



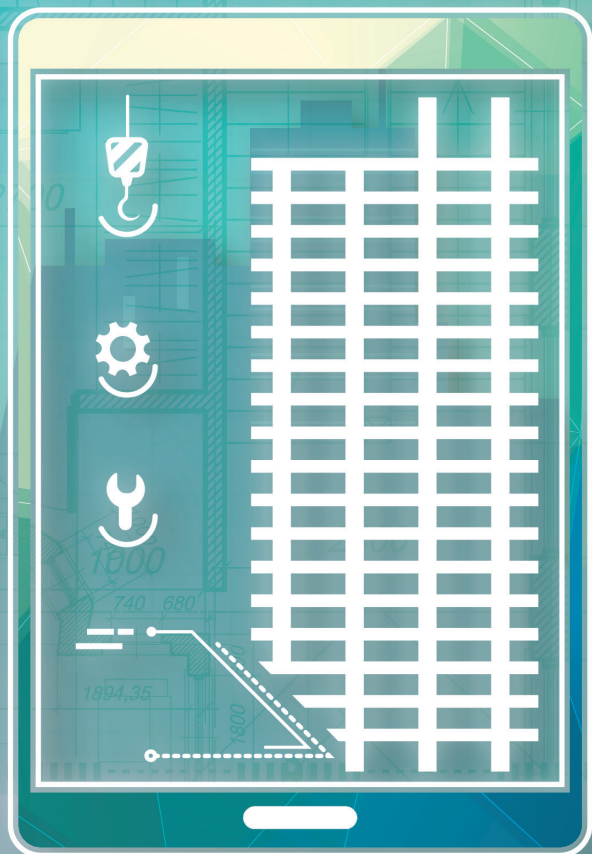
T J C D  
天津建发

# 天津建设发展集团股份有限公司

Tianjin Construction Development Group Co., Ltd.

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

Stock Code: 2515



Interim Report **2024**

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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. Zhao Kuanghua (趙匡華) (President)

Mr. Li Kai (李凱) (Chief financial officer)

Ms. Zhao Xiaorong (趙曉榮)

Mr. Yang Youhua (楊友華)

Mr. Ni Baqun (倪拔群)

### Non-Executive Director

Mr. Wang Wenbin (王文彬) (Chairperson)

### Independent Non-Executive Directors

Dr. Yan Bing (嚴兵)

Mr. Yang Shitai (楊世泰)<sup>Note</sup>

Mr. Shiu Shu Ming (蕭恕明)

## SUPERVISORS

Ms. Wang Ling (王玲)

Ms. Zhu Yiwei (朱藝偉)

(resigned with effect from 21 June 2024)

Mr. Hu Shixin (胡世新)

(resigned with effect from 21 June 2024)

Mr. Wang Lei (王磊)

(appointed with effect from 21 June 2024)

Mr. Ren Feiyu (任飛宇)

(appointed with effect from 21 June 2024)

## AUDIT COMMITTEE

Mr. Shiu Shu Ming (蕭恕明) (Chairman)

Dr. Yan Bing (嚴兵)

Mr. Yang Shitai (楊世泰)<sup>Note</sup>

## REMUNERATION COMMITTEE

Dr. Yan Bing (嚴兵) (Chairman)

Mr. Zhao Kuanghua (趙匡華)

Mr. Yang Shitai (楊世泰)<sup>Note</sup>

## NOMINATION COMMITTEE

Mr. Wang Wenbin (王文彬) (Chairman)

Dr. Yan Bing (嚴兵)

Mr. Yang Shitai (楊世泰)<sup>Note</sup>

## AUTHORISED REPRESENTATIVES

Mr. Li Kai (李凱)

Mr. Lui Wing Yat Christopher (呂穎一)

## JOINT COMPANY SECRETARIES

Mr. Li Kai (李凱)

Mr. Lui Wing Yat Christopher (呂穎一) (ACG, HKACG)

## AUDITOR

KPMG

Certified Public Accountants

Public Interest Entity Auditor registered

in accordance with the Accounting and Financial

Reporting Council Ordinance

8th Floor, Prince's Building

10 Chater Road

Central

Hong Kong

## COMPLIANCE ADVISER

China Everbright Capital Limited

33/F, Everbright Centre

108 Gloucester Road

Wan Chai

Hong Kong

## HONG KONG LEGAL ADVISER

Tian Yuan Law Firm LLP

Suites 3304-3309, 33/F, Jardine House

One Connaught Place, Central

Hong Kong

Note: Mr. Yang Shitai tendered his resignation to the Board to resign from the position of independent non-executive Director on 21 August 2024. His resignation will be effective upon approval of appointment of a new independent non-executive Director at the general meeting of the Company to replace him.

# Corporate Information

## REGISTERED OFFICE

Room 507, Building 13  
Zone B1, Corporate Headquarters Base  
Binhai-Zhongguancun Science Park (former Ronghui  
Business District 3)  
Tianjin Economic-Technological Development Area  
Tianjin  
PRC

## HEAD OFFICE IN THE PRC

No. 112 Dongting Road  
Economic and Technological Development Zone  
Binhai New Area  
Tianjin  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5/F, Manulife Place  
348 Kwun Tong Road  
Kowloon  
Hong Kong

## STOCK CODE

2515

## H SHARE REGISTRAR

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANK

Agricultural Bank of China Tianjin Hebei Road Branch  
14-101, Huarongli  
Binhai  
Tianjin  
PRC

Tianjin Binhai Huimin Village Bank Guotai Building Branch\*  
(天津濱海惠民村鎮銀行國泰大廈支行)  
Block C, Guotai Building  
Tianjin Pilot Free Trade Zone  
Tianjin  
PRC

## COMPANY WEBSITE

[www.tjcdg.com](http://www.tjcdg.com)

\* for identification purpose only

# Management Discussion and Analysis

## BUSINESS REVIEW AND FUTURE OUTLOOK

We are a construction group based in Tianjin which offers comprehensive construction services. We primarily focus on construction business, comprising (i) municipal public construction works, which mainly include road construction and traffic facilities construction; (ii) foundation works, which mainly include foundation construction and earthworks; (iii) building construction related works which mainly include building renovation and decoration and intelligent building construction; and (iv) petrochemical engineering works, which mainly include filling station upgrading and renovation, pipe installation and oil tank overhaul projects. Our customers mainly include government authorities, state-owned enterprises and private enterprises. We are committed to the application of our self-developed Jiexiao System, a comprehensive construction management software equipped with multiple functions including cost monitoring, progress measuring and resources tracking, to provide quality construction services to our customers.

During the Reporting Period, we conducted 31 construction projects. As of 30 June 2024, we had a total of 33 ongoing projects (including projects in progress and projects undertaken by us but not yet commenced) with a total contract amount (excluding variation orders) of approximately RMB343.9 million.

The year 2024 presents significant challenges for construction enterprises. Recently, we have experienced a relatively slower tendering process for our construction business which adversely affected our financial performance for the six months ended 30 June 2024 and may continue to adversely affect our financial position in the future. In light of the challenging and complex industry conditions, we remain committed to maintaining a prudent and proactive operational approach. We believe it is crucial to leverage our research and development capabilities in the construction sector, implement our self-developed Jiexiao System, and enforce strict cost control on projects.

The year 2024 marks the first year of the listing of our H Shares on the Stock Exchange and is a pivotal year for our business expansion. As China's urbanisation strategy progresses, the construction industry is expected to see increased demand, presenting us with both opportunities and challenges. 2024 is a crucial year for the implementation of China's "Five-Year Action Plan for Human-Centered New Urbanization". Key initiatives, such as renovating old urban communities, accelerating the construction of affordable housing, enhancing urban flood management, implementing urban lifeline safety projects, and promoting the development of green smart cities, will create more market opportunities in the construction sector. We aim to leverage our established reputation in Tianjin's construction industry, utilising our brand and industry experience to seize market opportunities and further increase our market share. Meanwhile, we believe that by expanding our construction business outside Tianjin, actively developing the petrochemical sector, and exploring diverse cooperation and business models, we will support our future growth and development.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group generated revenue predominantly from our construction business. During the Reporting Period, our total revenue amounted to approximately RMB94.6 million, representing a decrease of approximately RMB11.2 million or 10.6% from approximately RMB105.8 million for the six months ended 30 June 2023, which primarily attributable to the reduced number of new construction projects as compared to that of the six months ended 30 June 2023.

Set forth below is a breakdown of revenue by types of construction services during the Reporting Period:

	<b>For the six months ended 30 June 2024 RMB'000</b>	For the six months ended 30 June 2023 RMB'000
<b>Municipal public construction works</b>	<b>43,770</b>	69,047
– Traffic facilities construction	<b>38,218</b>	19,696
– Road construction	<b>5,552</b>	49,351
<b>Foundation works</b>	<b>37,948</b>	9,884
– Foundation construction	<b>37,948</b>	9,884
– Earthwork	–	–
<b>Building construction related works</b>	<b>3,834</b>	20,732
<b>Petrochemical engineering works</b>	<b>8,942</b>	5,901
<b>Other<sup>1</sup></b>	<b>74</b>	262
<b>Total</b>	<b>94,568</b>	105,826

Note:

1. Our other revenue included service income generated from the provision of software services such as usage of the Jiexiao System. We provide software services in relation to the Jiexiao System to external parties such as our suppliers and other market users while charging them with platform subscription fee and other services fee.

# Management Discussion and Analysis

## Municipal public construction works

During the Reporting Period, our revenue derived from municipal public construction works amounted to approximately RMB43.8 million, representing a decrease of approximately RMB25.2 million, or approximately 36.5%, from approximately RMB69.0 million for the six months ended 30 June 2023. This was mainly due to the decrease in the number of municipal public construction projects we undertook during the Reporting Period as compared to that of the six months ended 30 June 2023.

## Foundation works

During the Reporting Period, our revenue derived from foundation works amounted to approximately RMB37.9 million, representing an increase of approximately RMB28.0 million, or approximately 282.8%, from approximately RMB9.9 million for the six months ended 30 June 2023. This was mainly due to our undertaking and completion of Jintan Tang (Gua) 2023-4 Land Parcel Project Professional Subcontracting Project (津濱塘(掛)2023-4號專業分包工程) during the Reporting Period from which we recognised a revenue of approximately RMB37.5 million.

## Building construction related works

During the Reporting Period, our revenue derived from building construction related works amounted to approximately RMB3.8 million, representing a decrease of approximately RMB16.9 million, or approximately 81.6%, from approximately RMB20.7 million for the six months ended 30 June 2023. This was mainly due to the completion of the Tianjiang Apartment Affordable Rental Housing Improvement and Renovation Project (天江公寓保障性租賃住房提升改造工程項目) in first half of 2023 while no construction and installation or building decoration projects were undertaken during the Reporting Period.

## Petrochemical engineering works

During the Reporting Period, our revenue derived from petrochemical engineering works amounted to approximately RMB8.9 million, representing an increase of approximately RMB3.0 million, or approximately 50.8%, from approximately RMB5.9 million for the six months ended 30 June 2023. This was mainly due to our undertaking of a new petrochemical engineering project, being Haiyou Engineering LNG Project (海油工程LNG項目), which commenced in March 2024.

## Other

During the Reporting Period, our revenue derived from other business activities amounted to approximately RMB0.07 million, representing a decrease of approximately RMB0.23 million, or approximately 76.7%, from approximately RMB0.3 million for the six months ended 30 June 2023. This was mainly due to a decline in service income generated from provision of software services such as the usage of Jiexiao System.

## Cost of Sales

During the Reporting Period, the Group's cost of sales was approximately RMB71.7 million, representing a decrease of approximately RMB7.5 million, or approximately 9.5%, from approximately RMB79.2 million for the six months ended 30 June 2023, which was in line with the decrease in our revenue for the Reporting Period.

# Management Discussion and Analysis

## Gross Profit and Gross Profit Margin

As a result of the above, gross profit decreased by approximately RMB3.7 million or approximately 13.9% from approximately RMB26.6 million for the six months ended 30 June 2023 to approximately RMB22.9 million for the six months ended 30 June 2024. Gross profit margin decreased from approximately 25.1% for the six months ended 30 June 2023 to approximately 24.2% for the six months ended 30 June 2024.

## Operating and Administrative Expenses

Our operating and administrative expenses mainly consist of R&D costs, staff costs, depreciation of property, plant and equipment, office costs, entertainment and travel expenses, utility fee and others. During the Reporting Period, the Group's administrative expenses amounted to approximately RMB17.4 million, representing an increase of approximately RMB2.8 million, or approximately 19.2%, from approximately RMB14.6 million for the six months ended 30 June 2023, mainly due to the increase of travel and entertainment expense in order to expand business and the increase of professional service fee in connection with the Global Offering.

## Reversal of Impairment of Losses on Trade Receivables, Lease Receivables, Other Receivables and Contract Assets

During the Reporting Period, the Group's reversal of impairment of losses on trade receivables, lease receivables and other receivables and contract assets was approximately RMB5.0 million, representing a decrease of approximately RMB3.7 million, or approximately 42.5%, from approximately RMB8.7 million for the six months ended 30 June 2023 which was mainly due to the decrease in reversal of impairment losses on trade receivables from approximately RMB5.5 million for the six months ended 30 June 2023 to approximately RMB2.0 million for the Reporting Period. The reversal of impairment losses on trade receivables for the six months ended 30 June 2023 included the one-off transfer of properties to the Group of RMB9.0 million, while there was no such transaction during the Reporting Period.

## Finance Cost

Our finance cost mainly consists of interest on bank loans and other borrowings. During the Reporting Period, the Group's finance costs amounted to approximately RMB0.71 million, representing an increase of approximately RMB0.65 million as compared to RMB0.06 million for the six months ended 30 June 2023. Such increase was mainly due to the increase in bank loans.

## Income Tax Expense

During the Reporting Period, the Group recorded income tax expense of approximately RMB1.4 million, while the income tax expense for the six months ended 30 June 2023 was approximately RMB2.5 million. This was in line with the decrease in taxable profit during the Reporting Period.

## Net Profit

During the Reporting Period, profit attributable to equity shareholders of the Company was approximately RMB10.5 million (for the six months ended 30 June 2023: approximately RMB18.6 million).



# Management Discussion and Analysis

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As of 30 June 2024, the Group's cash and cash equivalents amounted to approximately RMB54.2 million which is mainly funded from the net cash generated from financing activities. The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Net cash (used in)/generated from operating activities	(84,277)	241
Net cash (used in)/generated from investing activities	(279)	9,401
Net cash generated from financing activities	132,187	2,725
Net increase in cash and cash equivalents	47,631	12,367
Cash and cash equivalents at 1 January	6,422	20,200
Cash and cash equivalents at 30 June	54,153	32,567

### Net Cash Flow (Used in)/Generated from Operating Activities

During the Reporting Period, we mainly generated our cash inflow from the receipt of payments from our construction business. Our cash used in operations principally comprises costs of materials consumed, labor subcontracting costs, staff costs, professional subcontracting costs, machinery usage costs, freight fees and operating and administrative expenses.

For the six months ended 30 June 2024, we recorded net cash used in operating activities of RMB84.3 million mainly due to settlement of trade payables during the Reporting Period.

### Net Cash Flow (Used in)/Generated from Investing Activities

During the Reporting Period, our cash used in investing activities was primarily for payment for the purchase of property, plant and equipment. Our cash generated from investing activities primarily consisted of proceeds from rentals received.

For the six months ended 30 June 2024, we had net cash used in investing activities of RMB0.3 million mainly due to payment for the purchase of property, plant and equipment.

# Management Discussion and Analysis

## Net Cash Flow Generated from Financing Activities

During the Reporting Period, our cash generated from financing activities consisted of proceeds from issue of shares and bank loans. Our cash used in financing activities consisted primarily of payments for share issuance costs.

For the six months ended 30 June 2024, we had net cash generated from financing activities of RMB132.2 million mainly due to the proceeds from the Global Offering.

As of 30 June 2024, the Group had current assets of RMB544.8 million (31 December 2023: RMB491.3 million), representing an increase of approximately RMB53.5 million, mainly due to the increase in cash and cash equivalents of approximately RMB47.7 million and increase in contract assets of approximately RMB30.2 million, partially offset by the decrease in prepayments, deposits and other receivables of approximately RMB20.9 million. The Group had current liabilities of RMB287.0 million (31 December 2023: RMB331.1 million), representing a decrease of approximately RMB44.1 million mainly due to the decrease in trade and bills payables of approximately RMB59.8 million and the decrease in accrued expenses and other payables of approximately RMB8.8 million, partially offset by the increase in bank loans of approximately RMB30.0 million. The current ratio was 1.90 at 30 June 2024 as compared with 1.48 at 31 December 2023, equals to total current assets divided by total current liabilities as of the end of the period.

As of 30 June 2024, the Group's indebtedness increased from approximately RMB20.2 million as at 31 December 2023 to approximately RMB53.7 million as at 30 June 2024. Our gearing ratio increased from approximately 8.9% as at 31 December 2023 to approximately 15.5% as at 30 June 2024, mainly due to the increase in bank loans. As of 30 June 2024, the Group had bank loans of RMB50.0 million (31 December 2023: RMB20.0 million), of which the fixed interest rate ranged from 3.75% to 4.5% per annum.

The Group has adopted a policy to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Board closely monitors and manages, among other things, the level of trade and bills receivables and contract assets to that of the trade and bills payables, and the settlement rate of trade and bill payables, diligently reviews cash flow requirements and assesses the Group's ability to meet debt repayment schedule and adjust the Group's investment and financing to ensure the sufficiency working capital.

The H Shares have been listed on the Stock Exchange since the Listing Date. There has been no change in the capital structure of the Company since the Listing Date and up to 30 June 2024. The capital of the Company comprises ordinary shares including Unlisted Shares and H Shares.

## Capital Expenditures

During the Reporting Period, the Group's capital expenditures amounted to approximately RMB1.3 million, which primarily consist of expenditures on acquisitions of property and procurement of plants and equipment in the course of our operation. We funded our capital expenditure requirements during the Reporting Period mainly from cash generated from operating activities.

# Management Discussion and Analysis

## Trade Receivables

As of 30 June 2024, the Group's trade receivables amounted to approximately RMB229.4 million, which remained at a similar level as compared to that of approximately RMB232.5 million as of 31 December 2023.

## Trade and Bills Payables

As of 30 June 2024, the Group's trade and bills payables amounted to approximately RMB216.0 million, representing a decrease of approximately RMB59.8 million from approximately RMB275.8 million as of 31 December 2023, mainly due to our settlement of trade payables during the Reporting Period.

## Prepayments, Deposits and Other Receivables

As of 30 June 2024, the Group's prepayments, deposits and other receivables amounted to approximately RMB4.2 million, representing a decrease of approximately RMB20.8 million, from approximately RMB25.0 million as of 31 December 2023, mainly because the prepayments for costs incurred in connection with the proposed issuance of the Company's H shares have been transferred to the capital reserve account within equity upon the listing of the Company's H shares on the Stock Exchange.

## EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2024, we had 114 full-time employees, all of whom were located in the PRC (30 June 2023: 114 employees). The following table sets out the number of employees of our Group by job function:

Functions	Number of employees
General management	11
Project department <sup>1</sup>	31
Commercial contract department	4
Marketing department	7
Procurement department	3
Finance department	5
Safety and environmental protection department	2
R&D department	44
Human resources and administrative department	7
<b>Total</b>	<b>114</b>

Note:

1. Our project department consists of, among others, three project teams and a project management team.

The Group engages subcontractors to provide labour services for our construction projects and generally does not employ any construction workers. Employees were generally recruited from the open market by placing job advertisements. The Group offers competitive remuneration packages to our employees and provides regular and ad-hoc training courses for the employees to ensure their competency and to keep them abreast of the latest developments and best practices in the industry so as to enhance their performance. During the Reporting Period, the total staff costs incurred were approximately RMB10.3 million (six months ended 30 June 2023: RMB10.1 million).

# Management Discussion and Analysis

As part of our human resources strategies, we are committed to establishing a competitive and fair remuneration and benefits system. Compensation for our employees typically consists of remuneration and performance-based bonus. In terms of performance and remuneration, the Group conducts monthly and annual appraisals of employees based on the Performance Management System (績效管理制度) and the Measures for the Assessment of the Completion of Work Tasks (工作任務完成情況考核辦法), and the appraisal results will directly affect the amount of the employee's performance-based wages and future salary adjustments. We also make contributions to social welfare contribution for our employees, including basic pension, medical, unemployment, work injury and maternity insurance in accordance with relevant PRC laws and regulations. All employees work five days per week and are provided with welfare leaves such as marriage leave, maternity/paternity leave, paid annual leave and medical treatment period for sickness or non-work-related injuries, in addition to statutory holidays. Meanwhile, the Group also carries out a variety of employee care activities, including: (i) annual meeting, monthly birthday parties and staff reunion activities; (ii) basketball game, photo contest, badminton match, essay competition and other recreational and sports activities; and (iii) additional leave for female employees and employees with children under 14 years of age on Women's Day and Children's Day, respectively.

Our Group provides necessary induction training and timely on-the-job training for its employees based on its business needs to help them to be competent for professional and technical skills work and daily project work management. Our Group encourages its employees to become multi-talented and to achieve diversified growth through professional skills advancement training, cross-field skills training, and middle and senior management skills training.

## CHARGE OF ASSETS

As of 30 June 2024, the Group did not pledge any assets as collateral for bank borrowings or any other financing activities (31 December 2023: Nil).

## CONTINGENT LIABILITIES

As of 30 June 2024, the Group did not have any material contingent liabilities.

## SHARE PLEDGE

During the Reporting Period, there is no pledge by our Controlling Shareholders of their interests in the Shares to secure the Company's debts or to secure guarantees or other support of its obligation before the Listing.

## BORROWING AND GEARING RATIO

As of 30 June 2024, the Group had interest-bearing bank loans of approximately RMB50.0 million (31 December 2023: RMB20.0 million).

As of 30 June 2024, our gearing ratio, calculated as total bank loans divided by total equity as of the end of the Reporting Period, was approximately 15.5% (31 December 2023: 8.9%).

## MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six months ended 30 June 2024, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

# Management Discussion and Analysis

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 30 June 2024, save as disclosed in the section headed “Future Plans and Use of Proceeds” of the Prospectus, we did not have plans for material investments and capital assets.

## EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES

The Group's business operations are conducted in the PRC with most of the transactions settled in RMB, being the Group's functional currency. The Board considers that the Group's business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group that are denominated in currencies other than the respective functional currencies of the Group's entities.

During the Reporting Period, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

## SHARE SCHEME

During the period from the Listing Date up to 30 June 2024, the Group has no share scheme.

## SIGNIFICANT INVESTMENT AND MATERIAL EVENT DURING THE REPORTING PERIOD

On 21 June 2024, the Company established a branch office in Xi'an to develop the Company's construction business in Shaanxi province. Save as disclosed above, the Board is not aware of any significant investment and events which could have a material impact on our operating and financial performance since the Listing Date and up to 30 June 2024.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

On 21 August 2024, Mr. Yang Shitai (“Mr. Yang”) tendered his resignation to the Board to resign from the position of independent non-executive Director. As Mr. Yang's resignation will result in the Company not being able to meet the minimum requirement of the number of independent non-executive directors as prescribed under the Listing Rules, pursuant to Article 107 of the Articles, Mr. Yang's resignation will be effective upon approval of appointment of a new independent non-executive Director at the general meeting of the Company to replace Mr. Yang. The Company is in the process of identifying suitable candidate for the position of independent non-executive Director as of the date of this report. Further announcement will be made by the Company as and when appropriate. Save as disclosed above, the Group is not aware of any significant events which could have a material impact on our operating and financial performance after the Reporting Period.

# Other Information

## CORPORATE GOVERNANCE PRACTICE

The Company has complied with the applicable code provisions of the CG Code as set out in Part 2 of Appendix C1 to the Listing Rules and adopted the code provisions of the CG Code as its corporate governance policy.

During the period from the Listing Date to 30 June 2024, the Company has complied with all the principles and applicable code provisions contained in Part 2 of the CG Code.

## SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by the Directors, the Supervisors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date. Having made specific enquiry with all the Directors and Supervisors of the Company, all the Directors and Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code during the period from the Listing Date to 30 June 2024.

## GLOBAL OFFERING

On 23 April 2024, the H Shares of the Company were listed on the Main Board of the Stock Exchange in a global offering of 53,950,000 H Shares, comprising a Hong Kong public offering of 26,976,000 H Shares and an international offering of 26,974,000 H Shares (as adjusted in the Company's allotment results announcement dated 22 April 2024). The H Shares were issued and subscribed to Hong Kong and overseas investors at an Offer Price of HK\$2.50 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange transaction fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. The over-allotment option as described in the Prospectus was not exercised by the overall coordinator (for itself and on behalf of the international underwriters). For details of the Global Offering, please refer to the Prospectus, the allotment results announcement of the Company dated 22 April 2024 and the announcement of the Company dated 20 May 2024 in relation to, among others, lapse of the over-allotment option.

# Other Information

## USE OF PROCEEDS

The net proceeds from the Global Offering (after deducting the underwriting fees and commissions and related cost and expenses) amounted to approximately HK\$92.2 million. There is no change or material delay to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As of 30 June 2024, the Company had utilized approximately HK\$39.3 million of net proceeds from the Global Offering, representing approximately 42.6% of the total net proceeds from the Global Offering, in accordance with the intended use set out in the Prospectus. The following table sets out breakdown of the use of proceeds from the Global Offering. As of 30 June 2024, the unutilised net proceeds have been placed in licensed banks and/or authorized financial institution in the PRC. For details of the use of net proceeds from the Global Offering, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Purpose	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus <sup>1</sup> (HK\$ million)	Allocated net proceeds from the Global Offering <sup>1</sup> (HK\$ million)	Net proceeds utilized since the Listing and up to 30 June 2024 (HK\$ million)	Unutilised net proceeds as of 30 June 2024 (HK\$ million)	Expected timeline of full utilization of net proceeds
To fund our up-front costs of potential projects	55.0%	56.3	50.7	26.6	24.1	By the end of 2024
To establish local branch offices in regions outside Tianjin and expand our business presence in more cities in the PRC	15.0%	15.3	13.8	4.7	9.2	By the first half of 2025
To enhance our R&D capabilities	10.0%	10.3	9.2	1.1	8.1	By the end of 2024
To acquire or invest in other construction companies that focus on petrochemical engineering, new energy engineering or new urban infrastructure construction, which hold the relevant licenses or qualifications to undertake such works	10.0%	10.3	9.2	–	9.2	By the end of 2025
For working capital and general corporate purposes	10.0%	10.3	9.3	7.0	2.3	By the end of 2024
<b>Total</b>	<b>100%</b>	<b>102.5</b>	<b>92.2</b>	<b>39.3</b>	<b>52.9</b>	

Note:

- The final offer price of the Global Offering was fixed at HK\$2.50 per offer share (being the lower end of the offer price range) and the net proceeds finally received from the Global Offering was lower than the estimated net proceeds as disclosed in the Prospectus which was based on an offer price of HK\$2.70 per offer share (being the mid point of the offer price range). The net proceeds allocated to the above purposes were adjusted on a pro-rata basis.

# Other Information

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period and up to the date of this report, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares). As of 30 June 2024, the Company did not hold any treasury shares.

## MATERIAL LEGAL PROCEEDINGS

During the Reporting Period and up to the date of this report, no member of the Group was involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Board has established the Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Shiu Shu Ming (chairman of the Audit Committee), Dr. Yan Bing and Mr. Yang Shitai. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has considered and reviewed, with no disagreement, with the management the unaudited interim consolidated results for the six months ended 30 June 2024 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee considers that the interim consolidated results for the six months ended 30 June 2024 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

## INTERIM DIVIDEND

The Board resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2024.



## Other Information

### INTERESTS AND SHORT POSITIONS OF EACH OF OUR DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of 30 June 2024, the interests or short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive(s) of the Company is taken or deemed to have under such provisions of the SFO) or which was required pursuant to Section 352 of the SFO to be entered in the register referred to therein or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director/ Supervisor/Chief Executive	Position	Nature of interest <sup>1</sup>	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>2</sup>	Approximate percentage of shareholding in the total issued Shares <sup>3</sup>
Mr. Wang Wenbin <sup>4</sup>	Chairman and non-executive Director	Interest in controlled corporations	Unlisted Shares	157,496,923	97.3%	73.0%
Mr. Zhao Kuanghua <sup>5</sup>	Executive Director	Interest in controlled corporations	Unlisted Shares	15,000,000	9.3%	7.0%
Ms. Zhao Xiaorong <sup>6</sup>	Executive Director	Interest in controlled corporations	Unlisted Shares	15,000,000	9.3%	7.0%

Notes:

- All interests stated are long positions.
- The calculation is based on the total number of 161,844,749 Unlisted Shares and 53,950,000 H Shares in issue as of 30 June 2024.
- The calculation is based on the total number of 215,794,749 Shares in issue as of 30 June 2024.
- Mr. Wang Wenbin owns 99% partnership interest in each of Tianjin Huizhi and Tianjin Jushi, 98.7% equity interest in Shengyuan Group and 97.7% partnership interest in Shanshengyuan Enterprise Management, respectively. Each of Tianjin Huizhi and Tianjin Jushi owns 50% equity interest in Tianjin Gongmeihao, which in turn holds 7.0% of the total issued Shares. Shanshengyuan Enterprise Management owns 99% equity interest in Tianjin Zhiweilai which in turn holds 14.6% of the total issued Shares; and Shengyuan Group owns 100% equity interests in Shengyuan Holding, which in turn holds 51.4% of the total issued Shares. Accordingly, Mr. Wang is deemed to be interested in all the Shares held by each of Tianjin Gongmeihao, Tianjin Zhiweilai and Shengyuan Holding for the purpose of the SFO.
- Mr. Zhao Kuanghua is the general partner of Tianjin Jushi which owns 50% equity interest in Tianjin Gongmeihao, which in turn holds 7.0% of the total issued Shares. As the general partner of Tianjin Jushi, Mr. Zhao Kuanghua is deemed to have de facto control in Tianjin Jushi and hence is a controller of Tianjin Jushi. Accordingly, Mr. Zhao Kuanghua is deemed to be interested in such Shares held by Tianjin Gongmeihao for the purpose of the SFO.
- Ms. Zhao Xiaorong is the general partner of Tianjin Huizhi which owns 50% equity interest in Tianjin Gongmeihao, which in turn holds 7.0% of the total issued Shares. As the general partner of Tianjin Huizhi, Ms. Zhao Xiaorong is deemed to have de facto control in Tianjin Huizhi and hence is a controller of Tianjin Huizhi. Accordingly, Ms. Zhao Xiaorong is deemed to be interested in such Shares held by Tianjin Gongmeihao for the purpose of the SFO.

## Other Information

Save as disclosed above, as of 30 June 2024, none of the Directors, Supervisors or the chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2024, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder/ Ultimate Controller	Nature of interest <sup>1</sup>	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>2</sup>	Approximate percentage of shareholding in the total issued Shares of the Company <sup>3</sup>
Ms. Dou Enyan <sup>4</sup>	Interest of spouse	Unlisted Shares	157,496,923	97.3%	73.0%
Shengyuan Holding <sup>5</sup>	Beneficial owner	Unlisted Shares	110,830,940	68.5%	51.4%
Shengyuan Group <sup>5</sup>	Interest in controlled corporation	Unlisted Shares	110,830,940	68.5%	51.4%
Shanshengyuan Enterprise Management <sup>6</sup>	Interest in controlled corporation	Unlisted Shares	31,665,983	19.5%	14.6%
Tianjin Zhiweilai <sup>6</sup>	Beneficial owner	Unlisted Shares	31,665,983	19.5%	14.6%
Tianjin Jushi <sup>7</sup>	Interest in controlled corporation	Unlisted Shares	15,000,000	9.3%	7.0%
Tianjin Huizhi <sup>7</sup>	Interest in controlled corporation	Unlisted Shares	15,000,000	9.3%	7.0%
Tianjin Gongmeihao <sup>7</sup>	Beneficial owner	Unlisted Shares	15,000,000	9.3%	7.0%

# Other Information

## Notes:

1. All interests stated are long positions.
2. The calculation is based on the total number of 161,844,749 Unlisted Shares and 53,950,000 H Shares in issue as of 30 June 2024.
3. The calculation is based on the total number of 215,794,749 Shares in issue as of 30 June 2024.
4. Ms. Dou Enyan is the spouse of Mr. Wang Wenbin. Accordingly, Ms. Dou Enyan is deemed to be interested in the Shares held by Mr. Wang Wenbin for the purpose of the SFO.

Mr. Wang Wenbin owns 99% partnership interest in each of Tianjin Huizhi and Tianjin Jushi, 98.7% equity interest in Shengyuan Group and 97.7% partnership interest in Shanshengyuan Enterprise Management, respectively. Each of Tianjin Huizhi and Tianjin Jushi owns 50% equity interest in Tianjin Gongmeihao, which in turn holds 7.0% of the total issued Shares. Shanshengyuan Enterprise Management owns 99% equity interest in Tianjin Zhiweilai which in turn holds 14.6% of the total issued Shares; and Shengyuan Group owns 100% equity interests in Shengyuan Holding, which in turn holds 51.4% of the total issued Shares. Accordingly, Mr. Wang Wenbin is deemed to be interested in all the Shares held by each of Tianjin Gongmeihao, Tianjin Zhiweilai and Shengyuan Holding for the purpose of the SFO.

5. The entire equity capital of Shengyuan Holding is held by Shengyuan Group. Accordingly, Shengyuan Group is deemed to be interested in such Shares held by Shengyuan Holding for the purpose of the SFO.
6. Shanshengyuan Enterprise Management owns 99% equity interest in Tianjin Zhiweilai, which in turn holds 14.6% of the total issued Shares. Accordingly, Shanshengyuan Enterprise Management is deemed to be interested in such Shares held by Tianjin Zhiweilai for the purpose of the SFO.
7. The equity interest of Tianjin Gongmeihao is held as to 50% by Tianjin Huizhi and 50% by Tianjin Jushi. Accordingly, each of Tianjin Huizhi and Tianjin Jushi is deemed to be interested in such Shares held by Tianjin Gongmeihao for the purpose of the SFO.

## CHANGE OF SUPERVISORS AND CHANGE IN INFORMATION OF DIRECTORS AND SUPERVISORS

On 29 May 2024, Mr. Hu Shixin and Ms. Zhu Yiwei resigned as the Supervisors which took effect on 21 June 2024 at the 2023 annual general meeting (the "2023 AGM") of the Company. The Shareholders has approved the appointment of Mr. Wang Lei and Mr. Ren Feiyu as the new Supervisors in replacement of Mr. Hu Shixin and Ms. Zhu Yiwei at the 2023 AGM and their appointment has taken effect from the date of approval by the Shareholders at the 2023 AGM. For details, please refer to the announcements of the Company dated 29 May 2024 and 21 June 2024 and the circular of the Company dated 31 May 2024.

Save as disclosed above, since the Listing Date and up to the date of this report, there was no change in Director or Supervisor's information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# Consolidated Statement of Profit or Loss and Other Comprehensive income

For the six months ended 30 June 2024 – unaudited  
(Expressed in Renminbi (“RMB”))

	Notes	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	4	<b>94,568</b>	105,826
Cost of sales		<b>(71,688)</b>	(79,227)
<b>Gross profit</b>		<b>22,880</b>	26,599
Other net income	5	<b>2,166</b>	547
Operating and administrative expenses		<b>(17,417)</b>	(14,634)
Reversal of impairment losses on trade receivables, lease receivables, other receivables and contract assets	6	<b>5,008</b>	8,663
<b>Profit from operations</b>		<b>12,637</b>	21,175
Finance costs	7(a)	<b>(706)</b>	(60)
<b>Profit before taxation</b>	7	<b>11,931</b>	21,115
Income tax expense	8	<b>(1,437)</b>	(2,494)
<b>Profit and total comprehensive income for the period attributable to equity shareholders of the Company</b>		<b>10,494</b>	18,621
<b>Earnings per share</b>			
Basic and diluted (RMB yuan)	9	<b>0.06</b>	0.12

The notes on pages 25 to 37 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 19(b).

# Consolidated Statement of Financial Position

At 30 June 2024 – unaudited  
(Expressed in RMB)

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	10	44,860	45,384
Investment properties		8,479	8,739
Right-of-use assets		3,914	266
Lease receivables	11	6,241	6,371
Deferred tax assets		3,591	4,334
		<b>67,085</b>	65,094
<b>Current assets</b>			
Inventories		141	282
Contract assets	12	251,457	221,275
Trade receivables	13	229,382	232,497
Lease receivables	11	1,120	1,473
Prepayments, deposits and other receivables	14	4,156	25,010
Restricted bank deposits	15	4,369	4,369
Cash and cash equivalents	15	54,153	6,422
		<b>544,778</b>	491,328
<b>Current liabilities</b>			
Trade and bills payables	16	216,014	275,784
Contract liabilities		624	749
Accrued expenses and other payables	17	19,011	27,797
Lease liabilities		666	81
Bank loans	18	50,000	20,000
Income tax payable		734	6,682
		<b>287,049</b>	331,093
<b>Net current assets</b>		<b>257,729</b>	160,235
<b>Total assets less current liabilities</b>		<b>324,814</b>	225,329

The notes on pages 25 to 37 form part of this interim financial report.

# Consolidated Statement of Financial Position

At 30 June 2024 – unaudited  
(Expressed in RMB)

	Notes	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current liabilities</b>			
Lease liabilities		3,059	142
<b>NET ASSETS</b>		<b>321,755</b>	225,187
<b>CAPITAL AND RESERVES</b>	19		
Share capital		215,795	161,845
Reserves		105,960	63,342
<b>TOTAL EQUITY</b>		<b>321,755</b>	225,187

Approved and authorised for issue by the board of directors on 30 August 2024.

**Wang Wenbin**  
Chairman

**Li Kai**  
Director

The notes on pages 25 to 37 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited  
(Expressed in RMB)

	Paid-in capital/share capital RMB'000 (Note 19(a))	Capital reserve RMB'000	Statutory reserve RMB'000	Special reserve RMB'000	Retained profits RMB'000	Total RMB'000
<b>Balance at 1 January 2023</b>	77,998	-	7,442	12,611	58,848	156,899
<b>Changes in equity for the six months ended 30 June 2023:</b>						
Profit and total comprehensive income for the period	-	-	-	-	18,621	18,621
Conversion into a joint stock company with limited liability	72,002	10,611	(7,442)	(11,718)	(63,453)	-
Appropriation to reserves	-	-	-	1,793	(1,793)	-
<b>Balance at 30 June 2023 and 1 July 2023</b>	150,000	10,611	-	2,686	12,223	175,520
<b>Changes in equity for the six months ended 31 December 2023:</b>						
Profit and total comprehensive income for the period	-	-	-	-	22,424	22,424
Capital contributions	4,348	5,652	-	-	-	10,000
Loan capitalisation	7,497	9,746	-	-	-	17,243
Appropriation to reserves	-	-	3,603	3,199	(6,802)	-
<b>Balance at 31 December 2023</b>	161,845	26,009	3,603	5,885	27,845	225,187

The notes on pages 25 to 37 form part of this interim financial report.

# Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 – unaudited  
(Expressed in RMB)

	Share capital RMB'000 (Note 19(a))	Capital reserve RMB'000	Statutory reserve RMB'000	Special reserve RMB'000	Retained profits RMB'000	Total RMB'000
<b>Balance at 1 January 2024</b>	161,845	26,009	3,603	5,885	27,845	225,187
<b>Changes in equity for the six months ended 30 June 2024:</b>						
Profit and total comprehensive income for the period	-	-	-	-	10,494	10,494
Issuance of shares (Note 19(a))	53,950	32,124	-	-	-	86,074
Appropriation to reserves	-	-	-	1,398	(1,398)	-
<b>Balance at 30 June 2024</b>	<b>215,795</b>	<b>58,133</b>	<b>3,603</b>	<b>7,283</b>	<b>36,941</b>	<b>321,755</b>

The notes on pages 25 to 37 form part of this interim financial report.



# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2024 – unaudited  
(Expressed in RMB)

	Notes	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Operating activities</b>			
Cash (used in)/generated from operations		(77,635)	6,138
Income tax paid		(6,642)	(5,897)
<b>Net cash (used in)/generated from operating activities</b>		<b>(84,277)</b>	241
<b>Investing activities</b>			
Payments for the purchase of property, plant and equipment		(956)	(1,286)
Rentals received		677	2,503
Proceeds from repayment of advances granted to third parties		-	8,184
<b>Net cash (used in)/generated from investing activities</b>		<b>(279)</b>	9,401
<b>Financing activities</b>			
Proceeds from issue of shares		122,314	-
Proceeds from bank loans		30,000	10,000
Repayment of advances received from third parties		-	(807)
Repayment of advances received from related parties		-	(209)
Payments for issuance costs in connection with the issuance of the Company's H shares		(18,936)	(6,199)
Interest paid		(653)	(60)
Capital element of lease rentals paid		(518)	-
Interest element of lease rentals paid		(20)	-
<b>Net cash generated from financing activities</b>		<b>132,187</b>	2,725
<b>Net increase in cash and cash equivalents</b>		<b>47,631</b>	12,367
<b>Cash and cash equivalents at 1 January</b>	15	<b>6,422</b>	20,200
<b>Effect of foreign exchange rate changes</b>		<b>100</b>	-
<b>Cash and cash equivalents at 30 June</b>	15	<b>54,153</b>	32,567

The notes on pages 25 to 37 form part of this interim financial report.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 1 CORPORATE INFORMATION

Tianjin Construction Development Group Co., Ltd. (天津建设发展集团股份有限公司, the “**Company**”) (formerly known as Shanshengyuan Construction Co., Ltd. (山盛源建设有限公司)) was established in the People’s Republic of China (the “**PRC**”) on 4 November 2010 as a limited liability company under the laws of the PRC and was converted into a joint stock limited liability company on 6 June 2023. The Company’s H shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 23 April 2024.

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

## 2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 30 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amended IFRS Accounting Standards issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“**2020 amendments**”)
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 4 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The Group is principally engaged in construction businesses in the PRC.

#### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by timing of revenue recognition is as follows:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15 Disaggregated by timing of revenue recognition		
– Overtime	91,028	102,544
– Point in time	3,540	3,282
	94,568	105,826

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (Continued)

### (b) Segment reporting

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group's management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment during the six months ended 30 June 2024 and 2023.

The Group does not have assets or operation outside the PRC. The Group's revenue is generated from customers in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

## 5 OTHER NET INCOME

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Property management services	286	286
Interest income on finance lease	253	259
Interest income on bank deposits	76	12
Government grants	76	2
Net foreign exchange gain	1,766	-
Others	(291)	(12)
	<b>2,166</b>	547

## 6 REVERSAL OF IMPAIRMENT LOSSES ON TRADE, LEASE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Reversal of impairment losses on trade and bills receivables	2,003	5,472
Reversal of impairment losses on lease receivables	5	74
Reversal of impairment losses on contract assets	3,141	667
(Impairment losses)/reversal of impairment losses on prepayments, deposits and other receivables	(141)	2,450
	<b>5,008</b>	8,663

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

### (a) Finance costs

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest on lease liabilities	53	-
Interest on bank loans	653	60
	<b>706</b>	60

### (b) Other items

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Depreciation of property, plant and equipment	1,801	1,940
Depreciation of investment properties	260	43
Depreciation of right-of-use assets	339	-
Research and development costs	3,590	4,399
Professional service fee in connection with the proposed initial public offering of the Company's H Shares	804	296
Cost of inventories	49,674	27,291

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 8 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
<b>Current tax</b>		
– Provision for the period	719	2,580
– Over-provision in respect of prior years	(25)	–
	694	2,580
<b>Deferred tax</b>		
Origination and reversal of temporary differences	743	(86)
	1,437	2,494

Notes:

- (i) The Company and the subsidiaries of the Group established in the PRC are subject to the PRC Corporate Income Tax rate of 25% during the six months ended 30 June 2024 (six months ended 30 June 2023: 25%).
- (ii) The PRC Corporate Income Tax Law allows enterprises to apply for certificate of “High and New Technology Enterprise” (“**HNTE**”), which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfilment of the recognition criteria.  
  
The Company was qualified as a HNTE and entitled to the preferential tax rate of 15% during the reporting period.
- (iii) According to the relevant tax rules in the PRC, qualified research and development expenses are allowed for additional tax deduction based on 100% of the relevant expenses during the reporting period.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 9 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB10,494,000 (six months ended 30 June 2023: RMB18,621,000) and the weighted average of 182,298,320 ordinary shares (six months ended 30 June 2023: 150,000,000 shares) in issue or deemed to be in issue during the interim period.

As described in Note 1, the Company was converted into a joint stock limited liability company and issued 150,000,000 shares with a par value of RMB1 each on 5 June 2023. For the purpose of computing basic earnings per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred on 1 January 2023.

The calculation of the weighted average number of ordinary shares is as follows:

	Six months ended 30 June	
	2024 Number of shares	2023 Number of shares
Ordinary shares in issue/deemed to be in issue at 1 January	161,844,749	150,000,000
Effect of ordinary shares issued upon initial public offerings (Note 19(a))	20,453,571	-
Weighted average number of ordinary shares in issue/deemed to be in issue	182,298,320	150,000,000

### (b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 30 June 2024 and 2023. Hence, the diluted earnings per share is the same as basic earnings per share.

## 10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired items of plant and equipment with a cost of RMB1,277,000 (six months ended 30 June 2023: RMB687,000). No property, plant and equipment was disposed of during the six months ended 30 June 2024 and 2023.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 11 LEASE RECEIVABLES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Total minimum lease payments receivables	<b>12,281</b>	12,958
Less: unearned finance income	<b>(4,910)</b>	(5,099)
	<b>7,371</b>	7,859
Less: loss allowance	<b>(10)</b>	(15)
	<b>7,361</b>	7,844
Less: current portion	<b>(1,120)</b>	(1,473)
	<b>6,241</b>	6,371

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received at the end of each reporting period.

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Within 1 year	<b>1,183</b>	1,476
After 1 year but within 2 years	<b>765</b>	765
After 2 years but within 5 years	<b>2,296</b>	2,296
After 5 years	<b>8,037</b>	8,421
	<b>12,281</b>	12,958
Less: unearned finance income	<b>(4,910)</b>	(5,099)
	<b>7,371</b>	7,859



# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 12 CONTRACT ASSETS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Arising from performance under construction contracts		
– due from third parties	262,169	235,128
Less: loss allowance	(10,712)	(13,853)
	251,457	221,275
Trade receivables from contracts with customers within the scope of IFRS 15, which are included in “Trade receivables” (Note 13)	229,382	232,497

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. The contract assets that could be billed and settled within one year according to terms of the contracts with customers are classified as current assets. Otherwise, the contract assets are classified as non-current assets.

Notwithstanding the terms of the contracts with customers, the directors consider that all of the amounts are expected to be billed within one year as at 30 June 2024, except for the amounts of RMB104,348,000 (31 December 2023: RMB95,726,000), which are expected to be billed after more than one year.

## 13 TRADE RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables for contract work due from:		
– third parties	243,375	248,493
Less: loss allowance	(13,993)	(15,996)
	229,382	232,497

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 13 TRADE RECEIVABLES (Continued)

### Ageing analysis

The ageing analysis of trade receivables based on the invoice date and net of loss allowance, are as follows:

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Within 1 year	<b>161,497</b>	187,537
1 to 2 years	<b>55,389</b>	36,682
2 to 3 years	<b>10,812</b>	6,139
Over 3 years	<b>1,684</b>	2,139
	<b>229,382</b>	232,497

The Company generally requires customers to settle progress billings in accordance with contracted terms.

## 14 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Advances to staff	<b>392</b>	584
Value-added-tax recoverable	<b>483</b>	356
Prepayments for purchase of inventories and services	<b>1,884</b>	1,093
Deposits for construction contracts' bidding and performance	<b>916</b>	996
Prepayments for costs incurred in connection with the issuance of the Company's H shares	-	21,892
Others	<b>911</b>	378
	<b>4,586</b>	25,299
Less: loss allowance	<b>(430)</b>	(289)
	<b>4,156</b>	25,010

All of the prepayments, deposits, and other receivables are expected to be recovered, recognised as expenses or transferred to equity within one year.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 15 CASH AND CASH EQUIVALENTS

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Cash at bank and on hand	<b>58,522</b>	10,791
Less: restricted bank deposits (Note (i))	<b>(4,369)</b>	(4,369)
Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated cash flow statement	<b>54,153</b>	6,422

Note:

- (i) The balance of restricted bank deposits as at 30 June 2024 and 31 December 2023 mainly represent frozen bank deposits amounted to RMB3,794,000 by court due to a litigation against the Company, and security deposits placed at bank for letter of guarantee amounted RMB575,000, which would be released upon the letter of guarantee expires.

## 16 TRADE AND BILLS PAYABLES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Trade payables		
– due to third parties	<b>202,215</b>	269,934
Bills payables	<b>13,799</b>	5,850
	<b>216,014</b>	275,784

The ageing analysis of trade and bills payables based on the invoice date, are as follows:

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Within 1 year	<b>146,005</b>	182,260
1 to 3 years	<b>62,677</b>	88,171
Over 3 years	<b>7,332</b>	5,353
	<b>216,014</b>	275,784

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 17 ACCRUED EXPENSES AND OTHER PAYABLES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Payables for costs incurred in connection with the issuance of the Company's H shares	<b>1,642</b>	6,200
Payables for staff related costs	<b>3,892</b>	4,824
Others	<b>2,217</b>	1,383
Financial liabilities measured at amortised cost	<b>7,751</b>	12,407
Other tax payables	<b>11,260</b>	15,390
	<b>19,011</b>	27,797

All of the accrued expenses and other payables are expected to be settled within one year or are repayable on demand.

## 18 BANK LOANS

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Short-term bank loans:		
– Guaranteed by Mr. Wang Wenbin and Ms. Dou Enyan	<b>10,000</b>	–
– Unguaranteed and unsecured	<b>40,000</b>	20,000
	<b>50,000</b>	20,000

All of the Group's banking facilities were utilised as of 30 June 2024. Certain of the Group's bank loans is subject to the fulfilment of covenants commonly found in lending arrangement with financial institution. If the Group were to breach the covenants, the loan would become repayable on demand. The Group regularly monitors its compliance with the covenants. At 30 June 2024, none of the covenants relating to the bank loans had been breached.

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 19 CAPITAL, RESERVES AND DIVIDENDS

### (a) Share capital

	Number of shares '000	Amount RMB'000
Ordinary shares, issued and fully paid		
At 1 January 2024	161,845	161,845
Issue of ordinary shares upon initial public offerings	53,950	53,950
At 30 June 2024	215,795	215,795

On 23 April 2024, the Company issued 53,950,000 H shares with par value of RMB1.00 at a price of Hong Kong dollar (“HK\$”) 2.50 per share. The proceeds of RMB53,950,000 representing the par value, were credited to the Company’s share capital, and the remaining proceeds of RMB32,124,000 (after net of issuance expenses of approximately RMB36,240,000) were credited to the capital reserve account.

### (b) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved during the interim period

No final dividend in respect of the previous financial year has been approved during the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

# Notes to the Unaudited Interim Financial Report

(Expressed in RMB unless otherwise indicated)

## 20 MATERIAL RELATED PARTY TRANSACTIONS

### (a) Key management personnel remuneration

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Salaries and other emoluments	1,117	1,009
Retirement scheme contributions	147	130
	1,264	1,139

### (b) Transactions with related parties

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Repayment of advances received from Jiangshengyuan Construction Co., Ltd.	-	209

### (c) Balances with related parties

The Group's balances with related parties as at the end of the reporting period are as follows:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
	Guarantees provided by Mr. Wang Wenbin and Ms. Dou Enyan for the bank loans	10,000

# Definitions

In this report, the following expressions have the meanings set out below unless the context otherwise requires:

“Articles”	the articles of association of the Company as amended from time to time
“Audit Committee”	the audit committee of the Board
“Auditor”	KPMG, the external auditor of the Company
“Board” or “Board of Directors”	board of directors of the Company
“Board of Supervisors”	board of supervisors of the Company
“CAGR”	compound annual growth rate
“CG Code”	the Corporate Governance Code as set out in of Appendix C1 to the Listing Rules
“China” or “the PRC”	the People’s Republic of China, unless otherwise stated, excludes Hong Kong, the Macau Special Administrative Region and Taiwan of China herein
“Company”, “our Company” or “the Company”	Tianjin Construction Development Group Co., Ltd. (天津建设发展集团股份公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 2515)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in the context of this interim report, refers to the controlling shareholders of our Company, refers to the controlling shareholders of our Company, namely Mr. Wang Wenbin, Ms. Dou Enyan, Mr. Zhao Kuanghua, Ms. Zhao Xiaorong, Shengyuan Group, Shengyuan Holding, Shanshengyuan Enterprise Management, Tianjin Huizhi, Tianjin Jushi, Tianjin Gongmeihao and Tianjin Zhiweilai
“Director(s)”	director(s) of the Company
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company and an Independent Third Party
“Global Offering”	an offering of 53,950,000 H Shares, comprising a final Hong Kong public offering of 26,976,000 H Shares and a final international public offering of 26,974,000 H Shares
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company and its subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)

# Definitions

“H Share(s)”	overseas listed foreign invested ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards
“Independent Third Party”	a person or entity who is not considered as a connected person of our Company under the Listing Rules
“Jiexiao System”	捷效系統, a comprehensive construction project management software self-developed by the Company and equipped with multiple functions, including cost monitoring, progress measuring and resources tracking
“Listing”	listing of the H Shares on the Main Board of the Stock Exchange
“Listing Date”	23 April 2024, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus of the Company dated 15 April 2024
“Reporting Period”	the six months ended 30 June 2024
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanshengyuan Enterprise Management”	Shanshengyuan (Tianjin) Enterprise Management Partnership (Limited Partnership)* (山盛源(天津)企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 17 March 2022



# Definitions

“Share(s)”	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Shengyuan Group”	Shengyuan Group (Tianjin) Co., Ltd.* (盛源集團(天津)有限公司), a company established under the laws of the PRC on 12 October 2021 with limited liability
“Shengyuan Holding”	Shengyuan Group Holdings (Tianjin) Co., Ltd.* (盛源集團控股(天津)有限公司), a company established under the laws of the PRC on 1 March 2022 with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Tianjin Gongmeihao”	Gongmeihao (Tianjin) Enterprise Management Co. Limited* (共美好(天津)企業管理有限公司), a company established in the PRC with limited liability on 29 May 2023
“Tianjin Huizhi”	Huizhi (Tianjin) Entrepreneurial Space Service Center (Limited Partnership)* (匯智(天津)創業空間服務中心(有限合夥)), a limited partnership established under the laws of the PRC on 18 November 2021
“Tianjin Jushi”	Jushi (Tianjin) Entrepreneurial Management Center (Limited Partnership)* (聚勢(天津)企業管理中心(有限合夥)), a limited partnership established under the laws of the PRC on 18 November 2021
“Tianjin Zhiweilai”	Zhiweilai (Tianjin) Enterprise Management Co. Limited* (致未來(天津)企業管理有限公司), a company established in the PRC with limited liability on 14 May 2023
“Unlisted Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares not currently listed or traded on any stock exchange
“VAT”	Value-added tax
“%”	per cent

\* For identification purpose only