltd., Beijing Yantong construction components Co., Ltd. are high-tech enterprises, According to the relevant provisions of the enterprise income tax law and its implementation regulations, the tax collection and administration law and its implementation rules, the enterprise income tax shall be reduced by 15% preferential tax rate.

②On January 17, 2019, the Ministry of Finance and the State Administration of Taxation issued the document "Notice on the implementation of inclusive tax relief policy for small and micro enterprises" (CS

[2019] No. 13), which stipulates that for small and micro enterprises with low profits, the part of annual taxable income not exceeding 1 million yuan shall be included in the taxable income at a reduced rate of 25%, and the enterprise income tax shall be paid at a tax rate of 20%; If the annual taxable income exceeds 1 million yuan but does not exceed 3 million yuan, 50% of it shall be included in the taxable income, and the enterprise income tax shall be paid at the rate of 20%; The document is valid from January 1, 2019 to December 31, 2021. Subsidiaries such as Beijing Construction Machinery Factory, Beijing Xincheng Lvyuan Technology Development Co., Ltd., Suzhou Beijian Energy Saving Technology Co., Ltd., Party School of Beijing Construction Engineering Group Co., Ltd., Beijing 57th Vocational Skill Appraisal Institute, Beijing Construction Engineering Measurement Station Co., Ltd., Construction Technology Magazine Co., Ltd., Beijing Construction Labor Development Co., Ltd., Suzhou Jianbang Ecological Technology Development Co., Ltd., Beijing Rundefeng Engineering Quality Testing Co., Ltd., Beijing Zhenxing Labor Service Co., Ltd., Beijing Xiangyun Property Management Co., Ltd., BCEG Hengjun Engineering Testing Co., Ltd., Tianjin Gangbei Concrete Industry Co., Ltd Beijing Municipal Road and Bridge Technology Development Co., Ltd., Beijing Jinrui Property Management Co., Ltd., Municipal Technology Magazine Co., Ltd., Beijing Hengxing Advertising Co., Ltd., Beijing Qingyu Property Management Co., Ltd., Beijing Water Conservancy Development Co., Ltd., Beijing Jingshui Lingxiu Garden Training Center, Beijing Rongjia Building Materials Co., Ltd., Beijing Linxiu Hotel Management Co., Ltd., Qingdao Qingyu Property Management Co., Ltd., Qingdao jingchengyu Business Management Co., Ltd., Beijing Jingshui Hotel and other companies enjoy the policy.

VII、Business combination and financial statement consolidation

1. Basic information of subsidiaries in the consolidation from 2018 to 2020

(1) Basic information of subsidiaries in the consolidation in 2018

No.	Enterprise name	Level	Type	Registered place	Business location	Business nature	Paid-in capital	Shareholding percentage (%)	Voting right (%)	Investment amount	Acquisition method
1	BCEG Holding Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	1,460,990,642.00	100.00	100.00	1,797,236,332.20	1
2	Beijing Third Construction Engineering Co. Ltd.	2	1	Beijing	Beijing	Housing Construction	600,000,000.00	98.00	98.00	588,000,000.00	1
3	Beijing Sixth Construction Group Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	500,000,000.00	100.00	100.00	500,000,000.00	1
4	BCEG Investment Development Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	600,000,000.00	100.00	100.00	600,000,000.00	1
5	BCEG Fourth Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	400,000,000.00	100.00	100.00	400,000,000.00	1
6	Beijing Construction Engineering Decoration Group Co., Ltd.	2	1	Beijing	Beijing	Architectural decoration industry	129,000,000.00	100.00	100.00	167,515,241.73	3
7	BCEG Properties Co., Ltd.	2	1	Beijing	Beijing	Real estate leasing operation	100,000,000.00	100.00	100.00	100,365,900.00	1
8	BCEG Shanxi Construction Co., Ltd.	2	1	Shanxi	Shanxi	Housing Construction	100,000,000.00	51.00	51.00	51,000,000.00	1
9	BCEG Urban Renewal Investment Construction Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	100,000,000.00	70.00	70.00	59,300,712.64	3
10	BCEG Environment Restoration Co., Ltd.	2	1	Beijing	Beijing	Solid waste treatment	104,549,613.00	62.83	62.83	150,436,955.88	1
11	BCEG Xincheng Investment Development Co., Ltd.	2	1	Beijing	Beijing	Real estate development and management	90,000,000.00	70.00	70.00	63,000,000.00	1
12	Jinan Jianbang Properties Co., Ltd.	2	1	Jinan	Jinan	Real estate development and management	80,000,000.00	100.00	100.00	85,787,353.00	3
13	BCEG Engineering Research Institute Co., Ltd.	2	1	Beijing	Beijing	Project management services	78,300,000.00	100.00	100.00	64,960,479.07	1

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14	BCEG Resources Recycling Investment Co., Ltd.		2	1	Beijing	Beijing	Investment and asset management	65,000,000.00	100.00	100.00	65,000,000.00	1
15	Beijing International Construction Group Co., Ltd.		2	1	Beijing	Beijing	Housing Construction	60,000,000.00	52.00	52.00	31,200,000.00	1
16	BCEG Changzhu Engineering Co., Ltd.	Construction	2	1	Beijing	Beijing	Housing Construction	60,000,000.00	100.00	100.00	67,101,626.52	3
17	BCEG Construction Investment Development Co., Ltd.	Industrialization Construction	2	1	Beijing	Beijing	Housing Construction	90,000,000.00	100.00	100.00	90,000,000.00	1
18	BCEG International Investment Co., Ltd.		2	1	Beijing	Beijing	Investment and asset management	50,000,000.00	100.00	100.00	50,000,000.00	1
19	Xi'an Green Homeland Shopping Plaza Co., Ltd.		2	1	Xi'an	Xi'an	Real estate development and management	50,000,000.00	100.00	100.00	50,000,000.00	3
20	Beijing Construction Materials Supply Company		2	1	Beijing	Beijing	Wholesale of building materials	49,262,415.62	100.00	100.00	49,262,415.62	1
21	Beijing Jianbang Tonghui Real Estate Co., Ltd.		2	1	Beijing	Beijing	Real estate development and management	100,000,000.00	100.00	100.00	100,000,000.00	1
22	Beijing Construction Machinery Factory	Engineering	2	1	Beijing	Beijing	Construction machinery manufacturing	35,840,000.00	100.00	100.00	35,840,000.00	1
23	BCEG Logistic Co., Ltd.		2	1	Beijing	Beijing	Wholesale of building materials	30,000,000.00	100.00	100.00	32,881,480.60	1
24	Beijing First Construction Component Factory		2	1	Beijing	Beijing	Manufacture of concrete structural members	28,952,021.82	100.00	100.00	28,952,021.82	1
25	BCEG Yinlai Fiberglass Products Co., Ltd.		2	1	Beijing	Beijing	Manufacture of glass fiber reinforced plastic products	27,108,881.00	100.00	100.00	21,401,926.45	1
26	Beijing Guangyu Construction Machinery Equipment Leasing Co., Ltd.		2	1	Beijing	Beijing	Construction machinery and equipment leasing	22,761,706.76	100.00	100.00	22,761,706.76	1
27	Zhangjiakou Jingzhang Construction Co., Ltd.	Jiantou	2	1	Zhangjiakou	Zhangjiakou	Housing Construction	20,000,000.00	70.00	70.00	14,000,000.00	1
28	Beijing Wanxiang Guoji Investment Co., Ltd.		2	1	Beijing	Beijing	Investment and asset management	15,000,000.00	62.00	62.00	9,300,000.00	1
29	Beijing Construction Moshi Factory		2	1	Beijing	Beijing	Housing Construction	14,854,253.87	100.00	100.00	14,854,253.87	1
30	Shenzhen Jingzhen Consulting Co., Ltd.	Engineering	2	1	Shenzhen	Shenzhen	Project management services	10,500,000.00	100.00	100.00	13,853,014.84	1
31	BCEG Jilin Construction Engineering Co., Ltd.		2	1	Jilin	Jilin	Housing Construction	10,000,000.00	100.00	100.00	10,000,000.00	1
32	Beijing Lushi Villa		2	1	Beijing	Beijing	Tourist Hotel	3,033,399.62	100.00	100.00	3,033,399.62	1
33	BCEG Communist Party School		2	1	Beijing	Beijing	Vocational skills training	2,668,266.28	100.00	100.00	2,668,266.28	1
34	BCEG(Hongkong) Co., Ltd.		2	1	Hongkong	Hongkong	Investment and asset management	800,625.60	100.00	100.00	800,625.60	1
35	Construction Technology Magazine		2	1	Beijing	Beijing	Journal Publishing	257,788.16	100.00	100.00	257,788.16	1
36	BCEG Labour Development Co., Ltd.		2	1	Beijing	Beijing	Housing Construction	200,000.00	100.00	100.00	200,000.00	1
37	Beijing Fifty-seventh Identification Agent	Profession	2	1	Beijing	Beijing	Vocational skills training	50,000.00	100.00	100.00	50,000.00	1
38	Beijing Rainbow Gate Development Co. Ltd.	Investment	2	1	Beijing	Beijing	Real estate development and management	100,000,000.00	70.00	70.00	70,000,000.00	2
39	Qingdao Jingjian City Investment Co., Ltd.	Construction	2	1	Qingdao	Qingdao	Housing Construction	92,000,000.00	66.01	66.01	62,428,700.00	1
40	Zhejiang Beijian Properties Co., Ltd.		2	1	Zhejiang	Zhejiang	Real estate development and management	50,000,000.00	100.00	100.00	50,000,000.00	1

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41	Beijing Municipal Road and Bridge Group Co. Ltd.	2	1	Beijing	Beijing	Municipal Facilities Management	2,258,500,000.00	100.00	100.00	7,753,855,075.71	2
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(2) Basic information of subsidiaries in the consolidation in 2019

No.	Enterprise name	Level	Type	Registered place	Business location	Business nature	Paid-in capital	Shareholding percentage (%)	Voting right (%)	Investment amount	Acquisition method
1	Beijing Third Construction Engineering Co. Ltd.	2	1	Beijing	Beijing	Housing Construction	1,000,000,000.00	98.00	98.00	980,000,000.00	1
2	Beijing Sixth Construction Group Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	500,000,000.00	100.00	100.00	500,000,000.00	1
3	BCEG Investment Development Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	600,000,000.00	100.00	100.00	600,000,000.00	1
4	BCEG Fourth Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	500,000,000.00	100.00	100.00	500,000,000.00	1
5	Beijing Construction Engineering Decoration Group Co., Ltd.	2	1	Beijing	Beijing	Architectural decoration industry	129,000,000.00	100.00	100.00	167,515,241.73	3
6	BCEG Properties Co., Ltd.	2	1	Beijing	Beijing	Real estate leasing operation	100,000,000.00	100.00	100.00	100,365,900.00	1
7	BCEG Urban Renewal Investment Construction Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	100,000,000.00	70.00	70.00	59,300,712.64	3
8	BCEG Environment Restoration Co., Ltd.	2	1	Beijing	Beijing	Solid waste treatment	106,992,359.00	61.39	61.39	150,436,955.88	1
9	BCEG Xincheng Investment Development Co., Ltd.	2	1	Beijing	Beijing	Real estate development and management	190,000,000.00	70.00	70.00	133,000,000.00	1
10	Jinan Jianbang Properties Co., Ltd.	2	1	Jinan	Jinan	Real estate development and management	80,000,000.00	100.00	100.00	85,787,353.00	3
11	BCEG Engineering Research Institute Co., Ltd.	2	1	Beijing	Beijing	Project management services	78,300,000.00	100.00	100.00	64,960,479.07	1
12	BCEG Resources Recycling Investment Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	65,000,000.00	100.00	100.00	65,000,000.00	1
13	Beijing International Construction Group Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	60,000,000.00	52.00	52.00	31,200,000.00	1
14	BCEG Changzhu Construction Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	60,000,000.00	100.00	100.00	67,101,626.52	3
15	BCEG Industrialization Construction Investment Development Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	100,000,000.00	100.00	100.00	100,000,000.00	1
16	BCEG International Investment Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	50,000,000.00	100.00	100.00	50,000,000.00	1
17	Xi'an Green Homeland Shopping Plaza Co., Ltd.	2	1	Xi'an	Xi'an	Real estate development and management	50,000,000.00	100.00	100.00	50,000,000.00	3
18	Beijing Construction Materials Supply Company	2	1	Beijing	Beijing	Wholesale of building materials	49,262,415.62	100.00	100.00	49,262,415.62	1
19	Beijing Jianbang Tonghui Real Estate Co., Ltd.	2	1	Beijing	Beijing	Real estate development and management	100,000,000.00	100.00	100.00	100,000,000.00	1
20	Beijing Construction Engineering Machinery Factory	2	1	Beijing	Beijing	Construction machinery manufacturing	35,840,000.00	100.00	100.00	35,840,000.00	1
21	BCEG Logistics Distribution Co., Ltd.	2	1	Beijing	Beijing	Wholesale of building materials	30,000,000.00	100.00	100.00	32,881,480.60	1
22	Beijing First Construction Component Factory	2	1	Beijing	Beijing	Manufacture of concrete structural members	28,952,021.82	100.00	100.00	28,952,021.82	1
23	BCEG Yinlai Fiberglass Products Co., Ltd.	2	1	Beijing	Beijing	Manufacture of glass fiber reinforced plastic products	27,108,881.00	100.00	100.00	21,401,926.45	1
24	Beijing Guanyu Construction Machinery Equipment Leasing Co., Ltd.	2	1	Beijing	Beijing	Construction machinery and equipment leasing	22,761,706.76	100.00	100.00	22,761,706.76	1
25	Zhangjiakou Jingzhang Jiantou Construction Co., Ltd.	2	1	Zhangjiakou	Zhangjiakou	Housing Construction	20,000,000.00	70.00	70.00	14,000,000.00	1

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26	Beijing Construction Moshi Factory	2	1	Beijing	Beijing	Housing Construction	14,854,253.87	100.00	100.00	14,854,253.87	1
27	Shenzhen Jingzhen Engineering Consulting Co., Ltd.	2	1	Shenzhen	Shenzhen	Project management services	10,500,000.00	100.00	100.00	13,853,014.84	1
28	BCEG Communist Party School	2	1	Beijing	Beijing	Vocational skills training	2,668,266.28	100.00	100.00	2,668,266.28	1
29	BCEG(Hongkong) Co., Ltd.	2	1	Hongkong	Hongkong	Investment and asset management	800,625.60	100.00	100.00	800,625.60	1
30	Construction Technology Magazine	2	1	Beijing	Beijing	Journal Publishing	257,788.16	100.00	100.00	257,788.16	1
31	BCEG Labour Development Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	200,000.00	100.00	100.00	200,000.00	1
32	Beijing Fifty-seventh Profession Identification Agent	2	1	Beijing	Beijing	Vocational skills training	50,000.00	100.00	100.00	50,000.00	1
33	Qingdao Jingjian City Construction Investment Co., Ltd.	2	1	Qingdao	Qingdao	Housing Construction	303,620,101.60	66.67	66.67	202,428,700.00	1
34	Zhejiang Beijing Properties Co., Ltd.	2	1	Zhejiang	Zhejiang	Real estate development and management	50,000,000.00	100.00	100.00	50,000,000.00	1
35	BCEG New Building Materials Co., Ltd.	2	1	Beijing	Beijing	Cement products manufacturing	302,000,000.00	100.00	100.00	302,000,000.00	1
36	Beijing Construction Real Estate Co., Ltd.	2	1	Beijing	Beijing	Real estate development and management	300,000,000.00	100.00	100.00	300,000,000.00	1
37	Jiangsu Jianbang Properties Co., Ltd.	2	1	Jiangsu	Jiangsu	Real estate development and management	100,000,000.00	100.00	100.00	100,000,000.00	1
38	BCEG Internationale Construction Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	150,000,000.00	100.00	100.00	150,000,000.00	1
39	Beijiangong (Guangzhou) Construction Co., Ltd.	2	1	Guangdong	Guangdong	Housing Construction		100.00	100.00		1
40	Beijing Construction Engineering Design Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	40,000,000.00	65.00	65.00	26,000,000.00	1
41	BCEG HR Service Co., Ltd.	2	1	Beijing	Beijing	Other human resource services	500,000.00	100.00	100.00	500,000.00	1
42	BCEG Shanxi Construction Co., Ltd.	2	1	Shanxi	Shanxi	Housing Construction	51,000,000.00	51.00	51.00	51,000,000.00	1
43	BCEG Civel Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	350,000,000.00	100.00	100.00	350,000,000.00	1
44	Beijing Construction Technology Development Co., Ltd.	2	1	Beijing	Beijing	Energy saving technology promotion service	33,269,100.00	100.00	100.00	33,269,100.00	1
45	Shanxi Transformation and Comprehensive Reform Demonstration Zone Xiaoniuguanlang Project Management Co., Ltd.	2	1	Shanxi	Shanxi	Project management services	194,023,190.00	84.97	84.95	164,827,211.00	1
46	Yuanyang Jingjian Construction Management Co., Ltd.	2	1	Henan	Henan	Municipal Facilities Management	258,628,200.00	93.97	93.97	255,824,100.00	1
47	Xianghe Yinbao Street Real Estate Development Co. Ltd.	2	1	Beijing	Beijing	Real estate development and management	20,000,000.00	60.00	60.00	12,000,000.00	1
48	BCEG Jianxing Engineering Co. Ltd.	2	1	Beijing	Beijing	Housing Construction	10,000,000.00	100.00	100.00	10,000,000.00	1
49	Beijing Municipal Road and Bridge Group Co. Ltd.	2	1	Beijing	Beijing	Municipal Facilities Management	2,258,500,000.00	100.00	100.00	7,753,855,075.71	2

(3) Basic information of subsidiaries in the consolidation in 2020

No.	Enterprise name	Level	Type	Registered place	Business location	Business nature	Paid-in capital	Shareholding percentage (%)	Voting right (%)	Investment amount	Acquisition method
1	Beijing Third Construction Engineering Co. Ltd.	2	1	Beijing	Beijing	Housing Construction	1,000,000,000.00	98.00	98.00	980,000,000.00	1
2	Beijing Sixth Construction Group Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	500,000,000.00	100.00	100.00	500,000,000.00	1
3	BCEG Investment Development Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	600,000,000.00	100.00	100.00	600,000,000.00	1

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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4	BCEG Fourth Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	500,000,000.00	100.00	100.00	500,000,000.00	1
5	Beijing Construction Engineering Decoration Group Co., Ltd.	2	1	Beijing	Beijing	Architectural decoration industry	129,000,000.00	100.00	100.00	167,515,241.73	3
6	BCEG Properties Co., Ltd.	2	1	Beijing	Beijing	Real estate leasing operation	100,000,000.00	100.00	100.00	100,365,900.00	1
7	BCEG Urban Renewal Investment Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	100,000,000.00	70.00	70.00	59,300,712.64	3
8	BCEG Environment Restoration Co., Ltd.	2	1	Beijing	Beijing	Solid waste treatment	106,992,359.00	61.39	61.39	150,436,955.88	1
9	BCEG Xincheng Investment Development Co., Ltd.	2	1	Beijing	Beijing	Real estate development and management	190,000,000.00	70.00	70.00	133,000,000.00	1
10	Jinan Jianbang Properties Co., Ltd.	2	1	Jinan	Jinan	Real estate development and management	80,000,000.00	100.00	100.00	85,787,353.00	3
11	BCEG Engineering Research Institute Co., Ltd.	2	1	Beijing	Beijing	Project management services	78,300,000.00	100.00	100.00	64,960,479.07	1
12	BCEG Resources Recycling Investment Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	65,000,000.00	100.00	100.00	65,000,000.00	1
13	Beijing International Construction Group Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	60,000,000.00	52.00	52.00	31,200,000.00	1
14	BCEG Changzhu Construction Engineering Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	60,000,000.00	100.00	100.00	67,101,626.52	3
15	BCEG Industrialization Construction Investment Development Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	100,000,000.00	100.00	100.00	100,000,000.00	1
16	BCEG International Investment Co., Ltd.	2	1	Beijing	Beijing	Investment and asset management	50,000,000.00	100.00	100.00	50,000,000.00	1
17	Xi'an Green Homeland Shopping Plaza Co., Ltd.	2	1	Xi'an	Xi'an	Real estate development and management	50,000,000.00	100.00	100.00	50,000,000.00	3
18	Beijing Construction Materials Supply Company	2	1	Beijing	Beijing	Wholesale of building materials	49,262,415.62	100.00	100.00	49,262,415.62	1
19	Beijing Jianbang Tonghui Real Estate Co., Ltd.	2	1	Beijing	Beijing	Real estate development and management	100,000,000.00	100.00	100.00	100,000,000.00	1
20	Beijing Construction Engineering Machinery Factory	2	1	Beijing	Beijing	Construction machinery manufacturing	35,840,000.00	100.00	100.00	35,840,000.00	1
21	BCEG Logistics Distribution Co., Ltd.	2	1	Beijing	Beijing	Wholesale of building materials	30,000,000.00	100.00	100.00	32,881,480.60	1
22	Beijing First Construction Component Factory	2	1	Beijing	Beijing	Manufacture of concrete structural members	28,952,021.82	100.00	100.00	28,952,021.82	1
23	BCEG Yinlai Fiberglass Products Co., Ltd.	2	1	Beijing	Beijing	Manufacture of glass fiber reinforced plastic products	27,108,881.00	100.00	100.00	21,401,926.45	1
24	Beijing Guangyu Construction Machinery Equipment Leasing Co., Ltd.	2	1	Beijing	Beijing	Construction machinery and equipment leasing	22,761,706.76	100.00	100.00	22,761,706.76	1
25	Zhangjiakou Jingzhang Jiantou Construction Co., Ltd.	2	1	Zhang jiakou	Zhang jiakou	Housing Construction	20,000,000.00	70.00	70.00	14,000,000.00	1
26	Beijing Construction Moshi Factory	2	1	Beijing	Beijing	Housing Construction	14,854,253.87	100.00	100.00	14,854,253.87	1
27	Shenzhen Engineering Consulting Co., Ltd.	2	1	Shen zhen	Shen zhen	Project management services	10,500,000.00	100.00	100.00	13,853,014.84	1
28	BCEG Communist Party School	2	1	Beijing	Beijing	Vocational skills training	2,668,266.28	100.00	100.00	2,668,266.28	1
29	BCEG(Hongkong) Co., Ltd.	2	1	Hong kong	Hong kong	Investment and asset management	800,625.60	100.00	100.00	800,625.60	1
30	Construction Technology Magazine Co., Ltd.	2	1	Beijing	Beijing	Journal Publishing	257,788.16	100.00	100.00	257,788.16	1
31	BCEG Labour Development Co., Ltd.	2	1	Beijing	Beijing	Housing Construction	200,000.00	100.00	100.00	200,000.00	1
32	Beijing Fifty-seventh Profession Identification Agent	2	1	Beijing	Beijing	Vocational skills training	50,000.00	100.00	100.00	50,000.00	1

Beijing Construction Engineering Group Co., Ltd.
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33	Qingdao Construction Investment Co., Ltd.	Jingjian City	2	1	Qingdao	Qingdao	Housing Construction	303,620,101.60	66.67	66.67	202,428,700.00	1
34	Zhejiang Beijian Properties Co., Ltd.		2	1	Zhejiang	Zhejiang	Real estate development and management	50,000,000.00	100.00	100.00	50,000,000.00	1
35	BCEG New Building Materials Co., Ltd.		2	1	Beijing	Beijing	Cement products manufacturing	302,000,000.00	100.00	100.00	302,000,000.00	1
36	Beijing Construction Real Estate Co., Ltd.		2	1	Beijing	Beijing	Real estate development and management	300,000,000.00	100.00	100.00	300,000,000.00	1
37	Jiangsu Jianbang Properties Co., Ltd.		2	1	Jiangsu	Jiangsu	Real estate development and management	100,000,000.00	100.00	100.00	100,000,000.00	1
38	BCEG Construction Engineering Co., Ltd.	Internationale	2	1	Beijing	Beijing	Housing Construction	150,000,000.00	100.00	100.00	150,000,000.00	1
39	Beijiangong Construction Co., Ltd.	(Guangzhou)	2	1	Guangdong	Guangdong	Housing Construction	10,000,000.00	100.00	100.00	10,000,000.00	1
40	Beijing Construction Engineering Design Co., Ltd.		2	1	Beijing	Beijing	Housing Construction	40,000,000.00	65.00	65.00	26,000,000.00	1
41	BCEG HR Service Co., Ltd.		2	1	Beijing	Beijing	Other human resource services	500,000.00	100.00	100.00	500,000.00	1
42	BCEG Shanxi Construction Co., Ltd.		2	1	Shanxi	Shanxi	Housing Construction	51,000,000.00	51.00	51.00	51,000,000.00	1
43	BCEG Civel Engineering Co., Ltd.		2	1	Beijing	Beijing	Housing Construction	350,000,000.00	100.00	100.00	350,000,000.00	1
44	Beijing Technology Development Co., Ltd.	Construction	2	1	Beijing	Beijing	Energy saving technology promotion service	33,269,100.00	100.00	100.00	33,269,100.00	1
45	Shanxi Transformation and Comprehensive Reform Demonstration Zone Xiaoniuguanliang Project Management Co., Ltd.		2	1	Shanxi	Shanxi	Project management services	194,023,190.00	84.97	84.95	164,827,211.00	1
46	Yuanyang Jingjian Construction Management Co., Ltd.		2	1	Henan	Henan	Municipal Facilities Management	258,628,200.00	93.97	93.97	255,824,100.00	1
47	Xianghe Yinbao Street Real Estate Development Co. Ltd.		2	1	Beijing	Beijing	Real estate development and management	20,000,000.00	60.00	60.00	12,000,000.00	1
48	BCEG Jianxing Engineering Co. Ltd.		2	1	Beijing	Beijing	Housing Construction	10,000,000.00	100.00	100.00	10,000,000.00	1
49	Beijing Municipal Road and Bridge Group Co. Ltd.		2	1	Beijing	Beijing	Municipal Facilities Management	2,258,500,000.00	100.00	100.00	7,753,855,075.71	2
50	Beijing Machinery Construction Group Co., Ltd.		2	1	Beijing	Beijing	Housing Construction	120,000,000.00	100.00	100.00	120,000,000.00	3
51	BCEG First Management Consulting Partnership (Limited Partnership)		2	1	Beijing	Beijing	Business services	6,250,000,000.00	19.9984	19.9984	1,249,900,000.00	1
52	BCEG Second Management Consulting Partnership (Limited Partnership)		2	1	Beijing	Beijing	Business services	5,000,000,000.00	19.9980	19.9980	999,900,000.00	1

(Note: Enterprise type: 1. Domestic non-financial subsidiary; 2. Domestic financial subsidiary; 3. Overseas subsidiary; 4. Government-affiliated institutions; 5. Capital construction subsidiary)

Acquisition method: 1. Investment establishment; 2. Business combinations involving enterprises under common control; 3. Business combinations not involving enterprises under common control; 4. Other)

2. The reasons of the parent company directly or indirectly holds less than half of the voting rights of the entity, but form a control

No.	Entity name	Shareholding percentage	Voting right	Registered capital	Investment amount	Level	Reason for consolidation
1	Beijing Wanxiang Parking Management Investment Co., Ltd.	40.00	40.00	1,000,000.00	400,000.00	3	Substantial control
2	Xinyu BeiJiangong Nongyin Asset Management Co., Ltd.	49.00	49.00	1,000,000.00	490,000.00	4	Substantial control

Beijing Construction Engineering Group Co., Ltd.
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3	Xinyu Beijian Nongyin Shed Reform Investment Partnership (limited partnership)	16.77	100.00	6,001,000,000.00	1,000,000,000.00	5	Substantial control
4	Beijing Jianzhuang Consulting Co., Ltd.	31.75	100.00	10,000,000.00	1,370,223.82	5	Protocol control
5	Beijing Municipal Road and Bridge Zhengda Road Technology Co., Ltd.	40.00	40.00	50,000,000.00	20,000,000.00	5	Substantial control
6	Beijing Chengxiang Zhonghao Construction Co., Ltd.	35.10	80.42	154,853,700.00	52,900,219.44	4	Substantial control
7	Beijing Housing Industrialization Group Co., Ltd.	42.31	100.00	150,000,000.00	50,000,000.00	4	Protocol control
8	BCEG First Management Consulting Partnership (Limited Partnership)	19.9984	19.9984	6,250,000,000.00	1,249,900,000.00	2	Substantial control
9	BCEG Second Management Consulting Partnership (Limited Partnership)	19.9980	19.9980	5,000,000,000.00	999,900,000.00	2	Substantial control

3. Significant not wholly owned subsidiaries

No.	Entity name	Shareholding ratio of minority shareholders (%)	Profit and loss attributable to minority shareholders in 2020	Dividends paid to minority shareholders in 2020	Accumulated minority shareholders' equity by 2020
1	Beijing Third Construction Engineering Co. Ltd.	2.00	3,228,968.43		68,970,849.55
2	Beijing International Construction Group Co., Ltd.	48.00	17,333,331.99	3,550,088.25	107,715,097.25
3	Beijing Municipal Road and Bridge Group Co. Ltd.	34.94	69,855,340.61	83,234,452.34	1,817,181,163.77
4	Beijing Municipal Construction Group Co., Ltd.	34.94	55,248,715.82		920,011,012.02
5	Beijing Municipal Road and Bridge Building Materials Group Co., Ltd.	34.94	26,570,924.52		289,878,283.02
6	Beijing Municipal Road and Bridge Management and Maintenance Group Co., Ltd.	34.94	36,208,265.77		533,020,509.93
7	Beijing Road and Bridge Ruitong Maintenance Center Co., Ltd.	34.94	27,118,857.68		330,944,326.65

Major financial information:

Item	Beijing Third Construction Engineering Co. Ltd.			Beijing International Construction Group Co., Ltd.		
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018
Current assets	6,997,071,581.39	7,350,448,339.54	7,793,723,266.25	2,892,305,163.67	2,954,925,573.03	2,998,502,356.31
Non-current assets	1,679,115,456.64	1,533,682,208.14	1,149,139,880.07	135,076,346.07	175,499,041.46	123,294,287.53
Total assets	8,676,187,038.03	8,884,130,547.68	8,942,863,146.32	3,027,381,509.74	3,130,424,614.49	3,121,796,643.84
Current liabilities	6,093,707,694.89	6,786,183,655.74	7,571,817,944.43	2,802,660,291.04	2,934,418,486.92	2,956,337,437.91

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Non-current liabilities	1,037,457,860.76	610,822,145.24	26,443,832.63			
Total liabilities	7,131,165,555.65	7,397,005,800.98	7,598,261,777.06	2,802,660,291.04	2,934,418,486.92	2,956,337,437.91
Operating income	5,954,062,235.76	5,953,254,663.98	6,869,639,161.69	2,704,800,051.66	2,438,082,333.74	4,401,935,377.52
Net profit	62,380,031.15	133,194,055.02	147,476,728.76	36,111,108.31	41,403,752.49	61,494,108.80
Total comprehensive income	57,735,750.68	133,633,377.44	178,829,896.11	36,111,108.31	41,403,752.49	61,494,108.80
Cash flow of operating activities	333,155,804.24	347,725,420.21	345,098,399.62	68,540,942.03	4,840,570.44	167,743,570.33

Continued form:

Item	Beijing Municipal Road and Bridge Co., Ltd.			Beijing Municipal Construction Group Co., Ltd.		
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018
Current assets	11,537,224,455.12	9,643,590,497.49	9,706,491,738.59	12,840,421,249.58	10,238,223,160.67	9,524,288,997.01
Non-current assets	7,988,445,573.98	7,359,780,500.58	6,227,984,757.55	3,885,413,316.50	3,758,547,635.54	3,309,457,759.33
Total assets	19,525,670,029.10	17,003,370,998.07	15,934,476,496.14	16,725,834,566.08	13,996,770,796.21	12,833,746,756.34
Current liabilities	12,450,283,463.47	10,597,407,615.09	7,729,203,281.86	12,925,382,211.78	11,662,649,842.62	11,116,891,446.10
Non-current liabilities	1,874,524,620.10	1,182,495,184.60	2,987,837,880.42	1,167,335,548.28	673,534,672.74	98,928,764.04
Total liabilities	14,324,808,083.57	11,779,902,799.69	10,717,041,162.28	14,092,717,760.06	12,336,184,515.36	11,215,820,210.14
Operating income	6,686,986,790.72	5,460,741,346.24	6,403,519,294.48	9,692,874,402.68	8,567,301,657.93	7,544,150,576.92
Net profit	199,929,423.62	185,474,174.10	418,772,864.86	158,124,544.42	153,459,507.93	112,215,532.00
Total comprehensive income	199,929,423.62	186,859,674.10	418,772,864.86	116,990,412.52	174,018,847.26	36,802,956.83
Cash flow of operating activities	815,370,785.13	597,173,762.67	-892,579,723.79	1,452,501,912.10	757,156,458.77	32,855,670.15

Continued form:

Item	Beijing Municipal Road and Bridge Building Materials Group Co., Ltd.			Beijing Municipal Road and Bridge Management and Maintenance Group Co., Ltd.		
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018	As at 31/12/2020	As at 31/12/2019	As at 31/12/2018
Current assets	1,678,324,859.90	1,567,807,088.61	1,229,071,139.00	1,870,549,474.57	1,652,901,083.32	1,536,566,098.98
Non-current assets	794,376,909.55	808,269,046.07	761,144,527.23	1,467,732,414.60	1,446,285,721.90	1,454,909,401.64
Total assets	2,472,701,769.45	2,376,076,134.68	1,990,215,666.23	3,338,281,889.17	3,099,186,805.22	2,991,475,500.62
Current liabilities	1,598,353,470.48	1,555,863,791.21	1,236,885,435.45	1,760,870,847.53	1,641,972,374.05	1,563,331,689.41
Non-current liabilities	44,702,383.07	52,079,221.57	53,695,122.74	51,880,103.10	47,651,157.38	52,349,661.90
Total liabilities	1,643,055,853.55	1,607,943,012.78	1,290,580,558.19	1,812,750,950.63	1,689,623,531.43	1,615,681,351.31
Operating income	1,165,219,906.14	1,578,503,415.74	1,217,131,140.49	1,560,695,245.73	1,415,230,317.24	1,345,802,281.97
Net profit	76,047,294.00	87,547,213.86	59,940,278.50	103,629,839.07	35,144,727.02	90,521,871.75
Total comprehensive income	76,047,294.00	87,547,213.86	59,940,278.50	115,090,066.07	35,144,727.02	90,521,871.75

Beijing Construction Engineering Group Co., Ltd.
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Cash flow of operating activities	-59,937,467.03	113,972,470.08	14,093,720.82	-9,917,092.00	-68,274,972.30	-26,962,579.85
Continued form:						
Beijing Road and Bridge Ruitong Maintenance Center Co., Ltd.						
Item	As at 31/12/2020		As at 31/12/2019		As at 31/12/2018	
Current assets	2,694,898,981.61		3,007,824,247.81		2,706,237,061.61	
Non-current assets	437,181,743.44		420,061,987.24		369,246,179.06	
Total assets	3,132,080,725.05		3,427,886,235.05		3,075,483,240.67	
Current liabilities	2,151,293,150.73		2,491,740,504.47		2,222,667,313.40	
Non-current liabilities	33,608,619.97		23,280,006.46		17,303,007.52	
Total liabilities	2,184,901,770.70		2,515,020,510.93		2,239,970,320.92	
Operating income	2,567,725,860.91		3,061,308,013.36		2,646,237,523.60	
Net profit	77,615,505.67		78,907,575.01		84,564,429.20	
Total comprehensive income	77,615,505.67		78,907,575.01		84,564,429.20	
Cash flow of operating activities	-170,010,813.82		246,861,023.77		-144,650,942.10	

4. Entities exclude of consolidation during the year from 2018 to 2020

Basic information of original subsidiaries in 2018

No.	Entity name	Registered place	Business nature	Shareholding percentage (%)	Voting right (%)	Reasons for not being a subsidiary in 2018
1	Zhuhai Beijian Trading Co., Ltd.	Zhuhai	Department store retail	100.00	100.00	Cancellation
2	Zhongsheng Huaqing (Beijing) Technology Development Co., Ltd.	Beijing	Science and technology intermediary service	100.00	100.00	Cancellation
3	Beijing Jianzhuang Decoration Design Co., Ltd.	Beijing	Decoration and decoration of public buildings	100.00	100.00	Cancellation
4	Beijing Jianzhuang Culture Communication Co., Ltd.	Beijing	Decoration and decoration of public buildings	100.00	100.00	Cancellation
5	Beijing Hengfeng Real Estate Agency Co., Ltd.	Beijing	Property management	100.00	100.00	Cancellation
6	BCEG International Macau Co., Ltd.	Beijing	Housing construction	100.00	100.00	Cancellation
7	Jinan Bangsheng Property Management Co., Ltd.	Jinan	Property management	100.00	100.00	Cancellation
8	Beijing Jiabao Ruijia Property Management Co., Ltd.	Beijing	Decoration and decoration of public buildings	100.00	100.00	Cancellation
9	Shanxi Jianbang Saiou Real Estate Co., Ltd.	Shanxi	Real estate development and management	51.00	51.00	Cancellation
10	BCEG International Ontario Co., Ltd.	Beijing	Housing construction	100.00	100.00	Cancellation
11	6041 Variel, LLC	USA	Investment and asset management	100.00	100.00	Equity disposal
12	Beijing Municipal Lianyuan Electrical Equipment Installation Co., Ltd.	Beijing	Construction	100.00	100.00	Cancellation

Beijing Construction Engineering Group Co., Ltd.
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13	Beijing Kaiyuan Municipal Materials Co., Ltd.	Beijing	Material sales	100.00	100.00	Cancellation
14	Beijing Jingcheng Luye Trade Co., Ltd.	Beijing	Wholesale of building materials	100.00	100.00	Cancellation
15	Beijing Xinshi road and Bridge Construction Engineering Testing Co., Ltd.	Beijing	Engineering testing	100.00	100.00	Cancellation
16	Beijing Meihua Property Management Center	Beijing	Property management	100.00	100.00	Cancellation

Basic information of original subsidiaries in 2019

No.	Entity name	Registered place	Business nature	Shareholding percentage (%)	Voting right (%)	Reasons for not being a subsidiary in 2019
1	Dalian Jingjia Construction Engineering Co., Ltd.	Dalian	Housing Construction	100.00	100.00	Cancellation
2	Beijing Rainbow Gate Investment Development Co., Ltd.	Beijing	Real estate development and management	70.00	70.00	Consolidation by merger
3	Beijing Lushi Villa	Beijing	Tourist hotel	100.00	100.00	Cancellation
4	BCEG Jilin Construction Engineering Co., Ltd.	Beijing	Housing Construction	100.00	100.00	Cancellation
5	Hainan Beijiangong Decoration Engineering Co., Ltd.	Hainan	Public building decoration	100.00	100.00	Cancellation
6	BCEG International Canada Co., Ltd.	Canada	Housing Construction	100.00	100.00	Cancellation
7	Hunan Jianbang Ecological Environmental Protection Co. Ltd.	Hunan	Soil pollution control and remediation services	70.00	70.00	Cancellation
8	BCEG Holding Co., Ltd.	Beijing	Housing Construction	100.00	100.00	Consolidation by merger
9	BCEG Xi'an Real Estate Co. Ltd.	Shanxi	Real estate development and management	100.00	100.00	Cancellation
10	Chongqing Jingqing Municipal Construction Investment Co. Ltd.	Chongqing	Investment management	100.00	100.00	Cancellation
11	Beijing Tianhe Tongyi Engineering Testing Co. Ltd.	Beijing	Test detection	100.00	100.00	Cancellation
12	Beijing Luxin Dacheng Asphalt Concrete Co., Ltd.	Beijing	Asphalt products	100.00	100.00	Cancellation
13	Beijing Road and Bridge Ruitong Engineering Design Consulting Co., Ltd	Beijing	Testing consultation	100.00	100.00	Cancellation
14	Beijing Xinwang Road and Bridge Engineering Testing Co., Ltd.	Beijing	Testing consultation	100.00	100.00	Cancellation
15	Qingdao Chengkai Jingcheng Investment Co., Ltd.	Qingdao	Real estate development	100.00	100.00	Cancellation
16	Beijing Jingshui Yuheng Property Management Co., Ltd.	Beijing	Property Management	100.00	100.00	Cancellation
17	Beijing Tiantong Xinlong Construction Technology Consulting Co., Ltd.	Beijing	Technical consultation	100.00	100.00	Cancellation
18	Beijing ChengLong Property Management Co., Ltd.	Beijing	Property Management	100.00	100.00	Cancellation

Basic information of original subsidiaries in 2020

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

No.	Entity name	Registered place	Business nature	Shareholding percentage (%)	Voting right (%)	Reasons for not becoming a subsidiary in the current period	
1	Beijing Qianxiyuan Management Co., Ltd.	Property	Beijing	Property Management	70.40	100.00	Equity disposal
2	Zhejiang Jianhang Management Co., Ltd.	Investment	Zhejiang	Construction	66.00	66.00	Cancellation
3	Beijing Jianjia Property Management Co., Ltd.	Property Management	Beijing	Property Management	100.00	100.00	Merge

5. Entities newly include of consolidation during the year from 2018 to 2020

(1) 2018

No.	Entity name	Net Assets in 2018	Net Profit in 2018
1	Fuliang Jingxin Construction Development Co., Ltd.	48,963,773.79	-1,036,226.21
2	Qingdao Jingjian Urban Construction Investment Co., Ltd.	91,152,347.80	-847,652.20
3	Zhejiang Beijian Real Estate Co., Ltd.	49,793,612.97	-206,387.03
4	Beijing Shuanghe Jianhuan Technology Development Co., Ltd.	23,364,187.20	3,364,187.20
5	Jiangsu Xicheng Jianhuan Technology Development Co., Ltd.	40,114,478.12	114,478.12
6	BCEG International New Zealand Development Co., Ltd.	459.54	0.00
7	BCEG International New Zealand Construction Co., Ltd.	8,280.17	7,691.30
8	Beijing Jianbang China Railway Real Estate Development Co., Ltd.	35,675,524.72	-14,324,475.28
9	Beijing Jianbang Shunyi Real Estate Development Co., Ltd.	48,651,240.47	-1,348,759.53
10	6041 Variel Capital, Inc.	68.63	0.00
11	BCEGI-USA INC	0.00	0.00
12	6041 Variel Managing Member, LLC	21,761,578.22	11,219,625.48
13	Qingdao Jingchengyu Business Management Co., Ltd.	501,636.95	1,636.95
14	Dongying Kenli Jintou Jinglu Investment Co., Ltd.	37,002,117.78	2,117.78
15	Beijing Municipal Road and Bridge Group (Guangzhou) Construction Co., Ltd.	92,301,373.72	555,560.58
16	Beijing Zhengda Tongshun Testing Technology Co., Ltd.	5,015,729.54	15,729.54
17	Henan Jingwu Construction Engineering Co., Ltd.	-12,886.18	-12,886.18
18	Ganzhou Jinggan Construction Engineering Co., Ltd.	357,849.07	13,651.57
19	Fu'an Jing'an Infrastructure Investment Co., Ltd.	79,679,712.37	-320,287.63
20	Jianhu Jingjian infrastructure construction investment Co., Ltd.	11,458,872.26	-6,597.74

(2) 2019

No.	Entity name	Net Assets in 2019	Net Profit in 2019
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Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

1	Huai'an Jingxin kang'an pension Co., Ltd.	21,000,000.00	
2	Beijing Yihe Real Estate Co., Ltd.	2,631,934,539.70	-8,065,460.30
3	Beijing Construction Engineering (Guangzhou) Construction Co., Ltd.	-604,782.44	-604,782.44
4	BCEG (Jilin) Property Service Co., Ltd.	1,262,383.05	262,383.05
5	BCEG North China Property Service Co., Ltd.	1,854,419.63	854,419.63
6	BCEG Human Resource Service Co., Ltd.	210,651.27	-289,348.73
7	BCEG Resources Haijiang Technology Development Co., Ltd.	1,711,162.32	-1,288,837.68
8	Shanxi Transformation and Comprehensive Reform Demonstration Zone Xiaoniuguanlang Project Management Co., Ltd.	194,023,190.00	
9	Yuanyang Jingjian Construction Management Co., Ltd.	258,628,200.00	
10	BCEG Jianxing Engineering Co. Ltd.	8,824,062.55	-1,175,937.45
11	Zhejiang Jingchuang Commercial Concrete Co., Ltd.	33,170,613.50	3,170,613.50
12	BCEG Rebel Capital, Inc.	-85,977.35	-70.24
13	BCEG HVP Capital, Inc.	-117,121.03	-561.95
14	BCEGI Auburn Capital, Inc.	-522,436.40	-2,279,405.15
15	Rebel Place Manager, LLC	-66,871.27	
16	HVP Manager, LLC	-90,714.32	
17	Aubrun Manager, LLC	193,473.13	
18	Beijing Municipal Road and Bridge Group Co., Ltd.	12,201,650,244.44	704,408,960.20
19	Dalian Jingpu Infrastructure Investment Co., Ltd.	30,000,020.49	20.49
20	Zhangpu Jingpu Infrastructure Investment Co., Ltd.	49,943,089.18	-56,910.82
21	Qingdao Chengkai Jingtai Investment Co., Ltd.	7,764,456.68	-2,235,543.32

(3) 2020

Entity name	Net assets at the end of the period	Current net profit
Beijing Guanghe Xinye Construction Engineering Co., Ltd.	-964,292.55	-964,292.55
Beijing Jingjian cultural investment enterprise management center (limited partnership)	500,209,470.38	4,309,706.23
BCEG Haiya Construction Engineering Co., Ltd.	55,533,402.66	1,011,435.88
Beijing Jishi Xinghe Labor Service Co., Ltd.	9,835,249.60	966,182.93
Tianjin Beijian Steel Structure Co., Ltd.	2,868,741.44	-2,942,643.74
BCEG Xinghe Engineering Survey Design and Research Institute Co., Ltd.	2,383,421.25	-453,894.10
Tangshan Fengrun District BeiJishi New Energy Technology Co., Ltd.	-40,544.59	-781.73
Beijing Jishi Xinyuan Construction Co., Ltd.	4,103,046.92	1,140,499.67
Tianjin Jianbang Environmental Restoration Co., Ltd.	3,992,711.28	-7,288.72

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

NEW CITY HOLDINGS Co., Ltd.	171,455.62	171,366.05
Jingjiangong (Zhuhai) Construction Engineering Co., Ltd.		
Guangzhou Jingjian Construction Development Co. Ltd.	-20,206.37	-20,206.37
Beijing Xingzhu Real Estate Development Co. Ltd.	1,764,569,987.07	-34,182,640.14
Jiangong Xinke Tangshan Prefabricated Construction Co. Ltd.	49,299,139.66	-700,860.34
BCEG First Management Consulting Partnership (Limited Partnership)	6,250,556,018.53	107,410,779.59
BCEG Second Management Consulting Partnership (Limited Partnership)	5,000,500,000.00	22,822,812.14
Dongtai Jingtai Infrastructure Investment and Construction Co., Ltd.	100,109,400.00	
Longyan Jinghang Infrastructure Investment Co., Ltd.		
Beijing Zhongdong New Energy Technology Co., Ltd.	24,032,379.85	-967,620.15
Guangzhou Hefu Municipal Engineering Co., Ltd.	60,576,709.12	3,691,914.20
Shandong Jingxu Huanyu Aviation Industry Investment Co., Ltd.	342,595,500.00	
Suzhou chengkai Jingtai Real Estate Development Co., Ltd.	47,162,461.57	-2,837,538.43
Fuxin Xinrui Construction Co., Ltd.	6,000,000.00	
Beijing Machinery Construction Group Co., Ltd.	1,126,710,832.70	749,321.77
Beijing Jishi Property Management Co., Ltd.	884,887.63	861,519.28

6. Business combination not under the same control in the current period

Corporate name	Combining date	Net book assets	Fair value of identifiable net assets		Transaction consideration	Goodwill		Income of the acquiree from the purchase date to the end of the period	Net profit of the acquiree from the purchase date to the end of the period
			Amount	Determination method		Amount	Determination method		
Beijing Machinery Construction Group Co., Ltd.	July 1, 2020	1,118,880,101.62	1,042,290,670.96	Assets appraisal			699,323,890.84	-632,156.43	

VIII、Notes to the consolidated financial statements

The reporting periods of this financial statements are 2018, 2019 and 2020, and the final term of the notes is December 31, 2020, current period is the year 2020.

1. Cash at bank and in hand

Item	As at 31/12/2020	As at 31/12/2019
Cash in hand	15,217,186.47	8,964,775.02
Deposits with banks	29,314,164,194.24	24,677,247,349.65
Other monetary funds	645,694,431.83	667,759,650.50
Total	29,975,075,812.54	25,353,971,775.17
Including: Total overseas deposits	925,755,618.94	912,456,415.88

The details of the restricted monetary fund are as follows,

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Item	As at 31/12/2020	As at 31/12/2019
Bank acceptance bills guarantee fund	142,634,310.08	162,965,149.51
Letter of credit deposit	14,166,354.48	1,342,244.34
Performance bond	32,408,008.35	41,984,656.58
Time deposit or notice deposit used for security	202,308,058.89	36,947,900.49
Funds placed offshore and repatriated to be restricted	120,844,168.45	118,308,211.59
Land development and supervision funds	2,126,498.28	36,295,820.22
Bid guarantee deposit	172,561,725.83	210,727,253.64
Total	687,049,124.36	608,571,236.37

2、Financial assets at fair value through profit or loss

Item	Fair value as at 31/12/2020	Fair value as at 31/12/2019
Financial assets held for trading		
Including: Investment in debt instruments		
Investment in equity instruments	1,286,085,057.01	852,351,727.14
Others		
Total	1,286,085,057.01	852,351,727.14

Notes:

A、The group holds 29,967,264.00 shares of Fuling Zhacai, involving cost of RMB707,826,775.68. As of December 31, 2020, the closing price of the stock is RMB42.30 per share, the change of fair value in this year is RMB559,788,491.52, and the book balance at the end of the year is RMB1,267,615,267.20.

B、The trading financial assets of the group's subsidiaries are the shares of Taisheng Group Holding Co., Ltd., with the code of HK00687, HK \$4.08 per share, 57 million shares, and HK \$0.385 per share at the end of the period.

3、Bills receivable

(1) Bills receivable

Classification	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment of bills receivable	Carrying amount	Book balance	Provision for impairment of bills receivable	Carrying amount
Bank acceptance bills	246,055,752.85		246,055,752.85	234,411,018.42		234,411,018.42
Commercial acceptance bills	579,671,475.26	947,280.90	578,724,194.36	372,836,724.54	3,354,980.00	369,481,744.54
Total	825,727,228.11	947,280.90	824,779,947.21	607,247,742.96	3,354,980.00	603,892,762.96

(2) Outstanding endorsed or discounted bills that have not matured at the end of the year

Classification	Amount derecognized at year end	Amount not-derecognized at year end
Bank acceptance bills	2,650,000.00	-

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Commercial acceptance bills	8,700,000.00	13,773,177.72
Total	11,350,000.00	13,773,177.72

(3) Bills transferred to accounts receivable due to non-performance of the issuers at the end of the year

Item	Amount transferred to accounts receivable at the end of the year
Bank acceptance bills	
Commercial acceptance bills	1,675,737.94
Total	1,675,737.94

4、Accounts receivable

Category	As at 31/12/2020			
	Book balance	%	Provision for bad and doubtful debts	%
Individually significant and assessed for impairment individually	4,326,729,828.60	13.74	474,036,449.69	10.96
Collectively assessed for impairment based on credit risk characteristics				
Including: Ageing group	22,939,841,968.56	72.86	1,361,534,945.55	5.94
Related party group	225,976,529.53	0.72	325,191.83	0.14
Non-risky group	3,877,683,778.45	12.32		
Sub-total	27,043,502,276.54	85.89	1,361,860,137.38	5.04
Individually insignificant but assessed for impairment individually	116,287,782.85	0.37	48,220,834.61	41.47
Total	31,486,519,887.99	100.00	1,884,117,421.68	5.98

Accounts receivable by category (continued)

Category	As at 31/12/2019			
	Book balance	%	Provision for bad and doubtful debts	%
Individually significant and assessed for impairment individually	7,470,534,987.14	28.74	315,615,785.46	4.22
Collectively assessed for impairment based on credit risk characteristics				
Including: Ageing group	18,052,717,481.22	69.45	877,421,665.23	4.86
Related party group	172,341,299.71	0.66	667,277.10	0.39
Non-risky group	53,469,696.20	0.21		

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Sub-total	18,278,528,477.13	70.32	878,088,942.33	4.80
Individually insignificant but assessed for impairment individually	245,536,758.99	0.94	79,398,992.25	32.34
Total	25,994,600,223.26	100.00	1,273,103,720.04	4.90

(1) Provision for bad and doubtful debts for accounts receivable which are individually significant and assessed for impairment individually

Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Huayuan County Agricultural Development Investment Co., Ltd.	304,582,061.23	1,522,910.31	Within 2 years	0.5	Impairment test
Guizhou Shuanglong Airport Construction Investment Co., Ltd.	298,696,098.26	1,493,480.49	Within 1 year	0.5	Impairment test
Guiyang Jinyang Construction Investment (Group) Co., Ltd.	258,480,624.51	7,577,355.08	Within 4 years	2.93	Impairment test
Beijing Jinhe Real Estate Development Co., Ltd.	197,923,874.93		Within 1 year		Recoverable
Beijing Heating Group Co., Ltd. Infrastructure Office	158,001,127.66	790,005.65	Within 5 years, More than 5 years	0.5	Impairment test
Taiyuan City Construction Management Center	156,723,336.02	1,704,683.68	1 to 2 years, More than 5 years	1.09	Impairment test
Chongqing Lujia Real Estate Development Co. Ltd.	153,931,136.00	153,931,136.00	More than 5 years	100	Recoverable
Beijing Gonglian Highway Connecting Line Co., Ltd.	151,199,798.08	3,397,182.98	Within 5 years, More than 5 years	2.25	Impairment test
Shuicheng Transportation Construction Company	129,071,584.60	645,357.92	Within 1 year	0.5	Impairment test
Taiyuan Municipal Construction and Development Center	117,259,824.75	586,299.13	1 to 4 years	0.5	Impairment test
Beijing Xingmiao Water Co., Ltd.	94,102,461.50	470,512.31	Within 2 years	0.5	Impairment test
Capital Ecological Environment (Fuzhou) Co., Ltd.	83,779,765.00		Within 1 year		Recoverable
Changsha Rail Transit Group Co., Ltd.	83,336,089.59	416,680.45	1 to 2 years	0.5	Impairment test
Construction Office of Beijing Water Group Co. Ltd.	82,714,814.35	413,574.07	Within 1 year	0.5	Impairment test
Wuxi Rongzhan Real Estate Co., Ltd.	78,781,998.75		Within 1 year		Recoverable
Taiyuan Urban Construction and Demolition Center	71,297,123.00	356,485.62	1 to 2 years	0.5	Impairment test
Datong Development Corporation	65,379,442.06	326,897.22	1 to 2 years	0.5	Impairment test
Beijing Future Science and Technology City Development and Construction Co., Ltd.	62,782,641.65	7,920,147.87	1 to 5 years	12.62	Impairment test
Beijing Shoukai Zhongsheng Real Estate Co., Ltd.	58,757,829.31		Within 1 year		Recoverable
Mianyang Shoukai Xingtai Real Estate Co., Ltd.	56,897,057.53		Within 1 year		Recoverable

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Datong Municipal Construction and Development Corporation	53,547,352.87	267,736.77	1 to 2 years	0.5	Impairment test
Taiyuan Infrastructure Engineering Construction Department	52,843,521.36	264,217.60	1 to 2 years	0.5	Impairment test
Taiyuan Small Streets and Alleys Comprehensive Renovation Center	51,222,099.35	256,110.50	1 to 2 years	0.5	Impairment test
Fangshan Highway Branch of Road Administration Bureau of Beijing Municipal Transportation Commission	47,883,440.51	557,224.15	More than 5 years	1.16	Impairment test
Changsha Economic Technology Group Development Co., Ltd.	45,964,019.38	229,820.10	Within 3 years	0.5	Impairment test
Jiangsu Yada Real Estate Co., Ltd.	44,647,000.00		Within 1 year		Recoverable
Beijing Rail Transit Construction Management Co., Ltd.	43,745,206.05	218,726.66	Within 5 years, More than 5 years	0.5	Impairment test
Jingning water Co., Ltd.	42,814,635.95	21,557,317.98	More than 5 years	50.35	Cannot be fully recovered
Lianyungang Zhonggangyin Coal Blending Co. Ltd.	40,722,015.24	40,722,015.24	More than 5 years	100	Uncollectible
Shunyi Highway Branch of Beijing Municipal Commission of Communications	39,691,576.08	940,781.18	Within 1 year, 1 to 2 years	2.37	Impairment test
Beijing Urban Construction Road and Bridge Construction Group Co. Ltd.	38,226,686.20	634,263.60	Within 5 years	1.66	Impairment test
Taiyuan City Village Reconstruction and Construction Management Center	36,743,383.89	183,716.92	1 to 2 years	0.5	Impairment test
Key Project Construction Administration Bureau of Hefei Economic and Technological Development Zone	35,367,688.64	176,838.44	1 to 2 years	0.5	Impairment test
Beijing Gas Group Co., Ltd.	28,256,208.20	562,989.29	Within 4 years, More than 5 years	1.99	Impairment test
Beijing Changping District Water Bureau	27,653,438.15	138,267.19	Within 1 year	0.5	Impairment test
Taiyuan Water Gallery Road Network Construction Engineering Co. Ltd.	27,496,400.00	137,482.00	1 to 2 years	0.5	Impairment test
Beijing Yangji Municipal Engineering Co., Ltd. Inner Mongolia Branch	27,129,728.00	135,648.64	4 to 5 years	0.5	Impairment test
Fuxin Xiantan Maotai flavor liquor technology research and Development Department	23,000,000.00		Within 1 year		Recoverable
Beijing Jinggang Metro Co. Ltd.	22,959,284.20	78,126.71	Within 1 year	0.34	Impairment test
Zunhua City Highway Development and Management Company	22,430,648.32	10,499,066.82	2 to 4 years	46.81	Impairment test
Beijing Hengle Real Estate Co., Ltd.	22,202,958.15		Within 1 year		Recoverable
China Railway 18th Bureau Group Co., Ltd.	21,571,605.04	1,190,676.37	1 to 2 years	5.52	Impairment test
Urban and Rural Zhonghao Real Estate	20,000,000.00	2,500,000.00	1 to 4 years	12.5	Impairment test
Beijing South-to-North Water Diversion Project Construction Management Center	18,387,813.00	92,292.04	2 to 3 years, 3 to 4 years, 4 to 5 years, More than 5 years	0.5	Impairment test
Beijing Economic and Technological Development Zone Infrastructure Office	17,662,447.00	88,312.24	Within 1 year, 2 to 3 years	0.5	Impairment test

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Civil Servant Housing Construction Service Center of Central State Organs	17,279,242.00	86,396.21	Within 1 year	0.5	Impairment test
Beijing Fangsheng Real Estate Development Co. Ltd.	16,253,192.91	16,253,192.91	More than 5 years	100	Aging is too long
Beijing Urban Drainage Group Co., Ltd.	15,516,909.73	77,584.58	More than 5 years	0.5	Impairment test
China Construction 8th Engineering Co. Ltd.	15,383,122.61		Within 1 year		Recoverable
Beijing Fangshan District Municipal Appearance Management Committee	15,274,776.35	106,501.98	Within 1 year	0.7	Impairment test
China Railway Sixth Bureau Group Beijing Railway Construction Co., Ltd.	14,333,533.67	57,282.50	Within 2 years	0.4	Impairment test
Taiyuan Municipal Public Facilities Construction Center	13,973,905.89	69,869.53	1 to 2 years, 3 to 4 years	0.5	Impairment test
Zhangjiakou Star Real Estate Development Co. Ltd.	13,403,592.15		1 to 2 years		Recoverable
Zhengzhou Dongye Guanda Real Estate Development Co. Ltd.	13,140,729.76		1 to 2 years		Recoverable
China 20th Metallurgical Group Co., Ltd.	12,777,585.43	70,137.95	1 to 2 years	0.55	Impairment test
Shoukai Xiangtai Real Estate Co., Ltd.	12,509,467.51		Within 1 year		Recoverable
Beijing Lize Jindu Real Estate Co., Ltd.	12,508,987.78	62,544.94	2 to 3 years	0.5	Impairment test
Beijing Urban Construction Engineering Co., Ltd.	12,447,103.87	5,572,355.20	1 to 2 years, 4 to 5 years	44.77	Impairment test
Other clients (audit adjustment in 2010)	12,401,444.74	12,401,444.74	More than 5 years	100	Uncollectible
Beijing Dongjun Municipal Construction Co., Ltd.	12,202,285.40	61,011.43	4 to 5 years	0.5	Impairment test
Xingtao Real Estate Development Company	11,646,519.76	11,646,519.76	More than 5 years	100	Uncollectible
Xinzhou Urban Rural Development Co., Ltd.	11,566,476.30		Within 1 year		Recoverable
Bazhong Wanma Automobile Co., Ltd.	11,500,000.00	11,500,000.00	More than 5 years	100	Uncollectible
Beijing Beikong City Development Co., Ltd.	11,145,992.69		Within 1 year		Recoverable
Beijing Ruitian Fengrong Municipal Engineering Co., Ltd.	11,071,434.65		1 to 3 years		Recoverable
Financial Street (Beijing) Business Park Real Estate Co., Ltd.	10,893,155.93		Within 1 year		Recoverable
Taiyuan Municipal Public Facilities Management Office	10,889,572.17	54,447.86	1 to 2 years	0.5	Impairment test
Beijing Urban Road Maintenance Management Center	10,702,115.28	227,377.10	Within 2 years, More than 5 years	2.12	Impairment test
Huhshi Northwest Line Project Department of China Railway 16th Bureau Group Road and Bridge Engineering Co., Ltd.	9,858,071.16	49,290.36	4 to 5 years	0.5	Impairment test
Beijing Lixin Road Maintenance Engineering Team	9,717,776.17	1,043,826.80	1 to 5 years	10.74	Impairment test
Yunjian entrusted house demolition	9,676,495.75	9,676,495.75	More than 5 years	100	Uncollectible
Beijing Jiayuan Investment Management Co., Ltd.	9,269,822.24		Within 1 year		Recoverable

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Xinglong Fumin Real Estate Development Co., Ltd.	8,974,259.47		Within 1 year		Recoverable
Beijing Shijijing Real Estate Development Co., Ltd.	8,936,865.48		Within 1 year		Recoverable
Third Engineering Co., Ltd., No. 1 Bureau of CCCC	8,396,126.01	41,980.63	1 to 2 years	0.5	Impairment test
Sun Guanghai	7,968,830.50	7,968,830.50	More than 5 years	100	Uncollectible
Beijing Tongzhi Real Estate Development Co., Ltd.	7,835,540.00		Within 1 year		Recoverable
Beijing Future Science City Development Group Co. Ltd.	7,776,419.72	38,882.10	Within 1 year, 3 to 4 years	0.5	Impairment test
Beijing Urban Drainage Group Co., Ltd.	7,772,779.00	388,638.95	1 to 2 years	5	Impairment test
China Earth Construction Co., Ltd.	7,621,271.97	38,106.36	Within 1 year	0.5	Impairment test
Datong Nanjiao District Investment Co., Ltd.	7,581,119.00	37,905.60	1 to 2 years	0.5	Impairment test
Urumqi Urban Rail Group Co., Ltd.	7,361,949.00	36,809.75	Within 1 year	0.5	Impairment test
Foshan Sanshui Transportation Investment Co., Ltd.	7,019,319.00	35,096.60	2 to 3 years	0.5	Impairment test
Road construction project management center of Beijing Road Administration Bureau	6,971,716.99	107,578.00	Within 1 year, 2 to 4 years	1.54	Impairment test
Li Xuejun	6,822,598.69	6,822,598.69	More than 5 years	100	Uncollectible
Shenzhen Xiangjiang Supply Chain Management Co., Ltd.	6,752,642.79	572,850.70	2 to 3 years	8.48	Long term unsettled
State Grid Beijing Electric Power Company	6,620,024.50	33,100.14	Within 2 years, 4 to 5 years	0.5	Impairment test
China Railway 16th Bureau Group First Engineering Co., Ltd.	6,520,353.97	32,601.77	Within 1 year	0.5	Impairment test
Taiyuan Municipal Construction and Development Office	6,446,807.09	5,617,860.59	More than 5 years	87.14	Impairment test
Beijing Huayang Municipal Construction Engineering Co., Ltd.	6,321,035.70	6,321,035.70	More than 5 years	100	Uncollectible
Sichuan Changdao Engineering Co., Ltd.	6,275,705.01		Within 1 year		Recoverable
Beijing Xingzhen Shunda Investment Management Co., Ltd.	6,203,627.44	31,018.14	Within 1 year, 2 to 3 years	0.5	Impairment test
Beijing Jiashun Municipal Public Engineering Co., Ltd.	6,185,870.51		4 to 5 years		Recoverable
Changsha Economic and Technological Development Zone Water Purification Engineering Co., Ltd.	6,174,020.38	30,870.10	1 to 2 years	0.5	Impairment test
Beijing Fanggong Electric Power Engineering Co., Ltd.	5,598,210.20		Within 1 year		Recoverable
Beijing Urban Construction Far East Construction Investment Group Co., Ltd.	5,433,931.40	6,351.99	Within 1 year, More than 5 years	0.12	Impairment test
Beijing Rail Transit Management Co., Ltd.	5,389,297.00	5,389,297.00	3 to 4 years	100	Uncollectible
Beijing Residence Group Co., Ltd.	5,356,423.40	20,916.40	Within 1 year	0.39	Impairment test
Beijing Urban Construction Rail Transit Construction Engineering Co., Ltd.	5,246,951.00	26,234.76	Within 1 year	0.5	Impairment test

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Beijing Urban Rapid Rail Construction Management Co., Ltd.	5,038,201.00	25,191.01	1 to 3 years	0.5	Impairment test
China Railway 14th Bureau Group Second Engineering Co., Ltd.	5,003,675.05		Within 1 year		Recoverable
Inner Mongolia Zhunxing Heavy-haul Expressway Co., Ltd.	4,796,422.52	4,796,422.52	4 to 5 years	100	Uncollectible
China United Network Communications Co., Ltd. Beijing Branch	4,768,342.34		Within 1 year		Recoverable
Beijing Shangzhuang Gas Thermal Power Co., Ltd.	4,638,015.65	555,381.59	1 to 3 years	11.97	Impairment test
Shandong Gold Real Estate Tourism Group Co., Ltd.	4,468,161.11		3 to 4 years		Recoverable
Linyi Chengbang Commercial Square Construction and Development Co., Ltd.	4,407,912.58		3 to 4 years		Recoverable
Other clients (audit adjustment in 2011.9.30)	4,346,024.76	4,346,024.76	More than 5 years	100	Uncollectible
Daxing Branch of Beijing Xinxuan Municipal Engineering Company	4,249,894.70	4,249,894.70	More than 5 years	100	Uncollectible
Beijing Sihai Xiangtong Municipal Engineering Co., Ltd.	4,181,662.41		1 to 3 years		Recoverable
Beijing Durun Ecological Environment Engineering Co., Ltd.	4,160,558.00		Within 1 year		Recoverable
Beijing Jintianheng Real Estate Co., Ltd.	4,008,319.66		Within 1 year		Recoverable
Heating Power Company	4,000,000.00	1,000,000.00	More than 5 years	25	Impairment test
China Railway Construction Bridge Engineering Bureau Group No.4 Engineering Co., Ltd.	3,947,340.00	19,736.70	Within 1 year	0.5	Impairment test
China Construction Fifth Engineering Bureau Co., Ltd.	3,907,999.98	3,907,999.98	More than 5 years	100	Uncollectible
Beijing Jiuchang Real Estate Development Co., Ltd.	3,650,000.00	3,650,000.00	More than 5 years	100	Uncollectible
Construction and installation branch of China Railway No.6 Engineering Group Co., Ltd.	3,487,452.37		Within 1 year		Recoverable
Beijing Jiexun Municipal Engineering Center	3,387,891.39	3,387,891.39	More than 5 years	100	Uncollectible
Qiankun Weiye Real Estate Development Company	3,378,126.80	3,378,126.80	More than 5 years	100	Uncollectible
Xiangyun Civilization China	3,350,000.00	3,350,000.00	More than 5 years	100	Aging is too long
Beijing Lvdu Infrastructure Investment Co., Ltd.	3,270,050.88	164,605.33	Within 1 year, 2 to 4 years, More than 5 years	5.03	Impairment test
Yantai Fushan District Comprehensive Administrative Law Enforcement Bureau	3,250,000.00	16,250.00	Within 1 year	0.5	Impairment test
Urban Water System Engineering Headquarters	3,203,663.78	3,203,663.78	More than 5 years	100	Uncollectible

Beijing Construction Engineering Group Co., Ltd.
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For 2018-2020 (All amounts in RMB unless otherwise stated)

Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Future Construction Engineering Co. Ltd.	3,173,597.50	3,173,597.50	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Tangshan Port Group Co., Ltd.	3,158,520.28		Within 1 year		Recoverable
Greenland Holding Group (Zhejiang) Real Estate Development Co. Ltd.	3,082,700.00	1,541,350.00	More than 5 years	50	Long term unsettled
Beijing Hongxin Yuanda Economic and Trade Co., Ltd.	3,058,920.16	3,058,920.16	More than 10 years	100	Aging is too long
Beijing Xincheng Foundation Investment Development Co., Ltd.	3,028,811.24		Within 1 year		Recoverable
China Railway Construction Bridge Engineering Bureau Group No.3 Engineering Co. Ltd.	2,975,310.00	14,876.56	Within 1 year	0.5	Impairment test
Hebei Yuzun Construction Installation Co., Ltd.	2,900,000.00	14,500.00	Within 1 year	0.5	Impairment test
Financial Street Huizhou Real Estate Co., Ltd.	2,891,993.91		Within 1 year		Recoverable
Guangling to Hunyuan Expressway Construction Management Office	2,880,380.20	14,401.90	1 to 2 years	0.5	Impairment test
Beijing City Water System Travel Company	2,851,300.00	2,851,300.00	More than 5 years	100	Recoverable
Beijing Xiangkun Water Construction Co., Ltd.	2,829,566.70	14,147.83	Within 1 year	0.5	Impairment test
Changli Ruixiang Investment Development Co., Ltd.	2,765,805.88	138,290.29	1 to 2 years	5	Impairment test
Haikou Jietong Company	2,741,030.00	2,741,030.00	More than 5 years	100	Uncollectible
Jinjiang Highway Construction and Development Co., Ltd.	2,689,791.00	1,344,895.50	More than 5 years	50	Impairment test
Xiao Keqin	2,688,931.50	2,688,931.50	More than 5 years	100	Uncollectible
Beijing Urban Construction Development Co., Ltd.	2,665,244.76	2,665,244.76	More than 10 years	100	Aging is too long
Beijing Urban Construction No.5 Group Co., Ltd.	2,642,422.00		1 to 2 years		Recoverable
Beijing Yougaoya Decoration Engineering Co., Ltd.	2,614,304.00	854,215.14	4 to 5 years	32.67	Long term unsettled
Beijing Water Supply Group Co., Ltd.	2,610,251.00	2,610,251.00	More than 5 years	100	Uncollectible
Haikou Hengtong Company	2,571,030.00	2,571,030.00	More than 5 years	100	Uncollectible
Beijing Texin Municipal Public Works Co., Ltd.	2,551,743.82	1,275,871.91	4 to 5 years	50	Impairment test
Chengde Chuangyuan Construction and Development Co., Ltd.	2,550,000.00	12,750.00	1 to 2 years	0.5	Impairment test
China Construction Eighth Bureau Decoration Engineering Co., Ltd.	2,533,732.77	12,668.66	Within 1 year	0.5	Impairment test
Beijing Wanxing Construction Group Co., Ltd.	2,522,027.00		Within 1 year		Recoverable
China Communications First Bureau Group Co., Ltd.	2,506,287.31	125,314.37	1 to 2 years	5	Impairment test
Fangshan Branch of Beijing Highway Bureau	2,439,066.00	12,195.33	4 to 5 years	0.5	Impairment test

Beijing Construction Engineering Group Co., Ltd.
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Yang Yansheng	2,420,487.33	2,205,762.33	More than 5 years	91.13	Impairment test
China Gezhouba Group First Engineering Co., Ltd.	2,382,211.35	11,911.06	2 to 3 years	0.5	Impairment test
Beijing Municipal Engineering Center	2,357,457.00	2,357,457.00	More than 5 years	100	Uncollectible
Liu Shufeng	2,330,000.00		Within 1 year		Recoverable
Yantai Fushan District Transportation Bureau	2,295,400.00	11,477.00	Within 1 year	0.5	Impairment test
Beijing Jingdong Light Rail Municipal Engineering Office	2,286,578.60	2,286,578.60	More than 5 years	100	Uncollectible
China Railway 16th Bureau Group No.4 Engineering Co.,Ltd.	2,269,826.57	11,349.13	Within 1 year	0.5	Impairment test
Zhuda Real Estate Development Co., Ltd.	2,258,173.31	2,258,173.31	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
China Construction Third Bureau First Construction Engineering Co., Ltd.	2,229,906.31	11,149.53	Within 1 year, 2 to 3 years	0.5	Impairment test
Beijing Municipal No.2 Construction Engineering Co., Ltd.	2,207,600.00	2,207,600.00	More than 5 years	100	Uncollectible
China Second Metallurgical Group Co., Ltd.	2,161,648.87		Within 1 year		Recoverable
Beijing City Power Storage Co., Ltd.	2,160,000.00		Within 1 year		Recoverable
Zhuhai Water Environment Holding Group Co., Ltd.	2,088,597.33	318,167.04	2 to 3 years, More than 5 years	15.23	Impairment test
Zhizhan Auto Parts (Beijing) Co., Ltd.	2,082,816.13		Within 1 year		Recoverable
Beijing Biomedical Industry Base Development Co., Ltd.	2,061,265.61	10,306.33	1 to 2 years	0.5	Impairment test
Beijing Heat Group Co., Ltd.	2,056,058.06	700,111.53	1 to 2 years, 4 to 5 years	34.05	Impairment test
Beijing Fangshan City Construction Investment Co., Ltd.	2,000,000.00	100,000.00	1 to 2 years	5	Impairment test
The Fourth Branch of China Petroleum Pipeline Administration Engineering Co., Ltd.	1,932,374.00		Within 1 year		Recoverable
Huairou District Eastern Management Committee	1,927,529.00	1,927,529.00	More than 5 years	100	Uncollectible
Beijing Daxing Town Construction Comprehensive Development Group Co., Ltd.	1,896,966.73	9,484.83	1 to 2 years	0.5	Impairment test
Beijing Fengtai Science and Technology Park Construction and Development Co., Ltd.	1,828,789.40	642.35	Within 1 year, 4 to 5 years	0.04	Impairment test
China Railway 19th Bureau Group No.3 Engineering Co., Ltd.	1,815,442.00	9,077.21	2 to 3 years	0.5	Impairment test
Beijing Shichuang Science Park Development and Construction Co., Ltd.	1,773,968.00		Within 1 year		Recoverable
Weifang Shiji Tianyuan Real Estate Co., Ltd.	1,755,034.93		3 to 4 years		Recoverable

Beijing Construction Engineering Group Co., Ltd.
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Beijing Xingchuang Investment Co., Ltd.	1,727,489.07	18,099.93	Within 2 years	1.05	Impairment test
Dachang Branch of Langfang Huaxia New City Construction and Development Co., Ltd.	1,715,901.47		Within 1 year		Recoverable
Foshan Sanshui District Water Conservancy Investment and Construction Co., Ltd.	1,695,813.53	8,479.07	Within 1 year	0.5	Impairment test
Beijing Kaihua Real Estate Development Co., Ltd.	1,671,222.66		Within 1 year		Recoverable
Beijing Urban Construction Group Co., Ltd.	1,660,593.89	8,302.97	2 to 3 years	0.5	Impairment test
Yingzi Packaging Products Co., Ltd.	1,651,549.28	1,651,549.28	More than 3 years	100	Uncollectible
Beijing Dashengkui Municipal Engineering Co., Ltd.	1,630,768.40	1,630,768.40	More than 5 years	100	Uncollectible
CCCC Fourth Highway Engineering Bureau Co., Ltd.	1,614,449.55		Within 1 year		Recoverable
China Xinxing Construction Engineering Co., Ltd.	1,584,671.37		Within 1 year		Recoverable
Beijing Jianxin Municipal Engineering Management Co., Ltd.	1,574,302.43	7,871.51	2 to 4 years	0.5	Impairment test
Changping Road Branch of Beijing Municipal Transportation Commission	1,517,736.50	1,517,736.50	Within 1 year	100	Uncollectible
Mentougou Investment Management Branch of Beijing Infrastructure Investment Co., Ltd.	1,510,374.73	7,551.87	Within 1 year, More than 5 years	0.5	Impairment test
Beijing New Aotong City Real Estate Development Co., Ltd.	1,500,000.00	75,000.00	3 to 5 years	5	Impairment test
Zhongtai Real Estate Group Co., Ltd.	1,500,000.00		1 to 2 years		Recoverable
Beijing Urban Construction Third Construction Engineering Co., Ltd.	1,488,788.10	7,443.94	Within 1 year	0.5	Impairment test
Beijing Urban Construction Fifth Municipal Engineering Group Co., Ltd.	1,455,389.20		Within 1 year		Recoverable
Shunyi Municipal Key Project Office	1,423,299.44	304,389.69	Within 1 year, 4 to 5 years	21.39	Impairment test
Beijing Municipal Third Construction Engineering Co., Ltd.	1,369,100.00	1,369,100.00	More than 5 years	100	Uncollectible
Beijing Xintefa Construction Engineering Co., Ltd.	1,364,697.00		Within 1 year		Recoverable
Huairou North Street Project Department of China Railway 16th Bureau No.4 Engineering Co., Ltd.	1,359,582.00	6,797.91	4 to 5 years	0.5	Impairment test
Beijing Xionghong Weiye Construction Machinery and Equipment Leasing Co., Ltd.	1,327,723.00	1,041,977.50	4 to 5 years, More than 5 years	78.48	Impairment test
Beijing Lafayette Castle Sports and Leisure Club Co., Ltd.	1,300,000.00	650,000.00	4 to 5 years	50	Impairment test
Beijing City Sub Center Investment and Construction Group Co., Ltd.	1,288,083.02	6,440.42	1 to 2 years	0.5	Impairment test
Beijing Second Construction Engineering Co., Ltd.	1,285,236.11	1,285,236.11	More than 10 years	100	Aging is too long
Jiaozuo Yuntaishan Hotel Co., Ltd.	1,280,000.00	1,280,000.00	More than 5 years	100	Uncollectible
Beijing linggong Weiye Machinery and Equipment Leasing Co., Ltd.	1,277,722.50	1,277,722.50	More than 5 years	100	Uncollectible

Beijing Construction Engineering Group Co., Ltd.
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Central Security Bureau Management Office	1,272,200.00	6,361.00	More than 5 years	0.5	Impairment test
Tian Hongjie	1,250,718.00	1,201,615.00	More than 5 years	96.07	Impairment test
Beijing Kangbao Real Estate Development Co. Ltd.	1,250,394.85		Within 1 year		Recoverable
Beijing Chaoyang District Yongan Construction Machinery Rental Station	1,228,494.00	1,228,494.00	More than 5 years	100	Uncollectible
Beijing Indemnificatory Housing Construction Investment Corporation	1,207,244.76	60,362.24	1 to 2 years	5	Impairment test
Dongying Highway Administration Highway Construction Project Management Office	1,190,936.00	238,187.20	3 to 4 years	20	Impairment test
Beijing Golden Dragon Yonghui Real Estate Co. Ltd.	1,175,540.00		Within 1 year		Recoverable
Beijing Gas Huairou Co. Ltd.	1,173,709.87		Within 1 year		Recoverable
Beijing Duobao Technology Development Co., Ltd.	1,162,270.00	1,162,270.00	More than 5 years	100	Uncollectible
Beijing Yutai Real Estate Development Co., Ltd.	1,151,907.06		Within 1 year		Recoverable
Beijing Daxing Urban Construction Development Co., Ltd.	1,116,297.27	1,116,297.27	More than 5 years	100	Uncollectible
Engineering Consulting Branch of Beijing Gas Group Co., Ltd.	1,108,273.57	5,541.36	1 to 3 years	0.5	Impairment test
China Construction Eighth Engineering Bureau Co., Ltd.	1,100,000.00	1,100,000.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Beijing Bixin Water Co., Ltd.	1,090,568.00		Within 1 year		Recoverable
Beijing Mingjia Real Estate Development Co., Ltd.	1,077,370.66		Within 1 year		Recoverable
Minmetals real estate (Shenyang) Co., Ltd.	1,073,556.84		Within 1 year		Recoverable
Beijing Junping Municipal Engineering Co., Ltd.	1,071,049.00		Within 1 year		Recoverable
Huilai branch of Langfang Huaxia New City Construction and Development Co., Ltd.	1,048,507.94	52,425.40	1 to 2 years	5	Impairment test
Chaoyang Road	1,044,095.00	1,044,095.00	More than 5 years	100	Uncollectible
China Xinxing Construction Development Co., Ltd.	1,034,290.78		Within 1 year		Recoverable
Beijing Shunyi Shuanglong Trading Co., Ltd.	970,227.62	970,227.62	More than 10 years	100	Aging is too long
The First Project Department of Tianjin Jiuyuan Construction Engineering Co., Ltd.	882,640.00	882,640.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Mixing Station of Beijing No.2 Construction Engineering Co., Ltd.	662,238.40	662,238.40	More than 10 years	100	Aging is too long

Beijing Construction Engineering Group Co., Ltd.
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Beijing Urban Construction Ten Construction Engineering Co., Ltd.	609,130.00	609,130.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Anshan No. 2 Steel Mill Co., Ltd.	600,000.00	600,000.00	More than 10 years	100	Aging is too long
Nantong No.5 Construction Engineering Co., Ltd.	600,000.00	600,000.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
singhua Tongfang Co., Ltd.	530,729.40	530,729.40	More than 10 years	100	Aging is too long
The 11th branch of Beijing Jingxi Construction Group Co., Ltd.	507,944.45	507,944.45	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Beijing Mining Construction Construction Installation Co., Ltd.	478,475.00	478,475.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
China Construction Third Engineering Group Co., Ltd. (Beijing)	417,374.39	417,374.39	More than 5 years	100	Aging is too long
Fujing Garden Project Department	379,848.18	379,848.18	More than 10 years	100	Aging is too long
Beijing Tianhui Real Estate Development Co., Ltd.	354,418.00	354,418.00	More than 5 years	100	Aging is too long
No.6 Project Department of Beijing Real Estate Group Co., Ltd.	350,000.00	350,000.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Shendong Group	337,210.00	337,210.00	More than 5 years	100	Aging is too long
Hebei Baodi Trading Company	320,000.00	320,000.00	More than 10 years	100	Aging is too long
Hebei Kaisheng Construction and Installation Engineering Co., Ltd.	319,734.50	319,734.50	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
China Airport Construction Corporation	300,000.43	300,000.43	More than 5 years	100	The time of arrearage is long and the limitation of action has passed

Beijing Construction Engineering Group Co., Ltd.
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Air Force First Construction and Installation Engineering Corps	300,000.00	300,000.00	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Shanghai Haisheng Construction and Installation Company	268,971.80	268,971.80	More than 5 years	100	Couldn't be reached
Tianjin Tiancai Concrete Co., Ltd.	265,431.00	265,431.00	More than 5 years	100	Aging is too long
BCEG First Construction Engineering Co., Ltd.	264,776.92	264,776.92	More than 5 years	100	The time of arrearage is long and the limitation of action has passed
Beijing Tongxingda Trading Co., Ltd.	190,560.00	190,560.00	More than 10 years	100	Aging is too long
Beijing Yindu Trading Co., Ltd.	182,043.23	182,043.23	More than 10 years	100	Aging is too long
Tangshan Building Ceramics Factory	149,681.60	149,681.60	More than 10 years	100	Aging is too long
Wangjing Project Department	145,924.65	145,924.65	More than 10 years	100	Aging is too long
China Construction First Bureau Group Co., Ltd.	128,287.79	19,243.17	3 to 4 years	15	Couldn't be reached
Beijing Banbidian Agricultural and Industrial Trading Company	115,264.00	115,264.00	More than 10 years	100	Aging is too long
Tianjin Steel Rolling Mill No. 2 Co., Ltd.	110,538.82	110,538.82	More than 10 years	100	Aging is too long
Beijing Housing Construction Company	102,997.55	102,997.55	More than 10 years	100	Aging is too long
Yantai Yindu Real Estate Co., Ltd.	100,000.00	100,000.00	More than 5 years	100	Couldn't be reached
Beijing Yinianhua Investment Co., Ltd.	8,000.00	8,000.00	More than 5 years	100	Aging is too long
Total	4,326,729,828.60	474,036,449.69	--	--	--

(2) Collectively assessed for impairment based on credit risk characteristics

A、Accounts receivable which are collectively assessed for impairment using the aging analysis method at the end of the year

Aging	As at 31/12/2020			As at 31/12/2019		
	Book balance		Provision for bad and doubtful debts	Book balance		Provision for bad and doubtful debts
	Amount	Percentage (%)		Amount	Percentage (%)	
Within 1 year	14,298,171,233.69	62.33	41,205,988.05	11,163,166,761.83	61.84	30,228,400.96
1 to 2 years	4,279,182,919.01	18.65	78,747,522.39	3,481,406,596.20	19.28	60,798,217.56
2 to 3 years	1,660,306,267.93	7.24	155,916,328.56	1,665,195,536.02	9.22	153,911,444.48

Beijing Construction Engineering Group Co., Ltd.
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More than 3 years	2,702,181,547.93	11.78	1,085,665,106.55	1,742,948,587.17	9.65	632,483,602.23
Total	22,939,841,968.56	100.00	1,361,534,945.55	18,052,717,481.22	100.00	877,421,665.23

B、Accounts receivable which are collectively assessed for impairment using other methods

Group name	As at 31/12/2020			As at 31/12/2019		
	Book balance	Percentage (%)	Provision for bad and doubtful debts	Book balance	Percentage (%)	Provision for bad and doubtful debts
Related party group	225,976,529.53	0.14	325,191.83	172,341,299.71	0.39	667,277.10
Non-risky group	3,877,683,778.45			53,469,696.20		
Total	4,103,660,307.98	0.01	325,191.83	225,810,995.91	0.30	667,277.10

(3) Provision for bad and doubtful debts for accounts receivable which are individually insignificant and assessed for impairment individually

Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Beijing Urban Rail Transit Consulting Co., Ltd.	999,717.00		4 to 5 years		Recoverable
China Construction International Construction Co., Ltd. Beijing Branch	999,171.89	4,995.86	Within 1 year	0.5	Impairment test
Beijing Xinjianjie Municipal Engineering Co., Ltd. Second Branch	998,310.13	998,310.13	More than 5 years	100	Uncollectible
China Construction Third Bureau Group Co., Ltd.	986,631.45	4,933.16	2 to 3 years	0.5	Impairment test
Jingcheng Shangde (Beijing) Culture Technology Co., Ltd.	982,989.75		Within 1 year		Recoverable
Xinzheng Dingtai Park Construction and Development Co., Ltd.	979,956.36	16,270.70	Within 2 years	1.66	Impairment test
China Construction First Bureau Group No.5 Construction Co., Ltd.	976,900.00		Within 1 year		Recoverable
Beijing Urban Construction Subway Foundation Municipal Engineering Co., Ltd.	960,018.00	350,959.70	More than 5 years	36.56	Impairment test
China Metallurgical Transportation Construction Group Co., Ltd.	954,670.00	4,773.35	2 to 3 years	0.5	Impairment test
Beijing Liangzi Hongda Construction Machinery Equipment Leasing Company	950,197.45		2 to 3 years		Recoverable

Beijing Construction Engineering Group Co., Ltd.
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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Beijing West Railway Station Area Environmental Health Service Center	940,000.00		Within 1 year		Recoverable
General Contracting Department I (First Branch) of Beijing Municipal Road and Bridge Co., Ltd.	938,792.00	938,792.00	More than 5 years	100	Uncollectible
Beijing Anyu Xinzhu Enterprise Management Co., Ltd.	934,939.72		Within 1 year		Recoverable
Beijing Shoufa Highway Maintenance Engineering Co., Ltd.	912,556.14	912,556.14	More than 5 years	100	Uncollectible
Beijing Antai Xingye Real Estate Co., Ltd.	900,888.28		Within 1 year		Recoverable
Beijing Gas Energy Development Co., Ltd.	892,895.82		Within 1 year		Recoverable
Beijing Yizheng Construction Engineering Co., Ltd.	873,425.00		Within 1 year		Recoverable
China Construction Road & Bridge Group Co., Ltd.	849,942.00		Within 1 year		Recoverable
Beijing Hongda Construction Engineering Co., Ltd.	847,316.20	847,316.20	More than 5 years	100	Uncollectible
Beijing ZhuZong Group Co., Ltd.	842,727.00	776,815.00	1 to 2 years	92.18	Impairment test
Zhangjiakou Management Office of Zhangshi Expressway	829,299.62	829,299.62	More than 5 years	100	Uncollectible
Beijing Changjiangyuan Municipal Engineering Co., Ltd.	825,984.00		Within 1 year		Recoverable
Yanjian Group Co., Ltd.	818,728.60		Within 1 year		Recoverable
Beijing Zhongke Feihong Technology Co., Ltd	816,980.51		Within 1 year		Recoverable
Beijing Lixin Road Maintenance Engineering Team	815,428.00		Within 1 year		Recoverable
Beijing Huirui Heavy Lifting Transportation Co., Ltd	814,400.00	284,536.00	3 to 4 years、4 to 5 years	34.94	Impairment test
Beijing Zhengcheng Municipal Engineering Co., Ltd	810,000.00		1 to 2 years、2 to 3 years		Recoverable
China Construction First Bureau (Group) Co., Ltd	796,891.54		Within 2 years		Recoverable
Henan Jijiaoxin Expressway Co., Ltd	793,745.46	793,745.46	More than 5 years	100	Uncollectible
Foshan Guangming Expressway Co., Ltd	793,359.42	39,667.97	4 to 5 years	5	Impairment test
Zhang Linlin	792,385.70		Within 1 year		Recoverable
Engineering Consulting Branch of Beijing Gas Group Co., Ltd	790,131.00	3,950.66	More than 5 years	0.5	Impairment test

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Beijing Rishengda Construction Enterprise Group Co., Ltd	772,188.04	772,188.04	More than 5 years	100	Uncollectible
Zhang Fuqiang	751,972.60		1 to 2 years		Recoverable
Wang Yusui	747,995.00	747,995.00	More than 5 years	100	Uncollectible
Hebei Yitongdao Bridge Construction Co., Ltd	743,159.00	3,715.80	More than 5 years	0.5	Impairment test
Gas company (Mentougou)	741,861.43	741,861.43	More than 5 years	100	Uncollectible
Qinhuangdao Runbin Real Estate Development Co., Ltd	737,276.66		Within 1 year		Recoverable
Pullos Airport Logistics Development Co., Ltd	719,600.00		Within 1 year		Recoverable
Wang Deguo	689,402.00	689,402.00	More than 5 years	100	Uncollectible
Beifang Town People's Government of Huairou District of Beijing Municipality	688,848.66	3,444.24	2 to 3 years	0.5	Impairment test
China Railway 11th Bureau Group No.5 Engineering Co., Ltd	686,958.56	3,434.79	1 to 2 years	0.5	Impairment test
Beijing Renjie Construction Machinery Equipment Leasing Co., Ltd	676,430.94	676,430.94	More than 5 years	100	Uncollectible
Beijing Shiji Baoyuan Investment Management Co., Ltd	662,544.00	662,544.00	More than 5 years	100	Uncollectible
Beijing Guochang Mechanical Engineering Co., Ltd	661,844.00	661,844.00	3 to 4 years	100	Uncollectible
Hengshui Boda Vocational Education Investment Co., Ltd	660,541.20		Within 1 year		Recoverable
Zuoyun County Housing Security and Urban Rural Construction Administration Bureau	658,476.64	3,292.38	1 to 2 years	0.5	Impairment test
Beijing Long Distance Passenger Transport Command Center	650,000.00	650,000.00	2 to 3 years	100	Uncollectible
Langfang Huitong Company	648,255.00	648,255.00	More than 5 years	100	Uncollectible
Beijing Wanhu Real Estate Development Co., Ltd	647,687.14		Within 1 year		Recoverable
Sichuan Petroleum and Natural Gas Construction Engineering Co., Ltd	641,728.24		Within 1 year		Recoverable
Tanzhesi Township People's Government of Mentougou District of Beijing Municipality	637,312.92	3,186.56	1 to 2 years	0.5	Impairment test

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
China Railway No.3 Engineering Group No.5 Co., Ltd	634,451.61	634,451.61	More than 5 years	100	Uncollectible
Beijing Hongfukien Industrial Development Co., Ltd	634,365.00	634,365.00	More than 5 years	100	Uncollectible
Li Zhiping	633,304.60		Within 1 year		Recoverable
China Railway 18th Bureau Group Co., Ltd	628,356.00		1 to 2 years		Recoverable
Beijing Gonglian Jieda Highway Maintenance Engineering Co., Ltd	627,967.50	627,967.50	More than 5 years	100	Uncollectible
Beijing Quanjintang Building materials Co., Ltd	624,970.00		1 to 2 years		Recoverable
Beijing Architectural Design and Research Institute Co., Ltd	622,097.24		Within 1 year		Recoverable
Tieling Transportation Investment Co., Ltd	618,491.79	3,092.46	Within 1 year	0.5	Impairment test
Beijing Shougang Construction Group Co., Ltd	612,326.68		Within 1 year		Recoverable
Beijing jicangxingda Trade Co., Ltd	600,000.00	600,000.00	More than 5 years	100	Uncollectible
Xu Aizhong	596,965.70	596,965.70	More than 5 years	100	Uncollectible
Li Jianyin	590,769.00	590,769.00	More than 5 years	100	Uncollectible
Beijing yifangyuan Municipal Engineering Co., Ltd	589,222.50	589,222.50	More than 5 years	100	Uncollectible
Wei Shaokui	572,060.80	572,060.80	More than 5 years	100	Uncollectible
Yangyuan Zhongli Funong Development Co., Ltd	570,128.36		Within 1 year		Recoverable
Xuanwu Taxation Bureau	562,810.60	562,810.60	More than 5 years	100	Uncollectible
China Railway 17th Bureau Group Construction Engineering Co., Ltd	558,688.83		Within 1 year		Recoverable
China Railway Construction Group Co., Ltd	553,494.98	206,368.71	1 to 3 years、 More than 5 years	37.28	Impairment test
Liangxiang Branch of Beijing Zhongxuan Municipal Engineering Co., Ltd	550,357.60	550,357.60	More than 5 years	100	Uncollectible
Beijing gas Changping Co., Ltd	549,033.00	27,471.98	2 to 3 years	5	Impairment test
Wang Yong	543,556.00	543,556.00	More than 5 years	100	Uncollectible
Beijing Beizi Information Engineering Consulting Co., Ltd	540,000.00		4 to 5 years		Recoverable

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Beijing Hongtu Construction Engineering Co., Ltd	537,958.97	537,958.97	More than 5 years	100	Uncollectible
Beijing Mintai Municipal Engineering Co., Ltd	536,851.80	536,851.80	More than 5 years	100	Uncollectible
Beijing Heyi Enterprise Management Co., Ltd	536,583.01		Within 1 year		Recoverable
Beijing Yuhengxinda Business Center	534,408.30	534,408.30	More than 5 years	100	Uncollectible
China Railway 21st Bureau Group No.3 Engineering Co., Ltd	529,734.01	26,486.70	1 to 2 years	5	Impairment test
Beijing Xinshi Dacheng Municipal Engineering Co., Ltd	528,000.00		Within 1 year		Recoverable
Beijing Green Isolated Area Infrastructure Development and Construction Co., Ltd	523,479.00	2,617.40	More than 5 years	0.5	Impairment test
Gu Fuliang	522,543.35	522,543.35	More than 5 years	100	Uncollectible
Sporadic Leasing	521,134.35	365,764.75	More than 5 years	70.19	Impairment test
Beijing Haoyuan Longji Property Management Co., Ltd	515,035.98	2,251.39	Within 1 year	0.44	Impairment test
Nankou Project	513,314.58	513,314.58	More than 5 years	100	Uncollectible
Beijing Ximan International Clothing Co., Ltd	500,000.00		Within 1 year		Recoverable
Chifeng Antong Road and Bridge Co., Ltd	500,000.00	500,000.00	More than 5 years	100	Uncollectible
Beijing Branch of Henan Construction Group Co., Ltd	500,000.00		Within 1 year		Recoverable
Beijing Urban Construction Far East Construction Investment Group Co., Ltd	487,245.00		Within 1 year		Recoverable
Shougang Corporation	484,210.00		4 to 5 years		Recoverable
Ma Jingwei	481,966.40	481,966.40	More than 5 years	100	Uncollectible
Ning Weiliang	481,634.10		1 to 2 years		Recoverable
Tianjin HNA East Coast Development Co., Ltd	475,476.00	2,377.38	Within 1 year	0.5	Impairment test
Beijing Urban Drainage Group Co., Ltd. Pipe Network Facilities Management Branch	471,813.00	471,813.00	More than 5 years	100	Uncollectible
Beijing Pearl River Century Property Management Co., Ltd	470,421.67		Within 1 year		Recoverable
Beijing Hongkun Weiye Real Estate Development Co., Ltd	468,846.07		Within 1 year		Recoverable

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Yongding River Flood Control Headquarters	468,684.52	468,684.52	More than 5 years	100	Uncollectible
Beijing Lixin Xinxing Municipal Engineering Co., Ltd	462,000.00		Within 1 year		Recoverable
Beijing Jinglu Municipal Engineering Co., Ltd	461,618.00		Within 1 year		Recoverable
Taiyuan Changfeng Business Management Center	459,900.00	2,299.50	3 to 4 years	0.5	Impairment test
Fu Guiqing	459,818.00		More than 5 years		Recoverable
Village committee of dongchangshou village, Xiuwen Town, Yuci District, Jinzhong City, Shanxi Province	456,355.99	91,271.20	3 to 4 years	20	Impairment test
Li Heping	455,463.00	455,463.00	More than 5 years	100	Uncollectible
Beijing Huisheng Hongqiang Machinery Leasing Co., Ltd	453,744.80		More than 5 years		Impairment test
Beijing Jinlongxiang Investment Co., Ltd	450,000.00		Within 1 year		Recoverable
Li Guilin	444,974.00	444,974.00	More than 5 years	100	Uncollectible
Chiji Infrastructure Committee	436,715.75	2,183.58	Within 1 year	0.5	Impairment test
Beijing Shiyuan Investment Development Co., Ltd	435,755.50	2,178.78	1 to 2 years	0.5	Impairment test
Daxing (First project department)	435,346.08	435,346.08	More than 5 years	100	Uncollectible
Beijing Lingyun Boyang Construction Engineering Co., Ltd	421,128.50		Within 1 year		Recoverable
Mianyang High-tech Kechuang Industrial Co., Ltd	416,405.00		Within 1 year		Recoverable
Beijing Chong 'an Municipal Service Center	416,080.50	416,080.50	More than 5 years	100	Uncollectible
Jiaoyang Housing Fund	397,189.76	397,189.76	More than 5 years	100	Uncollectible
Beijing Jingzheng Municipal Engineering Co., Ltd	393,129.30	393,129.30	More than 5 years	100	Uncollectible
Talent base construction management center of China Huaneng Group Corporation	387,763.21		Within 1 year		Recoverable
Shanghai Construction Seventh Construction Group Co., Ltd	385,556.60		Within 1 year		Recoverable
Beijing Yeke Nanotechnology Co., Ltd	384,615.00		Within 1 year		Recoverable

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
China Xinxing Construction and Development Corporation	380,000.00		Within 1 year		Recoverable
Beijing Pengkai Municipal Engineering Co., Ltd	377,868.30	377,868.30	More than 5 years	100	Uncollectible
Beijing west engineering team of Beijing Municipal No.5 Construction Engineering Co., Ltd	376,995.22	376,995.22	More than 5 years	100	Uncollectible
Hebei Jingcheng Municipal Engineering Co., Ltd	374,387.80	374,387.80	More than 5 years	100	Uncollectible
Zhang Xiaohong	373,010.20	373,010.20	More than 5 years	100	Uncollectible
Beijing Yicheng Yunfo Municipal Construction Engineering Co., Ltd	365,946.00	365,946.00	More than 5 years	100	Uncollectible
Shunde Beijiao sub district office	362,048.91	362,048.91	More than 5 years	100	Uncollectible
Tian Ruishen	357,396.00	357,396.00	More than 5 years	100	Uncollectible
Du Yunchao	356,424.68	356,424.68	More than 5 years	100	Uncollectible
Beijing Chengjian No.7 Construction Engineering Co. Ltd	352,984.00	68,135.00	More than 5 years	19.3	Impairment test
Chen Zhiyong	352,766.74	352,766.74	More than 5 years	100	Uncollectible
Zhou Guangqing	350,734.00	350,734.00	More than 5 years	100	Uncollectible
Beijing North China Trade Commercial Operation Management Co. Ltd	347,740.69		Within 1 year		Recoverable
Beijing Xiyu Jiaye Property Management Co. Ltd	347,505.97		More than 1 year		Recoverable
The Sixth Engineering Office of Beijing Zhuzong Municipal Engineering Co., Ltd	347,420.00	347,420.00	More than 5 years	100	Uncollectible
Li Yan	342,979.00	342,979.00	More than 5 years	100	Uncollectible
Project Department of section 7 of the West Fourth Ring culvert project of South to North Water Diversion Project of the first hydropower corps of the people's Armed Police Force of China	342,008.00	342,008.00	More than 5 years	100	Uncollectible
Beijing Hongjie Weiye Decoration Co., Ltd	340,000.00	340,000.00	More than 5 years	100	Uncollectible
Beijing Xinchuangxin Construction Labor Subcontracting Co., Ltd	339,607.00	339,607.00	More than 5 years	100	Uncollectible

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
China Construction Second Engineering Bureau No.3 Construction Engineering Co., Ltd	337,279.04		Within 1 year		Recoverable
Wenjian Construction Engineering (Beijing) Co., Ltd	321,863.04		Within 1 year		Recoverable
Guangzhou Municipal Garden Bureau	320,757.23	1,603.79	4 to 5 years	0.5	Impairment test
Chen Yuheng	320,749.10	320,749.10	More than 5 years	100	Uncollectible
Beijing Huashang Yuanda Power Construction Co., Ltd	320,000.00	1,600.00	Within 1 year	0.5	Impairment test
Beijing Xiangkun Water Construction Co., Ltd	313,274.26		1 to 2 years		Recoverable
Pinggu Highway Branch of Beijing Municipal Transportation Commission	309,352.65	309,352.65	More than 5 years	100	Uncollectible
Xiaoying phase I (First project department)	300,924.96	300,924.96	More than 5 years	100	Uncollectible
China Railway fourth Bureau Group Co., Ltd	299,558.11		Within 1 year		Recoverable
Beijing Shengrui Property Service co., Ltd. Second Branch Company	299,254.92		Within 1 year		Recoverable
Beijing Dewege Biological Engineering Technology Co., Ltd	296,803.44	296,803.44	More than 5 years	100	Uncollectible
Beijing Longhua Trading Company	296,715.45		More than 1 year		Recoverable
Beijing Public Road Link Co. Ltd	295,173.00	295,173.00	2 to 3 years	100	Uncollectible
Beijing Jingrui Huitong Traffic Facility Engineering Co. Ltd	292,950.00		Within 1 year		Recoverable
Industrial and Commercial Bank decoration funds	288,931.78		Within 1 year		Recoverable
He Shujun	287,863.72	287,863.72	More than 5 years	100	Uncollectible
Beijing Huayu Xinxing Sports Facilities Engineering Co., Ltd.	287,613.00	287,613.00	More than 5 years	100	Uncollectible
Shuguang Sub District Office	286,221.55		Within 1 year		Recoverable
Beijing Urban Construction Asphalt Concrete Co., Ltd	277,294.00		Within 1 year		Recoverable
Beijing Construction Engineering Group Co., Ltd	276,101.00	276,101.00	More than 5 years	100	Uncollectible
Shandong Radio and TV School	270,000.00		3 to 4 years		Recoverable
Beijing Guangyuan Tianyu Technology Co., Ltd	261,670.00		Within 1 year		Recoverable
Gas Company (First project department)	260,000.00	260,000.00	More than 5 years	100	Uncollectible

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Changcheng Air Conditioner Factory	258,635.42	258,635.42	More than 5 years	100	Uncollectible
Liu Jiang	257,586.03	257,586.03	More than 5 years	100	Uncollectible
Beijing Wanxia decoration design Engineering Co., Ltd	257,577.00	257,577.00	More than 5 years	100	Uncollectible
Shunchi Real Estate Company (phase I)	256,683.70	256,683.70	2 to 3 years	100	Uncollectible
Henan Jiyuan-Luoyang Expressway Co., Ltd	254,308.75	254,308.75	More than 5 years	100	Uncollectible
Li Guowang	251,697.50	251,697.50	More than 5 years	100	Uncollectible
Shenyang Huaxia New City Construction Development Co., Ltd	251,163.46	12,558.17	1 to 2 years	5	Impairment test
Yan Jianming	250,239.31	250,239.31	More than 5 years	100	Uncollectible
Hebei Construction Group Co., Ltd	250,000.00		Within 1 year		Recoverable
Beijing Changping District Hemu Villa Community Owners Committee	249,704.00		1 to 2 years		Recoverable
Kharqin Economic Development Zone Management Committee	249,425.00	129,662.30	Within 1 year	51.98	Impairment test
Beijing Dayang Weiye Municipal Engineering Co., Ltd	247,840.00		3 to 4 years		Recoverable
Beijing Road and Bridge Construction Group Co., Ltd	238,115.00	238,115.00	More than 5 years	100	Uncollectible
Li Mingju	237,795.00	237,795.00	More than 5 years	100	Uncollectible
The Second Engineering Company of the First Highway Engineering Corporation of the Ministry of Communications	237,701.46	237,701.46	More than 5 years	100	Uncollectible
Beijing Huaxia Construction Development Co., Ltd	234,448.00		Within 1 year		Recoverable
Meng Qidong	225,235.00	225,235.00	More than 5 years	100	Uncollectible
Yichang Miaozui Changjiang River Bridge Project Management Department of China Railway Bridge Bureau No.7 Engineering Co., Ltd	225,015.71	1,125.08	Within 1 year	0.5	Impairment test
Ministry of Commerce Foreign Economic Cooperation Corporation	218,635.42	218,635.42	More than 5 years	100	Uncollectible
Business School (10)	215,794.00	215,794.00	2 to 3 years	100	Uncollectible
Shandong Hejian Construction Group Co. Ltd	212,710.00		1 to 2 years		Recoverable

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Debtor name	Book balance	Provision for bad and doubtful debts	Aging	Percentage (%)	Rationale of provision
Beijing Zhuzong Zhengtong Municipal Engineering Co., Ltd	212,023.40		Within 1 year		Recoverable
Huaxia Bank Co., Ltd	211,650.00		Within 1 year		Recoverable
He Jianghao	206,800.00		Within 1 year		Recoverable
Beijing Vanke Oriental Real Estate Co. Ltd	206,604.05		Within 1 year		Recoverable
Li Zhaojun	206,496.00		Within 1 year		Recoverable
Beijing Chaoyang Tianhua Construction Group Co., Ltd. Zhengjian Shenglong Branch	206,061.05		Within 1 year		Recoverable
Historical legacy	205,316.49	205,316.49	More than 5 years	100	Uncollectible
Project Management Department of Yichang miaozi Yangtze River Bridge of China Railway Bridge Bureau Group No.1 Engineering Co., Ltd	204,690.72	1,023.45	2 to 3 years、4 to 5 years	0.5	Impairment test
Fangshan Power Supply Company of State Grid Beijing Electric Power Company	203,060.25	1,015.30	1 to 2 years	0.5	Impairment test
Other single amount less than RMB200 thousand Yuan	20,276,821.41	9,223,488.89	1 to 10 years	45.49	Impairment test
Total	116,287,782.85	48,220,834.61			

(4) Accounts receivable written off during this year

Debtor	Nature of accounts receivable	Written-off amount	Reason for written-off	Approval procedures performed	Accounts receivable arising from related party transactions(Y/N)
Beijing Highway Gonglian Connecting Line Co., Ltd	Project funds	1,055,199.00	Uncollectible	Meeting minutes	N
Beijing Airport Express Rail Co., Ltd	Project funds	456,908.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Handan Construction Company No.3	Rental of revolving materials	100,000.00	Uncollectible	Leadership group meeting	N
Cixi Hengtai Real Estate Co., Ltd	Other business	91,237.87	Debtor bankruptcy liquidation	Board resolution	N
Yang Ping	Project funds	74,300.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N

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Debtor	Nature of accounts receivable	Written-off amount	Reason for written-off	Approval procedures performed	Accounts receivable arising from related party transactions(Y/N)
Beijing International Construction Co., Ltd	Ocean Rental of revolving materials	66,450.05	Uncollectible	Leadership group meeting	N
Jia Limin	Project funds	65,900.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Liu Jiang	Project funds	55,400.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Meng Hui	Project funds	51,050.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Beijing Road and Bridge Construction Group Co. Ltd the Third Branch	Testing fee	49,440.00	Uncollectible	Meeting minutes	N
Tong Wei	Project funds	46,800.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Taiyuan State Holding Investment Co. Ltd	Testing fee	40,000.00	Uncollectible	Leadership group meeting	N
Wang Chuansheng	Project funds	35,400.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Guangzhou Municipal Garden Bureau	Project funds	35,220.78	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Li Zhiwei	Project funds	26,000.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Xu Hai	Project funds	25,500.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Shi Jianjun	Project funds	23,050.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N

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Debtor	Nature of accounts receivable	Written-off amount	Reason for written-off	Approval procedures performed	Accounts receivable arising from related party transactions(Y/N)
Meng Qidong	Project funds	16,500.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Leng Yajun	Project funds	15,000.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Chen Wei	Project funds	14,752.96	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Wang Bingxue	Project funds	11,000.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Beijing Urban Construction Group Co. Ltd Tongzhou Project Department	Rental of revolving materials	10,000.00	Uncollectible	Leadership group meeting	N
Li Xuejun	Project funds	9,250.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Wang Fengjun	Project funds	8,700.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
Wang Weidong	Project funds	8,000.00	The account age is long, the debtor cannot be found, and the provision for bad debts has been fully made.	Manager's office meeting	N
China Construction Development Corporation	Xinxing and Rental of revolving materials	4,888.00	Uncollectible	Leadership group meeting	N
Total	—	2,395,946.66	—	—	—

(5) Top 5 accounts receivable of closing balance

Debtor	Book balance	Proportion of the total account receivable (%)	Provision for bad and doubtful debts
Beijing City Sub Center Investment and Construction Group Co., Ltd	758,300,690.33	2.41	

Beijing Construction Engineering Group Co., Ltd.
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Debtor	Book balance	Proportion of the total account receivable (%)	Provision for bad and doubtful debts
CITIC Construction Group Co., Ltd	453,753,917.86	1.44	
Nanjing Public Engineering Construction Center	385,852,129.70	1.23	1,929,260.65
Shanxi Science and Technology Innovation City Investment and Development Co., Ltd	334,722,725.67	1.06	
Huayuan County Urban Rural Agricultural Comprehensive Development Investment Co., Ltd	304,582,061.23	0.97	1,522,910.31
Total	2,237,211,524.79	7.11	3,452,170.96

5、Receivables Financing

Item	As at 31/12/2020	As at 31/12/2019
Bills receivable	3,400,000.00	

6、Prepayments

(1) The aging analysis of prepayments is as follows

Aging	As at 31/12/2020			As at 31/12/2019		
	Book balance		Provision for bad and doubtful debts	Book balance		Provision for bad and doubtful debts
	Amount	Percentage (%)		Amount	Percentage (%)	
Within 1 year	3,412,208,807.36	79.70		3,203,227,008.91	80.54	
1 to 2 years	648,600,338.00	15.15		501,715,768.44	12.62	
2 to 3 years	88,054,004.39	2.06		160,769,034.17	4.04	
More than 3 years	132,560,966.64	3.10	3,905,800.00	111,256,165.32	2.80	3,805,800.00
Total	4,281,424,116.39	100.00	3,905,800.00	3,976,967,976.84	100.00	3,805,800.00

(2) Significant prepayments aging over 1 year

Creditor	Debtor	Balance as at 31/12/2020	Aging	Reason for unsettlement
Beijing Construction Engineering (Fuding) Municipal Investment and Construction Co., Ltd	China Power Construction Municipal Construction Group Co., Ltd	150,919,231.95	1 to 2 years	The settlement period has not yet reached
Beijing Municipal Second Construction Engineering Co., Ltd	Beijing Ivjingxing Technology Development Co., Ltd	46,800,000.00	More than 2 years	The settlement period has not yet reached

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Creditor	Debtor	Balance as at 31/12/2020	Aging	Reason for unsettlement
Qingdao chengkai Jingtai Real Estate Development Co., Ltd	Shandong Jimo Economic Development Zone Management Committee	40,800,000.00	1 to 2 years	The settlement period has not yet reached
Beijing Municipal Construction Group Co., Ltd the second Engineering Office	Tianjin Motianmo Technology Co.,Ltd.	38,543,616.10	1 to 2 years	The settlement period has not yet reached
Beijing Sixth Construction Group Co., Ltd.	Beijing Xinhongyun Construction Labor Co., Ltd	16,600,000.00	1 to 2 years	The settlement period has not yet reached
Beijing Sixth Construction Group Co., Ltd.	Beijing Lida Jiye Trading Co., Ltd	10,317,190.47	1 to 2 years	The settlement period has not yet reached
Beijing Sixth Construction Group Co., Ltd.	Beijing Equipment Installation Engineering Group Co. Ltd	9,864,362.72	1 to 2 years	The settlement period has not yet reached
Beijing Sixth Construction Group Co., Ltd.	Beijing Northway Architectural Decoration Engineering Co., Ltd	6,901,003.01	1 to 2 years	The settlement period has not yet reached
Henan Jingwu Construction Engineering Co., Ltd	Jiaozuo Qiankun Road Construction Engineering Co. Ltd	4,500,000.00	2 to 3 years	The settlement period has not yet reached
Beijing Urban and Rural Construction Group Co., Ltd	Nanjing Hengtianweizhi Technology Co. Ltd	4,395,600.00	1 to 3 years	The settlement period has not yet reached
Beijing Municipal Construction Group Co., Ltd	Beijing Xintai Environmental Technology Co., Ltd	4,017,657.29	1 to 2 years	The settlement period has not yet reached
Beijing Municipal No.4 Construction Engineering Co., Ltd	Zhongjiaotianhe Machinery Equipment Manufacturing Co. Ltd	4,000,000.00	1 to 2 years	The settlement period has not yet reached
BCEG Logistics Distribution Co., Ltd	Shanghai Youjing Gift Co., Ltd	3,866,500.00	More than 3 years	The settlement period has not yet reached
Beijing Municipal No.1 Construction Engineering Co., Ltd	Shangqiu Guoji Construction Installation Co., Ltd	3,636,363.64	1 to 2 years	The settlement period has not yet reached
BCEG Logistics Distribution Co., Ltd	Beijing Huabei Huatong Electric Co. Ltd	2,990,812.89	More than 3 years	The settlement period has not yet reached
Beijing Urban and Rural Construction Group Co. Ltd	China Railway 18th Bureau Group No.5 Engineering Co. Ltd	2,300,000.00	2 to 3 years	The settlement period has not yet reached
Chengdu Jianbang Real Estate Co. Ltd	Pixian Tongchun Asset Management Co., Ltd	2,000,000.00	More than 3 years	The settlement period has not yet reached
BCEG Environmental Restoration Co., Ltd	Jiangsu Gaiya Environmental Technology Co., Ltd	1,838,970.49	3 to 4 years	The settlement period has not yet reached

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Creditor	Debtor	Balance as at 31/12/2020	Aging	Reason for unsettlement
Beijing Urban and Rural Construction Group Co. Ltd	Jinan Shunlian Construction Group Co., Ltd. (Sales Office)	1,750,000.00	2 to 3 years	The settlement period has not yet reached
Total		356,041,308.56	---	---

(3) Top 5 prepayments of closing balance

Debtor	Balance as at 31/12/2020	Proportion of the total prepayments (%)	Provision for bad and doubtful debts
China Power Construction Municipal Construction Group Co., Ltd	187,696,653.05	4.05	
Beijing Juxincheng Real Estate Development Co., Ltd	99,508,409.94	2.15	
Beijing Ivjingxing Technology Development Co., Ltd	46,800,000.00	1.01	
Shandong Jimo Economic Development Zone Management Committee	40,800,000.00	0.88	
Tianjin Motianmo Technology Co.,Ltd.	38,543,616.10	0.83	
Total	413,348,679.09	8.92	---

7、Other receivables

Item	As at 31/12/2020	As at 31/12/2019
Interest receivable	474,132,937.28	349,392,130.42
Dividends receivable	131,332,620.48	127,291,476.88
Other receivables	13,211,437,460.13	7,363,212,416.48
Total	13,816,903,017.89	7,839,896,023.78

(1) Interest receivable

Item	As at 31/12/2010	As at 31/12/2019
LANDMARKHOLDINGSCO.,LTD	258,125,042.28	224,912,686.62
Others	216,007,895.00	124,479,443.80
Total	474,132,937.28	349,392,130.42

(2) Dividends receivable

Item	As at 31/12/2020	As at 31/12/2019	Reason why uncollected	Any impairment and the basis
Dividends receivable aging within 1 year	32,228,420.00	54,030,031.17		
Including: (1) Beijing Luxin Dacheng Landscape Construction Engineering Co., Ltd		264,650.15	Shortage of fund	No
(2) Beijing Changqing Municipal Engineering Co., Ltd	205,300.00		Shortage of fund	No
(3) Beijing Xiangkun Water Construction Co., Ltd	723,120.00		Shortage of fund	No

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Item	As at 31/12/2020	As at 31/12/2019	Reason why uncollected	Any impairment and the basis
(4) Beijing Jingshui Construction Group Co., Ltd	540,000.00	540,000.00	Approved by the board of directors at the end of the year but not implemented	No
(5) Beijing No.5 Construction Engineering Co., Ltd	27,260,000.00	25,850,000.00	Not yet paid	No
(6) Beijing Fangyuan Engineering Construction Supervision Co., Ltd	3,500,000.00	1,845,650.84	Not yet paid	No
(7) Taisheng Group		25,529,730.18		No
Dividends receivable aging over 1 year	99,104,200.48	73,261,445.71		
Including: (1) Beijing Hongshan Food Co., Ltd	817,761.50	817,761.50	Shortage of fund	No
(2) Beijing Gongke Guqiao Technology Co., Ltd	280,212.62	280,212.62	Shortage of fund	No
(3) Luxin Dacheng Landscape Construction Engineering Co., Ltd	682,455.22	623,600.45	Shortage of fund	No
(4) Beijing Changqing Municipal Engineering Co., Ltd	1,286,800.00	1,312,900.00	Shortage of fund	No
(5) Hualian Highway Engineering Materials Co., Ltd		40,000.00	Historical legacy	No
(6) Beijing Xiangkun Water Construction Co., Ltd	1,620,845.87	1,620,845.87	Shortage of fund	No
(7) Beijing Urban and Rural Zhonghao Real Estate Development Co., Ltd	3,600,000.00	3,600,000.00	Equity seized	No
(8) Beijing Beimeng International Architectural Decoration Engineering Company	785,686.02	785,686.02	Not yet paid	No
(9) Beijing No.5 Construction Engineering Co., Ltd	35,937,126.90	10,087,126.90	Not yet paid	No
(10) Beijing No.2 Construction Engineering Co. Ltd	3,132,332.35	3,132,332.35	Not yet paid	No
(11) Beijing Equipment Installation Engineering Group Co. Ltd	22,540,000.00	22,540,000.00	Not yet paid	No
(12) BCEG Bohai Construction Co. Ltd	28,420,980.00	28,420,980.00	Not yet paid	No
Total	131,332,620.48	127,291,476.88		

(3) Other receivables

Category	As at 31/12/2020			
	Book balance	%	Provision for bad and doubtful debts	%
Individually significant and assessed for impairment individually	1,369,906,050.22	9.67	679,667,812.46	49.61
Collectively assessed for impairment based on credit risk characteristics				
Including: Ageing group	1,663,174,504.50	11.74	244,461,434.75	14.70
Related party group	8,214,984,317.61	57.99		
Security deposit group	2,300,657,968.83	16.24		

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Non-risky group	550,089,572.92	3.88		
Sub-total	12,728,906,363.86	89.85	244,461,434.75	1.92
Individually assessed for impairment individually	68,591,732.28	0.48	31,837,439.02	46.42
Total	14,167,404,146.36	100.00	955,966,686.23	6.75

Other receivables by category (continued)

Category	As at 31/12/2019			
	Book balance	%	Provision for bad and doubtful debts	%
Individually assessed for impairment individually	2,782,123,792.36	33.07	814,063,796.29	29.26
Collectively assessed for impairment based on credit risk characteristics				
Including: Ageing group	1,620,802,375.27	19.27	179,969,299.49	11.10
Related party group	2,944,807,662.45	35.01		
Security deposit group	775,158,221.60	9.21		
Non-risky group	54,418,743.70	0.65		
Sub-total	5,395,187,003.02	64.14	179,969,299.49	3.34
Individually assessed for impairment individually	234,916,319.94	2.79	54,981,603.06	23.40
Total	8,412,227,115.32	100.00	1,049,014,698.84	12.47

① Provision for bad and doubtful debts for other receivables which are individually significant and assessed for impairment individually

Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Guanyun County Transportation Bureau	339,031,000.00	118,660,850.00	1 to 5 years	35	Impairment test
Zhao Wei	137,110,226.06	18,387,201.39	2 to 3 years	13.41	Impairment test
Huaxia Jiantong Technology Development Group Co. Ltd	75,150,741.33	75,150,741.33	More than 5 years	100	Uncollectible
Beijing Dingcheng Real Estate Co., Ltd. (Blue Ocean)	66,209,905.43	4,293,519.52	Within 5 years	6.48	Impairment test
Beijing Shuaifu Building Development Co., Ltd	63,507,356.66	31,753,678.33	More than 5 years	50	Cannot be fully recovered
Wang Hui	33,975,321.43	33,975,321.43	3 to 4 years	100	Uncollectible
China Beijing International Economic Cooperation Corporation	31,639,910.00	31,639,910.00	More than 3 years	100	Uncollectible
Hengshui Road and Bridge Engineering Co. Ltd	27,473,244.46	27,473,244.46	More than 5 years	100	Uncollectible

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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Guiyang Jinyang Construction Investment (Group) Co. Ltd	26,597,661.37	4,647,701.00	1 to 5 years, More than 5 years	17.47	Impairment test
Beijing Wanping Real Estate Development Co. Ltd	26,194,466.80		More than 5 years		Recoverable
BCEG Great Wall Curtain Wall Decoration Co. Ltd	25,557,974.39	25,557,974.39	More than 10 years	100	Aging is too long
Shandong Weilai Expressway Co. Ltd	25,388,282.20	126,941.41	More than 5 years	0.5	Impairment test
Shenzhen Judefeng Investment Development Co., Ltd	23,322,828.26	23,322,828.26	More than 5 years	100	Cannot be fully recovered
Peng 'an County North Ring Road Project Construction Headquarters	20,213,895.77	10,694.79	1 to 2 years	0.05	Impairment test
Tianjin Xinquanlong Construction Concrete Co. Ltd	18,944,054.83	18,944,054.83	1 to 2 years	100	Uncollectible
Other merchants (Qisai, Xinjiang)	18,289,978.67	18,289,978.67	More than 5 years	100	Uncollectible
Beijing Shoufa Investment Holding Co., Ltd	17,052,272.34	776,284.39	1 to 3 years	4.55	Impairment test
Other merchants (Former No.2 Office)	16,845,183.86	16,845,183.86	More than 4 years	100	Uncollectible
Hengxing Co., Ltd	16,764,600.00		2 to 4 years		Recoverable
Other merchants (Former No.5 Office)	16,494,329.05	16,494,329.05	More than 5 years	100	Uncollectible
Beijing Tianshiheng Real Estate Development Co., Ltd	15,840,000.00	15,840,000.00	More than 5 years	100	Litigation, closure and investigation of the accounts of debt units
Shandong Sanlian Urban Construction Co., Ltd	13,866,330.86		3 to 4 years		Recoverable
Zhang Hong	13,700,839.23	13,700,839.23	Within 1 year	100	Uncollectible
Beijing Henglitong Development Center	13,420,000.00	13,420,000.00	More than 3 years	100	
Mianyang Gymnasium Construction Headquarters	9,971,323.02	4,985,661.51	More than 5 years	50	Cannot be fully recovered
Jinliwen Project Department	9,910,022.90	9,910,022.90	More than 5 years	100	Uncollectible
Beijing Jialian Urban and Rural Business Center	9,776,849.07		Within 1 year		Recoverable
Fenglian Plaza	9,742,921.62	9,742,921.62	More than 3 years	100	
Beijing Chengtong Shunda Information Consulting Co., Ltd	9,404,818.77		Within 1 year		Recoverable
Shaanxi Dafang Investment Company	9,161,827.49		1 to 2 years		Recoverable
Beijing Road and Bridge Construction Group Co., Ltd	8,588,619.00	8,588,619.00	More than 5 years	100	Uncollectible
Capital Airport	8,000,000.00	8,000,000.00	More than 10 years	100	The age of accounts exceeds ten years
Beijing No.4 Engineering Office	7,888,946.83	5,036,402.63	Within 1 year, 1 to 3 years, 5years	63.84	Impairment test
Historical legacy	7,773,875.47	7,773,875.47	More than 5 years	100	Uncollectible

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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Beijing Nachuan Metal Jewelry Co., Ltd	7,423,903.21	7,423,903.21	More than 5 years	100	Stop operating
Beijing Hongshan Food Co., Ltd	7,328,735.16	36,643.68	More than 5 years	0.5	Impairment test
Yunjian Entrusted House Demolition	7,000,000.00	7,000,000.00	More than 5 years	100	Uncollectible
Chongqing Yushidi Property Development Co., Ltd	6,000,000.00	6,000,000.00	More than 5 years	100	Cannot be fully recovered
Henderson Centre	5,855,409.28	2,927,704.64	More than 5 years	50	Cannot be fully recovered
Beijing Gonglian Highway Connecting Line Co., Ltd	5,682,496.00	237,324.80	More than 5 years	4.18	Impairment test
Beijing Haidian District Green Team	5,636,000.00	28,180.00	1 to 3 years	0.5	Impairment test
Hubei Higher People's Court	5,037,069.15	1,007,413.83	3 to 4 years	20	Impairment test
Yanting Jiahua Construction Machinery Leasing Co. Ltd	4,821,520.00	4,821,520.00	4 to 5 years	100	Uncollectible
Beijing Fengshuigu Property Corporation	4,800,000.00	4,800,000.00	More than 5 years	100	Uncollectible
Xingtao Real Estate Development Company	4,412,014.00	4,412,014.00	More than 5 years	100	Uncollectible
Beijing Changxing Zhuyang Conference Center	4,368,040.69	4,368,040.69	More than 5 years	100	Uncollectible
Beijing Gonglian Highway Connecting Line Co., Ltd	4,220,100.00	21,100.50	Within 1 year , More than 5 years	0.5	Impairment test
Beijing Aidier Architectural Decoration Engineering Co., Ltd	4,126,097.50		3 to 4 years		Recoverable
Beijing Bihai Basic Industry Green Company	4,000,000.00	4,000,000.00	More than 5 years	100	Stop operating
Guangzhou Zengcheng Sanyi Hardware Processing Factory	3,883,804.50		1 to 2 years		Recoverable
Chongqing Lujia Real Estate Development Co., Ltd	4,000,000.00	4,000,000.00	More than 5 years	100	Uncollectible
Beijing Yingkao Network Technology Co., Ltd	3,600,000.00	3,600,000.00	More than 5 years	100	Uncollectible
Great Wall Hainan Branch	3,600,000.00	3,600,000.00	More than 3 years	100	Uncollectible
Beijing Tianhao Shuangfeng Construction Engineering Co., Ltd	3,521,096.09	17,605.48	1 to 2 years	0.5	Impairment test
Guizhou Shuanglong Airport Economic Zone Political, Legal and Mass Work Bureau	3,500,000.00	325,000.00	1 to 3 years	9.29	Impairment test
Beijing Housing Fund Management Center Fengtai Management Department	3,445,581.27	3,445,581.27	Within 1 year、 1 to 3 years	100	Uncollectible
Costs related to loan guarantees	3,280,000.00	2,980,000.00	1 to 5 years	90.85	Impairment test
Zhu Xiangang	3,047,798.57	1,224,039.57	4 to 5 years	40.16	Long term unsettled
Wuhua Yongxin'an Construction Engineering Labor Co., Ltd	3,000,000.00	3,000,000.00	More than 5 years	100	Uncollectible
Yunnan Chuangyue Mining Co. Ltd	2,900,000.00	580,000.00	3 to 4 years	20	Impairment test
Beijing Tongqing Landscaping Engineering Co., Ltd	2,862,175.23	157,749.76	More than 5 years	5.51	Impairment test
Beijing Third Engineering Agency	2,800,330.44	2,800,330.44	More than 5 years	100	Uncollectible

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Beijing Longyuan Engineering Company	2,754,500.00	2,754,500.00	More than 5 years	100	Uncollectible
Haikou Municipal Construction Engineering Company (Jinghai Factory)	2,632,339.06	2,632,339.06	More than 5 years	100	Uncollectible
Beijing Blue Ocean Company	2,500,000.00	2,500,000.00	More than 5 years	100	Uncollectible
Road and Bridge Group International Construction Co., Ltd General Contracting Branch	2,458,200.00	2,458,200.00	More than 5 years	100	Uncollectible
Beijing Oriental Lvao Construction Engineering Co. Ltd	2,406,794.52		Within 1 year		Recoverable
Henan Jijiao New Expressway Co., Ltd	2,294,305.00	2,294,305.00	More than 5 years	100	Uncollectible
Xianghe Construction Commission Third Party Trusteeship Account	2,193,120.12		Within 1 year		Recoverable
Mintai Hezhong (Beijing) Investment Co., Ltd	2,082,801.21	964,167.02	1 to 5 years	46.29	Impairment test
Beijing Bisheng Enterprise Planning Co. Ltd	2,080,000.00	2,080,000.00	More than 10 years	100	Aging is too long
Jinchengjiang Power Supply Company	2,059,874.21	102,993.71	1 to 2 years	5	Impairment test
Zhangjiakou Qiaodong District Financial Payment Center	2,030,369.00	10,151.85	1 to 2 years	0.5	Impairment test
People's Health Insurance Company of China, Beijing Branch	2,000,000.00	10,000.00	2 to 3 years	0.5	Impairment test
Beijing Metro Operation Co., Ltd	1,990,000.00	5,000.00	1 to 2 years, More than 5 years	0.25	Impairment test
Harbin Duoyou Trade Co., Ltd	1,988,000.00	1,988,000.00	2 to 3 years	100	Uncollectible
Liaoning Guangda Racecourse	1,890,011.50	1,890,011.50	More than 5 years	100	Uncollectible
Li Qiang (Court Subscribing)	1,886,001.21	1,886,001.21	More than 5 years	100	Uncollectible
Beitaipingzhuang (Central Commission for Discipline Inspection)	1,849,305.52	1,849,305.52	More than 5 years	100	Uncollectible
Yixian Yuanye Villa Co., Ltd	1,800,000.00	1,800,000.00	More than 5 years	100	Uncollectible
Beijing Capital Highway Development Group Co., Ltd Anchang Expressway Management Branch	1,700,000.00	8,500.00	Within 5 years, More than 5 years	0.5	Impairment test
Beijing Wanlixin Machinery Equipment Leasing Co., Ltd	1,600,000.00	1,600,000.00	More than 5 years	100	Uncollectible
Jinshan Company - Xiaoshicheng	1,566,000.00	1,566,000.00	More than 5 years	100	Declared loss of assets and capital verification
Triumph Project Department	1,563,895.14	1,563,895.14	More than 10 years	100	The age of accounts exceeds ten years
Shijiazhuang Huaxing Company	1,520,000.00	1,520,000.00	More than 5 years	100	Uncollectible
Beijing Gonglian Jieda Highway Maintenance Engineering Co., Ltd	1,500,000.00	7,500.00	2 to 3 years	0.5	Impairment test
Tongxian Qianjin Transport Team	1,464,000.00	1,464,000.00	More than 10 years	100	Aging is too long

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Beijing Jingyuyang Water Co., Ltd	1,411,882.50	1,411,882.50	More than 5 years	100	Uncollectible
Beijing Huiquan Material Leasing Center	1,335,047.07	1,335,047.07	More than 5 years	100	Uncollectible
Yizhou Power Supply Bureau	1,254,221.19	62,711.06	1 to 2 years	5	Impairment test
Hongji Hengye Property Management Company	1,194,593.62	1,194,593.62	More than 5 years	100	Uncollectible
Beijing Tianshiheng Real Estate Development Co., Ltd	1,189,574.50	1,189,574.50	More than 5 years	100	Uncollectible
Shandong Yuebo Highway Engineering Co., Ltd	1,175,922.75	5,879.61	Within 1 year	0.5	Impairment test
China Railway 16th Bureau Group Road and Bridge Engineering Co., Ltd Huhshi Northwest Line Expressway Project Department	1,161,203.00	5,806.02	More than 5 years	0.5	Impairment test
Beijing Farilai Container Technology Co., Ltd	1,133,500.00	5,267.50	Within 3 years	0.46	Impairment test
Project Department of the fifth contract section of Hubei Laogu expressway of CCCC Fourth Highway Engineering Bureau Co., Ltd	1,051,545.71	52,577.29	1 to 2 years	5	Impairment test
China Construction First Bureau Group Construction Development Co., Ltd	1,010,511.89	5,052.56	Within 1 year	0.5	Impairment test
Beijing Urban Construction Third Construction Engineering Co., Ltd	1,001,780.00	5,089.00	Within 2 years	0.51	Impairment test
Guangzhou Huizhou Hydropower Bureau	1,000,000.00	1,000,000.00	More than 5 years	100	Uncollectible
Yushu Tibetan Autonomous Prefecture Construction Bureau	1,000,000.00	1,000,000.00	More than 5 years	100	Uncollectible
Lishui Construction Management Office	1,000,000.00	5,000.00	1 to 2 years	0.5	Impairment test
Leshan Shawan District Finance Bureau	1,000,000.00	5,000.00	1 to 2 years	0.5	Impairment test
Hangzhou Construction Enterprise Management Station	1,000,000.00	5,000.00	2 to 3 years	0.5	Impairment test
Dongying Economic and Technological Development Zone Oil Field Property Assets Operation Management Co., Ltd	1,000,000.00	5,000.00	1 to 2 years	0.5	Impairment test
Laishui County Fu Tai Construction Company	943,469.00	943,469.00	More than 10 years	100	Aging is too long
Beijing Wanzhida Energy Saving Technology Co., Ltd	791,000.00	791,000.00	More than 5 years	100	Aging is too long
Beijing Zhongcheng Construction Fifth Engineering Bureau Co., Ltd	559,400.00	111,880.00	More than 3 years	20	Uncollectible
Beijing Zhongji Huaxia Construction Engineering Co., Ltd	500,000.00	250,000.00	3 to 4 years	50	Bad debts are recognized according to the actual situation of the project
Yan Chen	281,036.61	281,036.61	More than 3 years	100	The owner could not be reached
Xiangyun Group	272,853.62	272,853.62	More than 5 years	100	Aging is too long
Han Chao	272,619.65	272,619.65	More than 3 years	100	The owner could not be reached
Beian Jianda Property Co., Ltd	242,159.36	150,000.00	More than 5 years	61.94	No contact for a long time

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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Heating platform application project of Huatong Group	141,820.00	28,364.00	3 to 4 years	20	Beyond credit period
Shanxi litigation costs	110,615.00	55,307.50	More than 5 years	50	Risk of recovery
Beijing Oriental Yinhai Culture Development Co., Ltd	100,000.00	100,000.00	More than 10 years	100	Aging is too long
Total	1,369,906,050.22	679,667,812.46	--	--	

② Provision for bad and doubtful debts as a group based on credit risk characteristics

A、 Other receivablese which are collectively assessed for impairment using the aging analysis method at the end of the year

Aging	As at 31/12/2020			As at 31/12/2019		
	Book balance		Provision for bad and doubtful debts	Book balance		Provision for bad and doubtful debts
	Amount	Percentage (%)		Amount	Percentage (%)	
Within 1 year	1,073,469,528.43	64.54	2,679,853.55	1,059,289,415.04	65.36	2,470,843.71
1 to 2 years	137,747,450.75	8.28	6,985,254.80	167,936,809.38	10.36	8,651,779.61
2 to 3 years	69,838,888.43	4.20	8,972,082.20	131,452,937.30	8.11	18,802,721.97
More than 3 years	382,118,636.89	22.98	225,824,244.20	262,123,213.55	16.17	150,043,954.20
Total	1,663,174,504.50	100.00	244,461,434.75	1,620,802,375.27	100.00	179,969,299.49

B、 Other receivables which are collectively assessed for impairment using other methods

Group name	As at 31/12/2020			As at 31/12/2019		
	Book balance	Percentage (%)	Provision for bad and doubtful debts	Book balance	Percentage (%)	Provision for bad and doubtful debts
Related party group	8,214,984,317.61			2,944,807,662.45		
Security deposit group	2,300,657,968.83			775,158,221.60		
Non-risky group	550,089,572.92			54,418,743.70		
Total	11,065,731,859.36			3,774,384,627.75		-

③ Provision for bad and doubtful debts for accounts receivable which are individually insignificant and assessed for impairment individually

Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Zhang Xiaocheng	999,701.93	999,701.93	More than 5 years	100	Uncollectible
Shanxi Jinli Magnesium Industry Co. Ltd	980,000.00	980,000.00	More than 5 years	100	Uncollectible
Suzhou Wulu Primary School	972,057.92		Within 1 year		Uncollectible
Tax to be refunded	933,681.90	186,736.38	3 to 4 years	20	Impairment test

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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Beijing Changqing Municipal Engineering Co., Ltd	930,100.00		More than 5 years		Recoverable
Foshan Natural Resources Bureau Sanshui branch	922,600.00	4,613.00	Within 1 year, 1 to 2 years	0.5	Impairment test
Haikou Brick Company	909,200.00	909,200.00	More than 5 years	100	Uncollectible
Beijing Gas User Service Co., Ltd	901,965.72		1 to 2 years		Recoverable
Puyang County Financial Centralized Collection and Payment Center	874,500.00	43,725.00	1 to 2 years	5	Impairment test
Yinhe Ecology (Beijing) Technology Co., Ltd	855,400.00		1 to 2 years		Recoverable
Hubei Electric Power Company Jingzhou Power Supply Company	818,545.50	804,916.02	Within 1 year, More than 5 years	98.33	Impairment test
Yingu Road Project	815,076.18	815,076.18	More than 5 years	100	Uncollectible
Fogong Tong Chau Earthwork Engineering Co. Ltd	800,000.00	800,000.00	More than 5 years	100	Uncollectible
Union of Suzhou Industrial Park	800,000.00	4,000.00	4 to 5 years	0.5	Impairment test
Guizhou Power Grid Co., Ltd. Guiyang Power Supply Bureau	800,000.00	4,000.00	1 to 2 years	0.5	Impairment test
Bid bond for Yonghe Road (South Third Ring Road ~ Yantong) project in Datong	800,000.00	800,000.00	More than 5 years	100	Uncollectible
Bid bond of Datong Taihe Road (South Fifth Ring Road ~ Yantong) project	800,000.00	800,000.00	More than 5 years	100	Uncollectible
Changzhou Construction Engineering Management Center	800,000.00	4,000.00	3 to 4 years	0.5	Impairment test
Beijing Haidian District Green Team 3	800,000.00	4,000.00	More than 5 years	0.5	Impairment test
Beijing Huakangxinhe Construction Engineering Co. Ltd	776,007.28		More than 5 years		Recoverable
Beijing Tongde Architectural Decoration Engineering Co., Ltd	747,459.79	747,459.79	More than 5 years	100	Uncollectible
Beijing Chuangli Construction Co., Ltd	734,124.86		1 to 2 years		Recoverable
Beijing Jingshi Hotel	700,000.00	700,000.00	More than 5 years	100	Uncollectible
Wuhan Gangmugu Metal Products Co. Ltd	700,000.00	35,000.00	1 to 2 years	5	Impairment test
Party School of Beijing Municipal Health Bureau	672,380.00	3,361.90	More than 5 years	0.5	Impairment test
Zhangjiatie Beijing Xifeng Shanzhuang Co., Ltd	647,764.80	647,764.80	More than 5 years	100	Uncollectible
Zhangjiakou Star Real Estate Development Co. Ltd	632,541.00		1 to 2 years		Recoverable
China Railway 16th Bureau Group Co. Ltd	630,000.00	3,150.00	2 to 3 years	0.5	Impairment test
Mujiayu Town Government of Miyun County	616,150.00	616,150.00	More than 5 years	100	Uncollectible

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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Quanlian Real Estate	597,400.00	597,400.00	More than 5 years	100	Uncollectible
China Construction First Bureau (Group) Co., Ltd	589,393.79	2,946.97	Within 1 year	0.5	Impairment test
Current virtual merchants	580,000.00	580,000.00	More than 5 years	100	Uncollectible
Beijing Jingshui Lingxiu Garden Training Center	572,450.63		More than 5 years		Recoverable
Housing fund of Beijing Jingshui Real Estate Development Company	565,760.04		More than 5 years		Recoverable
Beijing Gonglian Highway Connecting Line Co., Ltd	542,313.10	2,711.57	More than 5 years	0.5	Impairment test
Henan project department	528,273.31	528,273.31	More than 5 years	100	Uncollectible
Zhuhai Xinqiang Machinery Leasing Company	525,000.00	525,000.00	More than 5 years	100	Uncollectible
China Railway No.6 Bureau Beijing Subway Line 14, 01 Bid Project Department	523,379.56	523,379.56	More than 5 years	100	Uncollectible
China Railway No.10 Bureau Group Second Engineering Co. Ltd	520,000.00	2,600.00	1 to 2 years	0.5	Impairment test
Zhongjiao Road and Bridge Construction Co., Ltd. Wenchang Dongjiao to Longlou Road Construction Project Department	506,345.42	506,345.42	1 to 2 years, More than 5 years	100	Uncollectible
Luo Shizhen	500,295.00	25,014.75	1 to 2 years	5	Impairment test
SINOPEC Shengli Petroleum Administration Water Supply Company	500,000.00		4 to 5 years		Recoverable
Beijing Capital Highway Development Group Co. Ltd Anchang Expressway Management Branch	500,000.00	75,000.00	2 to 3 years	15	Impairment test
China Railway seventh Bureau Shenyang Metro Project Management Department	500,000.00	2,500.00	4 to 5 years	0.5	Impairment test
Ningbo Yinzhou District People's Government Zhonghe sub district office	500,000.00	2,500.00	1 to 2 years	0.5	Impairment test
Jinan Heavy Industry Co., Ltd	500,000.00	2,500.00	Within 1 year	0.5	Impairment test
Fuzhou Public Resources Trading Service Center	500,000.00	75,000.00	2 to 3 years	15	Impairment test
Mishun Road Project Department	496,220.00	496,220.00	More than 5 years	100	Uncollectible
Beijing Jinqiao foundry	480,000.00	480,000.00	More than 5 years	100	Uncollectible
Beijing Regional Company	473,896.00		Within 1 year		Recoverable
Luqiao Fangzhou Transportation Technology Development Co., Ltd	468,212.31	468,212.31	More than 5 years	100	Uncollectible
Zhangpu County Bureau of land and resources	463,520.00	69,528.00	2 to 3 years	15	Impairment test

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Dujiangyan Industrial Development Investment Co., Ltd	461,387.67	230,693.84	4 to 5 years	50	Impairment test
Public maintenance fund	442,879.41		Within 1 year, 2 to 3 years		Recoverable
Beijing Xiangxi Material Trading Company	440,349.14	440,349.14	More than 5 years	100	Uncollectible
Fu Fusuo	435,644.49		Within 1 year		Recoverable
Dongguan Wangniudun Town Power Supply Company	432,603.88	2,163.02	3 to 4 years, More than 5 years	0.5	Impairment test
Beijing Haidian District Green Team	430,000.00	30,000.00	3 to 4 years	6.98	Impairment test
Beijing Gonglian Highway Connecting Line Co., Ltd	420,000.00	420,000.00	More than 5 years	100	Uncollectible
Daxing (First project department)	400,000.00	400,000.00	More than 5 years	100	Uncollectible
Baoding Public Utilities Administration Bureau	400,000.00	400,000.00	3 to 4 years	100	Uncollectible
Daxing Huangcun	400,000.00	400,000.00	More than 5 years	100	Uncollectible
Beijing Xinrui Municipal Construction Co., Ltd	396,690.25	396,690.25	4 to 5 years	100	Uncollectible
Liang Jianjun, Urban Rural No.1 Company	390,000.00		2 to 3 years		Recoverable
Wu Zhihui, Urban and Rural First Company	386,994.04		2 to 3 years		Recoverable
Jugezhuang Town Government of Miyun County	367,060.00	367,060.00	More than 5 years	100	Uncollectible
Beijing Luxing Asphalt Products Co., Ltd	363,877.66	363,877.66	2 to 3 years, More than 5 years	100	Uncollectible
Hunan Jinlong Road and Bridge Service Co., Ltd	359,520.70	17,976.04	1 to 2 years	5	Impairment test
Beijing Materials Co., Ltd	356,905.05		More than 5 years		Recoverable
Xingzhen industry and Trade Co., Ltd	356,052.71	356,052.71	More than 5 years	100	Uncollectible
Guanghe culture and tourism Holding Co., Ltd	353,114.46	17,655.72	More than 5 years	5	Impairment test
China Economic International Tendering Group Co., Ltd	350,000.00	17,500.00	1 to 2 years	5	Impairment test
Li Jin	342,850.03	342,850.03	More than 5 years	100	Uncollectible
Health Insurance Beijing Branch	333,000.00		Within 1 year		Recoverable
Feng Baoqiang(First project department)	327,869.75	327,869.75	More than 5 years	100	Uncollectible
Guangxi Guishan Expressway Co., Ltd	322,582.62	322,582.62	More than 5 years	100	Uncollectible
Beijing Taiwei Metal Structure Engineering Co., Ltd	317,968.39	1,589.84	Within 1 year	0.5	Impairment test
Wang Yin	306,926.60		Within 1 year		Recoverable
Luyu Repair Company	300,860.01	300,860.01	More than 5 years	100	Uncollectible

Beijing Construction Engineering Group Co., Ltd.
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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Beijing Tianzhenghe Mechanical Equipment Co., Ltd	300,800.00	300,800.00	4 to 5 years	100	Uncollectible
Qijanming Company	300,530.00	300,530.00	More than 5 years	100	Uncollectible
Liu Wenping, Urban and Rural No.1 Company	300,000.00		2 to 3 years		Recoverable
Beijing Hydraulic Machinery Factory	300,000.00	300,000.00	More than 5 years	100	Uncollectible
Bridge Construction Team	300,000.00	300,000.00	More than 5 years	100	Uncollectible
Baokang County Natural Resources and Planning Bureau	300,000.00	15,000.00	1 to 2 years	5	Impairment test
Beijing Jingnan Shunda Investment Management Co. Ltd	300,000.00	45,000.00	2 to 3 years	15	Impairment test
Zhongzhao International Tendering Company Henan Branch	300,000.00	300,000.00	More than 5 years	100	Uncollectible
Beijing Housing Power Engineering Co., Ltd	300,000.00		1 to 2 years		Recoverable
Tea House Supply and Marketing Company	300,000.00	300,000.00	More than 5 years	100	Uncollectible
Beijing Thermal Power Group Co., Ltd Capital Construction Office o	288,600.00	1,443.00	More than 5 years	0.5	Impairment test
Puyang people's Court of Henan Province	281,318.00	281,318.00	More than 5 years	100	Uncollectible
Beijing Urban Road Maintenance Management Center	274,527.72	273,293.72	4 to 5 years ,More than 5 years	99.55	Impairment test
Zhongzhao Kangtai Project Management Co., Ltd	268,762.00	53,752.40	3 to 4 years	20	Impairment test
Beijing Zhuzong Group Co., Ltd	266,629.88	1,333.15	Within 1 year	0.5	Impairment test
Beijing Aishang Guizu Container Leasing Co. Ltd	264,000.00	1,320.00	1 to 2 years	0.5	Impairment test
Puyang Tongda Highway Engineering Co. Ltd	260,000.00	260,000.00	More than 5 years	100	Uncollectible
China 18th Metallurgical Construction Corporation	257,800.00	257,800.00	More than 5 years	100	Uncollectible
Beijing Yongle Tenda Logistics Service Co. Ltd	252,500.00	12,625.00	1 to 2 years	5	Impairment test
Taiyuan Municipal Public Facilities Construction Center	252,000.00	252,000.00	More than 5 years	100	Uncollectible
Guizhou New Sunshine Engineering Tendering Consulting Co. Ltd	250,000.00	125,000.00	4 to 5 years	50	Impairment test
Beijing Farelide Mobile Board House Co., Ltd	242,000.00	1,210.00	1 to 2 years	0.5	Impairment test
Beijing Guangtai Xingye Trading Co., Ltd	236,228.40	236,228.40	More than 5 years	100	Uncollectible
Wang Gang	235,000.00	235,000.00	More than 5 years	100	Uncollectible
Beijing Changqing Municipal Engineering Co., Ltd Xiyan Road Project Department	225,300.00	225,300.00	More than 5 years	100	Uncollectible

Beijing Construction Engineering Group Co., Ltd.
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Debtor	Book balance	Provision for bad and doubtful debts	Aging	Percentage of provision %	Rationale of provision
Xu Jichun	221,280.80	221,280.80	More than 5 years	100	Uncollectible
Haikou Local Taxation Bureau	211,000.00	211,000.00	More than 5 years	100	Uncollectible
Urban Construction Archives	207,000.00	207,000.00	More than 5 years	100	Uncollectible
Beijing Chaoyang Yachen Industrial Co., Ltd	200,000.00		Within 1 year		Recoverable
Bid security	200,000.00	146,107.18	3 to 4 years	73.05	Impairment test
Beijing Jingliang Road Project Management Department of CCCC First Engineering Co., Ltd	200,000.00	40,000.00	3 to 4 years	20	Impairment test
Project Management Department of Civil Construction Contract Section 02 of Beijing Metro Line 12 project of China Railway First Bureau Group Co., Ltd	200,000.00	1,000.00	1 to 2 years	0.5	Impairment test
Unit 61,623 of the Chinese People's Liberation Army	200,000.00	1,000.00	Within 1 year	0.5	Impairment test
Shaoxing Jinghu New Area Development Group Co. Ltd	200,000.00	1,000.00	1 to 2 years	0.5	Impairment test
Changzhou Rail Transit Development Co. Ltd	200,000.00	1,000.00	2 to 3 years	0.5	Impairment test
Beijing Zirun Hengtong Materials Co. Ltd	200,000.00	200,000.00	More than 5 years	100	Uncollectible
Beijing Lize Jindu Real Estate Co., Ltd	200,000.00	1,000.00	1 to 2 years	0.5	Impairment test
Others (total of less than RMB20 thousand for a single transaction)	13,799,602.58	6,694,339.85	1 to 5 years, More than 5 years	45.11	Impairment test
Total	68,591,732.28	31,837,439.02	--	--	--

④ Other receivables written off during this year

Debtor	Nature of other receivables	Written-off amount	Reason for written-off	Approval procedures performed	Other receivables arising from related party transactions(Y/N)
Beijing Nanjiao Xinyuan Coal Gangue Technology Development Co., Ltd	Accounts	2,000,000.00	Enterprise cancellation	Manager's office meeting	Y
Beijing Beihong Municipal Engineering Co., Ltd	Accounts	525,136.44	Long term bad debt, unable to contact	Manager's office meeting	N
Beijing Municipal Road and Bridge Co., Ltd	Accounts	349,999.99	Uncollectible	Manager's office meeting	Y
Beijing Liuxing Industrial Development Company	Borrowing	300,000.00	Long term bad debt, unable to contact	Manager's office meeting	N
Shandong Tongyang Construction Group Co., Ltd	Borrowing	289,881.56	Due to the long age of account, the debtor cannot be found, and sufficient provisions for bad debts have been drawn up	Manager's office meeting	N

Beijing Construction Engineering Group Co., Ltd.
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Debtor	Nature of other receivables	Written-off amount	Reason for written-off	Approval procedures performed	Other receivables arising from related party transactions(Y/N)
Beijing Shoufa Highway Construction Management Co., Ltd	Performance bond	86,306.00	Uncollectible	Manager's office meeting	N
Total	--	3,551,323.99	--	--	--

⑤ Top 5 other receivables of closing balance

Debtor	Nature	Book balance	Aging	Proportion of the total other receivables (%)	Provision for bad and doubtful debts
BCEG Bohai Construction Co., Ltd	Current account	1,415,887,669.50	Within 1 year	9.99	
Beijing First Construction Engineering Co., Ltd	Current account	1,263,356,720.39	Within 1 year	8.92	
Beijing Jianhai Huihe Real Estate Development Co., Ltd	Current account	1,133,249,269.12	Within 1 year	8.00	
Beijing Yicheng Real Estate Co., Ltd	Current account	1,014,666,307.10	Within 1 year	7.16	
Huarun Real Estate Holdings Co., Ltd	Current account	871,200,000.00	Within 1 year	6.15	
Total		5,698,359,966.11		40.22	

8、Inventories

(1) Inventories by category

Category	As at 31/12/2020		
	Book balance	Provision for impairment of inventories	Carrying amount
Raw materials	1,059,561,450.72	5,664,062.60	1,053,897,388.12
Semi-finished goods and Work in progress	67,211,109,232.58	98,777,474.83	67,112,331,757.75
Including: Completed but unsettlement	31,120,385,841.06	72,138,442.54	31,048,247,398.52
Development cost	36,076,218,873.82	26,639,032.29	36,049,579,841.53
Finished goods	5,639,493,878.84	16,639,350.46	5,622,854,528.38
Including: Product development	5,018,018,729.68	12,162,649.63	5,005,856,080.05
Consumables (packaging, consumables)	529,990,316.72	448,166.72	529,542,150.00
Contract performance cost	3,277,148.35		3,277,148.35
Others	290,909,527.67		290,909,527.67
Total	74,734,341,554.88	121,529,054.61	74,612,812,500.27

(Continued)

Beijing Construction Engineering Group Co., Ltd.
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Category	Book balance	As at 31/12/2019	
		Provision for impairment of inventories	Carrying amount
Raw materials	1,030,031,881.17	4,761,813.98	1,025,270,067.19
Semi-finished goods and Work in progress	62,142,670,013.70	68,968,665.36	62,073,701,348.34
Including: Completed but unsettlement	26,926,463,355.26	42,329,633.07	26,884,133,722.19
Development cost	32,142,628,179.50	26,639,032.29	32,115,989,147.21
Finished goods	2,681,326,015.12	20,607,716.69	2,660,718,298.43
Including: Product development	1,953,827,747.41	16,592,466.32	1,937,235,281.09
Consumables (packaging, consumables)	475,244,209.59	433,380.90	474,810,828.69
Contract performance cost	2,541,311.31		2,541,311.31
Others	582,306,434.20		582,306,434.20
Total	66,914,119,865.09	94,771,576.93	66,819,348,288.16

(2) Provision for impairment of inventories

Category	As at 31/12/2019	Additions during the year		Written back during the year			As at 31/12/2020
		Provision	Others	Reversals	Write-off	Others	
Raw materials	4,761,813.98	902,248.62					5,664,062.60
Semi-finished goods and Work in progress	68,968,665.36	29,808,809.47					98,777,474.83
Including: Completed but unsettlement	42,329,633.07	29,808,809.47					72,138,442.54
Development cost	26,639,032.29						26,639,032.29
Finished goods	20,607,716.69	461,450.46			4,429,816.69		16,639,350.46
Including : Product development	16,592,466.32				4,429,816.69		12,162,649.63
Consumables (packaging, consumables)	433,380.90	14,785.82					448,166.72
Total	94,771,576.93	31,187,294.37			4,429,816.69		121,529,054.61

(3) Capitalized borrowing costs

Closing balance of inventories includes capitalized borrowing costs amounted to RMB 2,017,191,483.58.

(4) Completed but not billed balances arising from construction contract

Item	As at 31/12/2020
Accumulated cost incurred	372,034,697,165.12
Accumulated gross profit recognized	18,992,356,052.43
Less: expected loss	72,138,442.54
amounts billed	359,906,667,376.49

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Completed but not billed balances arising from construction contract	31,048,247,398.52
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9、Contract assets

(1) Contract assets

Item	2020.12.31			2019.12.31		
	Book balance	Impairment loss	The book value	Book balance	Impairment loss	The book value
Projects under construction	731,165,577.02	7,311,655.79	723,853,921.23	427,537,141.96	4,275,371.41	423,261,770.55
Accepted but unsettled projects	217,316,239.68	32,093,746.85	185,222,492.83	328,323,634.23	15,038,891.02	313,284,743.21
Unexpired warranty deposit	32,384,282.07	7,289,687.96	25,094,594.11	23,058,362.97	5,129,101.58	17,929,261.39
Total	980,866,098.77	46,695,090.60	934,171,008.17	778,919,139.16	24,443,364.01	754,475,775.15

(2) Provision for impairment of contract assets

Item	2020.01.01	Additions during the year	Reductions during the year	2020.12.31
Projects under construction	4,275,371.41	3,036,284.38		7,311,655.79
Accepted but unsettled projects	15,038,891.01	17,054,855.83		32,093,746.84
Unexpired warranty deposit	5,129,101.59	2,160,586.38		7,289,687.97
Total	24,443,364.01	22,251,726.59		46,695,090.60

10、Non-current assets due within one year

Item	2020.12.31	2019.12.31
Long-term receivables due within 1 year	18,048,978.01	
Wanxiang Yuefu south district asset-backed subordinated bonds	50,000,000.00	
Total	68,048,978.01	

11、Other current assets

Item	As at 31/12/2020	As at 31/12/2019
Deductible input VAT	1,927,303,026.71	1,735,453,687.53
VAT overpaid or prepaid	56,407,166.76	310,898,366.11
Overpaid Income tax		33,325,021.13
Other taxes prepaid	1,289,813,134.11	92,619,260.70
Financial products	67,000,000.00	563,000,000.00
Total	3,340,523,327.58	2,735,296,335.47

12、Available-for-sale financial assets

(1) Available-for-sale financial assets

Item	As at 31/12/2020	As at 31/12/2019
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Beijing Construction Engineering Group Co., Ltd.
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For 2018-2020 (All amounts in RMB unless otherwise stated)

	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Available-for-sale instruments						
Available-for-sale instruments	3,870,975,283.46	45,522,618.15	3,825,452,665.31	1,996,882,702.79	47,522,618.15	1,949,360,084.64
Including: at fair value	342,022,669.12		342,022,669.12	401,276,321.72		401,276,321.72
at cost	3,528,952,614.34	45,522,618.15	3,483,429,996.19	1,595,606,381.07	47,522,618.15	1,548,083,762.92
Others						
Total	3,870,975,283.46	45,522,618.15	3,825,452,665.31	1,996,882,702.79	47,522,618.15	1,949,360,084.64

(2) Available-for-sale financial assets at fair value

Category	Available-for-sale equity instrument	Available-for-sale debt instrument	Others	Total
Cost of equity instrument/ amortised cost of debt instrument		48,664,414.90		48,664,414.90
Fair value	342,022,669.12			342,022,669.12
Cumulative fair value changes recognised in other comprehensive income	293,358,254.22			293,358,254.22
Provision for impairment				

Note: Details of available for sale equity instruments (at fair value) are as follows:

- A、 The Group Office held 6,339,703.00 shares of Bank of Communication. The market value at the beginning of the year was RMB 35,692,527.89, As of 31 December, 2020 the closing price was RMB 4.48 per share, the change in fair value of the year was RMB -7,290,658.45, the book balance at the end of the year was RMB 28,401,869.44.
- B、 The Group Office held 144,546.00 shares of Bank of Beijing, the market value of the stock was RMB 820,935.48 at the beginning of the year. As of 31 December, 2020 the closing price was RMB 4.84 per share, the change in fair value of the year was RMB -121,332.84, the book balance at the end of the year was RMB 699,602.64.
- C、 The Group's subsidiary Beijing Third Construction Engineering Co., Ltd. held 497,580.39 units of Bank of Communications Schroder Steady Fund which market value was RMB 659,045.23 at the beginning of the year. As of 31 December, 2020 the price was RMB 1.3339 per unit, the change in fair value of the year was RMB 4,677.25, the book balance at the end of the year was RMB 663,722.48.
- D、 The Group's subsidiary Beijing Third Construction Engineering Co., Ltd. held 6,337,190.00 shares of Bank of Beijing, the market value of the stock was RMB 35,995,239.20 at the beginning of the year. As of 31 December, 2020 the closing price was RMB 4.84 per share, the change in fair value of the year was RMB -5,323,239.60, the book balance at the end of the year was RMB 30,671,999.60.
- E、 The Group's subsidiary Beijing Zhenxing Labour Co., Ltd. held 154,765.00 shares of Bank of Beijing, the market value of the stock was RMB 879,065.20 at the beginning of the year. As of 31 December, 2020 the closing price was RMB 4.84 per share, the change in fair value of the year was

RMB-130,002.60, the book balance at the end of the year was RMB 749,062.60.

- F、 The Group's subsidiary Beijing Municipal Road and Bridge Group Co., Ltd. held 57,610,829.00 shares of Bank of Beijing, the market value of the stock was RMB 327,229,508.72 at the beginning of the year. As of 31 December,2020 the closing price was RMB4.84 per share, the change in fair value of the year was RMB-48,393,096.36, the book balance at the end of the year was RMB 278,836,412.36.

(3) Available-for-sale financial assets at cost

Investees	Book balance as at 31/12/2017	Provision for impairment	Carrying Amount as at 31/12/2017	Percentage
China Resources Land (Beijing) Co., Ltd	725,600.00		725,600.00	0.02
Beijing Green Isolated Area Infrastructure Development and Construction Co., Ltd	30,000,000.00		30,000,000.00	7.69
Beijing Tongying Property Management Co., Ltd	2,000,000.00		2,000,000.00	20.00
Beijing Garment Import and Export Co., Ltd	3,000,000.00		3,000,000.00	2.50
Beijing Anju Housing Co., Ltd. (Office)	16,772,299.52		16,772,299.52	4.83
Beijing Sub-Center Investment Fund Partnership (Limited Partnership)	350,000,000.00		350,000,000.00	6.94
China Railway Jingxi (Beijing) Expressway Development Co., Ltd	84,448,165.00		84,448,165.00	5.00
Beijing Daxing Airport Economic Zone Development Fund (Limited Partnership)	50,000,000.00		50,000,000.00	9.51
Beixiong'an Zangang Concrete Co., Ltd	2,250,000.00		2,250,000.00	3.00
Beijing Anju Housing Co., Ltd. (No.4 Construction Industrial)	15,545,981.69		15,545,981.69	3.63
Beijing Anju Housing Co., Ltd. (Jiangong Hospital)	5,871,951.73		5,871,951.73	1.37
China Resources Land (Beijing) Co., Ltd. (Urban Renewal)	275,000.00		275,000.00	0.01
Beijing Garment Import & Export Co., Ltd. (International Construction)	3,940,000.00		3,940,000.00	1.67
Beijing Anju Housing Co., Ltd. (No. 1 Components Factory)	11,850,302.00		11,850,302.00	2.77
Beijing Anju Housing Co., Ltd. (Material)	16,118,294.01		16,118,294.01	3.76
Beijing Anju Housing Co., Ltd. (No.3 Construction)	77,502,535.58		77,502,535.58	18.09
Beijing Anju Housing Co., Ltd. (No.6 Construction)	46,604,896.30		46,604,896.30	10.88
Beijing Anju Housing Co., Ltd. (Moshi factory)	7,564,749.59		7,564,749.59	1.77
Beijing Anju Housing Co., Ltd. (Construction Design)	100,000.00		100,000.00	0.02
Beijing Anju Housing Co., Ltd. (Construction Research Institute)	2,090,698.20		2,090,698.20	0.49

Beijing Construction Engineering Group Co., Ltd.
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Beijing Anju Housing Co., Ltd. (Machinery Construction)	32,477,087.69	32,477,087.69	7.00
Beijing Guojian Design Co., Ltd	113,323.59	113,323.59	15.00
Beijing No.6 Construction Xingtai Construction Engineering Co., Ltd	7,500,000.00	7,500,000.00	15.00
Beijing Huakeshi Engineering Technology Co., Ltd	1,090,000.00	1,090,000.00	13.63
Beijing Yanke New Technology Corporation	100,000.00	100,000.00	1.00
Beijing Tianshan High Tech Wind Power Technology Co., Ltd	6,000,000.00	6,000,000.00	10.00
Kadoori Hills Limited	34,787.00	34,787.00	10.00
WaterlooRiversideLimited	34,787.00	34,787.00	10.00
6041VarielBCEGPartners,LLC	5,832,020.05	5,832,020.05	3.00
6041Variel, LLC	16,402,718.18	16,402,718.18	5.00
Rebel Place Holdings,LLC	5,801,566.11	5,801,566.11	10.00
HVP Partners,LLC	10,183,123.68	10,183,123.68	10.00
Rebel Partners,LLC	8,031,315.07	8,031,315.07	10.00
Auburn Partners,LLC	132,567,312.95	132,567,312.95	10.00
HVP Holdings,LLC	7,758,446.31	7,758,446.31	10.00
Auburn Partners,LLC	14,703,379.69	14,703,379.69	10.00
Beijing Beitou Jianke Investment Fund Partnership (limited partnership)	201,000,000.00	201,000,000.00	50.11
Shenzhen Gaoshanshui Ecological Garden Co., Ltd	30,000,000.00	30,000,000.00	9.98
Beijing Huaruan Intelligent Venture Capital Partnership (limited partnership)	50,000,000.00	50,000,000.00	6.25
Beijing Zhongke Guangrong Venture Capital Center (limited partnership)	38,628,000.00	38,628,000.00	20.00
Jinmao Construction Engineering (Xiamen) Equity Investment Partnership	747,135.47	747,135.47	49.98
Hangzhou Xinye No.2 Investment Partnership (limited partnership)	990,000,000.00	990,000,000.00	19.78
Sanya Hongtangwan Investment Development Co., Ltd	60,000,000.00	60,000,000.00	15.00
Beijing Jingxi Jingrong Real Estate Co., Ltd	10,000,000.00	10,000,000.00	5.00
Shaoxing Jingyue Metro Co., Ltd	270,810,000.00	270,810,000.00	4.98
China Railway Jingxi (Beijing) Expressway Development Co., Ltd	84,448,165.00	84,448,165.00	3.25
Hubei Jiaotou xiangshen Expressway Co., Ltd	82,030,000.00	82,030,000.00	2.32
Luzhou Shoufa Municipal Infrastructure Construction Engineering Co., Ltd	75,000,000.00	75,000,000.00	6.51

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Beijing Jingguorui State Owned Enterprise Reform and Development Fund (limited partnership)	57,856,162.16		57,856,162.16	5.74
Guangyuan Shoufa Liyuan Infrastructure Construction Co., Ltd	36,000,000.00		36,000,000.00	14.64
Hefei Xinzhan Utility Tunnel Construction Management Co., Ltd	33,770,000.00		33,770,000.00	7.61
Beijing Zhuding Shiyun Real Estate Development Co., Ltd	21,428,000.00	21,428,000.00		42.85
CCCC Prefabricated Construction Technology Co., Ltd	17,000,000.00		17,000,000.00	11.06
Guangyuan Lizhou District Shoufa Municipal Infrastructure Construction Co., Ltd	16,285,773.90		16,285,773.90	11.06
Beijing Jingshui Construction Group Co., Ltd	15,219,000.00		15,219,000.00	13.92
Guangzhou Knowledge City Ring Jiulong Lake Public Facilities Construction Investment Co., Ltd	14,666,200.00		14,666,200.00	3.25
Beijing Huatengyuantong Integrated Pipe Co., Ltd	10,013,878.15	10,013,878.15		12.82
Beijing Water Supply group Yutong Municipal Engineering Co., Ltd	10,000,000.00		10,000,000.00	7.80
Beijing Green Isolated Area Infrastructure Development and Construction Co., Ltd	10,000,000.00		10,000,000.00	2.56
Beijing Jingximencheng Infrastructure Investment and Construction Co., Ltd	10,000,000.00		10,000,000.00	2.00
Inner Mongolia Huajian Lvzhi Building Industrialization Co., Ltd	9,744,000.00		9,744,000.00	12.00
Beijing Gongke Guqiao Technology Co., Ltd	4,952,760.00		4,952,760.00	7.43
Fushun Shoufa Municipal Infrastructure Construction Co., Ltd	4,369,646.10		4,369,646.10	6.51
Beijing Fangjinshi Real Estate Development Co., Ltd	4,000,000.00	4,000,000.00		25.00
Beijing Urban and Rural Zhonghao Real Estate Development Co., Ltd	3,000,000.00		3,000,000.00	15.00
Beijing Jingcheng Water System Tourism Development Co., Ltd	2,500,000.00		2,500,000.00	7.11
Beijing Tianli oil products Co., Ltd	2,448,000.00		2,448,000.00	51.00
Hainan Fanhua Expressway Co., Ltd	2,000,000.00	2,000,000.00		19.52
Beijing jingguorui Equity Investment Fund Management Co., Ltd	600,000.00		600,000.00	10.00
Beijing Xingtianhua Municipal Engineering Design Co., Ltd	400,000.00	400,000.00		10.73
Beijing Gas Thermal Engineering Design Institute Co., Ltd	300,000.00		300,000.00	0.90
Lianjiang Shoufa Infrastructure Construction Co., Ltd	100,000.00		100,000.00	1.30
Capital ecological environment (Fuzhou) Co., Ltd	56,400.00		56,400.00	0.01

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Ningxia Capital Sponge City Construction and Development Co., Ltd	47,808.00		47,808.00	0.01
Xi'an Mingqiao Infrastructure Development Co., Ltd	8,630.65		8,630.65	0.01
Qingdao Huanneng Canghai Ecological Technology Co., Ltd	7,500.00		7,500.00	0.01
Beijing Beikong Runfeng Sewage Treatment Co., Ltd	6,600.00		6,600.00	0.01
Beijing Capital Engineering Co., Ltd	300,000.00	300,000.00		2.88
Yugang Investment Co., Ltd. (capital building project)	7,380,740.00	7,380,740.00		9.23
Beijing International Trust Co., Ltd	366,537,873.97		366,537,873.97	
Total	3,528,952,614.34	45,522,618.15	3,483,429,996.19	

13、Held-to-maturity investments

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
BT project repurchase fund	89,219,037.98		89,219,037.98	115,832,745.18		115,832,745.18
BT project	622,006,043.08		622,006,043.08	607,876,734.18		607,876,734.18
Less: due within one year						
Total	711,225,081.06		711,225,081.06	723,709,479.36		723,709,479.36

14、Long-term receivables

Item	As at 31/12/2020			As at 31/12/2019			Range of discount rate
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount	
Provision of services by instalments	19,255,009.56		19,255,009.56	30,967,987.57		30,967,987.57	
Warranty deposit	3,331,587,741.90	37,762,713.83	3,293,825,028.07	3,255,820,122.15	43,392,643.80	3,212,427,478.35	
BT Project Investment	8,577,916,550.31		8,577,916,550.31	6,351,397,509.00		6,351,397,509.00	
LANDMARK HOLDINGS CO.,LTD	391,493,997.39		391,493,997.39	418,571,997.43		418,571,997.43	
Subtotal	12,320,253,299.16	37,762,713.83	12,282,490,585.33	10,056,757,616.15	43,392,643.80	10,013,364,972.35	
Less: due within one year							
Subtotal	12,320,253,299.16	37,762,713.83	12,282,490,585.33	10,056,757,616.15	43,392,643.80	10,013,364,972.35	

15、Long-term equity investments

Beijing Construction Engineering Group Co., Ltd.
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(1) Long-term equity investments by category

Category	Balance as at 31/12/2019	Addition	Decrease	Balance as at 31/12/2020
Investment in subsidiaries	9,000,000.00			9,000,000.00
Joint ventures		24,000,000.00		24,000,000.00
Associates	7,496,329,741.32	593,312,360.02	1,307,660,840.38	6,781,981,260.96
Subtotal	7,505,329,741.32	617,312,360.02	1,307,660,840.38	6,814,981,260.96
Less: provision for impairment of long-term equity investments	26,780,000.00			26,780,000.00
Total	7,478,549,741.32	617,312,360.02	1,307,660,840.38	6,788,201,260.96

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(2) Long-term equity investment details

Investee	Capitalized cost	Balance as at 31/12/2019	Increase in capital	Decrease in capital	Investment income recognised under equity method	Movements during the year					Balance as at 31/12/2020	Balance of provision for impairment as at 31/12/2020
						Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits	Provision for impairment	Other		
Joint venture	24,000,000.00		24,000,000.00								24,000,000.00	
Beijing Hangcheng XingMao Real Estate Co., Ltd	24,000,000.00		24,000,000.00								24,000,000.00	
Associates	6,300,018,494.12	7,496,329,741.32	1,251,236,532.51	14,424,318.95	177,498,001.84	-24,930,866.68	143,136.14	147,554,838.50	17,780,000.00	1,956,316,126.72	6,764,201,260.96	
Qinghai Jingning water Co., Ltd	91,113,000.00											
Beijing Beikong Construction Engineering Chengbei Environment Treatment Co., Ltd	31,500,000.00	31,617,070.05			1,273.65						31,618,343.70	
Zhejiang Jingou Construction Management Co., Ltd	14,400,000.00	14,227,746.92									14,227,746.92	
Beijing Beikong Construction Engineering Lianghe Environmental Treatment Co., Ltd	63,510,000.00	31,610,907.68	32,010,000.00		-46,542.04						63,574,365.64	
Beijing Beiguo Construction Engineering Co., Ltd	20,000,000.00	9,021,737.89			-526,043.13						8,495,694.76	
Beijing Second Construction Engineering Co., Ltd	135,565,349.12	14,174,380.01			-14,174,380.01							

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Beijing weiting Special Purpose Vehicle Co., Ltd	7,052,640.00	2,825,019.83	-911,807.00			1,913,212.83
Beijing Yongmao Construction Machinery Manufacturing Co., Ltd	10,200,000.00	4,785,702.30	-4,785,702.30			
BCEG Environmental Development Co., Ltd	309,358,435.54	531,775,592.89	55,991,531.91	10,000,000.00		577,767,124.80
Beijing Construction Engineering Co., Ltd	101,476,324.25	202,673,319.60	-24,097,567.21	-24,930,866.68		153,644,885.71
Beijing Construction Engineering Co., Ltd	117,500,000.00	224,707,889.74	34,143,932.69		27,260,000.00	231,591,822.43
Beijing Jiangong Hospital Co., Ltd	85,345,693.40	118,197,307.58	2,235,362.90	138,241.58	10,453,880.92	110,117,031.14
Beijing Equipment Installation Engineering Group Co., Ltd	98,128,446.80	543,345,368.59	-12,798,177.02			530,547,191.57
BCEG Road and Bridge Engineering Construction Co., Ltd	147,000,000.00	226,073,257.96	45,849,694.75		68,600,000.00	252,322,952.71
BCEG Bohai Construction Co., Ltd	29,400,000.00	486,405,822.57	4,522,774.78			490,928,597.35
Beijing Shoujian Environmental Protection Co., Ltd	28,245,000.00	25,338,895.41	-7,598,067.46			17,740,827.95
Yinxin Commercial Factoring Co., Ltd	51,000,000.00	49,700,159.26	1,346,924.91			51,047,084.17
BCEG No.5 Construction Real Estate Co., Ltd	23,500,000.00	35,443,084.74	9,150,811.34			44,593,896.08

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BECEG Engineering Management Consulting Co., Ltd	Guojin	300,000.00	456,295.84						-456,295.84
Beijing Machinery Construction Group Co., Ltd		51,600,000.00	1,046,864,052.27	1,726,897.23					1,048,590,949.50
Beijing Changdi Architectural Decoration Engineering Co., Ltd		4,800,000.00							
Beijing Lize Jindu Technology Development Co., Ltd		5,250,000.00							
Beijing Fangyuan Supervision Co., Ltd		1,400,000.00	9,836,883.43	5,714,020.22		3,404,349.16			12,146,554.49
Shanghai Beijing Huacqing Industrial Development Co., Ltd		11,407,100.31	47,051,494.75	1,257,293.66					48,308,788.41
Nantong Guosheng Environmental Remediation Co., Ltd		9,600,000.00	10,627,237.13	-109,377.15		4,894.56			10,522,754.54
Tianjin Bohua Environmental Remediation Co., Ltd		14,137,500.00	12,149,558.80	13,490,302.24		1,462,500.00			34,414,861.04
Shaanxi Jianbang Environmental Remediation Co., Ltd		1,960,000.00	3,171,075.82	721,964.14					3,893,039.96
Beijing Jiansheng Asset Management Co., Ltd		4,000,000.00	3,078,426.52	-43,581.39	3,034,845.13				0.00
Tianjin Huantou environmental remediation Co., Ltd		4,700,000.00	3,384,829.11	1,567,100.74					4,951,929.85

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Beijing Xinhangcheng Intelligent Ecological Technology Research Institute Co., Ltd	9,800,000.00	4,385,214.00	4,900,000.00	516,319.77	9,801,533.77
BCEG Jingxin Fund Management Co., Ltd	1,029,000.00	3,894,482.06		1,859,019.15	5,753,501.21
Kunming Beike Lingxiu Real Estate Co., Ltd	75,000,000.00	6,257,156.31	60,000,000.00	2,235,070.53	68,492,226.84
SW/BCEG Westchester GP, LLC	7,430,423.09	6,805,795.32		-549,109.98	6,256,685.34
Bollon Regeneration Limited	4.39		4.39		4.39
Air City (Asset Manager) Limited	197.71	197.71			197.71
Air City (General Partner) Limited	197.71	14,841.88		3,398.77	18,240.65
BCEGC Westchester Partners, LLC	22,227,713.15	22,215,486.64		-1,849.33	22,213,637.31
BCEG Amsterdam Partners, LLC	120,159,393.76	131,495,216.18	11,389,473.82	-11,608.18	120,094,134.18
Airport City Limited Partnership	67,757,682.29	61,005,684.02	21,301,488.68	3,395,369.12	85,702,541.82
Jingao Building Co., Ltd	10,883,654.90	12,156,536.73		876,774.45	12,319,819.30
YWA-Amsterdam Managing Member	13,150,816.14	1,761,620.73	11,389,473.82	-43,355.91	13,107,738.64
TMC Grand Blvd Investors, LLC	124,102,809.66	46,285,959.70	77,355,942.02	-2,873,802.60	120,768,099.12
Beijing Beiran Construction Energy Investment Co., Ltd	14,700,000.00	9,744,998.03	7,800,000.00	3,237,064.82	18,263,772.27
Beijing Jianheng Huijing Real Estate Development Co., Ltd	101,185,000.00	93,062,258.82		-2,814,223.77	90,248,035.05

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Suzhou Longtai Real Estate Co., Ltd	Shoukai Real Estate	3,000,000.00	52,825,746.31	24,500,000.00	1,711,217.97	54,536,964.28
Beijing Jianlong Real Estate Development Co., Ltd	Real Estate Development	24,500,000.00	24,548,081.86	24,500,000.00	381,415.93	24,929,497.79
Beijing Runhe Real Estate Development Co., Ltd	Real Estate Development Co., Ltd	87,500,000.00	86,859,815.14	87,500,000.00	-2,603,095.41	84,256,719.73
Beijing Jianhai Real Estate Development Co., Ltd	Huihe Real Estate Development Co., Ltd	24,500,000.00	24,500,000.00	24,500,000.00	-2,264,193.07	22,235,806.93
Beijing Yicheng Real Estate Co., Ltd	Real Estate Development	875,000,000.00	875,000,000.00	875,000,000.00	-6,667,832.71	868,332,167.29
Beijing Xingzhu Real Estate Development Co., Ltd	Real Estate Development	899,994,800.00	900,201,472.63	899,994,800.00	-17,091,320.08	-883,110,152.55
Hebei Minggang Concrete Co., Ltd	Xiongan Concrete	25,425,000.00	25,425,000.00	25,425,000.00	2,349,983.19	27,774,983.19
Beijing Highway Technology Consulting Co., Ltd	Shuntong Highway Traffic Consulting Co., Ltd	1,200,000.00	1,346,173.04	1,200,000.00	-36,839.94	1,309,333.10
Zhangjiakou Jingzhang Municipal Construction and Operation Co., Ltd	Municipal Construction and Operation Co., Ltd	4,900,000.00	3,622,760.09	4,900,000.00	-477,013.21	3,145,746.88
Beijing Urban Rail Transit Investment Development Co., Ltd	Urban Rail Transit Investment Development Co., Ltd	1,619,400,000.00	1,620,977,375.32	1,619,400,000.00	56,178,559.82	1,677,155,935.14

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Beijing PetroChina Hualu Petrochemical Co., Ltd	58,409,325.16	65,261,511.27	-391,289.14			64,870,222.13
Beijing Hengyi Health Management Co., Ltd	17,500,000.00	12,386,326.32	-6,574,897.02			5,811,429.30
Beijing Zhongji Municipal Engineering Co., Ltd	12,053,094.31	2,434,934.77	80,684.15			2,515,618.92
Shaanxi Jingping Infrastructure Construction Investment Co., Ltd	69,498,000.00	69,092,463.16	-346,649.27			68,745,813.89
Beijing Hoisting Transportation Co., Ltd	1,000,000.00	1,006,904.64				1,006,904.64
Beijing Bochuang Urban Rail Transit Engineering Equipment Leasing Co., Ltd	1,200,000.00	327,646.27	-58,268.10			269,378.17
Ningde Engineering Construction Management Co., Ltd	24,000,000.00	24,000,000.00				24,000,000.00
Beijing Changqing Municipal Engineering Co., Ltd	37,407,763.67	53,997,425.07	2,174,328.05	419,900.00	-1,492,745.52	54,259,107.60
Guangzhou Hefu Municipal Engineering Co., Ltd	22,228,900.00	22,575,983.31			-22,575,983.31	
Beijing Luxin Dacheng Landscape Construction Engineering Co., Ltd	5,750,000.00	6,725,932.97	4,428.94			6,730,361.91

Beijing Construction Engineering Group Co., Ltd.
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Beijing Engineering Technology Co., Ltd	Haizhou	300,000.00			90,000.00			-90,000.00	
Beijing Jinhe Construction Co., Ltd	Water Group	25,232,000.00	37,777,481.00		4,502,230.11	545,288.76			41,734,422.35
Beijing Construction Co., Ltd	Jingshui Construction Group	18,000,000.00	21,383,402.74	4,824,060.00	501,492.60	540,000.00			26,168,955.34
Suzhou Rongtai Real Estate Co., Ltd	Shoukai Real Estate	25,000,000.00	47,594,116.00		4,973,099.47	17,500,000.00			35,067,215.47
Beijing Hongyuan Electromechanical Co., Ltd	Tianli	2,200,000.00	3,975,957.93		195,823.51	323,529.41			3,848,252.03
Suzhou Runtai Real Estate Co., Ltd	Shoukai Real Estate	25,000,000.00	19,515,423.40		15,435,250.67				34,950,674.07
Beijing Tongchengda Water Construction Co., Ltd	Shoukai Water Construction	31,809,755.79	39,831,384.92		11,580,603.25	1,590,487.79			49,821,500.38
Beijing Xiangkun Water Construction Co., Ltd	Xiangkun Water Construction	37,662,500.00	42,026,124.19		3,374,600.00	723,120.00			44,677,604.19
Beijing Food Co., Ltd	Hongshan	765,683.56	2,294,169.40		-18,933.15				2,275,236.25
Beijing Welding Material Co., Ltd	Jinwei	15,001,738.28	46,433,950.55		6,704,078.74	1,500,000.00			51,638,029.29
Guangzhou Construction Investment Co., Ltd	guanliang	205,768,600.00	205,768,600.00						205,768,600.00

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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(3) Major financial information of important associates

Major financial information of important associates A

Item	Beijing No.5 Construction Engineering Group Co., Ltd		Beijing Equipment Installation Engineering Group Co., Ltd		BCEG Bohai Construction Co., Ltd	
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019
Current assets	2,807,157,555.06	2,725,886,856.57	3,479,195,322.18	3,331,073,086.07	3,841,288,683.45	3,454,779,315.03
Non-current assets	101,555,391.52	103,561,536.30	1,359,713,543.02	1,355,738,358.44	1,330,541,017.88	1,345,573,687.34
Total assets	2,908,712,946.58	2,829,448,392.87	4,838,908,865.20	4,686,811,444.51	5,171,829,701.33	4,800,353,002.37
Current liabilities	2,070,951,195.01	2,036,063,334.02	3,632,580,802.77	3,501,439,352.27	3,635,962,907.14	3,236,875,785.35
Non-current liabilities	110,110,458.14	80,778,197.49	137,462,559.23	103,345,857.88	469,723,389.32	506,547,704.25
Total liabilities	2,181,061,653.15	2,116,841,531.51	3,770,043,362.00	3,604,785,210.15	4,105,686,296.46	3,743,423,489.60
Net assets	727,651,293.43	712,606,861.36	1,068,865,503.20	1,082,026,234.36	1,066,143,404.87	1,056,929,512.77
Share of net assets by shareholding percentage	341,996,107.91	334,925,224.84	523,744,096.57	530,192,854.84	522,410,268.39	517,895,461.26
Adjustment item						
Carrying amount of investment in associate	231,591,822.43	334,925,224.84	530,547,191.57	530,192,854.84	490,928,597.35	517,895,461.26
Fair value of investment with public quote price						
Operating income	3,492,630,507.74	3,148,265,698.84	3,854,374,160.71	4,047,517,429.23	1,289,159,505.86	1,622,023,975.50
Net profit	73,044,432.07	110,753,466.14	7,331,003.36	20,133,322.89	9,213,892.10	13,925,729.83
Other comprehensive income			256,201,452.90			417,350,372.16
Total comprehensive income	73,044,432.07	110,753,466.14	263,532,456.26	20,133,322.89	9,213,892.10	431,276,101.99
Dividend received from associates during the period						

Major financial information of important associates B

Item	Beijing Second Construction Engineering Co., Ltd		Beijing First Construction Engineering Co., Ltd		BCEG Road and Bridge Group Co., Ltd	
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019
Current assets	2,100,462,443.66	2,154,407,322.76	3,404,939,598.07	3,697,091,099.57	2,051,084,182.05	3,475,380,497.22
Non-current assets	165,682,508.75	168,469,970.63	402,102,260.27	463,792,619.75	444,251,381.45	348,867,508.30
Total assets	2,266,144,952.41	2,322,877,293.39	3,807,041,858.34	4,160,883,719.32	2,495,335,563.50	3,824,248,005.52
Current liabilities	984,284,978.57	1,012,524,156.91	3,048,170,851.71	3,317,303,401.42	1,037,506,915.92	2,650,436,262.76
Non-current liabilities	1,482,940,943.37	1,366,293,591.18	470,767,146.89	491,060,553.89	834,000,000.00	644,000,000.00
Total liabilities	2,467,225,921.94	2,378,817,748.09	3,518,937,998.60	3,808,363,955.31	1,871,506,915.92	3,294,436,262.76
Net assets	-201,080,969.53	-55,940,454.70	288,103,859.74	352,519,764.01	623,828,647.58	529,811,742.76
Share of net assets by shareholding percentage	-68,367,529.64	-19,019,754.60	141,170,891.27	172,734,684.36	305,676,037.31	259,607,753.95
Adjustment item						
Carrying amount of investment in associate		-19,019,754.60	153,644,885.71	172,734,684.36	252,322,952.71	259,607,753.95
Fair value of investment with public quote price						
Operating income	225,319,778.91	455,967,652.62	1,070,304,234.99	1,287,480,674.90	4,505,856,030.34	4,405,701,837.31

Beijing Construction Engineering Group Co., Ltd.
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Item	Beijing Second Construction Engineering Co., Ltd		Beijing First Construction Engineering Co., Ltd		BCEG Road and Bridge Group Co., Ltd	
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019
Net profit	-145,140,514.83	-177,242,218.76	-21,436,705.89	-134,168,871.05	93,183,957.97	69,096,988.17
Other comprehensive income			-50,879,319.75	111,668,582.01		
Total comprehensive income	-145,140,514.83	-177,242,218.76	-72,316,025.64	-22,500,289.04	93,183,957.97	69,096,988.17
Dividend received from associates during the period						

Major financial information of important associates C

Item	BCEG No.5 Construction Real Estate Co., Ltd		Beijing weiteng Special Purpose Vehicle Co., Ltd		Beijing Shoujian Environmental Protection Co., Ltd	
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019
Current assets	1,273,329,752.97	1,088,885,125.68	13,965,805.31	14,989,778.14	43,161,121.02	64,790,053.18
Non-current assets	636,437,991.09	702,306,302.67	154,567.67	229,596.08	308,134,484.78	264,068,302.44
Total assets	1,909,767,744.06	1,791,191,428.35	14,120,372.98	15,219,374.22	351,295,605.80	328,858,355.62
Current liabilities	940,019,930.70	1,205,745,099.51	8,694,358.15	6,917,802.23	50,015,827.26	45,995,394.37
Non-current liabilities	795,928,533.27	472,985,658.86			250,591,698.64	210,466,117.20
Total liabilities	1,735,948,463.97	1,678,730,758.37	8,694,358.15	6,917,802.23	300,607,525.90	256,461,511.57
Net assets	173,819,280.09	112,460,669.98	5,426,014.83	8,301,571.99	50,688,079.90	72,396,844.05
Share of net assets by shareholding percentage	81,695,061.64	52,856,514.89	1,913,212.83	2,927,134.28	17,740,827.97	25,338,895.42
Adjustment item						
Carrying amount of investment in associate	44,593,896.08	52,856,514.89	1,913,212.83	2,927,134.28	17,740,827.96	25,338,895.42
Fair value of investment with public quote price						
Operating income	128,116,413.35	138,667,147.53	2,086,725.65	4,029,297.38	17,740,827.96	
Net profit	22,770,206.76	44,848,307.83	-457,775.48	-3,340,496.04	-17,844,738.18	-160,595.84
Other comprehensive income						
Total comprehensive income	22,770,206.76	44,848,307.83	-457,775.48	-3,340,496.04	-17,844,738.18	-160,595.84
Dividend received from associates during the period						

16、Investment properties

(1) Investment property measured at fair value

Item	Fair value at beginning of year	Additions			Decrease		Fair value at end of year
		Purchase	Transfer from own-use or inventories	Income from change in fair value	Disposals	Transfer to own-use	
1. Total cost	4,889,115,594.19	448,343,462.79	783,180.00			10,116,783.95	5,328,125,453.03
Including: Buildings	4,098,764,155.80	448,343,462.79	783,180.00			10,116,783.95	4,537,774,014.64
Land rights	790,351,438.39						790,351,438.39
2. Total change in fair value	2,810,903,511.56	2,252,829,651.21		58,479,159.38		12,663,916.05	5,109,548,406.10
Including: Buildings	881,037,349.95	2,252,829,651.21		11,050,359.38		12,663,916.05	3,132,253,444.49
Land rights	1,929,866,161.61			47,428,800.00			1,977,294,961.61

Beijing Construction Engineering Group Co., Ltd.
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Item	Fair value at beginning of year	Additions			Decrease		Fair value at end of year
		Purchase	Transfer from own-use or inventories	Income from change in fair value	Disposals	Transfer to own-use	
3. Total carrying amount of investment properties	7,700,019,105.75	2,701,173,114.00	783,180.00	27,309,500.00		22,780,700.00	10,437,673,859.13
Including: Buildings	4,979,801,505.75	2,701,173,114.00	783,180.00	12,389,500.00		22,780,700.00	7,670,027,459.13
Land rights	2,720,217,600.00			14,920,000.00			2,767,646,400.00

Note: The amount of change in fair value of this year is confirmed according to the report of "Jingde pingping Reprot [2020] No. h-035" issued by Beijing Deping Dasheng Asset Appraisal Co., Ltd. and the report of "Zhongze Jianxinping Reprot [2021] No. 2103" issued by Beijing Zhongze Jianxin Asset Appraisal Co., Ltd.

(2) Investment properties pending certificates of ownership

Item	Carrying amount	Reason why certificates are pending
Duck Bridge Hotel	680,760,100.00	As the measured floor area of Bandung Hotel exceeds the planning control, the comprehensive floor area ratio of the plot exceeds the upper limit of the planning conditions, so the real estate certificate cannot be applied for at present
Total	680,760,100.00	

17、Fixed assets

Item	As at 31/12/2020	As at 31/12/2019
Fixed assets	5,520,190,975.67	5,110,986,286.07
Fixed assets to be disposed of	160,250,401.54	294,309.87
Total	5,680,441,377.21	5,111,280,595.94

(1) Fixed assets

① Fixed assets

Item	Balance as at 31/12/2019	Additions during the year	Decrease during the year	Balance as at 31/12/2020
1、 Total cost	10,721,209,413.26	1,145,331,497.49	349,579,359.83	11,516,961,550.92
Including: Land	124,909,961.57	5,022,282.96	1,172,240.00	128,760,004.53
Plant & buildings	4,493,960,155.68	399,367,159.96	20,210,617.53	4,873,116,698.11
Machinery & equipment	4,368,365,486.29	512,935,495.68	203,059,662.54	4,678,241,319.43
Motor vehicles	695,605,663.18	108,035,495.57	53,337,449.50	750,303,709.25
Electronic equipment	263,213,943.89	43,475,974.83	18,633,151.67	288,056,767.05
Office equipment	569,207,829.71	49,519,142.76	34,733,912.49	583,993,059.98
Hotel furniture	4,082,669.00		535,411.00	3,547,258.00
Others	201,863,703.94	26,975,945.73	17,896,915.10	210,942,734.57
2、 Total accumulated depreciation	5,449,516,938.38	675,170,412.24	287,718,066.57	5,836,969,284.05
Including: Land				

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Item	Balance as at 31/12/2019	Additions during the year	Decrease during the year	Balance as at 31/12/2020
Plant & buildings	1,360,914,335.82	143,943,993.61	17,742,151.78	1,487,116,177.65
Machinery & equipment	2,970,212,257.58	357,281,441.42	159,952,986.76	3,167,540,712.24
Motor vehicles	402,910,774.32	59,663,335.39	50,665,025.03	411,909,084.68
Electronic equipment	180,574,239.85	30,928,226.84	15,781,926.32	195,720,540.37
Office equipment	396,114,617.60	63,490,142.76	33,179,892.42	426,424,867.94
Hotel furniture	3,763,905.49	43,419.48	508,640.45	3,298,684.52
Others	135,026,807.72	19,819,852.74	9,887,443.81	144,959,216.65
3、 Total net book value of fixed assets	5,271,692,474.88			5,679,992,266.87
Including: Land	124,909,961.57			128,760,004.53
Plant & buildings	3,133,045,819.86			3,386,000,520.46
Machinery & equipment	1,398,153,228.71			1,510,700,607.19
Motor vehicles	292,694,888.86			338,394,624.57
Electronic equipment	82,639,704.04			92,336,226.68
Office equipment	173,093,212.11			157,568,192.04
Hotel furniture	318,763.51			248,573.48
Others	66,836,896.22			65,983,517.92
4、 Total impairment of fixed assets	160,706,188.81		904,897.61	159,801,291.20
Including: Land				
Plant & buildings	94,586,503.70		904,897.61	93,681,606.09
Machinery & equipment	15,996,671.55			15,996,671.55
Motor vehicles	3,887,731.92			3,887,731.92
Electronic equipment				
Office equipment	43,311,675.45			43,311,675.45
Hotel furniture				
Others	2,923,606.19			2,923,606.19
5、 Total carrying value of fixed assets	5,110,986,286.07			5,520,190,975.67
Including: Land	124,909,961.57			128,760,004.53
Plant & buildings	3,038,459,316.16			3,292,318,914.37
Machinery & equipment	1,382,156,557.16			1,494,703,935.64
Motor vehicles	288,807,156.94			334,506,892.65
Electronic equipment	82,639,704.04			92,336,226.68
Office equipment	129,781,536.66			114,256,516.59
Hotel furniture	318,763.51			248,573.48
Others	63,913,290.03			63,059,911.73

②Temporarily idle fixed assets

None

③ Fixed assets pending certificates of ownership

Due to historical reasons, the Group headquarters office building, No. 1, Guanglian Road, Xicheng District, has not completed the property registration certificate.

(3) Fixed assets to be disposed of

Item	Carrying amount as at 31/12/2020	Carrying amount as at 31/12/2019	Reason for transferring to disposal
Machinery equipment	27,298.51		Disposal of fixed assets for sale
Demolition of Shazikou area	160,223,103.03		Demolition
Office equipment		31,715.28	
Asphalt concrete mixer		262,594.59	
Total	160,250,401.54	294,309.87	

18、Construction in progress

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Construction in progress	619,553,782.62		619,553,782.62	707,446,765.67		707,446,765.67

(1) Construction in progress

Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
1. Scientific research management information platform				223,300.97		223,300.97
2. Group centralized bidding management platform				791,150.44		791,150.44
3. Shed renovation project in Lisui town	2,606,574.56		2,606,574.56	2,612,922.12		2,612,922.12
4. Huairou District Zaixiang village construction waste resource disposal project				273,261.71		273,261.71
5. Hudai plant project of recycling 300,000 tons of building materials				85,232,250.71		85,232,250.71
6. Tongzhou Lvxin construction waste in situ disposal center project				3,960,899.42		3,960,899.42
7. LiuXiao village, Zhangwan Town, Tongzhou District (the first bid section)				197,495.46		197,495.46
8. Construction waste resource disposal project in Sanhe City, Hebei Province				3,460,993.52		3,460,993.52
9. Purchase of Building 1, Yuanzhong, No.23, Jinyuan Road, Daxing District	144,001,264.73		144,001,264.73			

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Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
10. Decoration of cultural capital Huixin office building	7,215,583.45		7,215,583.45			
11. Reconstruction of Building 5	13,023,273.62		13,023,273.62	8,426,910.90		8,426,910.90
12. Direct thermal desorption equipment (DTDU) 2#				14,662,566.31		14,662,566.31
13. Direct thermal desorption equipment (TDU) 1#				770,889.81		770,889.81
14. Direct thermal desorption equipment (TDU) 3#				11,434,163.27		11,434,163.27
15. Direct thermal desorption equipment (TDU) 4#				6,793,725.29		6,793,725.29
16. Conference room renovation - Underground				198,296.19		198,296.19
17. Reconstruction of Chegongzhuang boiler house	12,427,263.74		12,427,263.74	10,612,662.04		10,612,662.04
18. Base construction of Rwanda subsidiary	6,129,028.88		6,129,028.88	6,967,797.87		6,967,797.87
19. Modification and maintenance of shield machine	23,079,487.73		23,079,487.73			
20. Langfang building materials base construction project	10,358,399.07		10,358,399.07	23,028,169.23		23,028,169.23
21. Capital construction of Wen'an project				104,030,234.85		104,030,234.85
22. HR software and ERP system	1,295,000.00		1,295,000.00	925,000.00		925,000.00
23. 1000 cubic meter aerogel pilot project	3,563,289.48		3,563,289.48	11,775,279.35		11,775,279.35
24. Construction of ready mixed concrete mixing plant with annual output of 600000 m3				20,786,383.41		20,786,383.41
25. Decoration works				1,519,848.62		1,519,848.62
26. Conveyor, mixer and other equipment and equipment transformation	1,670,724.25		1,670,724.25			
27. Platform construction and system development	4,398,023.47		4,398,023.47			
28. Green packaging	3,244,201.62		3,244,201.62			
29. Concrete double unit	5,150,000.00		5,150,000.00			
30. Qingdao mixing plant equipment	15,106,194.69		15,106,194.69			
31. Automatic feeding system	20,854,601.77		20,854,601.77			
32. Preliminary engineering cost of integrated bathroom project	2,053,223.22		2,053,223.22			
33. Anding Hospital garage project				15,793,081.93		15,793,081.93
34. Courtyard 14, Fengtai Road	164,452,120.29		164,452,120.29	164,381,994.73		164,381,994.73
35. Beixin'an commercial housing	128,828,378.00		128,828,378.00	128,828,378.00		128,828,378.00
36. Temporary facilities under construction	13,176,009.10		13,176,009.10	9,390,623.05		9,390,623.05
37. Caofeidian project	5,481,593.12		5,481,593.12	1,305,328.10		1,305,328.10
38. Transformation of	4,598,709.16		4,598,709.16			

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Item	As at 31/12/2020			As at 31/12/2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
suanzaoling Laboratory						
39. Environmental protection renovation project	4,560,034.72		4,560,034.72	23,840,137.94		23,840,137.94
40. Reconstruction project of suanzaoling Laboratory	3,775,693.14		3,775,693.14			
41. Civil Engineering	1,710,000.00		1,710,000.00			
42. Road and bridge building	1,529,663.39		1,529,663.39	2,557,871.62		2,557,871.62
43. Changping Xingshou special maintenance section housing reconstruction project	1,500,000.00		1,500,000.00			
44. Changping Xingshou special maintenance section housing renovation project	1,500,000.00		1,500,000.00			
45.287#Transformation of shield machine				8,700,000.00		8,700,000.00
46. Payment for shield machine equipment				6,865,025.64		6,865,025.64
47. Integrated project management information system				3,107,000.00		3,107,000.00
48. Development of security risk investigation platform				2,310,000.00		2,310,000.00
49. Financial reimbursement system				961,362.48		961,362.48
50. Nankou base				911,073.81		911,073.81
51. Website cluster intensive construction project				345,849.04		345,849.04
52. Research and development				26,475.00		26,475.00
53. Other projects	12,265,447.42		12,265,447.42	19,438,362.84		19,438,362.84
Total	619,553,782.62		619,553,782.62	707,446,765.67		707,446,765.67

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(2) Movements of major construction projects in progress

Project	Budget	As at 31/12/2019	Additions	Transfers to fixed assets	Other decreases	As at 31/12/2020	Percentage of actual cost to budget (%)	Project progress	Accumulated capitalised interest	Including: interest capitalised in 2020	Interest rate for capitalisation in 2020 (%)	Sources of funding
1. Shed renovation project in Lisui town	4,400,000.00	2,612,922.12			6,347.56	2,606,574.56	59.24	59.24				Own funds
2. Huairou Zaixiang village construction waste resource disposal project	20,000,000.00	273,261.71	3,597,404.62	3,870,666.33			90.00	100.00				Own funds
3. Hudai plant project of recycling 300,000 tons of building materials	130,000,000.00	85,232,250.71	35,389,781.92	120,622,032.63			93.29	100.00	2,222,292.76	956,996.26	23.30	Own funds
4. Resource of disposal of construction waste in Sanhe City, Hebei Province	3,760,000.00	3,460,993.52		3,460,993.52			92.00	100.00				Own funds
5. Purchase of Building 1, Yuanzhong, No.23, Jinyuan Road, Daxing District	576,005,058.92		151,216,848.18			151,216,848.18	25.00	25.00				Own funds
6. Xiji construction plant	18,290,120.04	18,290,120.04		18,290,120.04			100.00	100.00				Own funds
7. Direct thermal desorption equipment (TDU) 1#	9,100,000.00	770,889.81	8,222,710.23	8,993,600.04			98.83	100.00				Own funds
8. Direct thermal desorption equipment (TDU) 2#	23,012,875.00	14,662,566.31	5,937,238.65	20,599,804.96			89.51	100.00				Own funds
9. Direct thermal desorption equipment (TDU) 3#	18,310,000.00	11,434,163.27	4,593,813.20	16,027,976.47			87.54	100.00				Own funds

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Project	Budget	As at 31/12/2019	Additions	Transfers to fixed assets	Other decreases	As at 31/12/2020	Percentage of actual cost to budget (%)	Project progress	Accumulated capitalised interest	Including: interest capitalised in 2020	Interest rate for capitalisation in 2020 (%)	Sources of funding
10. Direct thermal desorption equipment (TDU) 4#	25,655,359.00	6,793,725.29	11,550,553.55	18,344,278.84			91.72	100.00				Own funds
11. Conference room renovation - Underground	1,468,538.48	198,296.19	1,265,723.03		1,464,019.22		99.69	100.00				Own funds
12. Reconstruction of office on the fifth floor of building 16	449,634.80		427,304.17		427,304.17		95.03	100.00				Own funds
13. Base construction of Rwanda subsidiary	6,129,028.88	6,967,797.87			838,768.99	6,129,028.88	100.00	100.00				Own funds
14. Maintenance of shield machine	31,060,358.56		23,079,487.73			23,079,487.73	74.31	74.31				Own funds
15. Langfang building materials base construction project	154,940,000.00	23,028,189.23	5,949,802.57	18,619,592.73		10,358,399.07	71.60	98.00				Own funds
16. 1000 cubic meter aerogel pilot project	12,220,000.00	11,775,279.35		8,211,989.87		3,563,289.48	96.36	95.00				Own funds
17. Machinery and equipment of prefabricated construction industrialization base project	55,340,000.00	9,768,795.64	5,277,690.43	14,646,606.91		399,879.16	100.00	99.00				Own funds
18. Prefabricated building industrialization base project	153,252,739.31	104,060,234.85	105,743,182.17	175,559,700.00	34,243,717.02		100.00	100.00				Own funds
19. Construction of ready mixed concrete mixing plant with annual output of 600000 m3	20,786,383.41	20,786,383.41			20,786,383.41		100.00	100.00				Own funds

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Project	Budget	As at 31/12/2019	Additions	Transfers to fixed assets	Other decreases	As at 31/12/2020	Percentage of actual cost to budget (%)	Project progress	Accumulate d capitalised interest	Including: interest capitalised in 2020	Interest rate for capitalisati on in 2020 (%)	Sourc es of fundin g
20. Anding Hospital garage project	9,800,000.00	15,793,081.93	2,942,309.82		18,735,391.75		100.00	100.00				Own funds
21. Courtyard 14, Fengtai Road	435,000,000.00	164,381,994.73	70,125.56			164,452,120.29	37.80	37.80				Own funds
22. Beixin'an commercial housing	128,828,378.00	128,828,378.00				128,828,378.00	100.00	100.00				Own funds
23. Temporary facilities under construction	21,000,000.00	9,390,623.05	10,858,810.03		7,073,423.98	13,176,009.10	62.71	62.71				Own funds
24. Caofeidian project	160,000,000.00	1,305,328.10	4,176,265.02			5,481,593.12	3.43	3.43				Own funds
25. Transformation of Suanzaoling Laboratory	6,265,741.15		4,598,709.16			4,598,709.16	80.00	80.00				Own funds
25. Reconstruction project of Suanzaoling Laboratory	4,607,282.80		3,775,693.14			3,775,693.14	95.00	95.00				Own funds
26.287# Transformation of shield machine	12,123,893.80	8,700,000.00	3,423,893.80	12,123,893.80			100.00	100.00				Own funds
27. Payment for shield machine equipment	26,773,600.00	6,865,025.64	17,284,780.53	24,149,806.17			90.20	100.00				Own funds
28. Integrated project management information system	3,200,000.00	3,107,000.00		3,107,000.00			100.00	100.00				Own funds
Total	2,071,778,992.15	658,487,300.77	409,382,127.51	466,628,062.31	83,575,356.10	517,666,009.87	---	---	2,222,292.76	956,996.26	---	---

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19、Intangible assets

Item	Balance as at 31/12/2019	Additions during the year	Decrease during the year	Balance as at 31/12/2020
1.Total cost	1,485,709,539.29	263,561,183.67	1,392,309.66	1,747,878,413.30
Including: Software	186,868,609.62	39,357,754.63	743,286.66	225,483,077.59
Land rights	1,250,991,833.78	105,490,792.51	649,023.00	1,355,833,603.29
Patent right	2,272,668.83	14,324,639.53		16,597,308.36
Non-patented technology	12,768,646.38	78,301.89		12,846,948.27
Trademark	4,100.00			4,100.00
Copyright	329,305.88			329,305.88
Concession	27,536,654.82	104,309,695.11		131,846,349.93
Right to use office building	4,937,719.98			4,937,719.98
2.Total accumulated amortization	326,292,400.66	81,024,848.91	533,933.54	406,783,316.03
Including: Software	92,069,406.93	25,323,064.37	533,933.54	116,858,537.76
Land rights	220,096,584.81	53,902,507.70		273,999,092.51
Patent right	1,181,463.95	652,677.51		1,834,141.46
Non-patented technology	7,651,046.55	41,257.29		7,692,303.84
Trademark	4,100.00			4,100.00
Copyright	325,425.75	660.24		326,085.99
Concession	2,826,283.55	964,700.24		3,790,983.79
Right to use office building	2,138,089.12	139,981.56		2,278,070.68
3.Total impairment of intangible assets	4,916,939.97			4,916,939.97
Including: Software				
Land rights				
Patent right				
Non-patented technology	4,916,939.97			4,916,939.97
Trademark				
Copyright				
Concession				
Right to use office building				
4. Total carrying amount	1,154,500,198.66			1,336,178,157.30
Including: Software	94,799,202.69			108,624,539.83
Land rights	1,030,895,248.97			1,081,834,510.78
Patent right	1,091,204.88			14,763,166.90

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Item	Balance as at 31/12/2019	Additions during the year	Decrease during the year	Balance as at 31/12/2020
Non-patented technology	200,659.86			237,704.46
Trademark				
Copyright	3,880.13			3,219.89
Concession	24,710,371.27			128,055,366.14
Right to use office building	2,799,630.86			2,659,649.30

20、Development costs

Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Application of BIM Technology in construction quality control and completion delivery	147,000.00						147,000.00
Code for construction organization design of bidding project	50,000.00			50,000.00			
PM subcontract bidding and purchasing business module (Guanglianda Menglong software)	597,735.85						597,735.85
Guanglianda Menglong software development supplementary agreement	226,415.10	181,132.08					407,547.18
Cross clip nylon cushion block for steel bar protective layer	3,500.00			3,500.00			
Construction method of color fair faced concrete with anti crack reinforcement and cross clip nylon cushion block (invention)	8,450.00			8,450.00			
A sand blasting method of steel formwork for special shaped components of fair faced concrete (invention)	8,450.00						8,450.00
PM price tax separation system of replacing business tax with value added tax	391,094.91						391,094.91
A vertical elevation transmission device and its application method for measuring elevation (invention)	6,751.42						6,751.42
A GPS measuring centering rod (invention)	6,751.42						6,751.42
Technical specification for fire safety in construction of external wall and external insulation engineering	38,834.95						38,834.95
Technical specification for smart construction site	28,301.89			28,301.89			
A cold press for processing suspender (invention)	7,695.28						7,695.28

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Elevator (invention)	7,695.28						7,695.28
A cable reel setting out device (invention)	7,695.28						7,695.28
An adjusting device for overhanging steel structure (invention)	7,695.28						7,695.28
Participated in the compilation of "construction technology management of Construction Engineering"	56,603.77						56,603.77
Participated in the compilation of " Evaluation standard for green construction of building engineering "	47,169.81						47,169.81
Participated in the compilation of " Safety operation regulations for Construction Engineering"	56,603.77						56,603.77
Program design of slurry ratio scheme for diaphragm wall in soft soil area (invention)	8,166.98						8,166.98
Program design of slurry proportioning scheme for diaphragm wall in soft soil area (utility model)	3,935.19			3,935.19			
Bottom mounted raceway (invention)	8,166.98						8,166.98
Staggered stiffener	3,935.19				3,935.19		
Participated in the compilation of " Safety technical specification for wheel buckle type steel pipe scaffold in Construction Engineering"	29,126.21						29,126.21
A inclinometer pipe and its construction method for monitoring the deep horizontal displacement of wall (invention)	9,433.96			9,433.96			
A construction method of anchor node of tower crane based on BIM deepening design (invention)	9,433.96			9,433.96			
A core sleeve suitable for concrete shrinkage and creep analysis and its construction method (invention)	9,433.96			9,433.96			
Fully assembled prestressed concrete frame supporting structure and its construction method (invention)	9,433.96						9,433.96
An aluminum alloy internal corner template and its construction method (invention)	9,433.96						9,433.96
Joint structure and construction method of concrete trestle and foundation pit (invention)	9,433.96						9,433.96

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
A prestressed single ear lock and its tensioning method (invention)	9,433.95						9,433.95
A protective sleeve of fiber Bragg grating strain sensor and its construction method (invention)	9,433.95			9,433.95			
BI data analysis system	129,310.34	70,796.47					200,106.81
Shengan digital certificate security authentication system	82,413.79			82,413.79			
Nc6.5 module	1,405,439.79	136,991.15		1,542,430.94			
Baiwang tax control	172,264.96			172,264.96			
A compression strengthening device and reinforcement method of the circular rod with the wall attached and hugged connection type (invention)	8,110.38						8,110.38
A compression strengthening device of round bar with wall attachment	2,442.45			2,442.45			
Automatic lifting and continuous circulating lifting device for mounting bracket of multi-layer steel structure grid frame (invention)	8,110.38						8,110.38
Automatic lifting and continuous circulating lifting device for installation bracket of multi-layer steel structure grid	2,442.45			2,442.45			
Post welding construction method of core tube column support of ring large span central support frame (invention)	9,110.38						9,110.38
Installation method of large span steel structure staggered layer closure (invention)	9,110.38			9,110.38			
A hidden rainwater pipe structure of dry hanging stone system	2,858.49			2,858.49			
A rail type horizontal load transfer device for steel structure sliding construction	2,858.49			2,858.49			
An aluminum magnesium manganese alloy vertical lock edge roof panel lap structure	2,858.49			2,858.49			
A kind of splicing steel casing support	2,858.49			2,858.49			
A steel column displacement adjusting device	2,858.49			2,858.49			
A kind of sleeve flange joint in box section frame column	2,858.49			2,858.49			
A connection structure for profiled steel plate and junction box	2,858.49			2,858.49			
The invention relates to an ancient flying citron structure constructed by metal plates and a	3,450.00						3,450.00

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
construction method							
A structure of ancient architectural flying citron constructed by metal plate	500.00			500.00			
An ancient Silk seam wall structure and its construction method (invention)	3,450.00						3,450.00
A kind of ancient Silk seam wall structure	500.00			500.00			
A kind of ancient Silk seam wall structure	500.00			500.00			
A pull-out test method for bond strength between silo tile and mortar	500.00			500.00			
Technical specification for construction of non transparent curtain wall thermal insulation engineering	48,543.69						48,543.69
An automatic maintenance device of vertical concrete wall for easy disassembly	2,858.49			2,858.49			
A roof supporting structure of rigid hollow column for roof sealing	2,858.49			2,858.49			
Integration of PM system and ABC data online loan system	30,212.30	42,452.83		72,665.13			
Anti crack protection system of color fair faced concrete and its construction method (invention)	900.00			900.00			
Manufacture of test pieces for group assembled test	851,262.14			16,310.67			834,951.47
A hollow metal composite plate decorative column and its construction method (invention)	7,694.34						7,694.34
A hollow metal composite plate decorative column and its construction method (utility model)	2,858.49			2,858.49			
A bracket for installation of lightning strip on sloping roof	2,858.49			2,858.49			
A curing frame for concrete test block easy to disassemble and install	2,858.49			2,858.49			
A kind of roof steel ladder which can effectively avoid cold and hot bridge phenomenon	3,330.19			3,330.19			
A kind of connection structure of prestressed reinforced bar in precast concrete column	3,330.19			3,330.19			
Construction structure and method of high pressure grouting for embedded end of precast concrete column	8,166.98						8,166.98
An ultra low energy consumption building electrical pipe through	3,330.19			3,330.19			

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
the roof structure							
A kind of exhaust duct of architectural kitchen after heat bridge treatment with ultra low energy consumption	3,330.19			3,330.19			
Connection node between independent canopy heat cut off bridge and wall of ultra low energy consumption building	3,330.19			3,330.19			
A supporting and fixing device for precast concrete column	3,330.19			3,330.19			
A lifting device for precast concrete column	3,330.19			3,330.19			
Connection structure of precast external hanging board and structural beam	3,330.19			3,330.19			
A manufacturing method of prefabricated concrete frame column with corbel	8,166.98						8,166.98
A kind of pipe system of heat recovery fresh air unit with good silencing effect	3,330.19			3,330.19			
An ultra low energy consumption building fluid pipeline out of the ground node	3,330.19			3,330.19			
Insulation paste structure and construction method of isolated foundation heat cut off bridge for ultra low energy consumption building	8,166.98						8,166.98
The utility model relates to a marble used as a lightning protection support on a parapet decoration	3,330.19			3,330.19			
An embedded structure and construction method of non buckling corrugated steel plate wall	8,166.98						8,166.98
An embedded structure of corrugated steel plate wall without buckling	3,330.19			3,330.19			
Lifting system and modeling analysis method of hangar steel grid structure	8,166.97						8,166.97
Compilation of technical specification for card type steel pipe support in building construction	28,301.89						28,301.89
A concrete surface structure of hangar and its construction method (invention)	8,166.98						8,166.98
Adjustable fixing fixture for concrete pouring pipe	3,330.19			3,330.19			

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Rail fixed support system for plate hoisting	3,330.19			3,330.19			
Circular track hoisting system of curtain wall plate	3,330.19			3,330.19			
A water stop steel plate fixing device and its installation structure	3,330.19			3,330.19			
Change and development of material module and administrative asset module of PM system	155,660.38						155,660.38
A method for measuring the length of a post inserted member used for connecting a space truss with a spherical support (invention)	8,166.98						8,166.98
Reserved plugging device of floor hole and construction structure of plugging block made of it	3,330.19			3,330.19			
A plate hoisting system for curtain wall installation	3,330.19			3,330.19			
A roof structure with a wall slope and its construction method (invention)		9,110.38					9,110.38
A structure of sloping roof with tile (utility model)		1,442.45					1,442.45
Xiaoyu Yilian video system software		105,660.44		105,660.44			
Xiaoyu Yilian video system software		35,849.06		35,849.06			
Material accounting software (Bocheng Finance)		64,413.09		64,413.09			
Computer room antivirus software (Kaspersky network security)		35,376.99		35,376.99			
Zhongwang architecture CAD design software		153,982.30		153,982.30			
office2019 software		94,092.92		94,092.92			
A precast concrete top mold rod		3,330.19					3,330.19
A kind of assembled test block frame for standard curing room		3,330.19					3,330.19
A fixing device for hanging and binding formwork support bar		3,330.19					3,330.19
PM secondary development (Changyang branch)		56,603.77		56,603.77			
Construction method of four corner special-shaped support platform with cast-in-place large overhanging eaves under 3M		5,660.38					5,660.38
A treatment method to prevent low temperature freezing of solar energy system and scaling of hot water pipeline		5,660.38					5,660.38

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
A fast installation method of Tensile vibration isolator		5,660.38					5,660.38
A reinforcement treatment method of beam column joint for installation of embedded parts of Tensile vibration isolator		5,660.37					5,660.37
A fixed hole fixture for quick installation of Tensile vibration isolator		2,358.49					2,358.49
It is suitable for cast-in-place large overhanging eaves four corner special-shaped support platform under 3M		2,358.49					2,358.49
The utility model relates to a water tank with the functions of heat exchange, heat storage and heating		2,358.49					2,358.49
A magnetic angle protection device for steel concrete wall column		3,330.19					3,330.19
Sump with drainage well reserved under deep foundation pit		3,330.19					3,330.19
An integral jacking installation structure for large air duct		3,330.19					3,330.19
A plugging structure of large diameter civil air defense casing		3,330.19					3,330.19
A rain proof device with reset structure of outdoor fire damper		3,330.19					3,330.19
Bending stiffness test device for formwork with special section used in construction site assembly		3,330.19					3,330.19
Bending stiffness test device and test method for special section formwork used in construction site		10,997.16		10,997.16			
A construction method for integral migration of cultural relic sculpture		9,110.38					9,110.38
Retaining structure and construction method for entrance and exit of post cast strip of foundation slab with thickness more than one meter		8,166.98					8,166.98
A construction method for formwork of concrete dome structure		10,053.78					10,053.78
Modular framework for assembly room		5,216.98		5,216.98			
A sliding rail type roof ladder		5,216.98		5,216.98			
A heat exchange system for preventing solar collector from freezing and hot water pipe		3,450.00					3,450.00

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
scaling							
A fast installation method of Tensile vibration isolator		3,450.00					3,450.00
A construction method of overhanging eaves formwork		3,450.00					3,450.00
A reinforcement treatment method of beam column joint for embedded parts installation of vibration isolator		3,450.00					3,450.00
A special-shaped support platform frame with four corners for supporting formwork of overhanging eaves		500.00					500.00
A fixed hole fixture for quick installation of Tensile vibration isolator		500.00					500.00
A heat exchange system for preventing solar collector from freezing and hot water pipe scaling		500.00					500.00
Compilation of "Civil construction engineering part coding description and engineering acceptance data exchange standard"		28,301.89					28,301.89
Compilation of "Evaluation standard for smart construction site"		28,301.88					28,301.88
Fixed fixture for erecting measuring equipment in narrow area		3,330.19					3,330.19
A verification structure and its verification method for core compactness of concrete filled steel tubular column (invention)		10,053.77					10,053.77
A test column of concrete column		3,330.19					3,330.19
A supporting structure strengthened by vertical formwork of rigid concrete		3,330.19					3,330.19
An auxiliary steel beam used for the installation of wall attached frame of construction elevator		3,330.19					3,330.19
An auxiliary forming device for oblique seam in the core area of beam and column		3,330.19					3,330.19
A heat preservation and tracing system for steel truss floor bearing plate		3,330.19					3,330.19
A kind of steel reinforced concrete column across floor		5,216.98					5,216.98
Support structure, large load trench cover plate structure and construction method (invention)		8,166.98					8,166.98

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Support structure with adjustable height		3,330.19					3,330.19
Support structure of high bearing capacity trench cover plate		3,330.19					3,330.19
Secondary development of the financial department and technical center of Guanglianda Menglong T Platform		49,056.60					49,056.60
The second development of the administrative asset module of Guanglianda Menglong T Platform		49,056.60					49,056.60
Antivirus software (Kaspersky)		35,376.99					35,376.99
Upgrade of human resource information system (Hongjing century software)		245,643.84					245,643.84
Integrated development of electronic signature system and PM system		179,245.28					179,245.28
OA system management implementation and process optimization		120,792.08		120,792.08			
software development		803,018.86					803,018.86
Invention patent - a stable and integrated treatment equipment of leaching waste liquid for contaminated soil remediationJGXF-FM-15-11	7,950.00						7,950.00
Invention patent - an engineering multi-stage screening type leaching remediation process for ectopic soilJGXF-FM-15-12	7,950.00						7,950.00
Invention patent: a liquid injection deviceJGXF-FM-15-21	11,091.51						11,091.51
Invention patent: a remediation system and method for heavy metal organic compound polluted soil and groundwaterJGXF-FM-15-24	11,091.51						11,091.51
Invention patent: an in-situ soil heating device and an in-situ heating soil decontamination device with the sameJGXF-FM-15-26	11,241.51						11,241.51
nvention patent: an in-situ deep heating device and its in-situ heating soil decontamination deviceJGXF-FM-15-27	11,091.51						11,091.51
Invention patent: a medium temperature dry screening reduction treatment system for polluted soil and its applicationJGXF-FM-16-13	11,940.56						11,940.56

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Invention patent: a preparation method of composite electrode for electrokinetic remediation of heavy metal contaminated soilJGXF-FM-16-18	12,240.57						12,240.57
Invention patent: a method of soil remediationJGXF-FM-16-2	11,550.00						11,550.00
Invention patent: an in-situ heating device and its in-situ heating soil remediation systemJGXF-FM-16-6	11,550.00						11,550.00
Invention patent: a method and system for repairing soil and groundwaterJGXF-FM-16-7	11,550.00						11,550.00
Invention patent: a multiple joint remediation method for arsenic containing organic matter in soilJGXF-FM-16-8	11,550.00						11,550.00
Invention patent: thermal desorption system and methodJGXF-FM-16-1	20,841.51						20,841.51
Invention patent: organic waste gas treatment device and organic waste gas treatment methodJGXF-FM-16-11	12,900.00						12,900.00
Invention patent: a method of in-situ chemical oxidation high pressure jet injection optimization for remediation of organic contaminated soil and groundwaterJGXF-FM-16-16	7,718.45						7,718.45
Invention patent: an underground fluid stripping device and processJGXF-FM-16-2	5,660.38						5,660.38
Invention patent: soil and groundwater solid-phase shallow mixing in-situ chemical oxidation remediation processJGXF-FM-17-2	7,718.45						7,718.45
Invention patent: in situ chemical oxidation remediation process of soil and groundwater by double liquid shallow mixingJGXF-FM-17-3	7,718.45						7,718.45
Invention patent: a chemical leaching system for farmland pollution control and its layout methodJGXF-FM-17-1	7,791.26						7,791.26
Invention patent: a method for in situ remediation of soil and groundwater by high pressure jet grouting combined with shallow mixingJGXF-FM-17-5	7,718.45						7,718.45
Invention patent: a soil washing and repairing system and	4,200.00						4,200.00

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
methodJGXF-FM-17-8							
Invention patent: a feeding pulping and grading recovery system for soil leaching remediationJGXF-FM-17-9	12,240.53			12,240.53			
Invention patent: a feeding pulping and grading recovery system for soil leaching remediationJGXF-FM-17-9	12,240.53			12,240.53			
Invention patent: a kind of odor suppression and dust control system for the boundary of organic pollution siteJGXF-FM-17-1	4,273.58						4,273.58
Patent for invention: a method for efficient utilization of waste heat and remediation of organic contaminated soil by ectopic thermal desorptionJGXF-FM-17-12	8,203.88						8,203.88
Invention patent: a treatment method of heavy metal polluted farmlandJGXF-FM-17-11	7,791.26						7,791.26
International stage: soil and groundwater in situ injection high pressure jet grouting in situ remediation system and methodJGXF-PCT-17-1JGXF-PCT-17-1 (USA)	56,796.12	9,900.99		66,697.11			
International stage: soil and groundwater in situ injection high pressure jet grouting in situ remediation system and methodJGXF-PCT-17-1JGXF-PCT-17-1 (Japan)	55,825.24			55,825.24			
International stage: soil and groundwater in situ injection high pressure jet grouting in situ remediation system and methodJGXF-PCT-17-1JGXF-PCT-17-1 (Canada)	50,000.01						50,000.01
International stage: a method to determine the diffusion radius of contaminated soil and groundwater in situ injection remediationJGXF-PCT-17-2JGXF-PCT-17-2 (USA)	47,087.38	9,900.99		56,988.37			
International stage: a method to determine the diffusion radius of contaminated soil and groundwater in situ injection remediationJGXF-PCT-17-2JGXF-PCT-17-2 (Australia)	38,349.51			38,349.51			

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		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
International stage: a method to determine the diffusion radius of contaminated soil and groundwater in situ injection remediationJGXF-PCT-17-2JGXF-PCT-17-2 (Canada)	38,349.52						38,349.52
International stage: a method to determine the diffusion radius of contaminated soil and groundwater in situ injection remediationJGXF-PCT-17-3JGXF-PCT-17-3 (USA)	72,330.10	9,900.99		82,231.09			
International stage: an intelligent feeding robot and its control methodJGXF-PCT-2-1 (Italia)		16,509.43					16,509.43
Invention patent: a kind of odor dust suppression material for soil contaminated site and its preparation method and ApplicationJGXF-FM-18-1	11,940.57						11,940.57
Invention patent: a treatment method of heavy metal polluted farmland invention patent: a new mine ecological reclamation modeJGXF-FM-18-5	8,490.57						8,490.57
Invention patent: a rapid detection method of chlorinated hydrocarbons in contaminated soilJGXF-FM-18-6	8,490.57						8,490.57
International stage: an optimized remediation method of soil and groundwater by in situ chemical oxidation and high pressure injectionJGXF-PCT-17-3JGXF-PCT-17-3 (美国)	12,540.57						12,540.57
Invention patent: a trace detection method of petroleum acids in water samples polluted by petroleumJGXF-FM-18-3	11,940.57						11,940.57
Invention patent: an indirect thermal desorption tail gas treatment system for contaminated salt mud and soil disposalJGXF-FM-18-7	8,106.80						8,106.80
Invention patent: indirect thermal desorption remediation system and method for mercury contaminated salt mud and soilJGXF-FM-18-8	8,106.80						8,106.80
Invention patent: a remediation agent for contaminated soil and its engineering application methodJGXF-FM-18-1	8,203.88						8,203.88

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Invention patent: an indirect thermal desorption coupling catalytic degradation remediation system and method for contaminated soil classificationJGXF-FM-18-11	9,275.24						9,275.24
Invention patent: a continuous tube type in situ repair injection system and methodJGXF-FM-18-12	9,275.24						9,275.24
Invention patent: a method for measuring diffusion radius of in situ injection repair technologyJGXF-FM-18-13	8,166.98			8,166.98			
Invention patent: a comprehensive method to determine the diffusion radius of in situ injection repair technologyJGXF-FM-18-14	8,166.98			8,166.98			
Invention patent: a chromium polluted construction waste washing system and its layout methodJGXF-FM-18-15	8,166.98						8,166.98
Invention patent: method and system for treating chromium polluted construction waste with citric acidJGXF-FM-18-16	8,166.98						8,166.98
Invention patent: a method for determination of total volatile organic compounds in groundwaterJGXF-FM-19-1	11,940.57						11,940.57
Invention patent: a method for determining the concentration of synthetic musk in soilJGXF-FM-19-5	11,940.57						11,940.57
Invention patent: a detection method of persulfate contentJGXF-FM-19-3	11,940.57						11,940.57
Invention patent: a remediation method of Heavy Metal Contaminated FarmlandJGXF-FM-19-4	11,940.57						11,940.57
Invention patent: a method for the detection of the content of persulfateJGXF-FM-19-2	11,940.57						11,940.57
Invention patent: a constructed wetland system for sewage treatmentJGXF-FM-19-6	11,940.57						11,940.57
Invention patent: a method of resource treatment of oily sludgeJGXF-FM-19-8	11,940.57						11,940.57
Invention patent: a remediation method of heavy metal pollution in farmland soilJGXF-FM-19-9	11,940.57						11,940.57

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Invention patent: a stabilizer for repairing heavy metal pollution and its preparation method and ApplicationJGXF-FM-19-11	11,940.57						11,940.57
Invention patent: a real-time monitoring and early warning system for groundwater in soilJGXF-FM-19-12	11,940.57						11,940.57
Invention patent: a method for the detection and identification of PAHs in soil and its reagent boxJGXF-FM-19-13	11,940.57						11,940.57
Invention patent: an evaluation method and detection kit for remediation effect of polycyclic aromatic hydrocarbons contaminated soilJGXF-FM-19-14	11,940.57						11,940.57
Invention patent: a kind of packing, starting device, its preparation method and microbial sensor systemJGXF-FM-19-15	11,940.55						11,940.55
Patent for invention: a method for determining the pollution scope of soil remediationJGXF-FM-19-16	8,166.98						8,166.98
Invention patent: single degree of freedom folding water tankJGXF-FM-17-13	8,203.88						8,203.88
Invention patent: VOC contaminated site odor suppression system and use methodJGXF-FM-16-23	1,255.00			1,255.00			
Invention patent: an improver and its preparation method and ApplicationJGXF-FM-19-1	11,940.56			11,940.56			
Invention patent: an in situ remediation method for chromium pollutionJGXF-FM-15-2	6,323.79						6,323.79
Invention patent: a mercury containing wastewater treatment and mercury recycling system for indirect thermal desorptionJGXF-FM-18-9	8,106.80						8,106.80
Invention patent: a method of biochemical reduction oxidation remediation of organochlorine pesticide contaminated soilJGXF-FM-16-19	11,550.00			11,550.00			
Invention patent: a steam extraction soil remediation systemJGXF-FM-16-3	11,550.00			11,550.00			
Invention patent - an efficient washing vibration screening equipment for remediation of	7,950.00						7,950.00

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
contaminated soilJGXF-FM-15-1							
Utility model: shoe washing equipmentJGXF-SY-19-1	4,273.57			4,273.57			
Utility model: an intelligent power supply and temperature control data management system for in- situ electric heating desorption of contaminated soilJGXF-SY-2-2		4,273.58		4,273.58			
Utility model: a constructed wetland system for sewage treatmentJGXF-SY-19-2	4,273.57			4,273.57			
Application and construction of National Engineering Laboratory for safe repair technology of contaminated sitesR1619	9,685.85						9,685.85
Invention patent: a rapid evaluation method for pollution level of chlorobenzenes in waterJGXF-FM-19-2		8,166.98					8,166.98
Invention patent: a rapid identification and concentration evaluation method of chlorobenzene pollutants in soilJGXF-FM-19-21		8,166.98					8,166.98
Invention patent: a permeable reaction wall structure and a method for treating pollution plumeJGXF-FM-19-23		8,166.98					8,166.98
Invention patent: a tail water and tail gas treatment system and method in the process of in-situ heat conduction repairJGXF-FM- 19-24		8,166.98					8,166.98
Invention patent: a remediation device for organic contaminated soil or solid waste sequential batch thermal desorption treatmentJGXF-FM-2-1		8,166.98					8,166.98
Invention patent: a soil leaching restoration reduction system and its construction methodJGXF- FM-2-2		8,166.99					8,166.99
Invention patent: high pressure jet injection in situ repair system and methodJGXF-FM-19-22		8,166.98					8,166.98
Trademark: EMNPS		4,960.94					4,960.94
Trademark: QASSAY		4,960.94					4,960.94
Trademark: Under Watch		4,960.95					4,960.95
Utility model: a wear resistant screw systemJGXF-SY-19-4		3,872.64		3,872.64			
Utility model: a heating system for in-situ gas thermal desorption of		3,872.64		3,872.64			

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
soilJGXF-SY-19-5							
Invention patent: an efficient, energy-saving and clean in-situ gas thermal desorption device and methodJGXF-FM-19-17		8,915.09					8,915.09
Patent for invention: a new type of ectopic thermal desorption system and method for cascade and efficient utilization of waste heatJGXF-FM-19-18		8,915.10					8,915.10
Trademark: Double-packer		3,074.15					3,074.15
Trademark: E2SW		3,074.15					3,074.15
Trademark: ISGH		4,098.87					4,098.87
Trademark: HADMT		4,098.87					4,098.87
Trademark: HPRI		3,074.15					3,074.15
Trademark: ETDU		4,098.87					4,098.87
Trademark: ENT D		4,098.86					4,098.86
Patent for invention: a sustainable in situ heating soil groundwater remediation system and methodJGXF-FM-19-25		11,940.57					11,940.57
Invention patent: a system for in situ removal and purification of odor in pesticide contaminated site and its construction methodJGXF-FM-2-3		8,166.98					8,166.98
Invention patent: an intelligent feeding robot and its control methodJGXF-FM-2-4		12,500.00					12,500.00
Utility model: a sampling tube used for thermal sampling in in-situ thermal desorption processJGXF-SY-2-3		3,935.19		3,935.19			
Utility model: a high efficiency and energy saving multi-stage linkage ectopic thermal desorption deviceJGXF-SY-2-5		3,935.19					3,935.19
Utility model: a dual phase extraction well for in-situ thermal desorption repair device of contaminated siteJGXF-SY-2-6		3,801.89					3,801.89
Invention patent: a kind of operation well layout method and system for conductive in-situ thermal desorption repair area JGXF-FM-2-5		10,053.77					10,053.77
Utility model: a rotary kiln type indirect heating combined heat storage tail gas incineration soil		3,935.19					3,935.19

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
remediation deviceJGXF-SY-2-1							
Utility model: an energy-saving and efficient thermal desorption systemJGXF-SY-2-1		3,746.51					3,746.51
Invention patent: a low energy consumption in situ treatment method and system for soil organic pollutantsJGXF-FM-2-8		7,978.30					7,978.30
Invention patent: high efficiency integrated cleaning system and method for petroleum hydrocarbon organic contaminated soilJGXF-FM-2-7		7,978.30					7,978.30
Invention patent: a system and method for in-situ heat conduction coupling electroosmosis well point precipitation to repair organic contaminated sitesJGXF-FM-2-9		9,110.38					9,110.38
Invention patent: a coiled tubing drilling directional mechanism and drilling production equipmentJGXF-FM-2-11		10,053.77					10,053.77
Invention patent: a coiled tubing drilling directional mechanism and drilling production equipmentJGXF-FM-2-12		10,053.77					10,053.77
Invention patent: a pretreatment device for outlet position of drainage pipeJGXF-FM-2-1		10,053.77					10,053.77
Utility model: a pretreatment device for outlet position of drainage pipeJGXF-SY-2-7		3,801.89					3,801.89
Preparation and properties of geopolymer cementitious materials from construction waste dust	359,091.68	706,314.63					1,065,406.31
Development of standardized integrated electronic control system for construction waste disposal line	626,521.15			626,521.15			
Research and development of small modular treatment process and equipment for construction waste	12,027,946.35	1,057,091.25		13,085,037.60			
Preparation and application research and development of highly efficient biological purification and regeneration active bacteria aggregate	738,167.89	454,455.29					1,192,623.18
Application model of recycled aggregate as artificial wetland filler	2,447,829.22	1,561,704.88					4,009,534.10

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Application of construction waste recycled aggregate in sponge city construction	10,000.00			10,000.00			
OA port and investment system	657,226.42	850,358.49		1,507,584.91			
Smart pipe gallery operation and management platform project		1,092,381.49					1,092,381.49
Invention and utility model	76,116.89						76,116.89
Research on composite construction technology of bored pile and high pressure jet grouting pile in water rich soft stratum in complex environment		14,527,813.58			14,527,813.58		
Study on new water stop technology in PBA station tunnel in water rich stratum		14,152,163.72			14,152,163.72		
Research on construction technology of elevated variable cross section large span cast in situ box girder		13,704,859.61			13,704,859.61		
Research and development of environment friendly river sludge automatic cleaning technology		12,471,351.15			12,471,351.15		
Research on bridge construction technology in deep water channel		12,126,352.30			12,126,352.30		
Research on construction technology of open cut station adjacent to existing station and high rise building		11,991,739.96			11,991,739.96		
Research on construction technology of urban road reconstruction and landscape improvement		11,487,954.04			11,487,954.04		
Research on construction technology of small curve overlapping launching of shield machine		11,456,899.44			11,456,899.44		
Research on key technology of urban road maintenance construction		10,862,979.94			10,862,979.94		
Study on the comprehensive technology of shield construction in complex stratum and surrounding environment		10,830,336.65			10,830,336.65		
Study on comprehensive technology for settlement control of longitudinal joint in half width road construction		10,610,127.15			10,610,127.15		
Research on key construction technology of underground water recycling plant		10,404,416.59			10,404,416.59		
2019004 Research on efficient construction technology of road structure layer		10,334,062.71			10,334,062.71		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Research on construction technology of integral rolling of large thickness stabilized crushed stone base		9,968,257.41			9,968,257.41		
Comprehensive application of solidified soil technology in soft foundation treatment in micro expansive soil area		9,939,634.38			9,939,634.38		
2018003 Study on key construction technology of diaphragm wall under the condition of rich water and soil sand interbedding		9,803,503.39			9,803,503.39		
Research on key technology of rotary jet grouting water stop in water rich fine sand layer of underground station		9,559,765.99			9,559,765.99		
2020013 Research on efficient construction technology of hydraulic structures in water rich strata		9,442,751.37			9,442,751.37		
Application of BIM Technology in the whole life cycle of EPC housing construction project		9,418,127.87			9,418,127.87		
Research on reinforcement technology of cast-in-place box girder bent foundation in collapsible loess stratum		9,401,906.53			9,401,906.53		
Research and development of key technologies for underground reinforced concrete structure construction in water rich stratum		8,877,573.36			8,877,573.36		
Study on key technology of long span tunnel excavation in water rich stratum		8,612,645.19			8,612,645.19		
Key technology research and application of slurry balance shield construction in full face silty clay layer		8,304,713.58			8,304,713.58		
2020018 Research on concrete crack prevention technology of hydraulic structures in Loess Area		8,122,706.66			8,122,706.66		
Research on Key Technologies of pit foundation treatment and long slope reinforcement and support in muddy silty clay layer		8,098,274.09			8,098,274.09		
BIM Technology Research on construction of closed frame bridge and U-groove		7,807,492.76			7,807,492.76		
Research on key technology of construction and greening protection of super high slope with complex geology		7,736,335.14			7,736,335.14		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Research on construction quality control technology of steel box girder based on BIM Technology		7,392,340.40			7,392,340.40		
Study on comprehensive construction technology of precise grouting waterproof curtain in water rich sandy cobble stratum		7,296,757.17			7,296,757.17		
Research on construction technology of shield tunneling under multiple risk sources in complex stratum		7,281,211.63			7,281,211.63		
Research on key technology of slurry earth pressure dual mode Shield Tunneling Based on risk source differentiation control		7,280,468.25			7,280,468.25		
Key construction technology of large steel box girder by pushing method		7,172,009.47			7,172,009.47		
Research on standardized construction technology of housing frame structure		7,142,916.56			7,142,916.56		
2020015 Research on rapid construction technology of split construction of urban underground transportation hub		7,033,729.40			7,033,729.40		
Research on construction technology of shallow bias tunnel in water rich stratum		6,906,279.88			6,906,279.88		
Research on construction technology of pit bottom treatment in muddy silty clay layer		6,868,094.72			6,868,094.72		
Research and development of construction method for preventing sudden sinking and water gushing open caisson sinking without drainage		6,827,449.40			6,827,449.40		
2020006 Study on comprehensive construction technology of mountain tunnel with large slope and small section		6,742,558.14			6,742,558.14		
2020002 Research on construction technology of shield continuous crossing urban road in liquefied sand stratum		6,619,780.23			6,619,780.23		
2020011 Study on waterproof construction technology of municipal underground engineering		6,374,715.18			6,374,715.18		
Research on key technology of Co Construction of urban tunnel and pipe gallery under complex conditions		6,209,648.64			6,209,648.64		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
2020019 General contract project of underwater world project of the cultural theme park of Qiandao Lake, great white whale		6,175,744.51			6,175,744.51		
2020017 Research on fine technology of process pipeline and equipment installation in reclaimed water plant		6,132,061.36			6,132,061.36		
Research on comprehensive construction technology of Metro open cut station		6,047,149.57			6,047,149.57		
2020014 Technology and application of groundwater circulation well		5,668,988.58			5,668,988.58		
2019003 Study on treatment scheme of deep foundation pit and Subgrade in soft soil with high groundwater level		5,624,868.91			5,624,868.91		
Research on construction technology of the pithead gate in the tunnel with loose stratum		5,452,385.58			5,452,385.58		
2020010 Research on key construction technology of cast-in-place concrete power pipe		5,245,390.74			5,245,390.74		
2020020 Study on comprehensive anti leakage construction technology of high rise building envelope in water rich stratum		5,141,002.38			5,141,002.38		
2020005 Study on risk control technology of slurry shield passing through full face silty clay layer		5,122,659.46			5,122,659.46		
High slope and high fill stability monitoring and alarm system		5,111,232.38			5,111,232.38		
2020003 Research on integrated construction technology of optical fiber directional drilling for external application of urban heat supply pipeline		5,064,732.65			5,064,732.65		
2019022 Research on rapid construction technology of underground road in complex environment		5,059,918.36			5,059,918.36		
Research on energy saving reconstruction technology of old heat exchange station		4,976,906.31			4,976,906.31		
Study on landslide prevention and treatment technology in collapsible loess area		4,974,460.92			4,974,460.92		
Research on construction technology of urban thermal passage ditch and tunnel under complex environment		4,927,523.66			4,927,523.66		

Beijing Construction Engineering Group Co., Ltd.
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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Research and development of power tube well construction technology		4,651,288.98			4,651,288.98		
2020008 Research on construction technology of Waterworks in low temperature and high altitude area		4,591,933.19			4,591,933.19		
2020022 Study on comprehensive construction technology of external pipe network in reclaimed water plant		4,584,081.91			4,584,081.91		
Study on construction quality control of slow lane		4,472,283.69			4,472,283.69		
Study on key technology of EPB shield construction in Karst Area		4,181,524.25			4,181,524.25		
Research on construction technology of post tensioned prestressed concrete T-beam		4,148,019.54			4,148,019.54		
Study on construction settlement control of half fill and half cut Subgrade in collapsible loess		4,115,307.02			4,115,307.02		
2020012 Research and development of climbing formwork equipment and technology for road masonry well		4,096,057.90			4,096,057.90		
Research on key construction technology of shield tunneling through soft hard uneven large size gravel boulder stratum		4,062,725.93			4,062,725.93		
Research and development of anti clogging connection structure for new and old wells of rainwater square ditch		4,021,894.14			4,021,894.14		
Study on the construction technology of deep shaft in water rich stratum		4,015,226.81			4,015,226.81		
Research on key construction technology of low fill subgrade in high water level floodplain sedimentary stratum		3,989,360.46			3,989,360.46		
Research on construction technology of super long distance and large diameter S-shaped space curve pipe jacking		3,923,683.22			3,923,683.22		
Study on the key technology of no precipitation construction (freezing method) in the underground excavation of silty clay sand layer under confined water		3,880,057.63			3,880,057.63		
2020001 Research on construction technology of small diameter shield long distance tunneling		3,759,841.17			3,759,841.17		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Research on key technology of micro disturbance construction of drainage pipeline crossing complex pipe network		3,687,605.98			3,687,605.98		
Research on key construction technology of GFRP anchor cable in subway station foundation pit		3,629,165.80			3,629,165.80		
Application Research on intelligent construction technology of steel structure in Construction Engineering		3,433,567.31			3,433,567.31		
Research and development of heat engine installation technology		3,370,038.61			3,370,038.61		
Research and development of pipe drawing construction technology		3,142,484.21			3,142,484.21		
Research on key technology of demolition of concrete arch bridge across river		3,043,731.03			3,043,731.03		
Study on confined water control construction technology of underground tunnel under fine sand layer		3,019,261.70			3,019,261.70		
Research on construction technology of road slope protection		2,975,702.90			2,975,702.90		
2020004 Research on integrated support installation technology of utility tunnel		2,785,740.61			2,785,740.61		
Research and development of construction technology for urban beautiful countryside construction		2,733,501.35			2,733,501.35		
2018002 Study on the key construction technology of deep buried subway station with hole pile method in water rich sandy cobble stratum		2,719,280.66			2,719,280.66		
Research and development of pipeline construction technology in collapsible loess section		2,431,332.36			2,431,332.36		
Research on comprehensive construction technology of earth rock subgrade and protection in water rich mountainous area		2,405,092.36			2,405,092.36		
Key technology of shallow buried tunnel with small spacing and super large section in Karst Area		2,397,890.85			2,397,890.85		
Analysis and Research on cutter head and cutter wear mechanism of long distance shield in dry pebble stratum		2,389,006.79			2,389,006.79		
2020021 Study on construction technology of steel pipe		2,372,096.24			2,372,096.24		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
composite lining for long distance high pressure water conveyance tunnel 2020009 Research and application of key construction technology of double axial hollow wall pipe		2,347,032.75			2,347,032.75		
2019006 Modularization research and application of auxiliary equipment in shield construction		2,310,291.14			2,310,291.14		
Research and development of box culvert concrete construction technology		2,228,856.47			2,228,856.47		
Research and development of civil air defense engineering construction technology		2,156,472.18			2,156,472.18		
Research and development of anti settlement support technology for large span buildings		2,151,403.61			2,151,403.61		
Research on the comprehensive construction technology of foundation pit in super deep and special-shaped subway project 2020007 Research on construction technology of circular arc pool and pump house composite structure		2,040,494.74			2,040,494.74		
Research on construction technology of the diversion pipe network of the bad geological soil foundation rain and sewage		1,949,391.58			1,949,391.58		
Application research and development of BIM Technology in Mingkai power tunnel		1,904,152.11			1,904,152.11		
Research and development of construction technology for backfill subgrade Road		1,795,426.14			1,795,426.14		
Research on construction technology of underground tunnel adjacent to existing station and interface under complex environmental risk		1,656,329.14			1,656,329.14		
Research on construction technology of underground tunnel adjacent to existing station and interface under complex environmental risk		1,407,365.34			1,407,365.34		
Research and development of construction technology for pipe network transformation		1,399,586.75			1,399,586.75		
Research on construction technology of closed frame and U-shaped groove under crossing railway		1,314,901.08			1,314,901.08		
2019008 Research and application of shallow buried excavation construction technology in water rich silty clay		1,308,324.35			1,308,324.35		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
layer							
2019013 Research and application of construction technology of fish bellied overflow weir		1,254,283.90			1,254,283.90		
Application research and development of BIM Technology in prefabricated power tunnel		1,243,541.58			1,243,541.58		
Research on construction technology of special shaped and cross undercutting cross passage under complex geological conditions		1,235,790.57			1,235,790.57		
Research on construction technology of high cutting slope protection engineering		1,142,788.37			1,142,788.37		
Research on key construction technology of soft foundation treatment in coastal beach		1,036,951.00			1,036,951.00		
Controlled blasting technology of shallow buried tunnel with small clear distance and super large section in Karst Area		1,034,925.88			1,034,925.88		
Research on key technology of comprehensive construction of viaduct adjacent to existing rail transit line		1,018,730.70			1,018,730.70		
Research and development of the technology of reducing dust by pouring the Garden Gallery		1,015,448.75			1,015,448.75		
Research on outdoor test of self driving tunnel boring machine in rock and soil landslide		1,006,164.35			1,006,164.35		
Research on deformation control technology of ultra shallow buried tunnel under urban trunk road in Sandy Cobble Stratum		954,387.37			954,387.37		
Research and development of heat pipeline crossing current road technology		952,905.35			952,905.35		
Study on the construction technology of continuous crossing risk of small net distance and concealed excavation tunnel in water rich stratum		936,902.18			936,902.18		
Research and development of anti floating technology for positioning pipeline		898,967.84			898,967.84		
Study on construction technology of underground tunnel crossing Sandy Cobble Stratum		895,749.00			895,749.00		
Microseismic early warning technology for surrounding rock stability of shallow buried soft		855,305.91			855,305.91		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
rock tunnel with large span and small spacing							
Research and development of one in four out diversion drainage control technology		849,281.85			849,281.85		
Research on key technology of comprehensive construction of urban viaduct Crossing Existing Expressway Bridge under complex environment		821,356.96			821,356.96		
2019010 Research on key technology of overpass reconstruction		791,213.33			791,213.33		
Research on fine construction technology of post cast strip in housing construction engineering		756,089.80			756,089.80		
Research and development on construction technology of open cut power tunnel in water rich stratum		655,471.09			655,471.09		
Demonstration application of subway project based on BIM		638,060.15			638,060.15		
2019005 Research on smoothness control technology of permeable pavement in sponge City		630,961.57			630,961.57		
Research and development of fast repair technology for garden crash barrier		550,463.47			550,463.47		
Research and development of full section grouting reinforcement construction technology		540,738.06			540,738.06		
Application Research on key technology of rapid construction of prefabricated bridge		507,929.63			507,929.63		
Research and application of improving effect of earth pressure balance shield soil in Beijing typical formation and foaming agent test device		507,066.31			507,066.31		
Efficient recycling technology of waste asphalt pavement materials	94,339.62	497,624.11			591,963.73		
Intelligent analysis and correction technology and equipment of safety behavior of subway construction personnel		476,075.09			476,075.09		
Professional design software		473,002.40		473,002.40			
Research on development and application control of super absorbent acrylate grouting material		451,702.74			451,702.74		
Development of long distance pressure pipeline technology		443,037.36			443,037.36		

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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
Research on Key Technologies of design, manufacture and construction of small radius rectangular EPB shield machine		437,921.66			437,921.66		
Development and application of environmental friendly BJ-STG shield tail sealing grease		381,177.87			381,177.87		
Research on application technology of asphalt concrete in high speed railway subgrade	21,692.97	368,632.91			390,325.88		
Research on construction technology of construction waste recycling materials in Soft Subgrade Treatment		359,939.79			359,939.79		
Research on integrated construction technology of assembly, separate launching, tunneling and receiving in Shield Tunnel		354,094.09			354,094.09		
Research on rapid construction technology of municipal road base construction and maintenance		317,266.33			317,266.33		
Research and application of mobile small-scale on-site mixing equipment for liquid solidified soil		302,392.43			302,392.43		
Research on active prevention and control technology of ice and snow on Beijing New Airport Expressway	11,320.76	300,181.39			311,502.15		
Research and demonstration on key technology of thermal regeneration for improving parameters of waste asphalt pavement materials	1,502,875.63	251,094.34			1,753,969.97		
Research on subway construction technology based on cloud technology		221,503.06			221,503.06		
Research and development of urban municipal pipeline relocation Technology		191,833.73			191,833.73		
Research and development of construction technology of undercutting tunnel under expressway		176,773.39			176,773.39		
Research and development on construction technology of urban secondary trunk road in filling section		157,937.05			157,937.05		
Research on construction technology of special-shaped structure of multi-storey interchange in confined space		132,485.11			132,485.11		
Research on applicability of active prevention and control	545,121.75	98,113.20			643,234.95		

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Notes to the Financial Statements
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Project	As at 31/12/2019	Additions during the year		Decreased during the year			As at 31/12/2020
		Internal development	Ot he rs	Recognised as intangible assets	Recognised in profit or loss	Others	
technology of road snow melting in Beijing							
Financial reimbursement system		67,924.53					67,924.53
Segment execution system		39,603.96					39,603.96
OA system		35,643.56					35,643.56
2019009 Research on "traceless" construction technology of urban road auxiliary structure maintenance		33,171.11			33,171.11		
Research on key construction technology of urban sub center steel arch Landscape Bridge		23,481.58			23,481.58		
Research on key technology of asphalt concrete products information control based on big data processing		18,956.64			18,956.64		
Research on key technology of snowmelt color pavement for bicycle tracks in Beijing		17,599.23			17,599.23		
Research on key construction technology of river crossing cable stayed bridge		16,037.36			16,037.36		
Research on Key Technologies of rapid construction of road inspection well		3,100.00			3,100.00		
Technical specification for rutting resistance of Asphalt Pavement	184,174.90				184,174.90		
Study on emission causes and treatment scheme of sulfur dioxide and nitrogen oxides in Asphalt Mixture Production	556,603.77				556,603.77		
Total	25,798,017.31	631,023,932.69		18,921,199.90	624,610,212.11		13,290,537.99

21、Goodwill

(1) Book value of goodwill

Name of investee or events from which goodwill arose	Balance as at 31/12/2019	Additions during the year	Decreases during the year	Balance as at 31/12/2020
BCEG Yinlai FRP Products Co., Ltd	228,064.42			228,064.42
BCEG Real Estate Co., Ltd	701,811.52			701,811.52
Beijing No.3 Construction Engineering Co., Ltd	7,747,121.56			7,747,121.56
Jinan Jianbang Real Estate Co., Ltd	5,284,699.95			5,284,699.95
Beijing Construction Engineering Decoration Group Co., Ltd	9,121,833.78			9,121,833.78
BCEG Urban Renewal Investment and Construction Co., Ltd	6,798,439.87			6,798,439.87

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Name of investee or events from which goodwill arose	Balance as at 31/12/2019	Additions during the year	Decreases during the year	Balance as at 31/12/2020
Sanya Tianen Industrial Co., Ltd	36,888,902.87			36,888,902.87
Beijing GuoXuan Real Estate Development Co., Ltd	25,493,448.94			25,493,448.94
Beijing North Integrity Decoration Engineering Co., Ltd	97,063.25			97,063.25
Jinan Tianqin Real Estate Co., Ltd	3,769,608.03			3,769,608.03
Beijing Dingchangyuan Real Estate Development Co., Ltd	4,907,133.00			4,907,133.00
Qingdao HengAn Investment Co., Ltd	94,065,445.38			94,065,445.38
Beijing Jiahua High Strength Concrete Co., Ltd	2,074,896.23			2,074,896.23
BCEG Haiya Construction Engineering Co., Ltd		26,630,555.73		26,630,555.73
Total	197,178,468.80	26,630,555.73		223,809,024.53

Note: The above goodwill is arose in the acquisition of enterprise not under common control by the Group or acquire of minority interests of subsidiaries before the issuance of "Interpretation to Accounting Standards of Business Enterprise No. 2". Except for the following two items of goodwill that have been fully depreciated, there is no sign of impairment in other goodwill at the end of the period.

(2) Provision for impairment of goodwill

Name of investee or events from which goodwill arose	Balance as at 31/12/2019	Additions during the year	Decreases during the year	Balance as at 31/12/2020
Beijing Dingchangyuan Real Estate Development Co., Ltd	4,907,133.00			4,907,133.00
Qingdao HengAn Investment Co., Ltd		14,000,000.00		14,000,000.00
Beijing Jiahua High Strength Concrete Co., Ltd	2,074,896.23			2,074,896.23
Total	6,982,029.23	14,000,000.00		20,982,029.23

22、 Long-term deferred expenses

Item	As at 31/12/2016	Additions during the year	Amortisation for the year	Others decreases	As at 31/12/2017	Reasons for others decreases
Transformation of facilities and equipment	367,023,222.56	72,255,749.09	66,650,785.29		372,628,186.36	
Renting of the Summer Palace terminal	13,321,031.49		1,480,114.32		11,840,917.17	
Renovation cost	98,267,320.96	71,687,885.25	37,885,558.96	33,793.43	132,035,853.82	
Total	478,611,575.01	143,943,634.34	106,016,458.57	33,793.43	516,504,957.35	

23、 Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities not offsetting

Deferred tax assets and deferred tax liabilities

Item	As at 31/12/2020		As at 31/12/2019	
	Deductible or taxable temporary differences	Deferred tax assets/deferred tax liabilities	Deductible or taxable temporary differences	Deferred tax assets/deferred tax liabilities
1. Deferred tax assets				
1. Provisions for impairment of assets	396,257,459.39	2,140,838,710.06	285,930,380.44	1,552,339,668.31
2. Deficit deductible	18,108,385.95	72,433,543.83	8,934,917.51	49,233,718.48
3. Unrealised profits of intra-group	15,791.72	105,278.10	22,878.38	152,522.50
4. Depreciation of fixed assets	151,398.73	1,009,324.89	259,437.13	1,729,580.96
5. Valuation of trading financial instruments and derivative financial	29,248,231.41	177,262,008.55	25,948,417.77	157,263,138.00
6. Provision for land appreciation tax	151,286,735.90	605,146,943.61	191,609,452.79	766,437,811.16
7. Advance maintenance preparation	1,883,813.13	12,558,754.17	1,883,813.13	12,558,754.17
8. Accrued employee's right to leave	703,858.47	4,692,389.75	703,858.47	4,692,389.75
9. Accrued performance salary	1,070,882.21	7,139,214.73	515,882.21	3,439,214.73
10. Purchase of assets with amortization period less than that	296,458.82	1,976,392.16	215,298.77	1,435,325.16
11. Formation of deferred income	14,923.66	99,491.05	22,385.47	149,236.45
12. Termination benefits	52,522.86	210,091.44	72,223.54	288,894.16
13. Draw unused staff education funds			1,536.99	6,147.94
14. Accrued expenses	517,409.40	3,449,396.00		
Subtotal	599,607,871.65	3,026,921,538.34	516,120,482.60	2,549,726,401.77
2. Deferred tax liabilities				
1. Revaluation of financial instruments held for trading and derivative financial instruments	139,947,122.88	559,788,491.52	23,307,322.76	93,229,291.04
2. Changes in fair value of available-for-sale financial assets recognised in other comprehensive income	50,412,491.80	293,358,254.19	60,328,738.57	354,611,906.82
3. Changes in fair value of investment properties	577,676,221.17	3,311,458,048.32	573,663,492.51	3,295,953,472.28
4. Accelerated depreciation of fixed assets	40,534,615.14	241,173,605.51	26,472,808.45	172,505,130.27
5. Value added of assets appraisal	13,592,366.37	83,803,975.88	13,730,775.97	84,357,614.28
6. One time deduction of fixed assets	398,698.86	1,085,954.37		

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7、Others (Investment properties)	7,070,644.34	47,137,628.96		
Subtotal	829,632,160.56	4,537,805,958.75	697,503,138.26	4,000,657,414.69

24、Other non-current assets

Item	As at 31/12/2020	As at 31/12/2019
Temporary facilities	358,289,096.62	285,841,851.05
Contrate assets	210,603.00	44,590,484.19
Total	358,499,699.62	330,432,335.24

25、Short-term loans

Category	As at 31/12/2020	As at 31/12/2019
Pledged loans		12,000,000.00
Loans secured by mortgages	229,000,000.00	270,000,000.00
Guaranteed loans	6,746,838,083.60	6,007,968,705.61
Unsecured loans	12,484,345,618.26	19,038,622,923.12
Total	19,460,183,701.86	25,328,591,628.73

(1) Guaranteed loans

Debtor	Bank	as at 31/12/2020	Guarantor
BCEG Resources Recycling Investment Co., Ltd	Industrial and Commercial Bank of China Beijing Nanlishi road sub branch	10,000,000.00	BCEG
	Bank of Communications Beijing Tiantan sub branch	3,200,000.00	
	Bank of Hangzhou Beijing Branch	20,000,000.00	
	Industrial Bank Beijing Daxing Pangezhuang sub branch	10,000,000.00	
	Bank of Jiangsu Beijing Desheng sub branch	13,000,000.00	
	Bank of China Beijing Dacheng building sub branch	10,000,000.00	
	Minsheng Bank Financial Street sub branch	29,000,000.00	
Beijing Xintou Jianhuan Technology Development Co., Ltd	Bank of Beijing Yunhe branch	4,693,600.00	
Beijing Construction Technology Development Co., Ltd	Industrial and Commercial Bank of China Beijing nanlishi road sub branch	10,000,000.00	BCEG
	Bank of Ningbo Beijing Branch Business Department	10,000,000.00	
Beijing No.3 Construction Engineering Co., Ltd	Bank of Beijing Hongxing sub branch	48,000,000.00	BCEG

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	Industrial and Commercial Bank of China Beijing nanlishi road sub branch	140,000,000.00	
	Bank of Communications Beijing Tiantan sub branch	110,000,000.00	
	Agricultural Bank of China Chaoyang East District sub branch	80,000,000.00	
	Guangfa Bank Beijing Shijingshan sub branch	60,000,000.00	
	Bank of Beijing Hongxing sub branch	110,000,000.00	
BCEG Civil Engineering Co., Ltd	Industrial and Commercial Bank of China Fuwai Street sub branch	55,000,000.00	
	Huaxia Bank Chaoyangmen branch	50,000,000.00	BCEG
	Bank of Communications Beijing Branch	50,000,000.00	
	Bank of Hangzhou Beijing Branch Business Department	95,809,400.00	
	Bank of Beijing Hongxing sub branch	50,000,000.00	
BCEG New Building Materials Co., Ltd	Industrial and Commercial Bank of China Nanlishi road sub branch	40,000,000.00	BCEG
	Bank of communications Tiantan sub branch	50,000,000.00	
	Bank of Beijing Hongxing sub branch	100,000,000.00	
BCEG Fourth Construction Engineering Co., Ltd	Industrial and Commercial Bank of China Beijing Nanlishi road sub branch	20,000,000.00	BCEG
BCEG construction industrialization investment construction development Co., Ltd	Bank of Beijing Hongxing sub branch	30,000,000.00	BCEG
	Bank of Beijing Hongxing sub branch	25,000,000.00	
	Guangfa Bank Beijing Shijingshan sub branch	10,000,000.00	
Beijing Construction Engineering Research Institute Co., Ltd	China Minsheng Bank Beijing Branch	15,000,000.00	BCEG
	Bank of China Beijing Dacheng building sub branch	10,000,000.00	
	Bank of Beijing Hongxing sub branch	32,500,000.00	
	Bank of Beijing Hongxing sub branch	3,000,000.00	
Beijing Construction Engineering Decoration Group Co., Ltd	Bank of Beijing Hongxing sub branch	13,700,000.00	BCEG
	Bank of Beijing Hongxing sub branch	12,000,000.00	

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		Bank of Beijing Hongxing sub branch	14,050,000.00	
		Bank of Beijing Hongxing sub branch	11,750,000.00	
		Guangfa Bank Beijing West Railway Station sub branch	13,000,000.00	
BCEG Changzhu Engineering Co., Ltd	Construction	Bank of Communications Beijing Tiantan sub branch	111,000,000.00	BCEG
		Bank of Communications Beijing Tiantan sub branch	93,400,000.00	
		Rural Commercial Bank head office business department	150,000,000.00	
		Everbright Bank Suzhou Street sub branch	50,000,000.00	
Beijing Sixth Construction Co., Ltd	Group	China Minsheng Bank Beijing Branch	50,000,000.00	BCEG
		Ping An Bank Shanghai Branch	50,000,000.00	
		China CITIC Bank Mentougou sub branch	48,000,000.00	
		Shanghai Pudong Development Bank Beijing Branch	40,000,000.00	
		CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED	114,277,098.60	
BCEG International Co., Ltd	(Hong Kong)	The Hongkong and Shanghai Banking Corporation Limited	156,597,600.00	BCEG
		Deutsche Bank Aktiengesellschaft	815,612,500.00	
		NATIXIS, HONG KONG BRANCH	815,612,500.00	
		MALAYAN BANKING BERHAD	652,490,000.00	
Beijing Municipal Third Construction Engineering Co., Ltd	Construction	Bank of BeijingYinghua branch	26,000,000.00	
		Bank of BeijingYinghua branch	104,005,385.00	
		China Construction Bank Yuetan sub branch	44,000,000.00	
Beijing Municipal First Construction Engineering Co., Ltd	Construction	Guangfa bank Yuetan sub branch	32,600,000	
		Huaxia Bank Chang'an sub branch	118,740,000.00	Beijing Municipal Construction Group Co., Ltd
		Everbright Bank Anhui sub branch	34,000,000.00	
Beijing Municipal Second Construction Engineering Co., Ltd	Construction	Bank of BeijingYinghua branch	93,000,000.00	
		Huaxia Bank Beijing Chang'an sub branch	37,000,000.00	
Beijing Municipal Sixth Construction Engineering Co., Ltd	Construction	Bank of BeijingYinghua branch	56,800,000.00	

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

	Bank of Beijing	22,000,000.00	
Beijing High Strength Concrete Co., Ltd	Bank of Beijing	20,000,000.00	Beijing Municipal Road and Bridge Co., Ltd
	Bank of Beijing	25,000,000.00	
	Bank of Beijing	13,000,000.00	
Beijing Yantong building components Co., Ltd	Bank of Beijing	50,000,000.00	Beijing Housing Industrialization Group Co., Ltd
Hengwan Industrial Co., Ltd	Bank of Beijing	50,000,000.00	
Beijing Jingrun Landscape Engineering Co., Ltd	Bank of Beijing	5,000,000.00	Beijing Urban Rural Construction Group Co., Ltd
Beijing Urban Rural Xinrui Construction Co., Ltd	Bank of Beijing	30,000,000.00	
	Zheshang Bank	200,000,000.00	
	Bank of Ningbo	100,000,000.00	
	Bank of Dalian	100,000,000.00	
	Bank of Hangzhou	200,000,000.00	
	Beijing Rural Commercial Bank	100,000,000.00	
Beijing Urban Rural Construction Group Co., Ltd	China CITIC Bank	120,000,000.00	Beijing Municipal Road and Bridge Group Co., Ltd
	Bank of Beijing	250,000,000.00	
	Huaxia Bank	100,000,000.00	
	Bank of Communications	50,000,000.00	
	China Construction Bank	70,000,000.00	
	China Everbright Bank	100,000,000.00	
	Shanghai Pudong Development Bank	80,000,000.00	
Total		6,746,838,083.60	

(2) Loans secured by mortgages\Pledged loans

Debtor	Bank	Balance as at 31/12/2020	Annual interest rate (%)	Mortgaged/pl edged assets	Net book value of the assets
Guangzhou Hefu Municipal Engineering Co., Ltd	Bank of China Guangzhou Zengcheng Zhongxin sub branch	10,000,000.00	5.06	Personal property of natural person shareholder	
	Industrial and Commercial Bank of China	49,000,000.00	4.13	Fixed assets	36,507,506.65
Beijing Urban Rural Construction Group Co., Ltd	Industrial and Commercial Bank of China	120,000,000.00	4.57	Investment properties	195,971,900.00
	Industrial and Commercial Bank of China	50,000,000.00	4.35		

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Total	229,000,000.00	232,479,406.65
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26、Bills payable

Item	As at 31/12/2020	As at 31/12/2019
Commercial acceptance bills	560,311,718.58	237,853,365.72
Bank acceptance bills	4,349,509,608.80	3,804,512,307.08
Total	4,909,821,327.38	4,042,365,672.80

27、Accounts payable

Aging	As at 31/12/2020	As at 31/12/2019
Winthin 1 year	31,135,010,808.74	24,344,319,130.68
1 to 2 years	9,260,355,614.33	7,527,502,288.38
2 to 3 years	3,208,175,592.33	3,192,320,155.31
More than 3 years	3,840,584,746.17	2,996,050,816.96
Total	47,444,126,761.57	38,060,192,391.33

Significant accounts payable with aging of more than 1 year

Creditor	As at 31/12/2017	Reasons for unpaid
Tangshan Jinma Qixin Cement Co., Ltd	78,089,986.01	Unsettled
Luyi Zhonghuan Zexiang Building Materials Sales Co., Ltd	57,795,512.07	Financial constraints
Tianjin Urban Infrastructure Supporting Office	50,741,481.60	Unsettled
Beijing Huaguan Commercial Technology Development Co., Ltd	48,876,493.48	Financial constraints
Beijing Equipment Installation Engineering Group Co., Ltd	48,031,482.29	Unsettled
Tianjin Bohai Chemical Group Supply and Marketing Co., Ltd	36,610,646.40	Failure to meet the payment terms stipulated in the contract
Beijing Second Construction Engineering Co., Ltd	34,941,419.32	Failure to meet the payment terms stipulated in the contract
Beijing Architectural Design and Research Institute Co., Ltd	25,750,000.00	Failure to meet the payment terms stipulated in the contract
Fujian Xindonghai Construction Engineering Co., Ltd	24,794,758.54	Quality retention money
Beijing Huaguan Commercial Management Co., Ltd. - Ye Dongcheng	23,895,807.59	Failure to meet the payment terms stipulated in the contract
Beijing Xinfangsheng E-commerce Co., Ltd	23,745,893.70	Failure to meet the payment terms stipulated in the contract
Qingshuihe Huayun Logistics Co., Ltd	23,338,048.08	Unsettled
China Electronics System Engineering Second Construction Co., Ltd	22,159,638.42	Failure to meet the payment terms stipulated in the contract
Beijing Sanjie International Steel Structure Co., Ltd	21,893,900.88	Financial constraints

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Creditor	As at 31/12/2017	Reasons for unpaid
Hengde Construction Co., Ltd	20,659,086.67	Failure to meet the payment terms stipulated in the contract
Beijing Yanmailong Petroleum Sales Co., Ltd	19,811,926.72	Financial constraints
Jiangsu Subote New Material Co., Ltd	19,179,664.45	Financial constraints
Guizhou Haojie Construction Engineering Co., Ltd	18,458,758.06	Quality retention money
Guizhou Haoshangcheng Trading Co., Ltd	17,491,797.80	Failure to meet the payment terms stipulated in the contract
Beijing zhongliankan Engineering Technology Co., Ltd	17,209,251.56	Financial constraints
Zhejiang Weiyue Building Materials Co., Ltd	16,190,288.41	Financial constraints
Shandong Chenjun Trading Co., Ltd	16,138,539.55	Financial constraints
Guizhou Guishen Environmental Engineering Co., Ltd	15,775,234.27	Failure to meet the payment terms stipulated in the contract
Beijing Jianda Hongtu Construction Engineering Co., Ltd	15,251,880.06	Failure to meet the payment terms stipulated in the contract
Beijing Chaoyang Sanjian Longchang Municipal Construction Engineering Co., Ltd	14,880,434.01	Quality retention money
Guizhou Jinhai Greening Engineering Co., Ltd	14,322,729.70	Quality retention money
Tianjin Jianye Real Estate Sales Agency Co., Ltd	12,967,851.99	Unsettled
Tongren Chengxin Construction Engineering Co., Ltd	12,475,458.66	Failure to meet the payment terms stipulated in the contract
BCEG First Construction Engineering Co., Ltd	12,365,930.00	Failure to meet the payment terms stipulated in the contract
Shenze County Yaojia Freight Station	11,921,890.71	Financial constraints
Mengcun Hui Autonomous County Yuanyuan Building Materials Agency	11,670,742.97	Financial constraints
Puyang Hualong Construction Engineering (Group) Co., Ltd	11,190,841.10	Unsettled
Hohhot Tianhao Cement Co., Ltd	11,021,559.03	Financial constraints
Beijing Geotechnical Engineering Survey Institute Co., Ltd. (formerly known as Beijing Geotechnical Engineering Survey Institute)	10,872,037.33	Quality retention money
Jiangsu Jude Environmental Protection Technology Co., Ltd	10,775,235.55	Failure to meet the payment terms stipulated in the contract
Hunan Jiangchu Project Management Co., Ltd	10,163,795.75	Failure to meet the payment terms stipulated in the contract
Beijing Tongrunda Machinery Construction Co., Ltd	10,133,224.46	Failure to meet the payment terms stipulated in the contract
Total	851,593,227.19	

28、Advances from customers

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Aging	As at 31/12/2020	As at 31/12/2019
Winthin 1 year	20,217,893,742.55	17,466,326,474.17
More than 1 year	6,438,913,992.49	5,541,427,996.25
Total	26,656,807,735.04	23,007,754,470.42

Significant advances from customers with aging of more than 1 year

Creditor	As at 31/12/2020	Reasons for not being transferred
Homeowners	3,289,353,376.24	The room hasn't been delivered yet
Quzhou Rural Development Co., Ltd	640,248,069.50	The settlement time point has not been reached
Guangzhou Metro Group Co., Ltd	171,912,241.52	The delivery conditions have not been met
Congo Working Committee	130,993,591.57	It is not time to recognize revenue
Beijing Fresh Agricultural Products Circulation Center	91,938,076.47	The settlement time point has not been reached
Beijing Rail Transit Construction Management Co., Ltd	63,677,389.00	The settlement time point has not been reached
Guizhou Qianchun Avenue Seventh Project Department	59,868,584.17	The project has not reached the deduction period of advance payment
Shaoxing Jingyue Metro Co., Ltd	59,644,541.00	The project has not reached the deduction period of advance payment
Anshun Xixiu industrial investment (Group) Co., Ltd	53,076,253.75	The project has not reached the deduction period of advance payment
Beijing Rail Transit Construction Management Co., Ltd	52,259,121.37	The project has not reached the deduction period of advance payment
Beijing Urban Rapid Transit Construction Management Co., Ltd	52,049,685.54	The project has not reached the deduction period of advance payment
Beijing Urban Drainage Group Co., Ltd	48,408,674.31	The project has not reached the deduction period of advance payment
Beijing Hairongda Investment and Construction Co., Ltd	47,868,123.08	The project has not reached the deduction period of advance payment
Beijing Daxing District Huangcun Town Finance Office	47,000,000.00	The delivery conditions have not been met
Beijing Jinkun Lize Real Estate Co., Ltd	45,896,080.00	The project has not reached the deduction period of advance payment
Hunan Zhanghua Expressway Construction and Development Co., Ltd	43,858,612.37	The project has not reached the deduction period of advance payment
Beijing Gonglian Highway Connecting Line Co., Ltd	39,724,335.94	The project has not reached the deduction period of advance payment
Datong Transportation Bureau	38,695,000.00	The settlement time point has not been reached
Changping District Municipal Appearance Management Committee of Beijing Municipality	38,641,072.20	The project has not reached the deduction period of advance payment
Beijing south to North Water Diversion Project Construction Management Center	35,338,323.00	The project has not reached the deduction period of advance payment
Beijing Rail Transit Yanfang Line Investment Co., Ltd	27,115,544.50	The project has not reached the deduction period of advance payment

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Creditor	As at 31/12/2020	Reasons for not being transferred
Mentougou District Municipal Appearance Management Committee of Beijing Municipality	26,913,832.47	The project has not reached the deduction period of advance payment
Zhengzhou Highway Construction Key Project Management Office	26,027,642.30	The project has not reached the deduction period of advance payment
Mentougou District Commission of urban administration of Beijing Municipality	23,689,415.48	The project has not reached the deduction period of advance payment
Beijing Lvdu Infrastructure Investment Co., Ltd	22,770,201.08	The project has not reached the deduction period of advance payment
Construction Management Office of Baotou Dongsheng section reconstruction and expansion project of Baotou Maoming Expressway	22,216,562.80	The project has not reached the deduction period of advance payment
Beijing Vegetable Basket Group Co., Ltd	21,752,849.00	The project has not reached the deduction period of advance payment
Foshan Sanshui Transportation Construction Investment Co., Ltd	16,824,691.43	The project has not reached the deduction period of advance payment
Danjiangkou Municipal Engineering Construction Administration Bureau	15,022,741.00	The project has not reached the deduction period of advance payment
Beijing Rail Transit Changping Line Investment Co., Ltd	14,711,600.60	The project has not reached the deduction period of advance payment
Beijing Metro Line 3 Investment Co., Ltd	14,591,017.00	The project has not reached the deduction period of advance payment
Langfang Municipal Facilities Management Office	11,801,057.11	The project has not reached the deduction period of advance payment
China Construction Second Engineering Bureau No.3 Construction Engineering Co., Ltd	11,688,676.06	The project has not reached the deduction period of advance payment
Beijing Information Infrastructure Construction Co., Ltd	11,502,678.09	The project has not reached the deduction period of advance payment
Taishitun Township People's Government of Miyun District of Beijing Municipality	11,090,232.61	The project has not reached the deduction period of advance payment
Beijing Economic and Technological Development Zone	11,000,000.00	The delivery conditions have not been met
Gui'an Xinmin Road, Yingong Road, Yuheng Road, Liu jin Road, pavement of Shengke Industrial Park	10,722,902.28	The project has not reached the deduction period of advance payment
Beijing Oriental garden environment Co., Ltd	10,408,576.05	The project has not reached the deduction period of advance payment
Tongzhou Highway Branch of Beijing Municipal Transportation Commission	10,069,621.30	The project has not reached the deduction period of advance payment
Total	5,370,370,992.19	

29、Contract Liabilities

Item	As at 31/12/2020	As at 31/12/2019
Engineering funds	14,608,874.91	33,800,151.87
Service charge	4,986,072.69	4,347,308.92
Total	19,594,947.60	38,147,460.79

30、Employee benefits payable

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

(1) Employee benefits payable

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Short-term employee benefits	872,845,883.32	6,800,990,333.52	6,730,225,400.65	943,610,816.19
Post-employment benefits - defined contribution plans	45,916,500.00	383,676,202.14	389,066,552.12	40,526,150.02
Termination benefits	3,022,610.25	4,577,297.70	4,669,340.40	2,930,567.55
Other benefits due within one year		10.00	10.00	
Others		1,127,635.12	1,127,635.12	
Total	921,784,993.57	7,190,371,478.48	7,125,088,938.29	987,067,533.76

(2) Short-term employee benefits

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Salaries, bonus, allowances	645,321,915.15	5,415,117,106.96	5,351,441,940.35	708,997,081.76
Staff welfare	6,448,258.38	235,876,683.98	235,732,891.83	6,592,050.53
Social insurances	103,070,142.03	413,996,873.52	411,450,490.52	105,616,525.03
Including: Medical insurance	76,803,309.25	373,110,058.60	369,586,684.90	80,326,682.95
Work-related injury insurance	1,297,139.46	11,614,139.93	11,466,163.12	1,445,116.27
Maternity insurance	1,465,238.87	4,944,258.93	5,386,552.39	1,022,945.41
Others	23,504,454.45	24,328,416.06	25,011,090.11	22,821,780.40
Housing Fund	7,063,491.03	457,169,016.66	454,475,992.32	9,756,515.37
Labor union fees, staff and workers' education fee	101,070,652.61	105,056,416.11	105,233,343.91	100,893,724.81
Other short-term employee benefits	9,871,424.12	173,774,236.29	171,890,741.72	11,754,918.69
Total	872,845,883.32	6,800,990,333.52	6,730,225,400.65	943,610,816.19

(3) Defined contribution plans

Item	As at 31/12/2019	Accrued during the year	Decreased during the year	As at 31/12/2020
Basic pension insurance	34,814,144.18	339,733,686.23	341,596,868.15	32,950,962.26
Unemployment insurance	2,218,734.27	16,118,923.00	16,242,796.49	2,094,860.78
Annuity	8,883,621.55	27,823,592.91	31,226,887.48	5,480,326.98
Total	45,916,500.00	383,676,202.14	389,066,552.12	40,526,150.02

31、Taxes payable

Item	As at 31/12/2019	Current payable	Current paid	As at 31/12/2020
VAT	245,297,798.49	1,974,610,900.91	1,956,872,297.21	263,036,402.19
Resources tax	45,981.44	1,260,842.99	1,242,401.09	64,423.34
Corporate income tax	-6,021,336.54	748,851,296.09	683,994,510.31	58,835,449.24
Urban maintenance and construction tax	4,384,777.97	124,898,768.76	121,671,209.11	7,612,337.62
Property tax	186,532.23	64,448,398.80	64,343,923.28	291,007.75

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

Item	As at 31/12/2019	Current payable	Current paid	As at 31/12/2020
Land use tax	460,775.62	27,669,993.24	27,386,485.83	744,283.03
Individual income tax	53,209,745.74	220,844,946.25	209,161,004.61	64,893,687.38
Educational surcharge	3,757,099.13	101,763,701.54	99,492,136.72	6,028,663.95
Other taxes	972,161,044.30	442,492,459.74	563,563,487.44	851,090,016.60
Total	1,273,482,418.38	3,706,841,308.32	3,727,727,455.60	1,252,596,271.10

32、Other payables

Item	As at 31/12/2020	As at 31/12/2019
Interest payable	224,625,921.99	155,313,016.01
Dividends payable	46,715,752.57	53,622,149.86
Other payables	6,803,301,085.74	8,489,549,128.48
Total	7,074,642,760.30	8,698,484,294.35

(1) Interest payable

Item	As at 31/12/2020	As at 31/12/2019
Interest payable on long-term borrowing that is due in installments	5,974,940.60	6,343,314.60
Interest payable on debentures	214,044,963.69	145,082,767.88
Interest payable on short-term loans	4,606,017.70	3,841,563.53
Other interest		45,370.00
Total	224,625,921.99	155,313,016.01

(2) Dividends payable

Item	As at 31/12/2020	As at 31/12/2019
Dividends for ordinary shares	46,715,752.57	53,622,149.86

Significant dividends not paid in 1 year:

Shareholder	As at 31/12/2020	As at 31/12/2019	Reason for unpaid over 1 year
Beijing Hengyuan Economic and Trade Co., Ltd.	350,000.00	350,000.00	The agreement is not paid for the time being
Beijing Ruiran Construction and Development Co., Ltd.		803,575.74	The agreement is not paid for the time being
Total	350,000.00	1,153,575.74	

(3) Other payables

① Other payables

Item	As at 31/12/2020	As at 31/12/2019
Accounts between companies	3,682,435,835.73	5,532,688,301.17
The deposit and Security deposit	1,264,322,447.79	1,704,712,797.12

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Item	As at 31/12/2020	As at 31/12/2019
Collection and payment	277,366,303.63	535,518,757.12
Social insurances and housing Fund	623,108,207.09	89,937,625.26
Maintenance fund	90,787,507.10	33,637,899.70
Labor union fees	1,056,623.82	548,834.71
Party membership dues	7,588,934.96	7,518,108.73
Others	856,635,225.62	584,986,804.67
Total	6,803,301,085.74	8,489,549,128.48

② Significant other payables aging over 1 year

Creditor	As at 31/12/2020	Reason for no repayment
Wang Siying's mortgage	349,989,222.00	Business current account
Tianjin Guotai Financial Leasing Co., Ltd	277,529,794.42	Unsettled
Suzhou Shoukai Longtai Real Estate Co., Ltd	129,000,000.00	Business current account
Beijing Guantong Economic and Trade Group	88,022,000.00	Financial constraints
Land Reserve Center (Sanluju)	70,000,000.00	Collection
Housing Reform House Sales Money	42,734,653.82	Financial constraints
Xiaoyue New City Housing Sales	41,039,529.18	Financial constraints
Demolition of borrowing	29,869,768.12	Financial constraints
Logistics Service Center of Beijing Municipal Construction Commission	23,932,247.65	Unsettled
Beixiaoying Demolition Fee	22,984,054.65	Financial constraints
Beijing Shangrong Property Service Co. Ltd	20,000,000.00	Unsettled
CCCC Fourth Engineering Co., Ltd	16,586,544.00	Financial constraints
Henan Tianqian Engineering Co., Ltd	13,201,523.82	Financial constraints
Bijie Bihai New Area Construction Investment Co., Ltd	12,000,000.00	Financial constraints
Beijing Tiger Economic Development Co., Ltd	10,800,000.00	Financial constraints
Beijing Architectural Design and Research Institute Co., Ltd	10,067,348.50	Unsettled
Beijing Zhongneng Shengye Trading Co., Ltd	10,000,000.00	Deposit
Beijing Shancheng Property Service Co., Ltd	10,000,000.00	Unsettled
Total	1,177,756,686.16	

33、 Non-current liabilities due within one year

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Item	As at 31/12/2020	As at 31/12/2019
Long-term loans due within one year	4,242,424,499.97	6,256,309,419.10
Debentures payable due within one year	5,520,268,561.86	1,000,000,000.00
Total	9,762,693,061.83	7,256,309,419.10

34、Other current liabilities

Item	As at 31/12/2020	As at 31/12/2019
Output VAT to be transferred	584,802,033.51	500,799,400.79

35、Long-term loans

Item	As at 31/12/2020	As at 31/12/2019	Range of interest rates at the end of year
Pledged loans	5,122,392,580.30	2,745,167,212.23	
Loans secured by mortgages	5,934,006,998.05	3,954,857,761.98	
Guaranteed loans	9,391,669,230.15	7,879,181,494.54	
Unsecured loans	15,930,597,502.50	13,476,083,279.10	
Subtotal	36,378,666,311.00	28,055,289,747.85	
Less: long-term loans due within one year	4,242,424,499.97	6,256,309,419.10	
Total	32,136,241,811.03	21,798,980,328.75	

(1) Guaranteed loans

Debtor	Bank	As at 31/12/2020	Annual interest rate (%)	Guarantor
BCEG Resources Recycling Investment Co., Ltd	Huaxia Bank North Third Ring sub branch	38,310,000.00	4.65	BCEG
	Bank of Hangzhou Beijing Branch	8,620,000.00	5.70	
	Guangfa Bank Beijing West Railway Station sub branch	66,500,000.00	3.99	
	Bank of Beijing Beiqing road sub branch	76,175,000.00	4.75	
Jiangsu Xicheng Jianhuan Technology Development Co., Ltd	Minsheng Bank Wuxi Branch	76,650,000.00	5.14	
Beijing No.3 Construction Engineering Co., Ltd	China Development Bank Beijing Branch	270,000,000.00	3.88	BCEG
	Beijing Rural Commercial Bank head office business department	169,000,000.00	3.98	

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

	Beijing Rural Commercial Bank head office business department	119,000,000.00	4.08	
	China Construction Bank Fuliang sub branch	22,981,000.00	5.39	
	China Construction Bank Fuliang sub branch	165,571,000.00	5.64	
	China Construction Bank Fuliang sub branch	172,329,000.00	5.64	
Fuliang Jingxin Construction Development Co., Ltd	China Construction Bank Fuliang sub branch	38,661,000.00	5.39	Beijing No.3 Construction Engineering Co., Ltd
	China Construction Bank Fuliang sub branch	23,919,000.00	5.39	
	China Construction Bank Fuliang sub branch	40,239,000.00	5.39	
BCEG Civil Engineering Co., Ltd	China Development Bank Beijing Branch	370,000,000.00	3.60-4.04	BCEG
BCEG New Building Materials Co., Ltd	China Development Bank Beijing Branch	100,000,000.00	3.40	BCEG
Jinan Jianbang Real Estate Co., Ltd	Beijing bank Ji'nan branch	250,000,000.00	4.23	BCEG
BCEG Fourth Construction Engineering Co., Ltd	China Development Bank Beijing Branch	133,500,000.00	4.04	BCEG
	HUA XIA BANK CO., LIMITED HONG KONG BRANCH CHINA	163,122,500.00		
BCEG International (Hong Kong) Co., Ltd	CONSTRUCTION BANK (ASIA) CORPORATION LIMITED MALAYAN BANKING BERHAD NATIXIS, HONG KONG BRANCH	150,072,700.00	3mth libor+1.95%	BCEG
		130,498,000.00		
		130,498,000.00		

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

				CHINA CITIC BANK INTERNATIONAL LIMITED CHINA MINSHENG BANKING CORP., LTD. SHANGHAI PILOT FREE TRADE ZONE BRANCH LUSO INTERNATIONAL BANKING LIMITED SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD., ACTING THROUGH ITS HONG KONG BRANCH SHANGHAI PUDONG DEVELOPMENT BANK CO., LTD. LONDON BRANCH THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED SHANGHAI BRANCH	117,448,200.00		
					65,249,000.00		
					65,249,000.00		
					65,249,000.00		
					26,099,600.00		
BCEG International Construction Co., Ltd	New Zealand			BANK OF CHINA (NEW ZEALAND) LIMITED	7,292,750.00	Floating rate of lending bank	
BCEG International (UK) Construction Co., Ltd				China Merchants Bank London Branch	62,232,100.00	Lending bank interest rate 3mth libor+1.3%+ Rate of standby bank 0.9%	
BCEG International Engineering Co., Ltd		Construction		Huaxia Bank Beijing Branch	130,498,000.00	3.91	
				Huaxia Bank Beijing Branch	52,199,200.00	3.93	BCEG
BCEG International Singapore Co., Ltd				Bank of Shanghai Hong Kong Branch	313,195,199.97	2.99	
BCEG Real Estate Co., Ltd				Bank of Beijing	277,519,568.97	4.75	
Beijing Jianbang Shunkang Real Estate Development Co., Ltd				Bank of Beijing	4,239,550,000.00	4.9	BCEG

Beijing Construction Engineering Group Co., Ltd.
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Chengdu Jianbang Real Estate Co., Ltd	Bank of China	199,711,428.00	5.13	
Chifeng Jinghong Municipal Road and Bridge Co., Ltd	Everbright Financial Leasing Co., Ltd	142,470,983.21	5.29	
Dongying City Kenli District Jintoujing Road Investment Co., Ltd	China Construction Bank Dongying Shengda sub branch	230,000,000.00	5.24	Beijing Municipal Road and Bridge Co., Ltd
Fujian Jinglian Infrastructure Investment Co., Ltd	Agricultural Bank of China lianjiangcheng sub branch	210,110,000.00	4.66	
Fu'an Jing'an Infrastructure Investment Co., Ltd	China Construction Bank Fu'an sub branch	206,700,000.00	5.39	Beijing Municipal Construction Group Co., Ltd
Beijing Urban Rural Construction Group Co., Ltd	Bank of Beijing	100,000,000.00	5.23	Beijing Municipal Road and Bridge Group Co., Ltd
	Bank of Beijing	100,000,000.00	4.35	
Total		9,391,669,230.15		

(2) Loans secured by mortgages\Pledged loans

Debtor	Bank	Balance as at 31/12/2020	Annual interest rate (%)	Mortgaged/pledged assets	Net book value of the assets
BCEG (Fuding) Municipal Investment and Construction Co., Ltd	China Construction Bank Fuding branch	740,000,000.00	4.90	PPP project assets	243,366,960.36
Qingdao Jingjian Urban Construction Investment Co., Ltd	China Development Bank Qingdao Branch	649,000,000.00	4.80	PPP project assets	323,089,880.30
Jinan Jianbang Real Estate Co., Ltd	Industrial and Commercial Bank of China Jinan Changqing sub branch University City Banking Office	377,040,000.00	4.85	Inventories	571,401,100.00
Shanxi Transformation and Comprehensive Reform Demonstration Zone Niu Tube Gallery Project Management Co., Ltd	China Construction Bank Taiyuan comprehensive reform District sub branch	85,247,937.00	4.25	The right of income stipulated in PPP contract	416,863,160.26

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
For 2018-2020 (All amounts in RMB unless otherwise stated)

	China Construction Bank Beijing Yuetan sub branch	56,800,000.00	4.25	The right of income stipulated in PPP contract	416,863,160.26
	Industrial and Commercial Bank of China Taiyuan hi tech sub branch business department	178,854,000.00	4.65	The right of income stipulated in PPP contract	416,863,160.26
	Bank of China Taiyuan Xili Street sub branch	21,175,646.85	4.65	The right of income stipulated in PPP contract	416,863,160.26
	Bank of communications Taiyuan Taobei sub branch	8,000,000.00	4.65	The right of income stipulated in PPP contract	416,863,160.26
	Postal Savings Bank of China Shanxi branch directly under the branch	48,194,166.00	4.25	The right of income stipulated in PPP contract	416,863,160.26
Shanghai Beijian Real Estate Co., Ltd	China Construction Bank	647,036,998.05	4.99	Land rights	1,442,150,000.00
Beijing Yihe Real Estate Co., Ltd	Industrial and Commercial Bank of China	1,460,000,000.00	4.75	Land rights	4,211,000,000.00
Beijing Xingzhu Real Estate Development Co., Ltd	Shanghai Pudong Development Bank	1,020,000,000.00	4.37	Land rights	3,300,000,000.00
	China CITIC Bank	1,050,000,000.00	4.37		
BCEG Real Estate Ningbo Real Estate Co., Ltd	Bank of Beijing	280,000,000.00	5.23	Land rights	335,454,860.00
Beijing Jianbang China Railway Real Estate Development Co., Ltd	Agricultural Bank of China	957,500,000.00	4.75	Land rights	5,355,000,000.00
Beijing Jianbang Shunyi Real Estate Development Co., Ltd	Agricultural Bank of China	422,263,400.00	4.51	Land rights 、	3,490,802,172.10
	Bank of Beijing	591,166,600.00	4.51	Construction in progress	
Handan Jingwu Road and Bridge Engineering Co., Ltd	CITIC Bank CITIC City sub branch	1,005,576,000.00	5.64	Long term accounts receivable	1,582,407,556.32
Jianhu Infrastructure Construction Investment Co., Ltd	Bank of China Jianhu sub branch	411,559,240.45	5.00	Long term accounts receivable	523,790,064.12
Anhui Jinghuai Urban Road Construction Investment Co., Ltd	Huishang Bank Bengbu Huaiyuan sub branch	192,660,000.00	5.39	Long term accounts receivable	418,831,461.30

Beijing Construction Engineering Group Co., Ltd.
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Dongtai Infrastructure Investment Construction Co., Ltd	Jingtai and	China Construction Bank Dongtai sub branch	80,000,000.00	4.21	Long term accounts receivable	125,708,856.65
Dongying Jinglu Construction Co., Ltd	chengtou Investment and	China Construction Bank Dongying Shengda sub branch	407,825,590.00	4.50	Accounts receivable	133,930,000.00
Qingdao Jingtai Development Co., Ltd	Chengkai Real Estate	Bank of Qingdao	256,500,000.00	6.5	Inventories	596,792,638.44
Beijing Construction Group Co., Ltd	Urban Rural	Bank of Beijing	110,000,000.00	5.95	Investment properties	89,418,100.00
					Inventories	40,211,645.44
					Fixed assets	8,284,040.00
Total			11,056,399,578.35			25,292,818,296.59

36、Bonds payable

(1) Bonds payable

Item	As at 31/12/2020	As at 31/12/2019
Corporate bond	5,530,560,000.00	1,800,000,000.00
Dollar bond	3,909,708,561.86	4,171,142,110.98
Medium-term bills	2,880,000,000.00	1,000,000,000.00
Subtotal	12,320,268,561.86	6,971,142,110.98
Less: Bonds payable due within one year	5,520,268,561.86	1,000,000,000.00
Total	6,800,000,000.00	5,971,142,110.98

Beijing Construction Engineering Group Co., Ltd.
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(2) Movement of bonds payable (Excludes preferred stock, perpetual debt and other financial instruments classified as financial liabilities)

Bonds	Face value	Issue date	Bond term	Issued amount	As at 31/12/2019	Issued in the year	Interest on face value	Amortise of premium	Repay in the year	As at 31/12/2020
Corporate bonds -19 BCEG 01 (155729)	1,200,000,000.00	2019/9/24	5 years	1,200,000,000.00	1,200,000,000.00					1,200,000,000.00
Corporate bonds -20 BCEG 01 (163267)	1,400,000,000.00	2020/3/16	5 years	1,400,000,000.00		1,400,000,000.00				1,400,000,000.00
Corporate bonds -20 BCEG 02 (163268)	800,000,000.00	2020/3/16	5 years	800,000,000.00		800,000,000.00				800,000,000.00
Medium-term notes -20 BCEG MTN001	2,400,000,000.00	2020/4/29	3 years	2,400,000,000.00		2,400,000,000.00				2,400,000,000.00
\$600 million in bonds	4,094,760,000.00	2018/8/20	3 years	4,094,760,000.00	4,171,142,110.98			-261,433,549.12		3,909,708,561.86
Wanxiang Yuefu South District asset support special plan	1,350,000,000.00	2020/9/30	1 year	1,350,000,000.00		1,350,000,000.00	11,720,000.00		231,160,000.00	1,130,560,000.00
Medium term note	1,000,000,000.00	2015/4/24	5 years	1,000,000,000.00	1,000,000,000.00		57,500,000.00		57,500,000.00	1,000,000,000.00
Corporate bonds	600,000,000.00	2018/9/20	3 years	600,000,000.00	600,000,000.00		7,350,000.00		127,350,000.00	480,000,000.00
Total	12,844,760,000.00			12,844,760,000.00	6,971,142,110.98	5,950,000,000.00	76,570,000.00	-261,433,549.12	416,010,000.00	12,320,268,561.86

Notes:

- (1) On September 24, 2019, the Group entrusted Zheshang Securities Co., Ltd. and China CITIC Construction Investment Securities Co., Ltd. to issue 1.2 billion corporate bonds of Beijing Construction Engineering Group Co., Ltd. in 2019, with a maturity of 5 (3 + 2) years and a coupon rate of 3.9% from September 24, 2019 to September 23, 2022; From September 24, 2022 to September 23, 2024, the interest rate will be 3.9% + adjustment basis point.
- (2) On March 16, 2020, the Group entrusted CSCJ Securities Co., Ltd. and Zheshang Securities Co., Ltd. to issue 1.4 billion corporate bonds of Beijing Construction Engineering Group Co., Ltd. in 2020, with a maturity of 5 (3 + 2) years and a coupon rate of 3.2% from March 16, 2020 to March 15, 2023; From March 16, 2023 to March 15, 2025, the interest rate will be 3.2% + adjustment basis point.
- (3) On March 16, 2020, the Group entrusted CSCJ Securities Co., Ltd. and Zheshang Securities Co., Ltd. to issue 800 million corporate bonds of Beijing Construction Engineering Group Co., Ltd. in 2020, with a term of 5 years, from March 16, 2020 to March 15, 2025, and a coupon rate of 3.68%.
- (4) On April 29, 2020, the Group entrusted bank of Beijing Co., Ltd. and Bank of Hangzhou Co., Ltd. to issue 2.4 billion medium-term notes of Beijing Construction Group Co., Ltd. in 2020, with a term of 3 years and a coupon rate of 2.60%.

- (5) On August 20, 2018, the Group entrusted BNP Paribas, HSBC and ICBC international to jointly issue US \$600 million offshore foreign debt of Beijing Construction Engineering Group in 2018, with a maturity of 3 years and a coupon rate of 5.75%.
- (6) Beijing Construction Engineering Real Estate Co., Ltd., a secondary subsidiary, issued the special asset support plan for Yuefu South District of Wanxiang on September 30, 2020, with a face value of 100 yuan per share and a total amount of 1.35 billion yuan, according to the approval of Shanghai Securities Exchange (2020) No. 1875.
- (7) On April 24, 2015, Beijing Municipal Road and Bridge Co., Ltd., a third level subsidiary, issued the "2015 first phase medium term note" with a term of 5 years and a coupon rate of 5.75%.
- (8) Beijing Municipal Road and Bridge Co., Ltd., a third level subsidiary, issued "non-public corporate bonds" of RMB 600 million on September 20, 2018, with a term of 3 years and a coupon rate of 4.90%.

37、Preferred stock, sustainable debt and other financial instruments

(1) Preferred stock, sustainable debt and other financial instruments

Financial instruments	Issue time	Accounting classification	Divident rate or interest rate	Issue price	Quantity	Amount	Maturity date or renewal situation	Convertible conditions	Conversion situation
Beijing Construction Engineering Group Co., Ltd. issue renewable corporate bonds to professional investors in 2020 (phase I)	September 2020		4.48%	100.00		1,000,000,000.00			

(2) Main terms of perpetual debt

Plan period: 3+N years, The financier shall survive for a long period of time before redemption in accordance with the terms of the listing, and shall be redeemed at the time of redemption in accordance with the provisions of the listing clause.

The issuer's redemption option: When the issuer has to pay extra taxes for the existence of the bonds due to the change or amendment of laws and regulations and the change or amendment of judicial interpretation of relevant laws and regulations, and the issuer still can't avoid the responsibility of tax payment or supplementary payment after taking reasonable audit methods, the issuer has the right to redeem the bonds.

Determination of bond interest rate: Fixed interest rate is adopted for the current bond, and the simple interest is calculated by year without compound interest. If there is a deferral, each deferred interest shall be accumulated at the current coupon rate during the deferral period. The coupon rate of the first cycle will be determined by the company and the lead underwriter through negotiation within the preset range according to the results of offline bookkeeping and filing with professional investors. It will be fixed in the first cycle and reset once in each subsequent cycle. The coupon rate of the first cycle is the initial benchmark interest rate plus the initial spread, and the coupon rate of the subsequent cycle is adjusted to the current benchmark interest rate plus the initial spread plus 300 basis points. The initial spread is the coupon rate of the first period minus the initial benchmark rate. If the current benchmark interest rate is not available on the interest rate reset date due to macroeconomic and policy changes in the future, the current benchmark interest rate will follow the benchmark interest rate before the interest rate reset date.

Deferred interest payment option: this bond is attached with the issuer's deferred interest payment option. Unless compulsory interest payment occurs, on each interest payment date of this bond, the issuer can choose to postpone the payment of current interest and all deferred interest and its fruits in accordance with this clause to the next interest payment date, and is not limited by the number of times of deferred interest payment; The above interest deferral does not belong to the behavior that the issuer fails to pay the interest in full as agreed.

38、Long-term payables

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Long-term payables	378,574,810.96	177,048,819.77	33,142,894.59	522,480,736.14
Special payables	69,188,968.22	266,428,282.26	248,168,411.08	87,448,839.40

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Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Total	447,763,779.18	443,477,102.03	281,311,305.67	609,929,575.54

(1) Top 5 long-term payables of closing balance

Item	As at 31/12/2020	As at 31/12/2019
Financial allocation for the corridor project of cultural tourism area	266,090,149.46	261,740,856.16
Financial lease of fixed assets	37,773,000.00	50,364,000.00
Public maintenance fund	26,694,620.94	26,694,620.94
Compensation for relocation of production base in Daxing Lixian town	26,469,574.28	
Xixiang Wuli Store's supporting heating system	5,000,000.00	5,000,000.00
Subtotal	362,027,344.68	343,799,477.10
Less: long-term payables due within one year		
Total	362,027,344.68	343,799,477.10

(2) Top 5 Special payables of closing balance

Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
"Three supplies and one industry" transfer assets maintenance and transformation	56,599,983.75	191,767,936.64	168,014,658.03	80,353,262.36
Fund for Beijing highway magazine	1,270,925.89		161,067.95	1,109,857.94
Research on high efficiency automatic production technology of prefabricated partition wall with sound insulation and decoration integration		1,000,000.00		1,000,000.00
Research on application technology of high performance accessories for industrial buildings	605,610.00	74,390.00		680,000.00
Hebei Jiahua Engineering Design Co., Ltd		660,000.00		660,000.00
Total	58,476,519.64	193,502,326.64	168,175,725.98	83,803,120.30

39、Provisions

Item	As at 31/12/2020	As at 31/12/2019
Outstanding litigation	4,877,282.43	1,777,160.87

40、Deferred income

Beijing Construction Engineering Group Co., Ltd.
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Item	As at 31/12/2019	Additions during the year	Reductions during the year	As at 31/12/2020
Government grant	81,062,052.19	8,943,499.91	13,186,482.43	76,819,069.67
Project funds	1,026,276.69	5,571,535.81	1,905,973.30	4,691,839.20
Talents funds	167,691.05	112,000.00	167,135.70	112,555.35
Water saving reward	30,069.00		30,069.00	
Total	82,286,088.93	14,627,035.72	15,289,660.43	81,623,464.22

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Including: items involving government grant

Item	As at 31/12/2019	Additions during the year	Recognition as profit and loss	Listed items charged to profit or loss in current period	Refunded amount	Other changes	As at 31/12/2020	Related to assets/income	Reasons for return in current period
R & D subsidy	46,115.10	10,000.00		Other income			56,115.10	Revenue related	
Transformation of coal fired boiler	7,833,333.00		2,000,000.00	Other income			5,833,333.00	Asset related	
On line monitoring system of energy consumption	36,000.00		36,000.00	Other income				Asset related	
Subsidy for old heat pipe network reconstruction project		775,256.73	775,256.73	Other income				Asset related	
Heating subsidy		1,558,254.59	1,558,254.59	Other income				Revenue related	
Technology and equipment for rapid treatment of site pollution caused by major environmental accidents in 863 Chemical Industry Park R1225	846,428.21						846,428.21	Revenue related	
Development of rapid leaching equipment for contaminated soil in 863 soil leaching project R1203	3,370,539.09		154,732.78	Other income			3,215,806.31	Revenue related	
Groundwater public welfare project in North China PlainCP1314	51,902.39		13,900.00	Other income			38,002.39	Revenue related	
Study on coupling remediation technology and equipment of in situ heating and SVE for contaminated soilR1209- Central Europe	520,911.68		30,904.26	Other income			490,007.42	Revenue related	
Application and construction of National Engineering Laboratory for safe repair technology of contaminated sitesR1619	13,482,213.33		1,138,340.00	Other income			12,343,873.33	Asset related	

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Item	As at 31/12/2019	Additions during the year	Recognition as profit and loss	Listed items charged to profit or loss in current period	Refunded amount	Other changes	As at 31/12/2020	Related to assets/income	Reasons for return in current period
Application of in situ thermal remediation technology in soil remediation of contaminated sitesR1620	506,315.88		37,138.26	Other income			469,177.62	Revenue related	
Development and demonstration of integrated technology and equipment for in situ remediation of groundwaterR1701	1,831,918.58		7,919.27	Other income			1,823,999.31	Revenue related	
Screening of low accumulation crop varieties and research and development of super enrichment plant intercropping restoration technologyR1715	156,163.61	40,000.00	13,862.39	Other income			182,301.22	Revenue related	
Technology demonstration of cadmium and arsenic pollution prevention and ecological security in urban agricultural areasR1820	58,300.00	15,000.00	1,295.58	Other income			72,004.42	Revenue related	
Demonstration project of groundwater pollution control technology in typical chemical siteR1816	2,439,768.49	244,800.00	85,267.56	Other income			2,599,300.93	Revenue related	
Complete set of thermal desorption technology and equipment for soil remediation of organic contaminated sitesR1902	4,354,000.00					-4,310,000.00	44,000.00	Revenue related	
Risk control and remediation technology of contaminated soil in tannery, chrome chemical and electroplating sitesR1903	2,562,034.16	950,000.00	1,812.63	Other income		-1,380,000.00	2,130,221.53	Revenue related	

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Item	As at 31/12/2019	Additions during the year	Recognition as profit and loss	Listed items charged to profit or loss in current period	Refunded amount	Other changes	As at 31/12/2020	Related to assets/income	Reasons for return in current period
Research and integrated demonstration on pollution control and reuse technology of coking sites in Beijing Tianjin Hebei and its surrounding areasR1904	1,034,393.57	405,500.00	4,533.48	Other income			1,435,360.09	Revenue related	
Equipment integration and engineering demonstration application of remediation technology for groundwater halogenated solvent pollutionR1905	2,709,696.19		4,126.62	Other income			2,705,569.57	Revenue related	
Evaluation system and method of green sustainable remediation of contaminated sitesR1906	440,431.96	324,446.00	2,208.85	Other income			762,669.11	Revenue related	
Research and development of low energy consumption thermal desorption technology with thermal reuse unitR1902-1	355,169.23	120,000.00	974.53	Other income			474,194.70	Revenue related	
Intelligent integration of direct thermal desorption technology and equipmentR1902-2	1,959,567.28		6,192.09	Other income		760,000.00	2,713,375.19	Revenue related	
Demonstration and verification of new thermal desorption technology and equipmentR1902-3	399,519.01	628,561.08	2,251.16	Other income			1,025,828.93	Revenue related	
Research and development of in situ thermal enhanced chemical oxidation / reduction coupling repair technology and equipmentR2007		3,065,000.00	4,469.75	Other income		-1,641,000.00	1,419,530.25	Revenue related	
Digitalization of site pollution environment and spatial information management systemR2008		9,520,000.00				-9,520,000.00		Revenue related	

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Item	As at 31/12/2019	Additions during the year	Recognition as profit and loss	Listed items charged to profit or loss in current period	Refunded amount	Other changes	As at 31/12/2020	Related to assets/income	Reasons for return in current period
Development and application of soil leaching equipment for contaminated sitesR1913-National allocation		300,000.00	13,328.69	Other income			286,671.31	Revenue related	
Application demonstration of site pollution spatial information system in key industriesR2008-1			15,427.64	Other income	1,044,936.41		1,029,508.77	Revenue related	
Identification and analysis of main limiting factors for spatial interpolation accuracy of site pollution informationR2008-2		160,000.00	95.49	Other income			159,904.51	Revenue related	
Compilation of technical specification for in situ thermal desorption Engineering R1644		35,000.00	8,171.41	Other income			26,828.59	Revenue related	
Research and development of bioremediation integrated intelligent equipment and manufacturing processR2010-1		1,243,150.00					1,243,150.00	Asset related	
Research and development of bioremediation integrated intelligent equipment and manufacturing processR2010-1		1,981,850.00	798.78	Other income			1,981,051.22	Revenue related	
Coal to gas subsidy	653,666.40		35,120.04	Other income			618,546.36	Revenue related	
Subsidy for boiler low nitrogen transformation	149,236.45		49,745.40	Other income			99,491.05	Revenue related	
Subsidy for transformation of gas fired low nitrogen boiler	158,039.98		148,000.08	Other income			10,039.90	Revenue related	
Subsidies for retirees		2,086,931.30	2,086,931.30	Non-operating income				Revenue related	
Demolition compensation forms fixed assets	2,275,000.00		175,000.00	Other income			2,100,000.00	Asset related	

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Item	As at 31/12/2019	Additions during the year	Recognition as profit and loss	Listed items charged to profit or loss in current period	Refunded amount	Other changes	As at 31/12/2020	Related to assets/income	Reasons for return in current period
Special fund for flood control and Drought Relief	1,544,507.23		535,928.44	Other income			1,008,578.79	Asset related	
Sweeper	150,468.75		50,625.00	Other income			99,843.75	Asset related	
Subsidy of Environmental Protection Bureau for boiler low nitrogen transformation	359,333.33		98,000.00	Other income			261,333.33	Asset related	
Fixed assets formed by financial subsidies	34,971.72			Other income			34,971.72	Asset related	
Environmental protection subsidy	30,742,107.57	525,813.80	4,089,869.63	Other income			27,178,051.74	Asset related	
Total	81,062,052.19	23,989,563.50	13,186,482.43	—	—	-15,046,063.59	76,819,069.67		

Beijing Construction Engineering Group Co., Ltd.
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41、Other non-current liabilities

Item	As at 31/12/2020	As at 31/12/2019
Escrow fund	10,487,240.41	10,629,305.64

42、Paid-in capital

Investor	2018.01.01		Additions during the year	Reductions during the year	2018.12.31	
	Investment amount	Shareholding Percentage (%)			Investment amount	Shareholding Percentage (%)
State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government	4,249,500,000.00	100.00	14,500,000.00		4,264,000,000.00	100.00

Change of paid-in capital in 2018:

The Group increased the state-owned capital operation budget fund of RMB 14,500,000.00 received in previous years into paid in capital, and went through the industrial and commercial change procedures in July 2018.

Investor	2019.01.01		Additions during the year	Reductions during the year	2019.12.31	
	Investment amount	Shareholding Percentage (%)			Investment amount	Shareholding Percentage (%)
State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government	4,264,000,000.00	100.00	3,009,500,000.00		7,273,500,000.00	100.00

Change of paid-in capital in 2019:

(1) On November 7, 2019, according to the "notice on the merger and reorganization of Beijing Construction Engineering Group Co., Ltd. and Beijing Municipal Road and Bridge Group Co., Ltd." issued by the state owned assets supervision and Administration Commission of Beijing Municipal People's Government (jinggzi [2019] No. 140), Beijing Municipal Road and Bridge Group Co., Ltd. was transferred into the Group free of charge, so the same control merger occurred, As a result, the paid in capital of the group increased from RMB2.015 billion to RMB4.264 billion.

(2) In 2019, the group increased its capital by RMB3 billion from undistributed profits, RMB9.5 million from capital reserve, and its paid in capital was RMB7,273.5 million.

Investor	2020.01.01	Additions	Reductions	2020.12.31
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Beijing Construction Engineering Group Co., Ltd.
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	Investment amount	Shareholding Percentage (%)	during the year	during the year	Investment amount	Shareholding Percentage (%)
State-owned Assets Supervision and Administration Commission of Beijing Municipal People's Government	7,273,500,000.00	100.00	1,011,655,000.00		8,285,155,000.00	100.00

Change of paid-in capital in 2020:

In 2020, the group increased its capital by 1 billion yuan from undistributed profits, received RMB11.655 billion from the state-owned capital operation budget, and increased its paid in capital to RMB8.285155 billion.

43、Other equity instruments

Issued financial instruments	2018. 01. 01		Additions during the year		Reductions during the year		2018. 12. 31	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
BCEG 2017First Phase Bond Finacing Plan	20,000,000.00	2,000,000,000.00					20,000,000.00	2,000,000,000.00

Continued:

Issued financial instruments	2019. 01. 01		Additions during the year		Reductions during the year		2019. 12. 31	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
BCEG 2017First Phase Bond Finacing Plan	20,000,000.00	2,000,000,000.00					20,000,000.00	2,000,000,000.00

Continued:

Issued financial instruments	2020.01.01		Additions during the year		Reductions during the year		2020.12.31	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
BCEG 2017First Phase Bond Finacing Plan	20,000,000.00	2,000,000,000.00			20,000,000.00	2,000,000,000.00		
Beijing Construction Engineering Group Co., Ltd. issue renewable corporate bonds to professional investors in 2020 (phase I) (variety I)			10,000,000.00	1,000,000,000.00			10,000,000.00	1,000,000,000.00

Beijing Construction Engineering Group Co., Ltd.
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Issued financial instruments	2020.01.01		Additions during the year		Reductions during the year		2020.12.31	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value
Total	20,000,000.00	2,000,000,000.00	10,000,000.00	1,000,000,000.00	20,000,000.00	2,000,000,000.00	10,000,000.00	1,000,000,000.00

44、Capital reserve

Item	2018.01.01	Additions during the year	Reductions during the year	2018.12.31
Share premium	97,234,123.12		23,274,192.40	73,959,930.72
Capital reserve attributable to national capital	67,535,936.57			67,535,936.57
Other capital reserves	2,330,280,964.56	32,676,019.50	18,016,485.97	2,344,940,498.09
Including: Change in other equity of investee	76,738,888.41		784,728.53	75,954,159.88
Capital reserve transferred from previous scheme	862,784,543.68			862,784,543.68
Others	1,390,757,532.47	32,676,019.50	17,231,757.44	1,406,201,794.53
Total	2,495,051,024.25	32,676,019.50	41,290,678.37	2,486,436,365.38

Change of capital reserve in 2018:

- (1) The changes in other equity of the joint venture invested by the Group organs in this year affected the capital reserve of the Group, the capital reserve of the Group decreased by RMB432,691.70.
- (2) The changes in other equity of the joint venture invested by the secondary subsidiary Beijing Construction Environmental Remediation Co., Ltd. affected the capital reserve of the group, the capital reserve of the Group decreased by RMB352,036.83.
- (3) Beijing Construction Engineering Group (Macao) Co., Ltd., a third level subsidiary, increased its foreign investment, which affected the increase of other capital reserves of the group by RMB10,883,654.90.
- (4) In this year, the capital of Beijing Construction Environmental Remediation Co., Ltd., a secondary subsidiary, was increased and the minority equity was diluted. As a result, the capital premium of the Group decreased by RMB 23274192.40.
- (5) In this year, the Group received RMB9500000.00 of state-owned capital operation budget funds, returned RMB500,000.00 yuan of state-owned capital operation budget funds, and increased RMB9,000,000.00 of capital reserve.
- (6) The change of capital reserve of Group's subsidiary affected the capital reserve of the Group, the capital reserve of the Group increased by RMB12,792,364.60.
- (7) The Group transferred non operating assets to the Real Estate Group this year, which affected the decrease of capital reserve by RMB2,731,757.44.
- (8) The Group increased its capital with capital reserve this year, which affected the decrease of capital reserve of the Group by RMB 14500000.00.

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Item	2019.01.01	Additions during the year	Reductions during the year	2019.12.31
Share premium	73,959,930.72	19,030,220.56	8,346,926.69	84,643,224.59
Capital reserve attributable to national capital	67,535,936.57			67,535,936.57
Other capital reserves	2,344,940,498.09	108,254,779.99	12,088,823.97	2,441,106,454.11
Including: Change in other equity of investee	75,954,159.88	138,241.51		76,092,401.39
Capital reserve transferred from previous scheme	862,784,543.68			862,784,543.68
Others	1,406,201,794.53	108,116,538.48	12,088,823.97	1,502,229,509.04
Total	2,486,436,365.38	127,285,000.55	20,435,750.66	2,593,285,615.27

Change of capital reserve in 2019:

(1) The equity premium formed by the capital increase of (Beijing) Environmental Protection Development Co., Ltd. held by the shareholder of Beijing Construction Engineering Environmental Remediation Co., Ltd. affected the capital premium of the Group to increase by RMB19,030,220.56.

(2) The cancellation of the former fourth level subsidiary Beijing Construction Engineering Group Xi'an Real Estate Co., Ltd. affected the capital premium of the group to decrease by RMB693,294.80.

(3) The capital increase of the minority shareholders of the subsidiary Beijing Construction Environmental Remediation Co., Ltd. affected the capital premium of the group to decrease by RMB7,653,631.89.

(4) The changes in other equity of the joint venture invested by the parent company of the group in the current year affected the net increase of capital reserve of the group by RMB138,241.51 .

(5) In this year, according to the unified requirements and deployment of the "guidance on the separation and handover of" three supplies and one industry "in the family area of state-owned enterprise employees" issued by the state owned assets supervision and Administration Commission of the State Council and the Ministry of finance, the subsidiary Beijing Construction Engineering Real Estate Co., Ltd. received the property fixed assets in the category of "three supplies and one industry" handover of North China Petroleum Administration Co., Ltd. and Jilin Chemical Group Co., Ltd. free of charge, The capital reserve of the group increased by RMB75,708,030.71.

(6) In this year, the Group received RMB32 million of state-owned capital operation budget funds.

(7) The subsidiary Beijing Municipal Road and Bridge Zhengda Road Technology Co., Ltd. received capital increase this year, which affected the increase of capital reserve of Group by RMB408,507.77.

(8) In this year, the Group increased the state-owned capital operation budget fund of 9500000.00 yuan received in previous years into capital.

(9) The subsidiary Beijing Urban Rural Construction Group Co., Ltd. transferred non operating assets this year, which affected the decrease of RMB2588823.97 of the Group's capital reserve.

Item	2020.01.01	Additions during the year	Reductions during the year	2020.12.31
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Share premium	84,643,224.59	65,849,251.52	150,492,476.11
Capital reserve attributable to national capital	67,535,936.57		67,535,936.57
Other capital reserves	2,441,106,454.11	141,246.56	2,441,247,700.67
Including : Change in other equity of investee	76,092,401.39	141,246.56	76,233,647.95
Capital reserve transferred from previous scheme	862,784,543.68		862,784,543.68
Others	1,502,229,509.04		1,502,229,509.04
Total	2,593,285,615.27	65,990,498.08	2,659,276,113.35

Change of capital reserve in 2020:

- (1) The equity premium formed by other shareholders of the subsidiary BCEG New Building Materials Technology Co., Ltd. affected the capital premium of the Group to increase by RMB60,217,294.56.
- (2) The capital premium formed by the minority shareholders of the subsidiary Beijing Construction Engineering resources recycling Investment Co., Ltd. affected the capital premium of the group to increase by RMB5,560,723.57.
- (3) Beijing Sixth Group Co., Ltd. acquired minority shareholders' equity of its subsidiary to form capital premium, which affected the capital premium of the Group to increase by RMB71,233.39.
- (4) Changes in other equity of associated units invested by the Group's parent company in 2020 affected the net increase of capital reserve of the Group by RMB138,241.58.
- (5) Changes in other equity of the joint venture invested by the subsidiary BCEG Environmental Remediation Co., Ltd. in 2020 affected the net increase of the Group's capital reserve by RMB 3004.98.

45、Special reserve

Item	2018.01.01	Additions during the year	Reductions during the year	2018.12.31	Note
Safety production costs	71,656,127.22	1,021,618,464.21	999,640,009.95	93,634,581.48	

Continued:

Item	2019.01.01	Additions during the year	Reductions during the year	2019.12.31	Note
Safety production costs	93,634,581.48	1,306,068,147.50	1,362,682,614.46	37,020,114.52	

Continued:

Item	2020.01.01	Additions during the year	Reductions during the year	2020.12.31	Note
Safety production costs	37,020,114.52	1,373,129,951.74	1,345,214,830.52	64,935,235.74	

46、Surplus reserve

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Item	2018.01.01	Additions during the year	Reductions during the year	2018.12.31
Statutory surplus reserve	356,065,345.63	45,547,269.11		401,612,614.74

Continued:

Item	2019.01.01	Additions during the year	Reductions during the year	2019.12.31
Statutory surplus reserve	401,612,614.74	66,140,291.62		467,752,906.36

Continued:

Item	2020.01.01	Additions during the year	Reductions during the year	2020.12.31
Statutory surplus reserve	467,752,906.36	142,284,547.48		610,037,453.84

47、Undistributed profits

Item	2020	2019	2018
Opening balance of current year	5,464,062,379.01	8,759,114,222.30	7,756,041,556.07
Additions during the year	1,265,224,438.62	1,143,070,177.58	1,334,349,935.33
Including: Net profit for the year	1,194,935,286.50	1,143,070,177.58	1,334,349,935.33
Reductions during the year	70,289,152.12		
Reductions during the year	1,588,243,742.01	4,438,122,020.87	331,277,269.10
Including: Appropriation of surplus reserve	142,284,547.48	66,140,291.62	45,547,269.11
Cash dividends declared in the year	358,912,200.00	1,250,387,300.00	164,130,000.00
Other (Interest payable on perpetual bonds)	87,046,994.53	118,662,968.28	121,599,999.99
Other decrease(internal carry forward of owner's equity)	1,000,000,000.00	3,000,000,000.00	
Other decrease		2,931,460.97	
Closing balance of current year	5,141,043,075.62	5,464,062,379.01	8,759,114,222.30

48、Operating income and operating cost

(1) Operating income and operating cost

Item	2020		2019		2018	
	Income	Cost	Income	Cost	Income	Cost
1.Principal activities						
Construction contract income	86,356,993,515.46	82,200,182,131.45	81,272,961,271.91	76,768,882,601.18	72,465,550,869.43	68,186,671,925.51
Real estate development	6,809,190,957.63	5,587,179,677.07	3,154,601,635.95	1,335,270,541.18	2,960,399,844.94	1,563,045,077.95
Construction materials sales	5,839,478,525.34	4,891,372,815.76	5,775,932,321.51	5,137,229,448.28	3,696,443,171.99	2,949,461,586.33
Environmental engineering	1,007,394,628.46	791,979,032.93	1,099,879,309.95	868,177,636.47	1,121,014,070.76	898,827,726.79
Services and others	4,336,553,317.24	2,888,534,820.35	3,102,690,500.49	2,106,460,719.70	2,688,429,597.40	1,822,690,881.12

Beijing Construction Engineering Group Co., Ltd.
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Item	2020		2019		2018	
	Income	Cost	Income	Cost	Income	Cost
Principal activities subtotal	104,349,610,944.13	96,359,248,477.56	94,406,065,039.81	86,216,020,946.81	82,931,837,554.52	75,420,697,197.70
2. Other operating activities						
Consultation and service	580,493,889.50	48,993,260.84	566,907,766.36	109,627,572.61	370,616,960.32	55,943,296.39
Others	582,004,279.40	317,291,294.19	694,966,056.34	235,616,235.12	573,384,916.68	265,617,146.65
Other operating activities subtotal	1,162,498,168.90	366,284,555.03	1,261,873,822.70	345,243,807.73	944,001,877.00	321,560,443.04
Total	105,512,109,113.03	96,725,533,032.59	95,667,938,862.51	86,561,264,754.54	83,875,839,431.52	75,742,257,640.74

(2) Construction contract

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Contract	Total contract amount	Total contract costs	Percentage of completion (%)	Cumulative income recognised	Cumulative costs incurred	Cumulative gross profit recognised	Settlement completed	Cumulative amount collected	Contract income recognised in the year	Contract costs recognised in the year
1. Group B2 of Rongdong district (division 1-4)	3,211,009,174.31	3,146,788,990.80	34.61	1,111,489,846.33	1,089,260,049.39	22,229,796.94	808,381,961.04	814,813,517.41	1,111,489,846.33	1,089,260,049.39
2. Beijing new airport passenger terminal and comprehensive transfer center (corridor) project	4,918,456,553.68	4,606,386,149.44	100.00	4,918,456,553.68	4,606,386,149.44	312,070,404.24	4,293,094,736.31	4,145,154,932.71	736,896,532.59	690,141,296.21
3. General contract for construction of A2 building of Beijing deputy central office area project	2,748,008,848.53	2,625,972,461.65	100.00	2,748,008,848.53	2,625,972,461.65	122,036,386.88	2,079,797,363.91	2,079,797,363.91	585,786,559.03	559,772,350.53
4. Shaoxing Urban Rail Transit Line 1 civil construction	965,300,895.00	825,332,265.20	83.91	810,003,512.48	692,553,003.15	117,450,509.33	547,861,843.12	712,517,321.00	586,329,369.61	500,304,161.29
(SXGD1-TJSG-13 bid section) project management department										
5. Bid section 5 of Rongwu Expressway	1,206,025,247.72	1,169,844,490.28	41.88	505,051,086.94	489,899,554.33	15,151,532.61	560,675,563.31	528,209,867.00	498,685,059.96	483,724,508.16
6. Dinggezhuang (New) project department	1,536,982,696.55	1,509,212,176.59	42.03	645,993,827.36	634,321,877.82	11,671,949.54	400,486,908.49	335,463,897.89	495,560,588.46	485,514,347.64

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7. Bid section 2 of Nanjing Hengjiang Avenue	815,900,000.00	767,144,114.60	73.26	597,693,567.16	561,977,083.44	35,716,483.72	622,301,419.72	292,456,417.81	419,768,975.09	394,727,966.89
8. East hospital construction project of Beijing Chaoyang Hospital Affiliated to Capital Medical University	1,487,498,410.30	1,418,025,959.35	40.78	606,581,638.40	578,251,716.95	28,329,921.45	603,091,046.63	470,659,091.85	491,079,466.17	468,143,983.42
9. Construction of innovative green city project in Shanxi	1,544,047,362.63	1,468,311,839.50	74.11	1,144,334,909.93	1,088,205,282.60	56,129,627.33	1,112,812,333.67	778,089,608.00	485,937,616.36	462,102,376.28
10. Housing construction of Weiyuan Wudu construction project of Lanzhou Haikou National Expressway (G75)	211,016,771.17	270,487,584.16	90.97	191,968,974.28	246,071,550.61	-54,102,576.33	180,721,921.84	193,976,432.52	160,664,751.28	205,952,393.63

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49、Selling and distribution expenses

Item	2020	2019	2018
Packaging fee	16,982.17		32,758.62
Transportation fee	147,078,123.94	158,476,791.80	131,834,421.25
Handling charges	1,136,603.33	242,126.60	34,231.00
Storage fee	3,833,572.62	311,320.75	311,320.75
Insurance	176,752.25	36,678.55	55,460.08
Exhibition fee	52,380.58	1,010,071.16	2,082,505.48
Advertising fee	57,764,950.58	30,811,069.28	12,426,392.04
Sales service fee	57,733,864.39	43,098,441.77	31,727,183.00
Employee benefits	71,968,238.66	75,253,628.60	67,479,068.18
Business expenses	10,183,761.79	13,215,851.49	10,370,436.42
Depreciation	1,656,248.45	1,626,799.56	1,712,072.98
Repair costs	1,254,649.42	1,629,751.94	1,261,488.27
Sample and product loss	148,318.58	45,557.84	2,105.01
Others	43,763,715.10	47,469,131.44	49,757,223.27
Total	396,768,161.86	373,227,220.78	309,086,666.35

50、General and administrative expenses

Item	2020	2019	2018
Employee benefits	2,154,105,983.18	2,047,263,600.77	1,917,452,746.06
Insurance	10,425,794.93	25,931,445.64	35,939,638.70
Depreciation	106,651,335.27	105,859,838.18	93,257,592.17
Repair costs	35,401,734.91	15,861,178.56	13,324,250.58
Amortization of intangible assets	24,819,644.22	24,217,331.17	22,768,790.90
Inventory tray loss		-17,282.65	-4,100.00
Business entertainment	13,064,839.80	21,694,365.68	18,772,467.25
Travelling expenses	29,120,557.32	53,853,397.03	71,924,273.24
Office expenses	98,159,941.33	97,777,352.88	93,215,852.75
Conference fee	2,769,285.42	4,701,797.87	4,112,388.32
Legal fee	38,240,477.29	7,514,672.90	12,746,851.03
Intermediary organs	36,837,240.78	41,956,055.35	30,720,348.86
Consultation fee	103,430,742.97	75,027,143.76	65,781,978.59
Technology transfer fee	43,251.70	171,494.34	
Board of Directors fee	542,327.48	293,553.67	899,401.97

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Sewage charges	1,798,094.44	5,293,780.95	1,242,735.69
Others	494,776,216.72	399,127,556.72	371,870,980.67
Total	3,150,187,467.76	2,926,527,282.82	2,754,026,196.78

51、 Research and development expenses

Item	2020	2019	2018
Artificial cost	387,618,665.84	173,137,376.47	176,139,006.50
Cost of raw materials	329,088,596.22	542,230,055.42	413,332,915.39
Research and development expenses	68,750,742.82	36,282,866.42	23,934,305.99
Water, electricity and gas	2,821,559.06	5,781,564.46	5,370,148.73
Patent technology fee	612,153.34	45,388.21	449,395.00
Patent application fee		9,945.00	7,450.00
Travel expenses	1,154,452.70	1,214,054.94	694,608.68
Rental fee	4,647,730.32	3,333,054.94	3,748,589.21
Agency fee		1,596,680.53	2,415,919.36
Depreciation, Amortization and repair	34,245,011.42	3,449,664.99	2,305,922.40
Office expenses	445,617.42	2,495,759.48	1,159,334.85
service charge	5,216,534.84	824,082.59	593,826.70
Others	221,197,405.42	129,825,557.18	153,020,403.74
Total	1,055,798,469.40	900,226,050.63	783,171,826.55

52、 Financial expenses

Item	2020	2019	2018
Total interest expense	3,395,488,822.93	3,172,755,872.78	2,707,141,539.13
Minus: Capitalization of interest	1,717,878,103.75	1,108,200,621.24	935,913,670.56
Net interest expense	1,677,610,719.18	2,064,555,251.54	1,771,227,868.57
Minus: Interest income	296,224,474.12	363,916,518.16	370,559,107.00
Discount on acceptance bill			1,752,585.10
Exchange gains and losses	-318,288,881.26	130,506,876.17	225,411,936.50
Minus: Capitalization of exchange gains and losses			
Commission charges and others	245,134,928.70	179,748,189.14	108,034,534.35
Total	1,308,232,292.50	2,010,893,798.69	1,735,867,817.52

53、 Other income

Item	2020	2019	2018
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Research and demonstration on key technology of assembled new wall material system and sleeve grouting connection		16,196.85	435,968.09
Heating subsidy	12,881,201.29	11,745,363.86	14,469,314.09
Transformation of coal fired boiler	2,035,120.04	2,017,560.02	2,177,018.23
Key technology innovation and application research contract for low impact safety reinforcement of existing building structure		151,456.31	48,543.69
Research on multifunctional and ultra high strength concrete decorative materials and molding technology for complex molding	286,571.12	269,785.62	108,034.91
Special appropriation of Environmental Protection Bureau		979,886.79	1,587,948.58
Research on integrated demonstration and index system of ultra low energy consumption building technology		85,000.00	90,000.00
201602YF01 Research on technology integration of ultra low energy consumption building		9,000.00	31,500.00
201707YF04 Building energy consumption modeling and optimization technology based on operation data		162,000.00	172,800.00
201709YF05 Green building big data management platform development and engineering demonstration		37,500.00	42,000.00
Subsidy for environmental protection equipment	36,000.00	36,000.00	36,000.00
Subsidy for foreign economic and technological cooperation of Beijing Municipal Commission of Commerce	8,805,600.00	13,220,300.00	2,017,757.00
Subsidy from Chaoyang District social insurance fund management center of Beijing Municipality		224,951.52	34,029.61
863Development of rapid leaching equipment for contaminated soil in soil leaching projectR1203	154,732.78	154,732.79	154,732.78
Groundwater public welfare project in North China PlainCP1314	13,900.00	13,900.00	13,899.99
Study on coupling remediation technology and equipment of in situ heating and SVE for contaminated soilR1209- Central Europe	30,904.26	30,904.26	30,904.25
Application of in situ thermal remediation technology in soil remediation of contaminated sitesR1620	37,138.26	47,596.88	278,896.37
Development and demonstration of integrated technology and equipment for in situ remediation of groundwaterR1701	7,919.27	28,090.05	15,495.74
Patent subsidy of Beijing agency office of Patent Office of State Intellectual Property Office	8,500.00	17,150.00	12,550.00
Application and construction of National Engineering Laboratory for safe repair technology of contaminated sitesR1619	1,138,340.00	1,138,340.00	409,446.67
Screening of low accumulation crop varieties and research and development of super enrichment plant intercropping restoration technologyR1715	13,862.39	2,237.85	1,598.54
Office rent subsidy		1,945,100.00	3,564,888.97
Return of personal income tax	4,248,670.67	1,400,363.43	2,138,506.57
Additional deduction of input tax	2,799,524.21	1,719,340.66	
VAT relief	267,276.03	24,865.10	

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Coal to gas subsidy	197,745.48	197,745.48
VAT refund on demand	2,122,548.10	2,387,269.05
Development and application of intelligent post tensioned prestressed reinforcement system with self sensing and self diagnosis	67,793.35	132,206.65
Award patent funds for major science and technology projects and innovation platforms in Haidian District in 2019	82,709.43	17,290.57
Efficient construction and installation engineering application service of prefabricated concrete structure	557,882.31	92,117.69
Study on series design and application technology system of polycarboxylate superplasticizer for PHC pipe pile	47,178.45	22,821.55
Subsidy for entering the Expo	7,600.00	7,382.00
Purchase credit report subsidy	5,000.00	1,000.00
Special subsidy for project	1,425,409.94	1,599,302.46
Subsidy for boiler renovation of eco environment bureau		308,448.00
Demolition fund for basement of Beijing Shijingshan housing and Urban Rural Development Commission		30,741.69
Supervision funds for unemployment dynamic activities		4,000.00
Subsidy from Chaoyang District Bureau of finance of Beijing Municipality		24,000.00
Demonstration and verification of new thermal desorption technology and equipmentR1902-3	2,251.16	480.99
Intelligent integration of direct thermal desorption technology and equipmentR1902-2	6,192.09	16,432.72
Evaluation system and method of green sustainable remediation of contaminated sitesR1906	2,208.85	658.04
Equipment integration and engineering demonstration application of remediation technology for groundwater halogenated solvent pollutionR1905	4,126.62	10,303.81
Research and integrated demonstration on pollution control and reuse technology of coking sites in Beijing Tianjin Hebei and its surrounding areasR1904	4,533.48	9,006.43
Risk control and remediation technology of contaminated soil in tannery, chrome chemical and electroplating sitesR1903	1,812.63	17,965.84
Demonstration project of groundwater pollution control technology in typical chemical siteR1816	85,267.56	315,431.51
Groundwater sampling and detection integrated mobile equipment application demonstration projectcp1311		499,014.41
Research and development of low energy consumption thermal desorption technology with thermal reuse unitR1902-1		8,830.77
Collection of funds for innovative projects		150,000.00
Research and development of key technologies for refined assessment of urban building solar energy resource utilization based on GIS		30,000.00
Technical specification for exterior insulation of foam		15,357.34

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cement insulation board			
201505YF07 Research and demonstration on Key Technologies of green transformation of existing buildings in Beijing (Group)		106,346.74	
201410YF10 Compilation of technical specification for construction of external thermal insulation project of external wall with hard foam polyurethane composite board and light mortar		23,807.02	
Study on the application of nano transparent heat insulation coating to glass		300,000.00	
201806ZX14 Datong international energy revolution Science Park project phase I	15,000.00	121,000.00	
Tax return	9,218,318.43	10,031,407.47	17,453,540.04
Tax rebate for recycled products	10,996,095.09	8,204,245.58	4,428,212.62
Government heating subsidy	2,839,909.28	6,346,808.55	2,161,544.30
Amortization of deferred income	4,873,514.83	4,020,291.08	5,332,783.43
Post subsidy	5,685,615.31	5,186,341.80	1,274,895.86
Encouragement fund for supporting and guiding ecological conservation and development		1,200,000.00	
Financial incentives	1,000,000.00	800,000.00	
Reward for high-end key enterprises	188,679.25	1,549,056.60	
Old car renewal subsidy	2,606,600.00	1,630,800.00	524,800.00
Subsidy for elevator renovation		500,000.00	
Employment subsidies for the disabled	971,572.75	538,959.02	430,857.09
Relocation compensation	8,065,215.75	251,865.00	
Fengtai Innovation Fund	400,000.00	200,000.00	
Enterprise development fund	5,688,627.00	160,000.00	
Subsidy for cleaner production audit fees of Beijing energy conservation and environmental protection center	260,320.77	100,000.00	
Return of sewage treatment fee	100,000.00	92,666.04	
Zhongguancun special fund for technological innovation capacity building		26,000.00	
Patent grant	519,772.65	27,910.00	29,430.00
Special fund for Zhongguancun technical standard support in 2018		4,500.00	
Subsidy for the difference between enterprises and institutions		4,147,465.05	
Rent remission	837,552.10		
Social security return of disabled persons' Federation	35,551.47		
Subsidy for epidemic prevention	138,897.96		
Subsidy for project rent	5,304,000.00		
Housing subsidies for small, medium and micro enterprises	134,847.22		

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Building energy consumption modeling and optimization technology based on operation data	135,000.00
Green building big data management platform development and engineering demonstration	34,500.00
Subsidy for old heat pipe network reconstruction project	775,256.73
Research and application of key technologies for intelligent construction of prefabricated urban underground space	585,359.43
Study on seismic mechanism of masonry structure strengthened with diagonal tie	156,157.66
Research on system failure path search and optimal sensor placement of high formwork support system	70,000.00
Strengthening technology and engineering application of building structure	49,957.25
Retirement of unemployment insurance	127,809.45
High tech industry development guiding fund project of Chaoyang District in 2020 R2009	4,000,000.00
Reward for guidance period of Chaoyang District Financial Service Office of Beijing Municipality	1,500,000.00
Subsidy from Zhongguancun Science and technology entrepreneur association	100,000.00
Subsidy of Beijing Municipal Committee of the Communist Party of China	60,000.00
Confirmation of funding from Chaoyang District Science and Technology Commission of Beijing Municipality	50,000.00
Received reward from Chaoyang District Finance Bureau of Beijing	43,000.00
Subsidy from Organization Department of Beijing Municipal Committee of the Communist Party of China	40,000.00
Subsidy for advanced seminar of Beijing Municipal Bureau of human resources and social security	30,000.00
Received patent reward from Beijing Chaoyang District market supervision and Administration Bureau	28,000.00
Application demonstration of site pollution spatial information system in key industriesR2008-1	15,427.64
Special fund for technological innovation of science and technology enterprises in Chaoyang District	13,328.69
COVID-19 stabilise economic, fiscal and tax subsidies	10,756.00
Compilation of technical specification for in situ thermal desorption Engineering R1644	8,171.41
COVID-19's stable stay in Hubei without returning to Beijing	7,700.00
Research and development of in situ thermal enhanced chemical oxidation / reduction coupling repair technology and equipmentR2007	4,469.75
Technology demonstration of cadmium and arsenic pollution prevention and ecological security in urban agricultural areasR1820	1,295.58
Research and development of low energy consumption thermal desorption technology with thermal reuse unitR1902-1	974.53

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Research and development of bioremediation integrated intelligent equipment and manufacturing processR2010-1	798.78	
Technology integration and engineering demonstration project of comprehensive treatment of heavy metal organic compound pollution siteR2001	264.19	
Identification and analysis of main limiting factors for spatial interpolation accuracy of site pollution informationR2008-2	95.49	
Awards for enterprises with outstanding contribution in construction and installation investment of Shunyi District Development and Reform Commission of Beijing Municipality	500,000.00	
Financial reward and subsidy for enterprise burden reduction	109,358.06	
Unemployment and maternity insurance subsidies	3,696,198.57	
Training subsidy	389,786.77	
Shunyi District Financial Project Progress Award	100,000.00	
Research and construction of site restoration system	177,723.00	
Outstanding talents training fund	30,000.00	
Safety improvement and reinforcement engineering application service of existing building structure		218,752.32
Environmental subsidies		2,000.00
A new type of climbing formwork with plate attached giant column for vertical curved climbing		40,000.00
Development and properties of high performance polyurethane microporous elastic damping pad		39,948.27
201505YF08 Research on the status quo, achievements, problems and overall objectives of civil building energy conservation in Beijing		52,264.24
201508YF14 Special investigation on the development of smart city in Beijing		19,157.33
201803YF02 Selection, application and effect evaluation of typical LID measures in Beijing sponge city pilot area		148,000.00
201803YF03 Research on climate change adaptability of sponge City		19,000.00
Wangsiying boiler room heating system investment and operation project		1,303,478.55
201603YF02 Research on key technology of regional building energy planning and development of auxiliary system		132,000.00
201606YF04 Research on low carbon ecological indicators and key technologies of smart city operation based on regional practice (Tongzhou new town, etc.)		157,500.00
Internet of things + heating energy saving management technology research and platform development		52,500.00
Patent grant of Chaoyang District Science and Technology Commission of Beijing Municipality		53,000.00
Service fund of Zhongguancun Enterprise Promotion Association		10,000.00

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Beijing high tech achievements transformation project R1503			600,000.00
International certification and performance award of intellectual property management standards			100,000.00
Subsidy for research and development projects			3,571,533.20
Subsidy for thermal transformation			2,690,314.29
Heating maintenance fee			917,038.77
Subsidies for coal to electricity and coal to gas projects			780,000.00
Subsidy for boiler low nitrogen transformation			561,400.00
Subsidy for boilers of Environmental Protection Bureau			380,000.00
Subsidy funds for safety control of state owned enterprises			182,600.00
Reward money			122,500.00
City appearance subsidy			65,106.64
Advanced bonus for new projects of Linzhi Transportation Bureau in 2017			10,000.00
Item	110,116,998.61	86,944,898.94	71,735,991.03

54、Investment income

Sources of investment income	2020	2019	2018
Long-term equity investment income calculated by the equity method	177,498,001.84	74,471,387.56	204,888,673.52
Disposal of investment income from long-term equity investments	1,522,120.39	31,052,449.72	3,819,463.19
Investment income from holding trading financial assets (applicable to new financial standards)			
Investment income of financial assets measured at fair value with changes included in current profits and losses during holding period	21,582,204.29	177,985,844.50	4,902,183.15
Investment income of held to maturity investment during the holding period (the old standard is applicable)			
Investment income from financial assets available for sale	34,613,127.52	27,011,394.10	25,381,235.37
Investment income from disposal of available for sale financial assets	1,204,020.20	13,399,837.63	376,500.00
Interest income during holding period of other debt investment	115,094.34		
Others	7,925,220.90	36,323,417.25	42,786,916.64
Total	244,459,789.48	360,244,330.76	282,154,971.87

55、Gains/(losses) from changes in fair value

Source of gain from changes in fair value	2020	2019	2018
Financial assets at fair value through profit or loss	435,020,342.99	23,271,978.66	17,032,589.77

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Investment property measured at fair value	44,996,539.38	84,822,408.54	99,979,930.51
Total	480,016,882.37	108,094,387.20	117,012,520.28

56、Credit impairment loss

项 目	2020	2019	2018
Bad debt losse	-7,219,446.30		

57、Impairment losses

Item	2020	2019	2018
Bad debt loss	-594,369,205.46	-374,935,236.11	-253,441,437.92
Loss of inventory depreciation	-31,187,294.37	-24,361,450.53	-25,413,748.21
Impairment loss of goodwill	-14,000,000.00	-4,907,133.00	
Impairment loss of contract assets	-21,801,591.32		
Total	-661,358,091.15	-404,203,819.64	-278,855,186.13

58、Gains from assets disposal

Item	2020	2019	2018
Income from land storage in sanhuqiao		337,411,362.67	
Income from real estate and land transfer	6,510,392.71	125,393,426.42	126,105,829.60
Gain on disposal of other fixed assets (loss is marked with "-")	8,311,380.31	213,211.85	13,220,924.17
Gain on disposal of intangible assets (loss is marked with "-")			14,937,302.82
Total	14,821,773.02	463,018,000.94	154,264,056.59

59、Non-operating income

Item	2020	2019	2018
Gains from disposal of non-current assets	916,115.12	2,899,192.81	2,771,302.33
government subsidies unrelated to the daily activities of the enterprise	8,722,689.13	4,239,271.12	40,885,638.08
Others	88,364,447.10	132,640,274.02	45,774,488.32
Total	98,003,251.35	139,778,737.95	89,431,428.73

Note for 2018: Others are gains from forfeiture RMB918,865.88, waste revenue RMB1,323,725.28, no need to pay RMB22,526,674.39, liquidated damages income RMB501,558.60, employees' compensation RMB298,284.33, court executive payment RMB921,605.18, court executive payment RMB254,716.98, fine and compensation income RMB2,768,704.96, debt restructuring gains RMB14,020,918.94 and other RMB2,239,433.78.

Note for 2019 : Others are no need to pay RMB57,330,518.20, profit gain of asset market RMB48,848,117.13, fines, compensation and compensation income RMB19,441,530.87, reward money RMB2,580,752.34, income from liquidated damages RMB1,777,841.29, profit from disposal of waste

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materials RMB539,651.80 and other RMB2,121,862.39.

Note for 2020: Others are no need to pay RMB 65,278,841.80, fine, compensation and liquidated damages RMB6,144,817.76, performance bond RMB2,000,000.00, scientific research fund RMB1,954,820.75, carbon emission trading right RMB1,281,281.40, waste materials RMB2,496,779.75, personnel placement fee RMB863,430.62, Xicheng District Development and Reform Commission reward RMB600,000.00 and other RMB 7,744,475.02.

Details of government grants are as follows:

Item	2020	2019	2018
Huairou District Huairou Town People's government awards		23,999.00	
Subsidy for demolition cost		862,385.33	
Fengtai Science and Technology Park "innovation 12" policy support fund		50,000.00	
Wen'an County Bureau of industry and information technology - Award		200,000.00	
Government's sympathy for gold mining area		1,000,000.00	
Reward of Datong Municipal Government		700,000.00	
Development and Reform Commission Award		1,340,000.00	
Heating emergency subsidy		62,886.79	160,000.00
Post subsidy	3,017,665.17		
Government subsidy for epidemic prevention	845,907.72		
Training subsidy	39,100.00		
Singapore government subsidies for employees	324,718.69		
Industry and Information Bureau of Wen'an County - Industrial Transformation and upgrading	50,000.00		
Vehicle borne ODB subsidy of Langfang Ecological Environment Bureau	4,200.00		
Enterprise reward	585,200.00		
Reward for steady growth of Daxing District in the first quarter of 2020	500,000.00		
Import Expo subsidy	2,998.00		
Subsidy for Internet bright kitchen	400.00		
Subsidies in kind for business difficulties	56,709.31		
Energy saving and Environmental Protection Award	416,000.00		
Subsidy for old public equipment	226,718.79		
Enterprise and institution balance subsidy for retirees before restructuring	2,086,931.30		
VAT Refund	15,364.76		
Return of cultural expenses	2,910.00		
Patent grant of State Intellectual Property Office	14,000.00		

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Social security bureau returns unemployment insurance subsidy	396,560.61		
Social security refund	10,046.24		
Patent subsidy policy of Xicheng District Management Committee of Zhongguancun Science and Technology Park	23,000.00		
Rent relief subsidy	84,332.35		
Subsidy for disability insurance	8,480.00		
Financial subsidy funds allocated by Huangpu District market supervision and Administration	10,000.00		
Government manpower subsidy	546.19		
Other	900.00		
Dongcheng District Government Award Fund			220,000.00
Reward funds for general foreign trade enterprises			211,896.00
Subsidy for the difference between enterprises and institutions			2,144,479.80
VAT return			738,219.80
Energy saving and Environmental Protection Award			150,000.00
Low nitrogen retrofitting of boilers in Beijing			150,000.00
Human resource subsidy			1,440,369.48
Government subsidies for end of life vehicles			4,833,880.00
Employment subsidies for the disabled			69,000.00
Dongsheng Town excellent enterprise award			30,000.00
Application of construction waste recycled aggregate in sponge city construction			500,000.00
State owned Assets Supervision Commission Awards			20,000.00
Industrialization project of prefabricated steel structure green energy saving building system			700,000.00
Huairou government pays enterprise development fund			237,299.00
Publication reward and support fund			860,000.00
Energy subsidy of national development and Reform Commission			80,000.00
Income from transfer of non operating assets			28,340,494.00
Total	8,722,689.13	4,239,271.12	40,885,638.08

60、Non-operating expenses

Item	2020	2019	2018
Donations	3,951,193.51	5,599,450.59	8,567,680.74
Loss in damage and scrap of non-current assets	7,522,000.25	11,899,441.09	7,026,629.77
Others	77,456,617.11	57,361,613.09	133,898,034.44

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Total	88,929,810.87	74,860,504.77	149,492,344.95
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Note for 2018: Others are compensation for house leasing and delayed delivery RMB1,577,186.00, compensation RMB11,899,544.56, penalty and overdue fine RMB13,457,563.62, demolition compensation RMB40,289,564.05, debt restructuring loss RMB318,825.04, settlement payment RMB6,180,500.00, liquidated damages RMB10,010,499.24, project closing R & D expenses RMB3,409,195.86, estimated liabilities RMB7,009,300.99, security risk control subsidy RMB167,316.98, non operating assets transfer expenses RMB35,933,607.50, other expenses RMB3,644,930.60.

Note for 2019: Others are penalty and overdue fine RMB20,841,474.3, non operating assets transfer expense RMB14,000,000.00, compensation RMB8,257,297.66, settlement payment RMB5,564,357.89, estimated liabilities RMB1,777,160.87, illegal construction and demolition expense RMB3,255,933.36, rent refund penalty RMB1,014,604.52, other expenses RMB 2,650,784.43.

Note for 2020: Others are compensation and liquidated damages RMB44,099,639.65, penalty and overdue fine RMB12,695,800.18, transfer of non operating assets RMB8,672,395.20, demolition RMB6,808,275.76, disposal of old materials RMB1,175,393.62, settlement payment RMB531,643.95, other expenses RMB 3,473,468.75.

61、Income tax expenses

Item	2020	2019	2018
Current income tax expense	583,312,303.53	727,086,757.94	422,510,551.45
Adjustment to deferred tax	95,133,493.61	-69,352,632.04	-69,792,449.94
Total	678,445,797.14	657,734,125.90	352,718,101.51

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62、 Other comprehensive income attributable to shareholders of the company

Other comprehensive income items and their impact on income tax and their transfer to profit or loss

Item	2020			2019			2018		
	Pre-tax	Income tax	net of tax	Pre-tax	Income tax	net of tax	Pre-tax	Income tax	net of tax
1.Other comprehensive income that will not be reclassified to profit or loss									
2.Other comprehensive income that may be reclassified to profit or loss									
1.Share of other comprehensive income of the equity method investments	-74,416,926.54	-11,219,924.43	-63,197,002.11	486,359,150.00	97,096,307.36	389,262,842.64	264,456,823.56	66,254,185.19	198,202,638.37
2.Gains or losses arising from changes in fair value of available-for-sale financial assets	-31,163,583.35	-6,232,716.67	-24,930,866.68	449,087,632.35	112,231,092.21	336,856,540.14	280,955,921.52	70,238,980.38	210,716,941.14
3.Translation differences arising from translation of foreign currency financial statements	-43,881,855.39	-7,009,600.76	-36,872,254.63	2,377,317.29	469,801.50	1,907,515.79	-70,680,946.04	-10,914,026.64	-59,766,919.40
4.Others	-9,731,486.08		-9,731,486.08	10,599,374.16		10,599,374.16	7,986,971.70		7,986,971.70
	10,359,998.28	2,022,393.00	8,337,605.28	24,294,826.20	-15,604,586.35	39,899,412.55	46,194,876.38	6,929,231.45	39,265,644.93
Total	-74,416,926.54	-11,219,924.43	-63,197,002.11	486,359,150.00	97,096,307.36	389,262,842.64	264,456,823.56	66,254,185.19	198,202,638.37

63、Borrowing costs

(1) Borrowing costs in 2020

Item	Interest amount capitalized in 2020	Capitalization rate
Inventories		
1. Greenland Wangjing project	6,851,306.12	Interest rate of bank loan in the same period
2. Steel structure branch	341,251.35	Interest rate of bank loan in the same period
3. Sun Palace project in Chaoyang District	383,333.33	Interest rate of bank loan in the same period
4. Greenland Tongzhou Canal core area project	49,746.56	Interest rate of bank loan in the same period
5. Zhuhai Fuhua red sandalwood project	2,169,179.86	Interest rate of bank loan in the same period
6. Rainbow gate project	26,213.46	Interest rate of bank loan in the same period
7. Swimming pool project in Belarus	194,319.85	Interest rate of bank loan in the same period
8. Beijing Jianzi Kaike System Engineering Co., Ltd	1,020,379.60	Interest rate of bank loan in the same period
9. Reconstruction project of No.13 Institute in Jianguomen	60,646.86	Interest rate of bank loan in the same period
10. Tongzhou Yongshun Town multi function land project	647,754,540.30	Interest rate of bank loan in the same period
11. The first level development project of the original land occupied by beigongshang University	15,313,414.24	Interest rate of bank loan in the same period
12. "Building a state only garden" project	57,737,417.39	Interest rate of bank loan in the same period
13. Real estate development products under construction (phase II and phase III of plot a of Huaming commercial complex)	13,912,512.31	Interest rate of bank loan in the same period
14. Real estate development products under construction (urban village reconstruction project in datangtou area of jiangjiashan)	31,306,563.95	Interest rate of bank loan in the same period
15. Xishatun project	14,927,493.26	Interest rate of bank loan in the same period
16. Ningbo Qingfeng plot 3 project	26,317,630.86	Interest rate of bank loan in the same period
17. Shanghai Jinshan new town project	87,410,546.36	Interest rate of bank loan in the same period
18. Haidian Yongliang home project	46,141,302.07	Interest rate of bank loan in the same period
19. Chengdu Huayuan town project	21,917,299.76	Interest rate of bank loan in the same period
20. Shunyi houshayu project	178,393,904.60	Interest rate of bank loan in the same period
21. Shunyi lisui shanty town reconstruction project	275,321,220.58	Interest rate of bank loan in the same period
22. Changping qiliqu project	137,340,860.98	Interest rate of bank loan in the same period
23. Qingdao Jimo Linglong city and Jingyuan project	34,856,858.30	6-6.5%

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Item	Interest amount capitalized in 2020	Capitalization rate
24. Suzhou Yongxian Yuefu project	5,234,355.56	8%
Subtotal	1,604,982,297.51	
Construction in progress		
1. Hudai plant project of recycling 300000 tons of building materials	956,996.26	Interest rate of bank loan in the same period
Subtotal	956,996.26	
Intangible assets		
Other		
1. Construction of Qingdao sponge city pilot area (Licang District)	20,290,288.26	Interest rate of bank loan in the same period
2. PPP project of Binhai Avenue phase II Road Project in Fuding City	29,962,525.66	Interest rate of bank loan in the same period
3. PPP project of Jianhu high speed railway comprehensive passenger transport hub project	20,330,105.14	5.00%
4. Implementation of PPP project of municipal road engineering in Huaiyuan County in 2016	11,248,510.37	5.39%
5. PPP project of fu'an-xi'an interchange link highway project	8,280,144.25	5.39%
6. PPP project of rain and sewage diversion transformation in Kenli District of Dongying City	6,172,923.65	5.09%
7. Contract section 01-1A of Tuwu first class highway in Danjiangkou City	4,572,511.00	5.00%
8. Construction of Wuan Tourism Special Line Road Project and Taihang iron and Steel Co., Ltd	1,901,230.62	5.64%
9. Jingangshan tunnel and connection project in Danjiangkou City	1,572,472.00	5.00%
10. PPP project of station square and comprehensive hub supporting project of Dongtai station of Yantong high speed railway	344,284.44	4.21%
11. PPP project of sewage pipe network project in Kemen Development Zone of Lianjiang county	7,263,814.59	5.00%
Subtotal	111,938,809.98	
Total	1,717,878,103.75	

(2) Borrowing costs in 2019

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Item	Interest amount capitalized in 2019	Capitalization rate
Inventories		
1. Tongzhou Yongshun Town multi function land project	173,997,705.20	Interest rate of bank loan in the same period
2. First level development project of Yanqing Beijing Institute of Business Administration	15,253,799.35	Interest rate of bank loan in the same period
3. Zhejiang jiangjiashan reconstruction project	28,541,713.84	Interest rate of bank loan in the same period
4. Jinan yuanxiangxigu residential project	32,602,325.11	Interest rate of bank loan in the same period
5. Ningbo Qingfeng plot 3 project	24,100,287.30	Interest rate of bank loan in the same period
6. Shanghai Jinshan new town project	90,591,268.81	Interest rate of bank loan in the same period
7. Haidian Yongliang home project	130,614,709.08	Interest rate of bank loan in the same period
8. Chengdu Huayuan town project	47,843,428.60	Interest rate of bank loan in the same period
9. Houshayu project in Shunyi	179,889,202.09	Interest rate of bank loan in the same period
10. Shunyi lisui shanty town reconstruction project	203,076,782.45	Interest rate of bank loan in the same period
11. Changping qiliqu project	86,433,783.36	Interest rate of bank loan in the same period
12. Xi'an green home residential project	4,900,397.11	Interest rate of bank loan in the same period
13. Guangyang home project	2,456,903.84	Interest rate of bank loan in the same period
14. Second stage project of incubation base	1,800,071.19	Interest rate of bank loan in the same period
15. Reconstruction and expansion project of Huiyuan branch of Haidian experimental secondary school	1,255,338.97	Interest rate of bank loan in the same period
16. Zhuhai Red Sandalwood project	1,105,388.36	Interest rate of bank loan in the same period
17. Greenland TongZhou core area project	638,602.26	Interest rate of bank loan in the same period
18. Jingxi Business Center Project	42,049.56	Interest rate of bank loan in the same period
19. Qingdao Chuangzhi New Area Project	16,305,402.79	7.50%
Total	1,041,449,159.27	
Construction in progress		
1. Hudai plant project of recycling 300000 tons of building materials	1,265,296.50	Interest rate of bank loan in the same period
2. Reconstruction of Building 5	165,585.00	Interest rate of bank loan in the same period
Subtotal	1,430,881.50	
Other		
1. PPP project of Binhai Avenue phase II Road Project in Fuding City	14,307,524.85	Interest rate of bank loan in the same period
2. Construction of Qingdao sponge city pilot area (Licang District)	20,000.00	Interest rate of bank loan in the same period

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3. Beiqi comprehensive supporting PPP project in Fuliang County	9,187,455.44	Interest rate of bank loan in the same period	
4. Guotong construction agency government project	4,532,382.57	Interest rate of bank loan in the same period	
5. Jiangsu Jianyi BT project investment	5,908,280.83	Interest rate of bank loan in the same period	
6. Reconstruction and expansion project of grade I highway from tuguanya to Wudang Mountain of national highway 316	4,300,483.00		4.35%
7. Construction of jingangshan tunnel and connection project in Danjiangkou City	3,189,602.00		4.35%
8. PPP project of tourism special line and South extension road project of West Third Ring Road	1,705,965.74		5.64%
9. PPP project of fu'an-xi'an interchange link highway project	1,491,532.77		5.39%
10. PPP project of Jianhu high speed railway comprehensive passenger transport hub project	8,592,980.09		5.00%
11. Implementation of PPP project of municipal road engineering in Huaiyuan County in 2016	11,965,858.11		5.39%
12. PPP project of rain and sewage diversion transformation in Kenli District of Dongying City	118,515.07		5.24%
Subtotal	65,320,580.47		
Total	1,108,200,621.24		

64、Exchange conversion

Note: The exchange loss included in the current profit and loss shall be RMB 225,411,936.50 for the year ended 31/12/2018. The exchange loss included in the current profit and loss shall be RMB 130,506,876.17 for the year ended 31/12/2019 .The exchange profit included in the current profit and loss shall be RMB 318,288,881.26 for the year ended 31/12/2020.

65、Lease

(1) Assets leased out

Category of leased out assets	2020	2019	2018
1. Machinery & equipment	36,072,579.08	23,433,175.22	21,933,036.61
2. Plant & buildings	7,670,027,459.13	4,979,801,505.75	4,919,420,397.21
3. land use rights	2,767,646,400.00	2,720,217,600.00	2,658,823,900.00
Total	10,473,746,438.21	7,723,452,280.97	7,600,177,333.82

(2) Leasing of fixed assets through financing

Leasing of fixed assets through financing	2020	2019	2018
I.Cost	61,742,561.80		
Machinery & equipment	61,742,561.80		

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Leasing of fixed assets through financing	2020	2019	2018
II.Accumulated depreciation	9,299,664.65		
Machinery & equipment	9,299,664.65		
III.Provision for impairment			

Minimum lease payments to be paid in subsequent years:

Remaining lease term	Minimum lease payments
Within 1 year (Including 1 year)	12,591,000.00
1 to 2 years (Including 2 years)	12,591,000.00
2 to 3 years (Including 3 years)	12,591,000.00
More than 3 years	12,591,000.00
Total	50,364,000.00

(3) Operating leased assets

Remaining lease term	Operating lease
Within 1 year (Including 1 year)	1,340,763.68

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66、Segment information

(1) 2020

Item	Civil engineering business	Maintenance and operation business	Real estate development business	Industry	Other business	Elimination	Total
1. Operating income	85,105,727,382.50	7,168,274,099.46	7,239,472,735.05	5,292,440,118.42	4,868,261,161.95	-4,162,066,384.35	105,512,109,113.03
Including: External operating income	82,411,229,956.87	7,082,453,748.28	7,237,511,481.46	5,109,239,149.37	3,671,674,777.05	-	105,512,109,113.03
Operating income between segments	2,694,497,425.63	85,820,351.18	1,961,253.59	183,200,969.05	1,196,586,384.90	-4,162,066,384.35	
2. Investment income from joint venture and associates	103,823,424.48	-396,329.06	-29,348,031.14	1,075,923.39	143,303,484.86	-40,922,323.95	177,536,148.58
3. Impairment losses	-478,235,557.12	-89,128,750.62	963,795.00	-61,711,318.93	-33,246,259.48	-	-661,358,091.15
4. Credit impairment loss					20,291,368.56		20,291,368.56
5. Depreciation and amortization	1,322,389,050.48	101,086,811.08	233,206,390.22	258,706,306.63	580,506,197.05	3,341,074,528.59	5,836,969,284.05
6. Total profit	1,332,468,926.76	184,066,875.56	775,158,496.92	244,380,801.32	1,887,299,876.60	-1,886,864,339.96	2,536,510,637.20
7. Income tax expense	186,348,546.07	32,083,000.46	201,160,197.97	53,394,991.68	205,459,060.96	-	678,445,797.14
8. Net profit	1,146,120,380.69	151,983,875.10	573,998,298.95	190,985,809.64	1,681,840,815.64	-1,886,864,339.96	1,858,064,840.06
9. Total assets	138,909,616,796.56	9,625,111,227.39	58,003,749,435.74	8,889,747,152.90	121,611,059,953.13	134,925,617,303.51	202,113,667,262.21
10. Total liabilities	118,027,229,711.39	7,071,658,681.36	48,010,984,760.70	6,029,919,790.38	89,681,412,149.22	110,196,077,424.91	158,625,127,668.14
11. Other significant non-cash item	184,935,218.43		-	-	-1,002,298,464.62	-21,696,373.00	-839,059,619.19
Including: Non-cash item, except depreciation and amortization	-		-	-	-	-	-
Increase in investment in joint venture and associates by equity method	184,935,218.43		-	-	-1,002,298,464.62	-21,696,373.00	-839,059,619.19

(2) 2019

Item	Civil engineering business	Maintenance and operation business	Real estate development business	Industry	Other business	Elimination	Total
1. Operating income	76,206,428,592.82	7,276,232,224.32	3,102,415,707.81	6,350,617,602.24	5,326,382,967.22	-2,594,138,231.90	95,667,938,862.51

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Item	Civil engineering business	Maintenance and operation business	Real estate development business	Industry	Other business	Elimination	Total
Including: External operating income	75,551,387,047.82	7,276,232,224.32	3,023,847,062.44	4,910,631,237.44	4,905,841,290.49		95,667,938,862.51
Operating income between segments	655,041,545.00		78,568,645.37	1,439,986,364.80	420,541,676.73	-2,594,138,231.90	
2. Investment income from joint venture and associates	68,345,815.66	-2,467,608.32	253,009.79	626,444.68	45,244,272.01	-37,530,546.26	74,471,387.56
3. Impairment losses	267,443,013.61	-36,573,886.38	1,155,012.31	-44,709,420.87	-56,632,511.09		-404,203,819.64
4. Depreciation and amortization	282,292,395.65	89,607,401.41	41,944,408.12	95,913,496.69	154,346,067.52	-711,324.70	663,392,444.69
5. Total profit	1,274,164,630.88	144,921,339.47	562,508,536.75	241,064,644.88	470,841,978.48	-347,615,738.97	2,345,885,391.49
6. Income tax expense	173,085,694.55	36,730,351.44	255,307,949.59	57,068,326.59	135,541,803.73		657,734,125.90
7. Net profit	1,101,078,936.33	108,190,988.03	307,200,587.16	183,996,318.29	335,300,174.75	-347,615,738.97	1,688,151,265.59
8. Total assets	108,674,857,222.67	8,978,719,895.17	48,465,746,769.88	9,133,758,382.64	76,005,278,272.79	-81,225,079,381.84	170,033,281,161.31
9. Total liabilities	94,168,045,891.00	7,049,673,663.22	39,835,549,112.87	6,583,016,719.14	52,238,308,683.37	-61,736,600,006.73	138,137,994,062.87
10. Other significant non-cash item	706,375.73		-150,965,982.32		333,301,628.13		181,629,270.08
Including: Non-cash item, except depreciation and amortization	14,505.00						14,505.00
Increase in investment in joint venture and associates by equity method	720,880.73		-150,965,982.32		333,301,628.13		181,614,765.08

(3) 2018

Item	Civil engineering business	Maintenance and operation business	Real estate development business	Industry	Other business	Elimination	Total
1. Operating income	67,284,621,209.91	6,715,363,769.54	2,905,616,990.16	5,444,031,575.46	4,100,094,858.30	-2,573,888,971.85	83,875,839,431.52
Including: External operating income	66,506,276,709.81	6,715,363,769.54	2,898,140,893.96	4,050,126,672.79	3,705,931,385.42		83,875,839,431.52
Operating income between segments	778,344,500.10		7,476,096.20	1,393,904,902.67	394,163,472.88	-2,573,888,971.85	
2. Investment income from joint venture and associates	53,326,188.74	-14,968,508.79	171,354,289.43	785,772.00	19,701,291.93	-25,310,359.79	204,888,673.52
3. Impairment losses	-170,953,489.14	-43,557,952.27	1,155,577.48	-16,887,088.51	-48,612,233.69		-278,855,186.13

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Item	Civil engineering business	Maintenance and operation business	Real estate development business	Industry	Other business	Elimination	Total
4. Depreciation and amortization	270,779,301.95	86,215,364.04	41,145,631.45	98,019,866.87	120,336,965.23	-948,432.94	615,548,696.60
5. Total profit	1,321,685,206.94	83,939,523.97	593,583,034.10	237,937,969.09	350,071,460.40	-396,433,048.20	2,190,784,146.30
6. Income tax expense	126,102,310.57	2,494,035.64	70,479,234.37	62,321,716.07	91,320,804.86		352,718,101.51
7. Net profit	1,195,582,896.37	81,445,488.33	523,103,799.73	175,616,253.02	258,750,655.54	-396,433,048.20	1,838,066,044.79
8. Total assets	91,122,142,611.00	8,511,403,106.32	29,178,983,571.23	7,408,617,722.69	70,480,644,531.23	-61,834,674,746.34	144,867,116,796.13
9. Total liabilities	77,444,830,719.29	6,687,158,552.71	22,211,277,818.87	5,248,955,165.44	53,565,831,812.47	-49,783,311,563.72	115,374,742,505.06
10. Other significant non-cash item	1,674,819.38		129,354,289.43	537,084.20	152,445,994.80	2,097,715.26	286,109,903.07
Including : Non-cash item, except depreciation and amortization							
Increase in investment in joint venture and associates by equity method	1,674,819.38		129,354,289.43	537,084.20	152,445,994.80	2,097,715.26	286,109,903.07

67、Notes of Consolidated Statement of Cash Flows

(1) Supplementary information on cash flow statement

Item	2020	2019	2018
1. Reconciliation of net profit/loss to cash flows from operating activities :	—	—	—
Net profit	1,858,064,840.06	1,688,151,265.59	1,838,066,044.79
Add: Provisions for impairment of assets	668,577,537.45	404,203,819.64	278,855,186.13
Depreciation of fixed assets, depreciation of investment properties, depletion of oil and gas assets, and depreciation of productive biological assets	542,694,531.28	682,191,107.22	516,485,293.20
Amortization of intangible assets	81,024,848.91	48,689,419.92	47,207,981.47
Amortization of long-term deferred expenses	315,768,969.90	260,431,264.34	185,651,485.61
Losses from disposal of fixed assets, intangible assets, and other long-term assets ("- " for gains)	-14,821,773.02	-463,018,000.94	-153,032,097.80
Loss from scrapping of fixed assets ("- " for gains)	7,522,000.25	38,961,443.87	3,023,368.65
Losses from changes in fair value ("- " for gains)	-480,016,882.37	-108,094,387.20	-117,012,520.28
Financial expenses ("- " for income)	1,677,610,719.18	2,064,555,251.54	1,771,227,868.57
Losses arising from investment ("- " for gains)	-244,459,789.48	-360,244,330.76	-282,154,971.87
Decrease in deferred tax assets ("- " for increase)	-51,460,982.99	-69,156,994.26	-61,832,242.63
Increase in deferred tax liabilities ("- " for decrease)	18,146,504.49	39,244,248.63	-18,218,846.78
Decrease in gross inventories ("- " for increase)	-7,793,464,212.11	-12,094,476,837.08	-10,463,739,634.98
Decrease in operating receivables ("- " for increase)	-11,114,401,031.16	-4,344,635,017.81	-2,726,598,784.84
Increase in operating payables ("- " for decrease)	20,509,989,510.16	17,734,618,730.03	9,176,923,802.78
Others			
Net cash flows from operating activities	5,980,774,790.55	5,521,420,982.73	-5,148,067.98
2. Investing and financing activities not requiring the use of cash:	—	—	—
Conversion of debt into capital			
Convertible bonds due within one year			
Acquisition of fixed assets under finance leases			
3. Change in cash and cash equivalents:	—	—	—
Cash at the end of the year	29,288,026,688.18	24,745,400,538.80	24,479,326,189.45
Less: cash at the beginning of the year	24,745,400,538.80	24,479,326,189.45	20,340,324,380.69
Add: cash equivalents at the end of the year			
Less: cash equivalents at the beginning of the year			
Net increase in cash and cash equivalents	4,542,626,149.38	266,074,349.35	4,139,001,808.76

(2) Details of cash and cash equivalents

Item	2020.12.31	2019.12.31	2018.12.31
1.Cash	29,288,026,688.18	24,745,400,538.80	24,479,326,189.45
Including:Cash on hand	15,217,186.47	8,964,775.02	12,293,686.55
Bank deposits available on demand	29,005,766,485.97	24,330,113,607.62	24,208,905,834.59

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Item	2020.12.31	2019.12.31	2018.12.31
Other monetary funds available on demand	267,043,015.74	406,322,156.16	258,126,668.31
2. Cash equivalents			
Including: bond investments maturing within three months			
3. Cash and cash equivalents at the end of the year	29,288,026,688.18	24,745,400,538.80	24,479,326,189.45
Where: the parent company or a subsidiary of the group uses restricted cash and cash equivalents			

68、 Foreign currency translation

Item	2020.12.31		Balance translated to RMB
	Balance in foreign currency	Translation rate	
Cash at bank and on hand			1,066,265,672.10
Including: U.S. dollar	90,771,251.48	6.5249	592,273,338.78
Euro	1,537,136.03	8.0250	12,335,516.64
Hong Kong dollar	14,114,172.54	0.8416	11,878,487.61
West African Franc	208,893,762.30	0.0122	2,548,503.90
Angola Kwanza	441,277,385.00	0.0100	4,412,773.85
Singapore dollar	110,196.45	4.9314	543,422.77
Malaysia Ringgit	102,513.26	1.6173	165,794.70
Mongolia Tugrik	256,044,221.74	0.0023	588,901.71
Rwanda Franc	37,578,713.43	0.0067	251,777.38
Congo Central African Community Franc	4,881,692,090.08	0.0121	59,068,474.29
Trinidad Tobago dollar	1,046,277.20	0.9613	1,005,786.27
Mauritian rupees	96,576,055.15	0.1652	15,954,364.31
Australian dollar	245,466.92	5.0163	1,231,335.71
Thai Baht	247,169,218.04	0.2179	53,858,172.61
New Zealand Dollar	335,049.61	4.7050	1,576,408.42
Pound	10,082,456.35	8.8903	89,636,061.69
Macao dollar	7,587,043.49	0.8165	6,194,821.01
Algerian Dinar	757,890,973.08	0.0494	37,439,814.07
Cape Verde Escudo	47,011,813.42	0.0723	3,398,954.11
UAE dirhams	60,047.82	1.7761	106,650.94
Japanese Yen	667,788.92	0.0632	42,204.26
Sri Lanka Rupee	7,619,608.24	0.0352	268,210.21
Saudi Riyal	23,243,322.96	1.7390	40,420,138.63
Israel Sheckel	69,689.87	2.0282	141,344.99
Myanmar kyat	622,058,018.37	0.0049	3,048,084.29
Libyan Dinar	26,218,672.00	4.8773	127,876,328.95
Accounts receivable			4,150,526,129.94
Including: U.S. dollar	391,307,468.53	6.5249	2,553,242,101.41

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Item	2020.12.31		Balance translated to RMB
	Balance in foreign currency	Translation rate	
Rwandese Franc	1,687,192,644.78	0.0067	11,304,190.72
Mauritian rupees	1,000,084,714.71	0.1652	165,213,994.87
Mongolia Tugrik	457,987,786.96	0.0023	1,053,371.91
Thai Baht	2,702,308,482.88	0.2179	588,833,018.42
Australian dollar	23,416,004.63	5.0163	117,461,704.03
Pound	4,733,824.48	8.8903	42,085,119.77
Euro	1,525,074.19	8.0250	12,238,720.37
Algerian Dinar	11,265,116,977.33	0.0494	556,496,778.68
Angola Kwanza	3,372,747,536.00	0.0100	33,727,475.36
Trinidad Tobago dollar	28,547,648.67	0.9613	27,442,854.67
Central African Franc	244,808,684.30	0.0121	2,962,185.08
UAE dirhams	21,656,784.33	1.7761	38,464,614.65
Short term loans			3,399,042,256.60
Including: U.S. dollar	520,934,000.00	6.5249	3,399,042,256.60
Long-term loans			2,513,752,390.00
Including: U.S. dollar	374,600,000.00	6.5249	2,444,227,540.00
New Zealand Dollar	1,550,000.00	4.7050	7,292,750.00
Pound	7,000,000.00	8.8903	62,232,100.00
Bonds payable			3,909,708,561.86
Including: U.S. dollar	599,198,234.74	6.5249	3,909,708,561.86

Continued:

Item	2019.12.31		Balance translated to RMB
	Balance in foreign currency	Translation rate	
Cash at bank and on hand			1,194,549,569.52
Including: U.S. dollar	140,526,706.07	6.9762	980,342,406.89
Euro	2,566,686.43	7.8155	20,059,937.79
Hong Kong dollar	15,171,379.09	0.8958	13,590,521.39
Mauritian rupees	18,053,700.46	0.1914	3,455,478.27
UAE dirhams	59,344.18	1.8992	112,706.47
Ringgit malaysiaia	1,903,276.88	1.6986	3,232,906.11
Singapore dollar	44,420.46	5.1739	229,827.02
Central African Franc	761,232,071.40	0.0117	8,906,415.24
Saudi Riyal	7,852,512.34	1.8597	14,603,317.20
Shekel	698,198.65	2.0168	1,408,127.04
West African Franc	281,389,334.00	0.0119	3,348,533.07
Tan shilling	694,907,353.33	0.0030	2,084,722.06

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Item	2019.12.31		Balance translated to RMB
	Balance in foreign currency	Translation rate	
Trinidad Tobago dollar	564,969.67	1.0307	582,314.24
Rwandese Franc	32,024,862.31	0.0076	243,388.95
Mongolia Tugrik	2,390,327,182.23	0.0026	6,214,850.67
Angola Kwanza	886,460,941.77	0.0146	12,942,329.75
Pound	9,137,829.97	9.1501	83,612,058.01
New Zealand Dollar	990,468.98	4.6973	4,652,529.94
Australian dollar	229,724.07	4.8843	1,122,041.28
Macao dollar	1,609,436.01	0.8693	1,399,082.72
Thai Baht	55,464,965.82	0.2328	12,912,244.04
Algerian Dinar	116,801,878.12	0.0585	6,832,909.87
Cape Verde Escudo	63,665,541.84	0.0772	4,914,979.83
Sri Lanka Rupee	30,138,581.25	0.0384	1,157,321.52
Cape Verde Dinar	340.66	0.5265	179.36
Macao Portuguese dollar	7,540,647.61	0.8681	6,546,036.19
Japanese Yen	667,789.00	0.0635	42,404.60
Accounts receivable			1,763,339,522.18
Including: U.S. dollar	15,097,523.39	6.9762	105,323,342.67
Euro	306,546.58	7.8155	2,395,814.80
UAE dirhams	21,656,784.33	1.8992	41,130,564.80
Rwandese Franc	1,529,770,766.04	0.0076	11,626,257.82
Mongolia Tugrik	1,503,010,409.91	0.0026	3,907,827.07
Mauritian rupees	989,414,204.80	0.1914	189,373,878.80
Pound	17,950,881.85	9.1501	164,252,364.02
New Zealand Dollar	1,892,380.09	4.6973	8,889,077.00
Australian dollar	23,456,443.48	4.8843	114,568,306.89
Thai Baht	2,498,571,614.02	0.2328	581,667,471.74
Algerian Dinar	6,414,824,011.62	0.0585	375,267,204.68
Angola Kwanza	9,612,874,654.11	0.0146	140,347,969.95
Trinidad Tobago dollar	23,857,031.09	1.0307	24,589,441.94
Short term loans			2,297,407,929.83
Including: U.S. dollar	291,515,488.86	6.9762	2,033,670,353.39
Pound	8,000,000.00	9.1501	73,200,800.00
Thai Baht	818,456,943.47	0.2328	190,536,776.44
Long-term loans			907,770,920.00
Including: U.S. dollar	120,000,000.00	6.9762	837,144,000.00
Pound	7,000,000.00	9.1501	64,050,700.00
New Zealand Dollar	1,400,000.00	4.6973	6,576,220.00

Beijing Construction Engineering Group Co., Ltd.
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Item	2019.12.31		Balance translated to RMB
	Balance in foreign currency	Translation rate	
Bonds payable			4,171,142,110.98
Including: U.S. dollar	597,910,339.58	6.9762	4,171,142,110.98

Continued:

Item	2018.12.31		Balance translated to RMB
	Balance in foreign currency	Translation rate	
Cash at bank and on hand			1,132,910,995.61
Including: U.S. dollar	136,606,144.69	6.8632	937,555,292.22
Euro	2,106,187.55	7.8473	16,527,885.57
Hong Kong dollar	11,506,626.40	0.8762	10,082,106.05
Algerian Dinar	412,430,355.27	0.0579	23,879,717.57
Angola Kwanza	803,786,617.30	0.0223	17,924,441.57
Trinidad Tobago dollar	109,875.53	1.0116	111,150.09
Macao dollar	16,262,981.51	0.85	13,823,534.28
UAE dirhams	877,913.01	1.8679	1,639,853.71
Cape Verde Escudo	84,762,172.73	0.0715	6,060,495.35
Sri Lanka Rupee	25,012,603.19	0.0376	940,473.88
Australian dollar	250,446.95	4.825	1,208,406.54
Thai Baht	45,386,403.07	0.211	9,576,531.05
New Zealand Dollar	119,255.43	4.5954	548,026.40
Canadian dollar	28,296.36	5.0381	142,559.89
Pound	3,458,641.49	8.6762	30,007,865.30
Mauritian rupees	41,911,000.93	0.199	8,340,289.19
Malaysia Ringgit	5,065,641.07	1.6479	8,347,669.92
Singapore dollar	66,101.70	5.0062	330,918.32
Congo Central African Community Franc	1,333,287,736.85	0.0114	15,199,480.20
Israel shekel	565,687.04	1.8204	1,029,776.68
Saudi Riyal	3,488,980.60	1.8287	6,380,298.82
Mali West African Franc	1,817,315,346.67	0.012	21,807,784.16
Tan shilling	39,096,023.49	0.003	117,288.07
Rwandese Franc	76,854,901.13	0.0125	960,686.26
Mongolia Tugrik	141,717,122.62	0.0026	368,464.52
Accounts receivable			1,282,814,443.53

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Including: U.S. dollar	17,285,742.25	6.8632	118,635,506.21
Euro	906,609.63	7.8473	7,114,437.75
New Zealand Dollar	55,756.75	4.5954	256,224.57
Australian dollar	23,129,969.98	4.8250	111,602,105.15
Pound	4,877,721.13	8.6762	42,320,084.07
Thai Baht	1,216,537,149.63	0.2110	256,689,338.57
Algerian Dinar	5,715,462,419.52	0.0579	330,925,274.09
Angola Kwanza	3,860,414,123.32	0.0223	86,087,234.95
Trinidad Tobago dollar	24,307,475.23	1.0116	24,589,441.94
UAE RAM	20,521,713.29	1.8679	38,332,508.26
Malaysian ringgit	12,709,117.49	1.6479	20,943,354.71
Singapore dollar	2,185,341.34	5.0062	10,940,255.82
Mongolia Tugrik	63,455,820.09	0.0026	164,985.13
Mauritian rupees	1,052,251,654.86	0.1990	209,398,079.32
Rwandese Franc	1,985,249,039.04	0.0125	24,815,612.99
Long-term loans			308,157,680.00
Including: U.S. dollar	44,900,000.00	6.8632	308,157,680.00

69、Assets with restrictive ownership title and right of use

Item	2020.12.31	Reason for restriction
Cash at bank and on hand	687,049,124.36	Notes VIII.1
Accounts receivable	133,930,000.00	Mortgage of accounts receivable
Inventories	19,342,812,415.98	Collateral of mortgage loan
Fixed assets	44,791,546.65	Collateral of mortgage loan
Others	6,003,763,740.61	Pledge of loan

Continued:

Item	2019.12.31	Reason for restriction
Cash at bank and on hand	608,571,236.37	Notes VIII.1
Inventories	11,095,681,013.29	Collateral of mortgage loan
Fixed assets	46,207,229.85	Collateral of mortgage loan
Others	3,296,645,741.76	Pledge of loan (Long-term receivables)

Continued:

Item	2018.12.31	Reason for restriction
Cash at bank and on hand	505,477,179.45	Bank acceptance bond and performance bond, etc
Inventories	7,170,355,328.73	Mortgage
Fixed assets	47,622,913.05	Mortgage
Others	2,501,339,011.73	Mortgage

IX.Contingencies

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- 1、As of 31 December 2020, the Group provided guarantees to subsidiaries and associates amounted to RMB1,717,411.04million, and the details are as follows:

Guarantee company	Guarantee amount (ten thousand)	Guarantee method (mortgage, pledge, guarantee)	Category of guarantee	Guarantee condition
Wholly owned and substantially owned subsidiaries				
Beijing No.3 Construction Engineering Co., Ltd	53,200.00	Guarantee	Loan guarantee	Normal operation
Fuliang Jingxin Construction Development Co., Ltd	46,400.00	Guarantee	Loan guarantee	Normal operation
BCEG Fourth Construction Engineering Co., Ltd	25,350.00	Guarantee	Loan guarantee	Normal operation
BCEG Fourth Construction Engineering Co., Ltd	3,830.00	Guarantee	Acceptance bills	Normal operation
BCEG Fourth Construction Engineering Co., Ltd	14,955.19	Guarantee	Bank factoring	Normal operation
BCEG Civil Engineering Co., Ltd	73,080.92	Guarantee	Loan guarantee	Normal operation
BCEG Civil Engineering Co., Ltd	5,000.00	Guarantee	commercial acceptance bills	Normal operation
BCEG Civil Engineering Co., Ltd	10,503.00	Guarantee	Letter of guarantee	Normal operation
Jinan Jianbang Real Estate Co., Ltd	62,704.00	Guarantee	Loan guarantee	Normal operation
Beijing Jianbang Shunkang Real Estate Development Co., Ltd	423,955.00	Guarantee	Loan guarantee	Normal operation
BCEG New City Investment Development Co., Ltd	589.03	Guarantee	Loan guarantee	Normal operation
Chengdu Jianbang Real Estate Co., Ltd	19,971.14	Guarantee	Loan guarantee	Normal operation
BCEG Real Estate Xishatun Project Company (Simulation)	27,751.96	Guarantee	Loan guarantee	Normal operation
Beijing Jianheng Runhe Real Estate Development Co., Ltd	52,500.00	Guarantee	Other guarantees	Normal operation
Beijing Yihe Real Estate Co., Ltd	38,439.04	Guarantee	Other guarantees	Normal operation
Beijing Construction Engineering Research Institute Co., Ltd	6,000.00	Guarantee	Loan guarantee	Normal operation
Beijing Construction Engineering Research Institute Co., Ltd	424.32	Guarantee	Letter of guarantee	Normal operation
Beijing Construction Technology Development Co., Ltd	1,000.00	Guarantee	Loan guarantee	Normal operation
Beijing Construction Technology Development Co., Ltd	1,000.00	Guarantee	Loan guarantee	Normal operation
Beijing Machinery Construction Group Co., Ltd	24,500.00	Guarantee	Loan guarantee	Normal operation
BCEG Construction Industrialization Investment Construction Development Co., Ltd	3,000.00	Guarantee	Loan guarantee	Normal operation
BCEG Construction Industrialization Investment Construction Development Co., Ltd	2,000.00	Guarantee	Acceptance bills	Normal operation
BCEG Changzhu Construction Engineering Co., Ltd	11,000.00	Guarantee	Loan guarantee	Normal operation
Beijing Sixth Group Co., Ltd	48,140.00	Guarantee	Loan guarantee	Normal operation

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Guarantee company	Guarantee amount (ten thousand)	Guarantee method (mortgage, pledge, guarantee)	Category of guarantee	Guarantee condition
Beijing Sixth Group Co., Ltd	63,132.01	Guarantee	Letter of guarantee	Normal operation
Beijing Sixth Group Co., Ltd	1,743.83	Guarantee	银行保理担保	Normal operation
BCEG International Construction Engineering Co., Ltd	18,269.72	Guarantee	Loan guarantee	Normal operation
BCEG International Singapore Co., Ltd	31,319.52	Guarantee	Letter of guarantee	Normal operation
BCEG International (Hong Kong) Co., Ltd	337,672.71	Guarantee	Loan guarantee	Normal operation
BCEG International (Hong Kong) Co., Ltd	15,659.76	Guarantee	Letter of guarantee	Normal operation
BCEG International New Zealand Construction Co., Ltd	3,999.25	Guarantee	Letter of guarantee	Normal operation
BCEG International (UK) Construction Co., Ltd	20,280.22	Guarantee	Letter of guarantee	Normal operation
BCEG International Thailand Co., Ltd	37,499.85	Guarantee	Letter of guarantee	Normal operation
USA Guohengjia Co., Ltd	3,826.64	Guarantee	Letter of guarantee	Normal operation
BCEG Mauritius Company	7,726.94	Guarantee	Letter of guarantee	Normal operation
Beijing International Construction Group Co. Ltd	12,100.00	Guarantee	Loan guarantee	Normal operation
Beijing International Construction Group Co. Ltd	6,137.44	Guarantee	Letter of guarantee	Normal operation
BCEG New Building Materials Co. Ltd	24,000.00	Guarantee	Loan guarantee	Normal operation
BCEG New Building Materials Co. Ltd	3,500.00	Guarantee	Acceptance bills	Normal operation
BCEG New Building Materials Co. Ltd	42.63	Guarantee	Letter of guarantee	Normal operation
Beijing Construction Engineering Decoration Group Co. Ltd	10,000.00	Guarantee	Loan guarantee	Normal operation
Beijing Construction Engineering Decoration Group Co. Ltd	154.17	Guarantee	Letter of guarantee	Normal operation
BCEG Resources Recycling Investment Co. Ltd	28,160.50	Guarantee	Loan guarantee	Normal operation
BCEG Resources Recycling Investment Co. Ltd	195.51	Guarantee	Letter of guarantee	Normal operation
BCEG Resources Recycling Investment Co. Ltd	1,156.93	Guarantee	Acceptance bills	Normal operation
BCEG Resources Recycling Investment Co. Ltd	415.00	Guarantee	Bank factoring	Normal operation
Zhejiang Beijian Real Estate Co. Ltd	37,000.00	Guarantee	Loan guarantee	Normal operation
Jiangsu Xi Cheng Jian Huan Technology Development Co. Ltd	3,909.15	Guarantee	Loan guarantee	Normal operation
Beijing Xintou Jianhuan Science and Technology Development co. LTD	239.37	Guarantee	Loan guarantee	Normal operation
Sutoal	1,623,434.75			
Associates				
Beijing Shoujian environmental protection Co., Ltd	6,067.10	Guarantee	Loan guarantee	Normal operation
Beijing No.5 Construction Engineering Group Co., Ltd	32,400.00	Guarantee	Loan guarantee	Normal operation
Beijing No.5 Construction Engineering Group Co., Ltd	309.99	Guarantee	Letter of guarantee	Normal operation

Guarantee company	Guarantee amount (ten thousand)	Guarantee method (mortgage, pledge, guarantee)	Category of guarantee	Guarantee condition
Beijing Equipment Installation Engineering Group Co., Ltd	3,000.00	Guarantee	Loan guarantee	Normal operation
Jiaduo Ruishan Co., Ltd	24,794.62	Guarantee	Loan guarantee	Normal operation
Warren Bay Side Company	27,404.58	Guarantee	Loan guarantee	Normal operation
Subtotal	93,976.29			
Total	1,717,411.04			

As of 31 December 2020, there is no other contingency to be disclosed.

X. Post balance sheet date events

As at 31 March 2021, there is no events after the balance sheet date to be disclosed.

IX. Related parties and related party transactions

1、The ultimate controlling party of the Company is the state-owned assets supervision and administration commission of the people's government of Beijing

2、Subsidiaries of the Group

The Group's subsidiaries refer to Note VII. 1.

3、Joint venture and associates of the Group

Significant Joint venture and associates

Joint venture and associates	Location of business	Registration place	Business nature	Shareholding Percentage (%)		Voting right Percentage (%)
				Direct	Indirect	
Joint venture						
Beijing Hangcheng XingMao Real Estate Co., Ltd	Beijing	Beijing	Real estate development and management	24.00		24.00
Associates						
1. Qinghai Jingning water Co., Ltd	Gansu	Gansu	Tap water production and supply	49.00		49.00
2. Beijing Beikong Construction Engineering Chengbei Water Environment Treatment Co., Ltd	Beijing	Beijing	Pollution control	31.50		31.50
3. Zhejiang Jingou Construction Management Co., Ltd	Zhejiang	Zhejiang	Housing construction	30.00		30.00
4. Beijing Beikong Construction Engineering Lianghe River Environmental Treatment Co., Ltd	Beijing	Beijing	Pollution control	31.50		31.50
5. Beijing Beiguo Construction Engineering Co., Ltd	Beijing	Beijing	Housing construction	20.00		20.00

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Joint venture and associates	Location of business	Registration place	Business nature	Shareholding Percentage (%)		Voting right Percentage (%)
				Direct	Indirect	
6.Beijing Second Construction Engineering Co., Ltd	Beijing	Beijing	Housing construction	34.00		34.00
7.Beijing Weiteng Special Purpose Vehicle Co., Ltd	Beijing	Beijing	Special purpose vehicle modification	35.26		35.26
8.Beijing Yongmao Construction Machinery Manufacturing Co., Ltd	Beijing	Beijing	Machinery manufacturing	34.00		34.00
9.Beijing First Construction Engineering Co., Ltd	Beijing	Beijing	Housing construction	49.00		49.00
10.Beijing No.5 Construction Engineering Group Co., Ltd	Beijing	Beijing	Housing construction	47.00		47.00
11. Beijing Jiangong Hospital Co., Ltd	Beijing	Beijing	Other health activities	20.00		20.00
12.Beijing Equipment Installation Engineering Group Co., Ltd	Beijing	Beijing	Housing construction	49.00		49.00
13.BCEG Road and Bridge Engineering Construction Co., Ltd	Beijing	Beijing	Construction equipment installation	49.00		49.00
14. BCEG Bohai Construction Co., Ltd	Beijing	Beijing	Housing construction	49.00		49.00
15.Beijing Shoujian Environmental Protection Co., Ltd	Beijing	Beijing	Pollution control	35.00		35.00
16.Beijing Changdi Architectural Decoration Engineering Co., Ltd	Beijing	Beijing	Building decoration	30.00		30.00
17. Yinxin Commercial Factoring Co., Ltd	Beijing	Beijing	Commercial factoring	25.50		25.50
18.BCEG No.5 Construction Real Estate Co., Ltd	Beijing	Beijing	Housing construction	47.00		47.00
19. BCEG Environmental Development Co., Ltd	Beijing	Beijing	Ecological environment protection and management	40.00		40.00
20.Beijing Lize Jindu Technology Development Co., Ltd	Beijing	Beijing	General construction contract	35.00		35.00
21.Beijing Urban Rail Transit Investment Development Co., Ltd	Beijing	Beijing	Investment and asset management	27.00		27.00
22.Guangzhou Guanlang Construction Investment Co., Ltd	Guangdong	Guangdong	Investment and asset management	25.50		25.50
23.Shaanxi Jingping Infrastructure Construction Investment Co., Ltd	Shanxi	Shanxi	Investment and asset management	39.00		39.00
24.Beijing PetroChina Hualu Petrochemical Co., Ltd	Beijing	Beijing	Crude oil processing and petroleum products manufacturing	46.92		46.92
25.Beijing Changqing Municipal Engineering Co., Ltd	Beijing	Beijing	Municipal road engineering construction	45.94		45.94

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Joint venture and associates	Location of business	Registration place	Business nature	Shareholding Percentage (%)		Voting right Percentage (%)
				Direct	Indirect	
26.Suzhou Shoukai Rongtai Real Estate Co., Ltd	Jiangsu	Jiangsu	Real estate development and management	25.00		25.00
27. Beijing Jinwei Welding Material Co., Ltd	Beijing	Beijing	Manufacturing of other non-metallic mineral products	30.00		30.00
28.Beijing Xiangkun Water Construction Co., Ltd	Beijing	Beijing	River and lake management and flood control facilities engineering construction	30.13		30.13
29.Beijing Tongchengda Water Construction Co., Ltd	Beijing	Beijing	River and lake management and flood control facilities engineering construction	30.00		30.00
30.Beijing Jinhe Water Construction Group Co., Ltd	Beijing	Beijing	River and lake management and flood control facilities engineering construction	24.79		24.79
31.Guangzhou Hefu Municipal Engineering Co., Ltd	Guangdong	Guangdong	Manufacturing of other building materials	35.00		35.00
32.Beijing Jingshui Construction Group Co., Ltd	Beijing	Beijing	River and lake management and flood control facilities engineering construction	35.66		35.66
33. Suzhou shoukai Runtai Real Estate Co., Ltd	Jiangsu	Jiangsu	Real estate development and management	25.00		25.00
34. Beijing Hengyi Health Management Co., Ltd	Beijing	Beijing	Other residential services	35.00		35.00
35. Beijing Luxin Dacheng Landscape Construction Engineering Co., Ltd	Beijing	Beijing	Municipal road landscape pavement engineering	50.00		50.00
36.Beijing Tianli Hongyuan Electromechanical Co., Ltd	Beijing	Beijing	Other electronic equipment manufacturing	32.35		32.35
37.Zhangjiakou Jingzhang Municipal Construction and Operation Co., Ltd	Hebei	Hebei	Municipal road engineering construction	49.00		49.00

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Joint venture and associates	Location of business	Registration place	Business nature	Shareholding Percentage (%)		Voting right Percentage (%)
				Direct	Indirect	
38.Beijing Zhongji Municipal Engineering Co., Ltd	Beijing	Beijing	Municipal road engineering construction	44.99		44.99
39. Beijing Hongshan Food Co., Ltd	Beijing	Beijing	Manufacture of other condiments and fermented products	30.00		30.00
40.Beijing Shuntong Highway Traffic Technology Consulting Co., Ltd	Beijing	Beijing	Project management services	30.00		30.00
41.Beijing Tonghe Hoisting Transportation Co., Ltd	Beijing	Beijing	Municipal road engineering construction	24.31		24.31
42.Beijing Bochuang Urban Rail Transit Engineering Equipment Leasing Co., Ltd	Beijing	Beijing	Rental of machinery and equipment	30.77		30.77
43.Beijing Daotiancheng Technology Development Co., Ltd	Beijing	Beijing	Application software development	20.00		20.00
44.Beijing Urban and Rural Architectural Design Institute Co., Ltd	Beijing	Beijing	Industrial design services	40.00		40.00
45.Beijing Haizhou Engineering Technology Co., Ltd	Beijing	Beijing	Project management services	30.00		30.00

Note: Details of long-term equity investment in joint venture and associates refer to NoteVIII.15

4、 Other related parties of the Group

Related parties	Relationship with the Group	Organization code
BCEG Haiya Construction Engineering Co., Ltd	Subsidiary of participating units	74470713-X
Beijing Guojian Longguan Construction Technology Co., Ltd	Participating units of subsidiaries	10264206-3
Hebei Xiong'an Minggang Concrete Co., Ltd	Participating units of subsidiaries	MA0ETHTE-3
Beijing Construction Timber Co., Ltd	Subsidiary of participating units	10120896-X
Beijing Tianshan High Tech Wind Power Technology Co., Ltd	Participating units of subsidiaries	31813488-5
Beijing Jianhai Huihe Real Estate Development Co., Ltd	Participating units of subsidiaries	MA01Q308-3
Beijing Jianheng Huijing Real Estate Development Co., Ltd	Participating units of subsidiaries	MA018CL1-6
Beijing Jianheng Runhe Real Estate Development Co., Ltd	Participating units of subsidiaries	MA01HEEJ-3
Beijing Jianlong Real Estate Development Co., Ltd	Participating units of subsidiaries	MA00EQM8-X
Beijing Yicheng Real Estate Co., Ltd	Participating units of subsidiaries	MA01QB2F-5
Suzhou Shoukai Longtai Real Estate Co., Ltd	Participating units of subsidiaries	06621550-6
BCEG Dingli Property Management Co., Ltd	Subsidiary of participating units	70023186-2
BCEG Xinyan Curtain Wall Decoration Engineering Co., Ltd	Subsidiary of participating units	10217205-7

5、Transactions with related parties

(1) Purchases/sales

A、Purchase of goods/receiving of services

①From 2018 to 2020, General Contracting Department of Business Division purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing No.1 Construction Engineering Co. Ltd	Construction labor services	Market value			101.90
Beijing Machinery Construction Co. Ltd	Construction labor services	Market value		12,916.73	17,819.24
Beijing Equipment Installation Engineering Group Co. Ltd	Construction labor services	Market value	6,811.75	845.69	45,240.40
Beijing No.5 Construction Engineering Group Co., Ltd	Construction labor services	Market value		46.38	3,108.59
Total			6,811.75	13,808.80	66,270.13

②From 2018 to 2020, Division Infrastructure Department purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Equipment Installation Engineering Group Co. Ltd	Professional subcontracting	Market value	1,983.16		

③From 2018 to 2020, BCEG No.3 Construction Engineering Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing No.1 Construction Engineering Co. Ltd	Purchase of goods	Market value		1,633.47	1,299.09
Beijing No.1 Construction Engineering Co. Ltd	Accepting labor services	Market value		32.50	
Beijing Yongmao Construction Machinery Manufacturing Co. Ltd	Purchase of goods	Market value		22.43	646.62
Beijing Machinery Construction Co. Ltd	Accepting labor services	Market value			-1,706.19
Beijing Equipment Installation Engineering Group Co., Ltd	Accepting labor services	Market value	1,473.85		2,200.92

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Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Construction Road Bridge Group Co., Ltd	Accepting labor services	Market value	400.00		
Total			1,873.85	1,688.40	2,440.44

④From 2018 to 2020, BCEG No.4 Construction Engineering Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Equipment Installation Engineering Group Co., Ltd	Professional subcontracting	Market value	80.58	100.00	21.56

⑤From 2018 to 2020, BCEG New Building Materials Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing No.5 Construction Engineering Company concrete mixing plant	Purchase of goods	Market value	109.87	182.27	
BCEG Bohai Construction Co., Ltd	Purchase of goods	Market value	300.00		
Total			409.87	182.27	

⑥From 2018 to 2020, BCEG Real Estate Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Second Construction Engineering Co., Ltd	Purchase of goods	Market value			17,718.62

⑦From 2018 to 2020, Jiangsu Jianbang Real Estate Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

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Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Road and Bridge Group Co., Ltd	Construction and installation project funds	Market value		423.66	5,176.99
BCEG Road and Bridge Group Co., Ltd	Infrastructure cost	Market value		197.05	
Total				620.71	5,176.99

⑧From 2018 to 2020, Xi'an Green Home Shopping Plaza Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Equipment Installation Engineering Group Co., Ltd	Service charge	Market value			387.39

⑨From 2018 to 2020, BCEG Civil Engineering Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing No.5 Construction Engineering Group Co., Ltd	Material cost	Market value	720.71	309.82	
Beijing Equipment Installation Engineering Group Co., Ltd	Professional subcontract project	Market value	8,674.94		
Total			9,395.65	309.82	

⑩From 2018 to 2020, Beijing Sixth Construction Group Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Equipment Installation Engineering Group Co., Ltd	Professional subcontract project	Market value	393.18	3,600.93	

⑪From 2018 to 2020, Beijing Construction Environmental Remediation Co., Ltd., a secondary subsidiary, purchased goods and services from some joint ventures, as shown in the table below:

Beijing Construction Engineering Group Co., Ltd.
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Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Shaanxi Environmental Remediation Co., Ltd	Jianbang Subcontract project funds	Market value		-1.04	458.84
Shaanxi Environmental Remediation Co., Ltd	Jianbang Service charge	Market value	72.17	27.88	
Tianjin Bohua Environmental Remediation Co., Ltd	Equipment leasing	Market value	1,507.93		
Nantong Environmental Remediation Co., Ltd	Guosheng Service charge	Market value		18.87	899.64
Total			1,580.10	45.71	1,358.48

B、Sales of goods/rendering of services

①From 2018 to 2020, Beijing No.3 Construction Engineering Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Machinery Construction Co., Ltd	Provision of services	Market value			44.41
BCEG Road and Bridge Group Co., Ltd	Provision of services	Market value	276.11	5.15	144.63
Beijing First Construction Engineering Co., Ltd	Provision of services	Market value		0.09	5.98
BCEG Haiya Construction Engineering Co., Ltd	Provision of services	Market value			14.61
Beijing Equipment Installation Engineering Group Co., Ltd	Service revenue	Market value	1.48	1.48	2.96
Beijing Second Construction Engineering Co., Ltd	Service revenue	Market value	56.41		
Beijing No.5 Construction Engineering Group Co., Ltd	Service revenue	Market value	351.19		
Total			685.19	6.72	212.59

②From 2018 to 2020, Beijing Construction Engineering Research Institute Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Road and Bridge Group Co., Ltd	Testing fee	Market value			57.81
Beijing Machinery Construction Co., Ltd	Service revenue	Market value		507.31	47.13
Beijing Machinery Construction Co., Ltd	Commodity sales	Market value		13.08	27.85
BCEG Haiya Construction Engineering Co., Ltd	Testing fee	Market value		2.83	37.74

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG First Construction Engineering Co., Ltd. concrete branch	Testing fee	Market value		1.89	
Beijing No.5 Construction Engineering Group Co., Ltd	Commodity sales	Market value			34.73
Beijing No.5 Construction Engineering Group Co., Ltd	Service revenue	Market value			19.08
Total				525.11	224.34

③From 2018 to 2020, BCEG New Building Materials Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Bohai Construction Co., Ltd	Commercial concrete	Market value	147.20	458.56	1,240.82
BCEG Road and Bridge Group Co., Ltd	Commercial concrete	Market value	577.80	1,466.25	1,933.14
Beijing No.5 Construction Engineering Group Co., Ltd	Commercial concrete	Market value	799.61	1,159.69	596.45
Beijing Second Construction Engineering Co., Ltd	Commercial concrete	Market value		1,245.28	
BCEG First Construction Engineering Co., Ltd	Commercial concrete	Market value	1,954.88		3,214.45
Beijing Litian Concrete Co., Ltd	Commercial concrete	Market value	653.07		
Hebei Xiong'an Minggang Concrete Co., Ltd	Commercial concrete	Market value	1,016.50		
Total			5,149.06	4,329.78	6,984.86

④From 2018 to 2020, BCEG Logistics Distribution Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG First Construction Engineering Co., Ltd concrete branch	Selling goods	Market value	805.98	1,524.00	1,187.78
Hebei Xiong'an Minggang Concrete Co., Ltd	Selling goods	Market value	1,937.52		
Total			2,743.50	1,524.00	1,187.78

⑤From 2018 to 2020, Beijing Construction Engineering Design Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Bohai Construction Co., Ltd	Design fee	Market value		4.72	

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing No.5 Construction Engineering Group Co., Ltd	Design fee	Market value		1,031.66	
Total				1,036.38	

⑥From 2018 to 2020, Beijing Guangyu Construction Machinery and Equipment Leasing Company, a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Bohai Construction Co., Ltd	Design fee	Market value		60.98	

⑦From 2018 to 2020, BCEG Resources Recycling Investment Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Road and Bridge Group Co., Ltd	Sales revenue	Market value	291.86	273.85	291.62
Beijing Machinery Construction Co., Ltd	Sales revenue	Market value		1.17	6.49
Beijing No.5 Construction Engineering Group Co., Ltd	Sales revenue	Market value	659.81	173.13	6.49
BCEG Haiya Construction Engineering Co., Ltd	Sales revenue	Market value	14.52	11.67	8.19
Beijing Changqing Municipal Engineering Co., Ltd	Sales revenue	Market value	108.62		
Total			1,074.81	459.82	478.06

⑧From 2018 to 2020, Beijing Sixth Construction Group Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing No.5 Construction Engineering Group Co., Ltd	Tower crane rental	Market value	17.57		163.90
BCEG Bohai Construction Co., Ltd	Tower crane rental	Market value			10.00
Total			17.57		173.90

⑨From 2018 to 2020, BCEG Real Estate Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

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Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG Development Co., Ltd	Environmental Lease of houses	Market value	78.02		

⑩ From 2018 to 2020, Beijing Construction Investment Development Co., Ltd, a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Construction Road and Bridge Group Co., Ltd	Consulting service	Market value	896.51		
Beijing No.5 Construction Engineering Group Co., Ltd	Consulting service	Market value	570.88		
Jinmao Construction Engineering (Xiamen) Equity Investment Partnership (limited partnership)	Labor dispatch	Market value	19.81		
Kunming Beike Lingxiu Real Estate Co., Ltd	Labor dispatch	Market value	8.94		
Total			1,496.14		

⑪ From 2018 to 2020, BCEG Yinlai Fiberglass Products Co., Ltd, a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
BCEG No.1 Construction Engineering Co., Ltd	Construction Construction Sale of goods	Market value	515.39		

⑫ From 2018 to 2020, BCEG Civil Engineering Co., Ltd., a secondary subsidiary, sold goods and provided services to some joint ventures, as shown in the table below:

Related party	Nature of transaction	Pricing method and decision procedure of related transaction	2020 (Ten thousand)	2019 (Ten thousand)	2018 (Ten thousand)
Beijing Beikong Construction Engineering Lianghe River Environmental Treatment Co., Ltd	Construction contract	Market value	4,474.23		
BCEG Road and Bridge Group Co., Ltd	Construction contract	Market value	948.00		
Total			5,422.23		

(2) Other related party transactions

A、Guarantee

① The Group provided guarantee to associates for loan, letter of guarantee, acceptance bills and letter

Beijing Construction Engineering Group Co., Ltd.
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of credit are as follows:

② 2020

Guaranteed entity	Guarantee amount (in ten thousand)				Subtotal
	Current fund loan	Letter of Guarantee	Acceptance bill	Letter of credit	
Beijing Shoujian Environmental Protection Co., Ltd	6,067.10				6,067.10
Beijing No.5 Construction Engineering Group Co., Ltd	32,400.00	309.99			32,709.99
Beijing Equipment Installation Engineering Group Co., Ltd	3,000.00				3,000.00
Jiadoo Ruishan Co., Ltd	24,794.62				24,794.62
Warren Bay Side Company	27,404.58				27,404.58
Total	97,814.82	309.99			98,124.81

③ 2019

Guaranteed entity	Guarantee amount (in ten thousand)				Subtotal
	Current fund loan	Letter of Guarantee	Acceptance bill	Letter of credit	
Beijing First Construction Engineering Co., Ltd	31,230.00			26,000.00	57,230.00
Beijing No.5 Construction Engineering Co., Ltd	45,260.00				45,260.00
Beijing Equipment Installation Engineering Group Co., Ltd	6,000.00		1,300.00		7,300.00
BCEG Bohai Construction Co., Ltd	13,000.00			20,000.00	33,000.00
Beijing Shoujian Environmental Protection Co., Ltd	7,000.00	350.00			7,350.00
Jiadoo Ruishan Co., Ltd	26,509.56				26,509.56
Warren Bay Side Company	29,300.04				29,300.04
Total	158,299.60	350.00	1,300.00	46,000.00	205,949.60

④ 2018

Guaranteed entity	Guarantee amount (in ten thousand)				Subtotal
	Current fund loan	Letter of Guarantee	Acceptance bill	Letter of credit	
Beijing First Construction Engineering Co., Ltd	47,800.00			40,999.50	88,799.50
Beijing Second Construction Engineering Co., Ltd	51,300.00		1,000.00		52,300.00
Beijing No.5 Construction Engineering Co., Ltd	59,900.00				59,900.00
Beijing Equipment Installation Engineering Group Co., Ltd	6,000.00	694.27	3,920.00		10,614.27
BCEG Bohai Construction Co., Ltd	39,000.00				39,000.00

Beijing Construction Engineering Group Co., Ltd.
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BCEG Construction Environmental Development Co., Ltd	2,265.63				2,265.63
Beijing Shoujian Environmental Protection Co., Ltd	7,000.00	350.00			7,350.00
Beijing Beikong Construction Engineering Chengbei Water Environment Treatment Co., Ltd		3,500.00			3,500.00
Beijing Beikong Construction Engineering Lianghe Water Environment Treatment Co., Ltd		8,400.00			8,400.00
Kadoori Hills Limited	26,080.16				26,080.16
Beijing Litian Concrete Co., Ltd	2,000.00				2,000.00
Total	241,345.79	12,944.27	4,920.00	40,999.50	300,209.56

B、Providing fund

The Group provided current fund loan to associates, details are as follows:

Related party name	2020 Amount (in ten thousand)	2019 Amount (in ten thousand)	2018 Amount (in ten thousand)
Beijing First Construction Engineering Co., Ltd			17,600.00
Beijing Second Construction Engineering Co., Ltd		11,000.00	9,500.00
BCEG Bohai Construction Co., Ltd	5,500.00	28,372.00	4,000.00
Beijing Machinery Construction Co., Ltd		5,500.00	3,000.00
Beijing Equipment Installation Engineering Group Co., Ltd		5,000.00	
Beijing No.5 Construction Engineering Co., Ltd			
Total	5,500.00	49,872.00	34,100.00

The Group earned interest income on the current fund loan to associates and the income is offset against the Group's financial expenses, details are as follows:

Related party name	2020 Amount (in ten thousand)	2019 Amount (in ten thousand)	2018 Amount (in ten thousand)
Beijing First Construction Engineering Co., Ltd	1,420.29	12,006.01	3,336.78
Beijing Second Construction Engineering Co., Ltd	3,321.05	3,583.99	3,433.05
Beijing No.5 Construction Engineering Co., Ltd		100.44	496.05
BCEG Bohai Construction Co., Ltd	3,252.60	3,214.47	1,994.57
Beijing Machinery Construction Co., Ltd		6,437.86	5,422.10
Beijing Equipment Installation Engineering Group Co., Ltd	272.12	360.62	263.08
Beijing Yongmao Construction Machinery Manufacturing Co., Ltd	75.07	87.01	83.97
Shanghai Beijian Huaqing Industry Co., Ltd	431.65	463.31	441.98
Total	8,772.78	26,253.71	15,471.58

6、Receivables from and payables to related parties

(1) Receivables from related parties

Beijing Construction Engineering Group Co., Ltd.
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Item	Related party	2020.12.31		2019.12.31		2018.12.31	
		Book balance	Provision for bad and doubtful debt	Book balance	Provision for bad and doubtful debt	Book balance	Provision for bad and doubtful debt
Accounts receivable	Beijing Beikong Construction Engineering Lianghe Water Environment Treatment Co., Ltd	70,823,994.18					
Accounts receivable	Beijing Guojian Longguan Construction Technology Co., Ltd	6,000.00					
Accounts receivable	Beijing Hengyi Health Management Co., Ltd	38,988.00					
Accounts receivable	BCEG Bohai Construction Co., Ltd	31,099,535.62		30,001,081.00		35,710,473.75	
Accounts receivable	BCEG Haiya Construction Engineering Co., Ltd			614,083.25		519,983.25	
Accounts receivable	BCEG Road and Bridge Group Co., Ltd	28,849,784.17		36,684,639.91	370,725.93	49,891,996.30	323,575.31
Accounts receivable	Beijing Jingxi Jingrong Real Estate Co., Ltd					26,746,418.98	
Accounts receivable	BCEG First Construction Engineering Co., Ltd	49,960,889.05		45,441,086.68			
Accounts receivable	Beijing Litian Concrete Co., Ltd			14,244,933.43		14,244,933.43	
Accounts receivable	Beijing Second Construction Engineering Co., Ltd	8,074,930.68	325,191.83	9,959,366.95	296,551.17	2,595,881.43	74,262.22
Accounts receivable	Beijing No.5 Construction Engineering Co., Ltd	28,311,337.80		20,370,078.15		33,860,001.18	390.00
Accounts receivable	Beijing First Construction Engineering Co., Ltd					72,859,531.17	8,375.00
Accounts receivable	Beijing No.5 Construction Engineering Group Decoration Engineering Co., Ltd	44,120.70					
Accounts receivable	Beijing Machinery Construction Group Co., Ltd	101,999.25		4,111,050.61		9,342,061.04	9,750.00
Accounts receivable	Beijing Construction Timber Co., Ltd			353,930.00		353,930.00	
Accounts receivable	Beijing Tianshan HighTtech Wind Power Technology Co., Ltd			10,561,049.73			
Accounts receivable	Pennor Chemical Evintes Environmental Solutions Co., Ltd					1,040,000.00	10,400.00
Accounts receivable	Hebei Xiong'an Minggang Concrete Co., Ltd	8,664,950.08					
Other receivables	BCEG Bohai Construction Co., Ltd	1,415,887,669.50		867,923,310.43		608,912,412.09	
Other receivables	BCEG Road and Bridge Group Co., Ltd	980,024.95		16,544,088.83		18,563,339.86	
Other receivables	BCEG First Construction Engineering Co., Ltd	737,591.70					
Other receivables	Beijing Jianhai Huihe Real Estate Development Co., Ltd	1,133,249,269.12					

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Other receivables	Beijing Jianheng Huijing Real Estate Development Co., Ltd	144,370.00		
Other receivables	Beijing Jianheng Runhe Real Estate Development Co., Ltd	49,695.00		
Other receivables	Beijing Jianlong Real Estate Development Co., Ltd	367,714.28	367,714.28	236,039.23
Other receivables	Beijing Runzhi Commercial Operation Management Co., Ltd	113,080.90		
Other receivables	Beijing Second Construction Engineering Co., Ltd	113,542,321.66	83,277,351.53	129,026,859.53
Other receivables	Beijing No.5 Construction Engineering Co., Ltd	150,694,961.75	33,997,735.02	34,268,001.87
Other receivables	Beijing First Construction Engineering Co., Ltd	1,263,356,720.39	682,382,555.16	964,784,765.11
Other receivables	Beijing Jiangong Hospital Co., Ltd	23,580,571.03		
Other receivables	Beijing Equipment Installation Engineering Group Co., Ltd	145,613,267.02	146,162,288.30	113,325,833.54
Other receivables	Beijing Capital Development Co., Ltd	871,200,000.00		
Other receivables	Beijing Yicheng Real Estate Co., Ltd	1,014,666,307.10		
Other receivables	Beijing Yongmao Construction Machinery Manufacturing Co., Ltd	21,338,847.32	20,854,618.90	21,074,892.69
Other receivables	Beijing Changhong Hezhi Asset Management Co., Ltd	11,917,504.59		
Other receivables	Beijing Zhengfang Xincheng Construction Engineering Co., Ltd	442,118.33		
Other receivables	Haikou Chenzhi Real Estate Co., Ltd	720,863,788.09	701,298,000.00	701,298,000.00
Other receivables	China Resources Land Holdings Co., Ltd	871,200,000.00		
Other receivables	Junhao International Property Management Co., Ltd	1,706,701.06		
Other receivables	Shanghai Beijian Huaqing Industrial Development Co., Ltd	110,610,582.53		
Other receivables	Suzhou Shoukai Longtai Real Estate Co., Ltd	357,116.10		
Other receivables	Tianjin Tiancai Xingchen Building Materials Co., Ltd	2,882,465.32		
Other receivables	Yinxin Commercial Factoring Co., Ltd	112,521.32		
Other receivables	Zhonghe Land Co., Ltd	200,000,000.00		
Other receivables	China Railway Real Estate Group Beijing Co., Ltd	139,369,108.55	392,000,000.00	48,080,571.03
Prepayments	Beijing Equipment Installation Engineering Group Co., Ltd	10,603,357.22		
Prepayments	BCEG Dingli Property Management Co., Ltd	3,057,650.79		
Prepayments	Beijing Second Construction Engineering Co., Ltd	15,000,000.00		

Beijing Construction Engineering Group Co., Ltd.
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(2) Payables to related parties

Item	Related party	2020.12.31	2019.12.31	2018.12.31
Accounts payable	Beijing No.5 Construction Engineering Co., Ltd		12,748,124.06	
Accounts payable	Beijing Guojian Longguan Construction Technology Co., Ltd	4,953,945.30		
Accounts payable	BCEG Bohai Construction Co., Ltd	5,265,019.24	5,002,604.36	5,346,115.82
Accounts payable	BCEG Haiya Construction Engineering Co., Ltd		1,130,378.19	
Accounts payable	BCEG Road and Bridge Group Co., Ltd	236,294,577.89	26,985,560.46	
Accounts payable	BCEG Xinyan Curtain Wall Decoration Engineering Co., Ltd	252,947.06		
Accounts payable	BCEG First Construction Engineering Co., Ltd	323,687,039.91		
Accounts payable	BCEG General electromechanical equipment installation engineering Co., Ltd	17,429,146.98		
Accounts payable	Beijing Litian Concrete Co., Ltd		885,075.00	
Accounts payable	Beijing Second Construction Engineering Co., Ltd	2,424,801.05	30,471,785.72	
Accounts payable	Beijing No.5 Construction Engineering Group Co., Ltd	128,975,446.09	35,122,016.69	63,982,298.66
Accounts payable	Beijing First Construction Engineering Co., Ltd		165,150,106.28	49,887,317.88
Accounts payable	Beijing Machinery Construction Co., Ltd		248,167,970.94	904,254,517.49
Accounts payable	Beijing Equipment Installation Engineering Group Co., Ltd	573,725,314.24	375,439,882.44	92,393,972.95
Accounts payable	Beijing Yongmao Construction Machinery Manufacturing Co., Ltd	4,087,447.03	6,687,447.03	10,170,197.03
Accounts payable	Nantong Guosheng Environmental Remediation Co., Ltd		599,760.00	
Accounts payable	Shaanxi Jianbang Environmental Remediation Co., Ltd		2,943,290.14	5,530,992.85
Accounts payable	Tianjin Tiancai Xingchen Building Materials Co., Ltd	534,660.02		
Other payables	Beijing Beiguo Construction Engineering Co., Ltd	17,347,375.60	17,347,375.60	17,317,202.10
Other payables	BCEG Bohai Construction Co., Ltd	91,236,191.53	42,212,993.94	371,137.00
Other payables	Beijing Litian Concrete Co., Ltd		2,080,879.64	
Other payables	Beijing Runzhi Commercial Operation Management Co., Ltd		1,345,410,000.00	
Other payables	Beijing No.5 Construction Engineering Co., Ltd	21,912,199.90		
Other payables	Beijing Hehua Investment Consulting Co., Ltd	4,040,000.00		
Other payables	BCEG Road and Bridge Group Co., Ltd	23,906,825.28		
Other payables	BCEG First Construction Engineering Co., Ltd	10,505,041.41		
Other payables	Beijing Second Construction Engineering Co., Ltd	13,772,650.56	18,328,306.32	4,395,032.69
Other payables	Beijing No.5 Construction Engineering Group Co., Ltd	13,326,475.63	18,910,718.26	8,665,460.49
Other payables	Beijing No.5 Construction Engineering Group Decoration Engineering Co., Ltd	2,000.00		

Beijing Construction Engineering Group Co., Ltd.
Notes to the Financial Statements
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Item	Related party	2020.12.31	2019.12.31	2018.12.31
Other payables	Beijing First Construction Engineering Co., Ltd	5,890,030.19	20,614,957.74	36,160,714.52
Other payables	Beijing Construction Timber Co., Ltd	600.00		
Other payables	Beijing Architectural Design and Research Institute Co., Ltd	6,367,348.50		
Other payables	Beijing Machinery Construction Co., Ltd		30,216,144.04	24,379,178.68
Other payables	Beijing Equipment Installation Engineering Group Co., Ltd	2,016,082.27	3,307,913.26	
Other payables	Beijing Capital Development Co., Ltd		1,366,200,000.00	
Other payables	Beijing Tiger Economic Development Co., Ltd	10,799,796.38	10,800,000.00	
Other payables	Beijing Xincheng Investment and Operation Co., Ltd	1,954,281,710.54	1,500,035,041.54	1,500,000,000.00
Other payables	Beijing Yongmao Construction Machinery Manufacturing Co., Ltd	8,465.02	7,958.49	11,354.72
Other payables	China Resources Land Holdings Company	8,095,862.87		
Other payables	Lanjing Lijia Logistics Co., Ltd	83,722,761.15		
Other payables	Shanghai Beijian Huaqing Industrial Development Co., Ltd	208,831.03	56,603.78	
Other payables	Shanghai Mingxing Real Estate Development and Operation Co., Ltd		1,016,173.50	
Other payables	Suzhou Shoukai Longtai Real Estate Co., Ltd	129,000,000.00	105,000,000.00	318,000,000.00
Other payables	Yinxin Commercial Factoring Co., Ltd		82,367.26	129,764.11
Other payables	Tianjin Tiancai Xingchen Building Materials Co., Ltd	3,583,693.36		
Other payables	China Railway First Pacific Property Co., Ltd	6,676,893.70		
Other payables	Zhongxinglian Machinery Leasing Co., Ltd			141,631.00
Other payables	China Railway Real Estate Group Beijing Co., Ltd			2,025,200,000.00
Other payables	Shanxi Saiou International Sports Exchange Investment Group Co., Ltd			538,564.60
Advance payments	Beijing No.5 Construction Engineering Group Co., Ltd	4,140.45		
Advance payments	BCEG Environmental Development Co., Ltd	1,018,708.08		
Advance payments	BCEG Bohai Construction Co., Ltd	12,159.00		

XII. Information that helps users of financial statements evaluate the objectives, policies and procedures of capital management

None.

XIII. Other disclosure required by Accounting Standards for Business Enterprise

None.

XIV. Approval of financial statements

The financial statements and the notes to the financial statements were approved for reporting on 31 March 2021.

Beijing Construction Engineering Group Co., Ltd.

31 March 2021

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