



# 中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
H Share Stock Code: 1800

## 2024 INTERIM REPORT (H SHARE)





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# PERFORMANCE HIGHLIGHTS

RMB million (except per share data)	For the six months ended 30 June		Change (%)
	2024	2023	
Revenue	<b>356,010</b>	365,345	-2.6
Gross Profit	<b>41,596</b>	39,909	4.2
Operating Profit	<b>20,527</b>	19,744	4.0
Profit attributable to owners of the parent	<b>12,022</b>	12,413	-3.1
Basic earnings per share (RMB) <sup>(Note 1)</sup>	<b>0.70</b>	0.73	-4.1

RMB million	As at		Change (%)
	30 June 2024	31 December 2023	
Total assets	<b>1,864,850</b>	1,684,381	10.7
Total liabilities	<b>1,395,151</b>	1,225,211	13.9
Total equity	<b>469,699</b>	459,170	2.3
Equity attributable to owners of the parent	<b>309,065</b>	301,752	2.4

Value of New Contracts RMB million	As at 30 June		Change (%)	
	2024 Number of projects	2023 Value of Contracts		2023 Value of Contracts
Infrastructure Construction Business	<b>2,833</b>	<b>863,378</b>	789,265	9.4
– Port Construction	<b>153</b>	<b>45,895</b>	43,862	4.6
– Road and Bridge Construction	<b>274</b>	<b>140,914</b>	205,866	-31.6
– Railway Construction	<b>8</b>	<b>12,749</b>	18,995	-32.9
– Urban Construction, etc.	<b>2,318</b>	<b>472,429</b>	387,840	21.8
– Overseas Projects	<b>80</b>	<b>191,391</b>	132,701	44.2
Infrastructure Design Business	<b>4,190</b>	<b>32,656</b>	26,787	21.9
Dredging Business	<b>845</b>	<b>59,683</b>	62,240	-4.1
Other Businesses	<b>N/A</b>	<b>5,150</b>	8,402	-38.7
Total	<b>N/A</b>	<b>960,867</b>	886,693	8.4

Backlog RMB million	30 June 2024		31 December 2023	
	Number of projects	Value of Contracts	Number of projects	Value of Contracts
Infrastructure Construction Business	<b>8,413</b>	<b>3,013,780</b>	6,969	2,987,922
Infrastructure Design Business	<b>20,726</b>	<b>185,017</b>	15,666	154,256
Dredging Business	<b>1,935</b>	<b>306,302</b>	1,577	278,577
Other Businesses	<b>N/A</b>	<b>31,144</b>	N/A	29,904
Total	<b>N/A</b>	<b>3,536,243</b>	N/A	3,450,659

## Notes:

- In calculating the amount of earnings per share for the six months ended 30 June 2024, the interests of perpetual securities with an aggregate amount of approximately RMB623 million and the dividend to restricted shares with an aggregate amount of approximately RMB32 million shall be excluded from profits.
- Any discrepancies between the amounts herein and the amounts set out in the tables herein are due to rounding.



# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board, I am pleased to present to you the 2024 interim report of the Company for your review.

In 2024, the Company conscientiously followed the principles set forth by the 20th National Congress of the Chinese Communist Party (CPC), fully implemented the arrangement and deployment of the “Year of Improving High-quality Development”, and maintained progress amidst stability. In the first half of the year, revenue of the Group amounted to RMB356,010 million. Net profit attributable to the Shareholders amounted to RMB12,022 million, and earnings per share were RMB0.70. The value of new contracts of the Group amounted to RMB960,867 million, representing a year-on-year growth of 8.4%. As at 30 June 2024, the backlog of the Group amounted to RMB3,536,243 million. In order to effectively implement the action plans of “Improving the Quality of Controlled Listed Companies (提高控股上市公司質量)” and “Improving Quality, Increasing Efficiency and Focusing on Returns (提質增效重回報)”, and share the development results with investors, the Company has formulated the 2024 interim dividend plan, and proposed to distribute a cash dividend of RMB1.4005 per 10 Shares (including tax) to all Shareholders.

In the first half of the year, the Company has coordinated and effectively managed all aspects of high-quality development. It has continuously improved the core functions of serving the national strategy, enhanced the quality and efficiency of high-quality development, strengthened the driving force of technological innovation, highlighted the effects empowered by deepening reforms, and reinforced the leadership and construction of the Party to ensure guidance and security. As a major controlling subsidiary of CCCG, the Company played an important role in the business performance of CCCG. In 2023, CCCG has rated Level A in business performance appraisal of state-owned enterprises (organized by the SASAC) for the nineteenth consecutive year and ranked the first among Chinese enterprises in ENR's Top International Contractors for the eighteenth consecutive year.

In the second half of the year, the Company will deeply understand the spirit of the Third Plenary Session of the 20th CPC Central Committee, and accurately follow the political direction for reform and development as well as the construction of high-quality execution capabilities. The Company will continue to strengthen, enhance and expand business with high-quality development, adhere to and strengthen the overall leadership of the Party, accelerate technological innovation and the development of new quality productive forces, enhance core functions and improve core competitiveness, and strive to improve the results of deepening reform. The Company will focus on the annual key tasks with all-out efforts to ensure the effectiveness of high-quality development and enhancement with high-quality execution construction.

## I. DEEPLY PROMOTE THE IMPLEMENTATION OF THE “FOUR INITIATIVES (四做)” TO SOLIDIFY THE FOUNDATION FOR HIGH-QUALITY DEVELOPMENT

Firstly, persistently scaling up projects. Focusing further on “three majors, two macros and two priorities” and embracing the main direction of new quality productive forces, we will seize business opportunities, continue to expand our market share, and strive for more high-quality contracting projects. Meanwhile, we will further strengthen market development and optimize market layout. In addition, we will further strengthen the construction of the sub-subsidiaries and improve the level of project management. The Company will focus on enhancing its core competitiveness with technological innovation and management innovation to win more market share with improved project quality and optimized service level.

## CHAIRMAN'S STATEMENT

Secondly, strengthening investment with bold and effective management. We will persist in controlling the total volume and strictly guarding the entry standard, continue to conduct strict reviews and reinforce responsibilities, and continuously promote the separation of investment approval and review processes. At the same time, we will adjust decision-making procedures by category and further refine the comprehensive assessment mechanism that integrates investment and financial capabilities. Additionally, we will gradually shift our focus of management and control from developing increment to optimizing existing projects, and make every effort to separate investment from engineering projects and balance construction with operation. The Company will strengthen the supervision of projects to promote the risk resolution and reduction of existing projects.

Thirdly, being fully committed to solidifying the value of assets. We will adhere to the “integration” concept, manage the debt-to-asset ratio of subsidiaries with a “one enterprise, one policy (一企一策)” approach, improve the early warning mechanism, and take effective measures in advance to reduce leverage. Meanwhile, we will compare with our annual targets to speed up the revitalization and disposal of assets, and accelerate the progress of the project in accordance with the schedule. In addition, we will intensify efforts to reduce “Inventories and Receivables (兩金)”, ensuring to meet monthly goals to secure quarterly targets, and thereby ensuring that the annual budget targets are achieved by the end of the year. The Company will strengthen the rigid implementation of the overall budget and increase the assessment of the overall budget management.

Fourthly, optimizing capital with enhanced efficiency. We will continuously carry out special rectification of financial business risks, strengthen the control of existing financial assets, and effectively rectify and reduce issues found in inspections and audits. Meantime, we will accelerate the cleanup and disposal of financial assets and equity in financial enterprises to guide financial business to return to its primary responsibility and main focus of serving the principal business of the Company. Furthermore, we will strengthen the overall planning of capital operations of listed companies, carry out special activities of “Improving the Quality of Controlled Listed Companies (提高控股上市公司質量)” and “Improving Quality, Increasing Efficiency and Focusing on Returns (提質增效重回報)”, continuously enhance the refinancing capabilities of listed companies to support the development of the main business, and create better conditions for improving the quality and efficiency of enterprise operation.

## II. ACCELERATE THE CULTIVATION OF NEW QUALITY PRODUCTIVE FORCES AND STRENGTHEN THE CORE DYNAMICS OF HIGH-QUALITY DEVELOPMENT

Firstly, focusing on resolving bottlenecks and blockages to accelerate the breakthrough of key core technologies. Relying on the original technologies of transportation infrastructure and the innovation consortium of ocean engineering technology, industrial chain leadership and other innovative subjects, we will sort out and dynamically update the list of “bottleneck” technology and major research and development directions, and strive to achieve a number of influential and significant original and leading achievements, common key technological achievements and cutting-edge subversive achievements. In terms of high-level scientific and technological self-reliance and self-improvement and independent and controllable industrial chain, we will assume greater responsibility and demonstrate greater commitment.

Secondly, focusing on strengthening the dominant position and leading the development of strategic emerging industries. We will make greater efforts to promote the organic coordination between scientific and technological innovation and the cultivation of strategic emerging industries, promote green and intelligent transformation in an orderly manner, accelerate key technological breakthroughs, the integration and innovation of the whole chain and the application of important scenarios, vigorously cultivate scientific and technological leading enterprises, incubate a number of specialized platform companies in key directions and “specialized, refined, differential and innovative” and “little giant” enterprise in the sub-division of the several industries, and effectively transform scientific and technological advantages into competitive advantages, so as to add core driving force for the Company's high-quality development and improvement.

Thirdly, deepening the reform of the system and mechanism by stimulating vitality and dynamics. We will continue to improve the policy system for scientific and technological innovation, and further unleash the innovative and creative energies of various factors. With the improvement of the R&D investment mechanism, we will promote the breakthroughs of “bottleneck” technology, strategic, emerging and future industrial technology from the source and the bottom. With the improvement of the achievement transformation mechanism, we will guide the innovation platform to further play a leading role, and direct various entities to improve the quality of achievements and enhance the efficiency of output. With the improvement of the talent incentive mechanism, we will establish a sound talent evaluation system oriented towards innovative achievements and actual contributions.

### **III. CONTINUE TO DEEPEN OVERSEAS UPGRADING AND SOLIDIFY DISTINCTIVE ADVANTAGES OF HIGH-QUALITY DEVELOPMENT**

We will continue to solidify and expand the Company's overseas advantages, demonstrating the leading role of the “going out” front-runner. Firstly, we will be determined to serve and comply with the major national strategies, thoroughly implement the eight actions for high-quality joint construction of the “Belt and Road” Initiative, and actively practice the “three major global initiatives”. Secondly, we will accelerate the transformation of business model, take commercial feasibility as a prerequisite for international business, build an overall vision taking into consideration the political and comprehensive situation as well as the long-term interests, and strictly prevent political risks, security risks, integrity risks and operational risks. Thirdly, we will deeply advance the upgrading of “Company Internationalization”, further integrate the back-office management institutions of key countries, especially conduct in-depth studies on the operation and assessment mechanism for the establishment of “O”, and complete the establishment of “O” for the third batch of 44 national organizations as soon as possible.

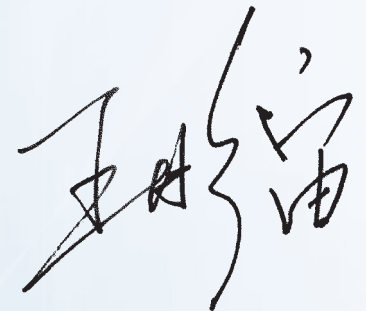


# CHAIRMAN'S STATEMENT

## IV. STRIVE TO PREVENT AND RESOLVE RISKS, AND FIRMLY GUARD THE SAFETY BOTTOM LINE OF HIGH-QUALITY DEVELOPMENT

We will strengthen awareness of risks and crises, firmly establish a bottom-line thinking, take compliance as the primary prerequisite for conducting business, implement strict control measures, and firmly commit to the “three Nos”, namely, not to become the “breaking point” of major risks, not to trigger systemic risks, and not to exacerbate risks in the process of handling them. We will improve the financial risk early warning system and make every effort to reduce the scale of interest-bearing liabilities. We will be highly alert to the risks of safety and quality, and warn relevant personnel to tightly keep the safety line and firmly hold the lifeline at all times. We will keep a close eye on compliance risks, further enhance the standardization of contract and process management, sort out loopholes in contract documents such as subcontracting agreements and procurement agreements in conjunction with typical cases, optimize processes and improve templates, so as to prevent disputes from the source.

Dear Shareholders, the high-quality development of the Company has entered a critical and key phase. In the second half of the year, we will adhere to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and promote high-quality development with firm belief, stronger will and more resolute measures, so as to make new CCCC contributions to building a modern socialist country in all respects and comprehensively promoting the great rejuvenation of the Chinese nation. I would like to thank all Shareholders and friends for their support and help.



**Wang Tongzhou**  
*Chairman*

Beijing, the PRC  
30 August 2024

## I. MAIN BUSINESS

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

## II. BUSINESS MODEL

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

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

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

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



# BUSINESS OVERVIEW

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD

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

The Company is the world's largest port, road and bridge design and construction company, and the world's largest dredging company; it is also the largest international contractor and highway investor in China; and the Company also owns the largest engineering fleet in the world. The Company has 36 principal wholly-owned or holding subsidiaries, and operates businesses in China's all provinces, cities, autonomous regions, Hong Kong and Macau and 139 countries and regions across the world.

The Company is the world's largest port design and construction company. Driven by the advantages of smart port and shipping characteristics, it enhances its leadership in terms of the development of the port and shipping industry by leveraging the smart port and shipping industry alliance. It promotes the construction of industrial chain leader and drives the synergistic development of the industrial chain, to accelerate the building of an independent and controllable whole industrial chain. It undertakes the design and construction of most of the medium and large ports in coastal zones since the founding of PRC, and participates in the design and construction of many large ports overseas, fostering a strong competitiveness and brand influence. In China, there are limited peers that can compete with the Company.

The Company is the world's largest road and bridge design and construction company, which has designed and constructed six of the top ten long-span bridges in the world, and realizes the service industry pattern with full lifecycle infrastructure and whole-process integration, covering from single industry chain to whole industry chain (including planning, feasibility study, investment and financing, survey and design, project construction, operation and maintenance, and asset disposal), from domestic market to overseas market and from road to civil engineering industry. In the field of design and construction of expressways, high-grade highways as well as river-crossing and sea-crossing bridges, the Company has advantages like leading technologies, adequate financial capacity, outstanding project performance, abundant resource reserves and a good reputation. As social capitals are entering the infrastructure industry at a faster pace amid the country's greater efforts to deepen the reform of investment and financing circulation system, competitors of the Company are not limited to large central enterprises and local state-owned infrastructure enterprises only, and strong private enterprises, financial institutions and other social capitals will also participate in the competition.

The Company is one of the largest railway construction companies in China and has developed into the main force of China's railway construction by virtue of its outstanding construction level and excellent management capability, but a large gap still exists between the Group and two domestic traditional railway infrastructure enterprises in terms of market shares in China. However, as to the overseas market, the Company has successfully entered into the railway construction markets in Africa, Asia, South America and Oceania. Several major railway projects have been completed or operated or are under construction, and the Group is one of the first batch of engineering construction companies which obtained the "Railway Transportation Permit", and has become a heavyweight in the market. With regard to the railway infrastructure design, the Company entered the market during the "Eleventh Five-Year" period, and it is now making efforts to further improve the market influence which stays in the development stage currently.

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

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

The Company is the world's largest dredging company and enjoys absolute influence in China's coastal dredging market. After years of development, it has strong competitiveness in core equipment, professional advantage, technological strength, credit rating, public image and industry brand, and builds a full industry chain of planning, consultation, investment, design, construction and operation in the fields of port dredging, channel dredging, land reclamation, watershed management, pre-dredging and post-dredging services and environmental protection. Currently, the Company has the largest and most advanced fleet of dredging vessels in China and ranks the first in the global market in terms of the total number of trailing suction hopper dredgers and cutter suction dredgers.

The Company is a leader in the R&D and manufacturing of ultra-large shield machines in China, mainly engaged in the R&D and manufacturing of shield machines, tunnel boring machines (TBMs), vertical boring machines and other engineering machinery, as well as provision of integrated services in the field of transportation infrastructure construction and management. It is a comprehensive service provider that integrates R&D, design, manufacturing, consulting, tunneling and maintenance of tunnel operations. The products of the Company have been widely used both at home and abroad with increasing market share, and the Company is one of the three enterprises that have been awarded the special grade evaluation of China's tunnel boring machine production and service level organized by the China Construction Machinery Association.

### (II) Actively Implement the Strategy of “Overseas Priority” and Deeply Promote the Iteration and Upgrading of “Company Internationalization 2.0”

During the reporting period, based on a global perspective and taking advantage of its principal business, the Company actively cooperated with and served national strategies, precisely dovetailed with the deployment of the “Belt and Road” Initiative, and made every effort to promote the interconnection of transportation infrastructure and improve people's livelihood along the routes, actively contributed Chinese wisdom and Chinese solutions. The national leaders of both the PRC and Malaysia attended the groundbreaking ceremony for the Gombak Station of the East Coast Rail Link in Malaysia. Leaders of Serbia and Côte d'Ivoire also attended the commencement ceremonies of their respective projects, witnessing the latest achievements in the joint construction of the “Belt and Road” Initiative.



## BUSINESS OVERVIEW

### III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

#### (II) Actively Implement the Strategy of “Overseas Priority” and Deeply Promote the Iteration and Upgrading of “Company Internationalization 2.0” (continued)

**The Company adhered to a general goal.** It ensured its absolute leading advantage of the top international contractor in the PRC and Asia, and by 2025, continued to increase the Company’s overseas comprehensive contribution, with its net asset returns higher than the Company’s average. **The Company continued to upgrade the “company internationalization” strategy.** Based on the “Overseas Priority Development Implementation Plan”, the Company adapted to the times and deepen overseas reforms, issued and implemented the “Deepening Reform Implementation Plan of the ‘Company Internationalization’(2023-2025)” to optimize the “1+4+N” main overseas operations structure and the “1+4+O+P” four-tire overseas management structure and promote the “O” construction of country-specific organizations, thus enhancing the intensive management level of overseas organizations, forming a “four-wheel drive” pattern for overseas market entities, supporting “leading” overseas sub-subsidiaries, and comprehensively accelerating the construction of country-specific (regional) organizations. **High-end activities led market development.** The Company’s officers successively visited 18 national leaders from countries including Maldives, Sri Lanka and Malaysia, and conducted nearly 40 high-level bilateral and multilateral meetings, fully showcasing the comprehensive strength of the Company. **The Company continuously strengthened risk prevention and control.** It enhanced the awareness of business risk prevention, and comprehensively considered and managed non-market risks and market risks as a whole. The Company vigilantly guarded against political risks, and strictly controlled safety risks, integrity risks and operational risks.

During the reporting period, the value of new contracts of the Company with countries participating in the joint construction of the “Belt and Road” was USD20,729 million. The value of new contracts with the Middle East region amounted to USD4,803 million. Since the proposal of jointly building the “Belt and Road”, the value of new contracts of the Company accumulated to USD255,487 million. A number of new contracts of major projects, such as NEOM, made the Saudi market a highlight. New contracts of various projects, including the EPC project for the Clementi transfer station of the second phase of the Cross Island MRT Line in Singapore, marked the formation of the “Singaporean Model” with CCCC characteristics. In Algeria, Nigeria and other countries, the Company has achieved marketing results through continuous and unremitting efforts over the long term. The Company will firmly seize new opportunities in the African market by focusing on the needs from “the beginning of Africa’s industrialization”, “African integration development” and “African self-connectivity”.

### III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

#### (III) Continue to Optimize the Business Layout of “Big City” and Take on the Mantle of Steady Growth

The Company upholds the philosophy of “building, operating, and developing cities.” It seizes the opportunities presented by the “three major projects”, including new urbanization and affordable housing, construction of dual-use (for peacetime and emergencies) public infrastructure, and the redevelopment of urban villages, thereby deeply engaging in urban renewal and urban inspection actions. The Company has seized the market opportunity presented by the urban development shift from large-scale incremental construction to a focus on both the improvement and transformation of existing projects and the structural adjustment of increments. It has established an upgrade mechanism guided by high-end design, breaking through the constraints of qualifications, performance, and talent, in order to create a high-quality life for urban and rural residents.

During the reporting period, the Company fully optimized its business layout in “big city”, accelerating the extension from municipal and housing construction to “front-end” and “back-end” services such as urban planning and design, and city operation. This approach has created a favorable situation where the urban business is characterized by “top-tier leadership, first-level support, and comprehensive coverage of specialized qualifications”.

During the reporting period, the value of new contracts of the Company in “big city” business reached RMB385,500 million, representing a year-on-year increase of 18.4%. Among them, major municipal projects such as the infrastructure construction project of 5G communication base stations in Guangdong Province and the comprehensive development project of the southern block of the Shuixi cluster, Sanjiangkou area, Ganzhou, Jiangxi Province have been newly signed, while the urban rail transit projects such as the construction general contracting for the phase I project of Chengdu Rail Transit Line 17 and the project of Fuzhou Rail Transit Line 2 have been steadily advanced. The registered capital of CCCC Urban Investment Holding Company Limited, a subsidiary of the Company, increased from RMB4,099 million to RMB10,000 million. This reflects the Company’s judgment on the increments from the “three major projects” and the construction of urbanization, as well as the strategic determination to continuously create an “urban developer” identity. It focuses on comprehensive urban development as the fundamental business platform and development mainline, driving value creation through dual engines of urban operation and integration of industry with cities, with new investments concentrated in core cities and key regions.



# BUSINESS OVERVIEW

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

### (IV) Accelerate the Construction of Emerging Business Layout and Build New Quality Productive Forces with CCCC Characteristics

In the first half of the year, the value of new contract of the Company in the emerging business fields amounted to RMB295.2 billion, representing a year-on-year increase of 51%. During the reporting period, the Company fully utilized the role of CCCG for pilot reform as a state-owned capital invested company, seized the policy opportunities in the development of strategic emerging industries, compiled a directory of guidelines for the development of strategic emerging industries, established a scientific, rational, and comprehensive three-in-one strategic emerging industry development pattern, clearly defined 8 key fields and 25 sub-divisions in strategic emerging industry development, selected sub-divisions such as offshore wind power, application of Beidou technology, and offshore cable and pipeline laying, which are currently the focus of our efforts, formed a package of support policies and specific measures for major investments, mergers and acquisitions of industries, technological research and development, and standard formulation. The green energy segment focuses on the application scenario of “big transportation and big city”, and makes every effort to create a new development mode of “integration of transportation and energy”. The construction technology segment has been promoting its businesses in different areas, such as sand and gravel aggregates, solid waste treatment, and assembled buildings, and constructing a synergistic development model for multiple businesses. Cold chain logistics segment plans to cooperate with leading cold chain operators. The digital intelligence segment aims to “strengthen the industry chain” of the traditional core industry, with a priority focus on the strategic layout in three niche areas: smart urban parking operations, vehicle-to-road cooperation, and intelligent port and shipping logistics. The “three new” businesses of the Company mainly focus on strategic emerging industry, businesses in new forms and new models, which mainly provide services for supply chain management, municipal facilities management and financing lease. We facilitated the integration and development of the “three new” businesses of the Company, initiated the establishment of the specialized and new science and technology innovation fund, building national strength in transportation fund, and the pre-REITs fund, and accelerated the Company’s layout of the strategic emerging industries through the fund’s outward investment and served the Company’s industrial transformation and upgrading.

During the reporting period, the Company has developed and put into use the “Taihu Star”, the world’s first intelligent integrated platform vessel for ecological desilting with fully independent intellectual property rights. Technological innovation has injected new impetus into high-quality development, and helped establish a state-owned enterprise consortium for marine engineering technology innovation, building national strategic force in science and technology. The Company has been approved to build a green and low-carbon original technology hub for transportation infrastructure, promoting the construction and operation of the deep-sea engineering technology and equipment research and development center, and building new quality productive forces with CCCC characteristics.

The Company drives the transformation and upgrading of traditional industries through digitization and intelligence, relying on the construction of a modern industrial chain leader and the establishment of innovative entities such as a smart port and shipping industry alliance and a marine engineering technology innovation consortium. We accelerate the integration of digital technologies with traditional industries, actively explore industrial application scenarios such as digital support and intelligent production, participate in the formulation of related standards, and expedite the development of a smart and digital industry system with CCCC characteristics, enhancing our systemic innovation capacity and overall competitiveness. The Company continues to optimize its promotion and application of the CCCC Urban Industry Big Data Platform throughout the entire company, making full and effective use of industrial resources to provide integrated solutions for policy interpretation, urban analysis, and industry introduction. It vigorously advances the integration of smart transportation, smart cities and smart energy into infrastructures.

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

### (IV) Accelerate the Construction of Emerging Business Layout and Build New Quality Productive Forces with CCCC Characteristics (continued)

The Company actively participates in the digital transformation and upgrading of transportation infrastructure, enhancing both its technical strengths and innovative capabilities in the field of smart transportation. The Company has taken the lead in researching the digital transformation and upgrading plans for transportation infrastructure in several provinces, which have been selected as the first batch of the demonstration areas at digital transformation and upgrading of highway and waterway transportation infrastructure in multiple provinces, laying solid foundation for future development in the field of smart transportation. Making full use of the integrated and innovative role of “technological innovation + investment guidance + industrial development”, the Company has established a green intelligent future transportation R&D center, where it conducts cutting-edge technology research in green intelligent future transportation, and undertakes major national, industry and its own R&D projects, so as to solve the key core technical issues in industry development, promote the cooperation among industry, university, research and application, accelerate the transformation and industrialization of scientific and technological achievements, and unblock the full life cycle construction chain from investment to construction and operation of smart transportation. This enhances the Company’s capabilities in resource utilization, transformation, and aggregation in the field of smart transportation, accelerates the high-end, intelligent, and green transformation of the Company’s transportation infrastructure, and helps cultivate and develop the Company’s strategic emerging industries and new quality productive forces.

The Company continuously researches “bottleneck” technologies, and keeps making breakthroughs in equipment manufacturing. The “Beijing Capital” (首創號) tunnel boring machine, which was used in the construction of the No. 2 shaft of the Tianshan Shengli Tunnel project, is the world’s first ultra-large diameter hard rock vertical boring machine and the first ultra-large diameter hard rock shaft boring machine that can operate under cold, high-altitude and great-depth conditions. The “The Canal” tunnel boring machine, which was used in the tunnel excavation construction of the east line of the Reconstruction Project of the Sixth Eastern Ring Road in Beijing, is the first domestically produced shield machine with a super large diameter of 16 meters, and also the largest diameter slurry balanced shield machine with completely independent intellectual property rights developed in China to date. Such equipment has successfully bored through the longest and largest dual-line shield tunnel in China to date. The “Zhenxing” tunnel boring machine, which successfully penetrated the most complex and difficult large diameter tunnel project of the Yangtze River – Nanjing Heyan Road River-crossing Tunnel, took the lead in competition with international similar products, solving the world’s problem of “nine out of ten tunnels leak”, and setting a global record of a hundred thousand square meters of tunnel without any water leakage. It was awarded the Special Prize for CCCC Science and Technology Advancement Awards in 2023, obtaining more than ten invention patents, and one national standard. The “Jakarta-Bandung High-Speed Railway No.1 Tunnel Shield Machine” was used for the construction of the No. 1 Tunnel of the Jakarta-Bandung High-Speed Railway, the first high-speed railway in the Southeast Asia region. It was the largest diameter shield machine exported overseas by China at that time, and also the largest diameter slurry pressure balanced shield machine in Southeast Asia at that time.



# BUSINESS OVERVIEW

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

### (V) Be the “National Team” of Technological Innovation and Advance towards a World’s Leading “Sci-Tech” Enterprise

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

Guided by the national strategic needs and industrial upgrading, the Company conducted technology research and the “National Key Laboratory of Green and Long-life Road Engineering in Extreme Environment (極端環境綠色長壽道路工程全國重點實驗室)” and the “National Key Laboratory of Safe and Long-life, Healthy Operation and Maintenance of Long Bridges (長大橋樑安全長壽與健康運維全國重點實驗室)” have been recognized by the Ministry of Science and Technology. The Company became the only central construction enterprise with two national engineering research centers upon selection of its Long Bridge Engineering Research Center (長大橋工程研究中心) and Dredging Technology and Equipment Research Center (疏浚技術裝備研究中心) into the National Science and Technology Innovation Bases (國家科技創新基地), leading infrastructure construction to a new high end and making great strides on the road of strengthening the country with science and technology. The Company established the general research institute for strategy and innovation, which undertakes 15 key technological tasks for future industries. Furthermore, the Company owns 27 post-doctoral research centres and has systematically nurtured a pool of scientific experts and a professional innovation team by leveraging on innovation platforms and the establishment of key scientific research projects and key engineering projects to create a “three-in-one” model integrating talents, teams and platforms to nurture scientific and technological talents team. Zhang Xigang (張喜剛), an academician of the Chinese Academy of Engineering, won the Bridge Award of the Mao Yisheng Science and Technology Award and the title of “100 Excellent Engineers by China Highway & Transportation Society”, and Lin Ming (林鳴), an academician of the Chinese Academy of Engineering, won the Science and Technology Achievement Award of Ho Leung Ho Lee Foundation.

The Company overcomes a series of world-class technical issues in engineering projects regarding road construction and maintenance under complicated natural conditions, construction of expressway in high-cold permafrost regions, long-span bridge, long and large mountain tunnel, underwater tunnel, highway-railway bridge, offshore deep-water port, rapid island building in open seas, deep-water submerged tube tunnel, installation and construction of wind power infrastructure. The core technology of super large diameter tunnel shield machine manufacturing breaks the foreign technology blockade, realizes the domestication and industrialization of the whole machine, and is comparable to top-ranking enterprises of European and American markets. With the application of BIM and other new technologies, a large number of intelligent transportation infrastructures have been built, represented by the world’s largest single fully automated terminal, Shanghai Yangshan Port Phase IV, and the national first intelligent expressway, Hangzhou-Shaoxing-Ningbo Expressway. Applied technologies including Beidou satellite and high-resolution remote sensing develop rapidly with a leading position in the domestic industry.

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

### (V) Be the “National Team” of Technological Innovation and Advance towards a World’s Leading “Sci-Tech” Enterprise (continued)

Over the years, the Company has been accumulatively awarded with 43 National Science and Technology Advancement Awards, 5 National Technological Invention Awards, 130 Luban Awards, 400 National Quality Project Awards (including 46 golden awards), 120 Zhan Tianyou Awards, 2 Chinese Golden Patent Awards and 39 Chinese Outstanding Patent Awards. The Company has accumulatively participated in the compilation of 168 national standards and 537 industry standards that have been promulgated. It has a total of 34,343 granted patents.<sup>1</sup>

During the reporting period, the Group’s R&D cost was RMB9,905 million, accounting for 2.8% of the revenue, representing an increase of 0.2 percentage point as compared with the corresponding period of last year, and a number of “bottleneck” technologies have achieved breakthroughs. Six key tasks of the second phase of the 1025 Special Projects have been steadily advanced, achieving a number of milestone results such as super large diameter hydraulic cylinders and heavy-duty drive axles.

In the future, the Company’s science and technology innovation should closely keep abreast of the trends of global leading science and technology and cross-border technology in relevant areas. It should closely integrate with the development trend of science and technology, national strategy and security as well as market and field demand, stress value creation and highlight the mutual synergy between the innovation chain and the industrial chain so as to achieve the target of “focusing on priorities, consolidating advantages, addressing inadequacies and shoring up points of weakness”. It will strive to make greater breakthroughs in “bottleneck” technology, in strengthening the country through transportation and manufacturing and other national strategic frontiers and in common key technologies, so as to firmly grasp the initiative of scientific and technological development. The Company should give full play to the national innovation platforms such as the “National Key Laboratory of Green and Long-life Road Engineering in Extreme Environment (極端環境綠色長壽道路工程全國重點實驗室)”, and build itself into a source of cutting-edge technologies, a chain of independent innovation in science and technology, and a pool of academic and technological talents in this field. It will cultivate the original technologies, endeavor to enhance the technological capabilities related to strategic emerging industries, and stride towards the world’s leading “Sci-tech” enterprise in an all-out effort.

### (VI) Make New Achievements in Business Qualifications

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

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

During the reporting period, the Company obtained a total of 6 grade A and extra-grade qualifications, including 1 extra-grade qualification for general contracting of port and waterway engineering construction, 1 extra-grade qualification for general contracting of highway project construction.

<sup>1</sup> Statistics from the awards received by CCCC and its subsidiaries.



## BUSINESS OVERVIEW

### III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

#### (VII) Keep Improving the Market Value Management System and Continuously Enhance the Value Creation Capability of Listed Companies

During the reporting period, guided by the pilot reform of state-owned capital investment companies, the Company thoroughly implemented the “Task Plan on Enhancing the Quality of Listed Companies Controlled by Central Enterprises (提高央企控股上市公司質量工作方案)”, persisted in enhancing its capital, scientifically expanded financing channels, increased the proportion of direct financing, established interconnected circulation paths for capital, resources, and industries, and improved a service system that integrates industry and finance to promote industrial development through financing. The Company will continuously improve the quality of its controlling listed companies, strengthen the coordination of capital operations for holding listed companies, enhance equity management and market value assessment of the listed companies, actively leverage the platform of the listed companies, and support the development of the Company’s core business through capital operations.

**The first was to actively respond to the Shanghai Stock Exchange’s initiative to carry out the special action of “Improving Quality, Increasing Efficiency and Enhancing Returns” for companies listed on Shanghai Stock Exchange.** The Company has prepared and released the “2024 Action Plan of Improving Quality, Increasing Efficiency and Enhancing Returns (2024年提質增效重回報行動方案)”, pursuant to which the Company will continue to focus on its main responsibilities and principal businesses and significantly improve the modernization level of its industrial system; accelerate the forward-looking layout of strategic emerging industries and future industries, and continue to increase the percentage of revenue and value added of strategic emerging industries; take various measures to solidify the Company’s assets, and comprehensively push forward the enhancement of quality and increase in efficiency; establish a firm sense of return to Shareholders, and actively explore the promotion and implementation of measures to enhance market value management capabilities through multiple cash dividends and controlling Shareholder’s increase in shareholding of the Company. The Company has stepped up its research on the intrinsic link between cash dividends and share prices, and assessed the impact of cash dividend ratio and dividend yield on the market value management of listed companies.

**The second was to enhance the predictability of dividend distribution and increase investors’ sense of gain.** The Company has issued the “Announcement in Relation to the Receipt of the Proposal from the Controlling Shareholder for the Distribution of Interim Dividend and the Implementation of the 2024 Action Plan of “Improving Quality, Increasing Efficiency and Enhancing Returns” (關於收到控股股東提議實施中期分紅暨落實2024年度「提質增效重回報」行動方案的公告)”, and has formulated and implemented the 2024 Interim Dividend Distribution Plan in accordance with the conditions for profit distribution. In accordance with the latest work spirit of the SASAC and the China Securities Regulatory Commission, the Company has taken the initiative to respond to the guidance requirements of the new “Nine Articles of the State Council” on “enhancing the stability, continuity and predictability of dividend distribution, and promoting dividend distribution for multiple times in a year, pre-dividend distribution, and dividend distribution before the Chinese New Year”. The Company has comprehensively considered the characteristics of its industry, competitive landscape, business model, the stage of development, profitability, capital needs and assessment and other factors. Overcoming the macro-environment and industry pressures, the Company has also considered to boost the market’s confidence in the Company’s Share price and increase the investors’ sense of gain through the interim dividend and formed a specific proposal in light of the actual situation, which was considered and approved by the Board at the 38th meeting of the fifth session of the Board on 30 August 2024, subject to the consideration and approval of the general meeting.

## III. CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

### (VII) Keep Improving the Market Value Management System and Continuously Enhance the Value Creation Capability of Listed Companies (continued)

**The third was to continue to optimize and increase its assets and funds, and effectively “solidifies the assets”.** The Company formulated the “2024 Special Work Plan for Optimization and Increase of Assets and Funds (2024年資產資金優化提升專項工作方案)” to systematically sort out the financial assets held by the Company, and dispose of them within a reasonable price range by taking into account their financial status, dividends and stock price performance. The proceeds thereof will be used to replenish the working capital for production and operation related to the Company’s principal businesses.

**The fourth was to continue to track the performance of REITs market and take the opportunity to carry out asset revitalization by fund raising expansion.** The Company comprehensively sorted out the assets available for fund raising expansion, formed a list of reserve assets, continuously tracked and studied the policy guidance, the investment and financing situation of the public REITs capital market and the current situation of internal asset operation, consolidated the valuation and compliance of such assets, and proposed to carry out asset revitalization through platform expansion at an opportune time to ensure the smooth issuance of products and maximize the economic benefits of financing.

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

**The sixth was to proactively plan for a market value management system.** The Company thoroughly implemented the decisions and arrangements of the CPC Central Committee and the State Council, earnestly put into practice the “Opinions of the State Council on Further Improving the Quality of Listed Companies” and the requirements of the three-year action plan for the reform of state-owned enterprises (SOEs), and continuously pushed forward the specialized work of enhancing the quality of listed central SOEs. The Company will actively study the relevant regulations of the SASAC, and in conjunction with the actual situation of the Company, implement the requirements of the SASAC regarding the market value management work of listed companies owned by central SOEs.



# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW

During the reporting period, the global economy remained in the doldrums, the trend of economic counter-globalization and regionalization and fragmentation of the industrial chain and supply chain was obvious, and the complexity, severity and uncertainty of the external environment rose. The economy of China was generally stable with a growth in GDP of 5.0% for 2024. The Company implemented the “three majors, two macros and two priorities” business strategy in depth and firmly grasped the cash remittance market, enabling the “big transportation” business maintain the leading position in the industry, the market share of the “big city” business continue to increase, and its advantages in the “rivers, lakes and seas” traditional business are consolidated, and thereby gracing the “gold-lettered signboard” of CCCC in abroad. The main business of the Company has covered important strategic areas at home and abroad, and the core industrial clusters facing the world and focusing on construction are taking shape.

The Company plans to achieve a year-on-year growth rate of not less than 13.5% in the value of new contracts for the year of 2024, and the planned year-on-year growth rate of revenue is not less than 8.2%.

During the reporting period, the value of new contracts of the Company amounted to RMB960,867 million, representing a year-on-year increase of 8.4%, which was mainly due to the increased construction demand from overseas projects, urban construction and other fields. The Company continuously improved the business structure, steadily expanded the scale of cash remittance and significantly enhanced the quality and efficiency of investment. As at 30 June 2024, the backlog of the Company amounted to RMB3,536,243 million.

During the reporting period, the value of new contracts of all businesses from overseas markets of the Company amounted to RMB196,065 million (equivalent to approximately USD27,821 million), representing a year-on-year increase of 38.9%, and accounting for approximately 20% of the Company’s new contracts value. Wherein, the total new contract value of projects with each contract value of over USD300 million amounted to USD13,798 million, accounting for 50% of total value of all overseas new contracts of the Company. Statistics showed that as at 30 June 2024, the Company operated businesses in 139 countries and regions.

The value of contracts of all businesses from infrastructure and other investment projects amounted to RMB60,820 million as recognized in proportion to the Company’s shareholding, and the contract value of construction and installation contracts to be undertaken by the Group in the design and construction sector was estimated to be RMB54,629 million.

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies

#### 1. Domestic Market

During the reporting period, following general principle of pursuing progress while ensuring stability and leveraging on the synergetic effect of macro policies, the economic operation of China showed an overall stable trend with the GDP recorded a year-on-year growth of 5.0%. According to the data released by the National Bureau of Statistics (NBS), in the first half of the year, the investment in infrastructure increased by 5.4% year-on-year. Among them, investment in the water management business increased by 27.4%, and investment in the railway transport business increased by 18.5%.

During the reporting period, the economic operation in China faced new difficulties and challenges, with insufficient domestic effective demand, divergence in economic operation, and there were still more risks and hidden dangers in key areas, and pains in the transformation of old and new kinetic energy. The state government proposed to develop new quality productive forces according to local conditions, focus on promoting high-quality development, further deepen comprehensive reforms around the promotion of Chinese-style modernization, and increase the intensity of macro-control. It also proposed to deepen innovation-driven development, tap the potential of domestic demand, continuously enhance the new kinetic energy and new advantages, and strengthen the vitality of business entities, and thereby, stabilizing market expectations, enhancing social confidence, and enhancing the economy's sustained upturn to a positive trend, so as to effectively protect and improve people's livelihood, maintain social stability and unswervingly accomplish the economic and social development goals and tasks for the whole year.

During the reporting period, bearing its mission of being the “great power of the country”, the Company firmly implemented the national strategy of strengthening the country through transportation, undertook the Pinglu Canal (平陸運河), a landmark project for the construction of a strong transportation country, and provided an integrated plan of design and construction. The Shenzhen-Zhongshan Bridge, which is a major national project, was completed and opened, creating a number of “world's best”, for which General Secretary Xi Jinping sent a congratulatory letter. The Chengping Expressway was successfully selected as one of the first batch of zero-carbon pilot projects of the Ministry of Transport of the PRC. Focusing on the “3060” carbon peaking and carbon neutrality target and relying on digital and intelligent management, the Company continued to build China's No. 1 brand in offshore wind power, and achieved the value of new contracts of RMB10,758 million during the reporting period through signing new projects in Hainan, Fujian and other provinces. The Company has been playing an active role in the areas of rural revitalization and urban renewal for the well-being of the people by fully aligning with the needs of economic and social development as well as the people to successfully implement a number of key projects with strong representativeness and influential effects, such as the municipal pipe network construction, old town renovation, and living environment and ecosystem upgrade. In addition, the Company promoted the research on advanced technology to traditional industries through relying on the national key laboratories to facilitate the high-end, intelligent and green upgrades of the industry. The Company utilized the advantages on industrial linkage among the “big city” business, the “big transportation” business and the “rivers, lakes and seas” business, to enhance the integration of internal and external resources and provide a comprehensive package of high-quality “CCCC solutions” to the market.



# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 2. Overseas Market

During the reporting period, the evolution of international relations accelerated as a result of the competition between great powers, political and economic risks continued to increase. Some economies still faced sovereign debt risks, and as competition in the global infrastructure construction market heated up, the competition among products had progressively evolved into a competition of industrial supply chains and ecosystem, forcing enterprises to accelerate transformation and upgrading. Based on scientific and technological reform and industrial reform, high-quality economic and social development giving rise to many new industries and new models, the development of the infrastructure construction industry is facing another round of integration, the demand for inter-regional transportation interconnection has increased, and major projects and high-quality projects are further clustered to the leading enterprises. The Belt and Road Initiative with quality will provide more space for growth.

During the reporting period, the Company actively coped with the material changes in international and industry situation, steadily promoted the works of “Company Internationalization”, continued to consolidate the foundation of interconnection cooperation, taking account of the advantages of the traditional main business and the expansion of emerging markets, forming a sound situation of diversification and making concurrent progress, leading to a steady enhancement of operating quality and business scale. Major projects such as East Coast Railway in Malaysia and Bogotá Metro are advancing rapidly, and a number of new contracts of major projects, such as NEOM, made the Saudi market a highlight. New contracts of various projects, including the EPC project for the Clementi transfer station of the second phase of the Cross Island MRT Line in Singapore, marked the formation of the “Singaporean Model” with CCCC characteristics. In Algeria, Nigeria and other countries, the Company has achieved marketing results through continuous and unremitting efforts over the long term. The Company will firmly seize new opportunities in the African market by focusing on the needs from “the beginning of Africa’s industrialization”, “African integration development” and “African self-connectivity”. A number of environmental protection and pipe network projects were successfully signed in Guangdong, Hong Kong, Macao and Central Asia areas, and new momentum was added to the development of emerging business, representing the abundant achievements regarding the Belt and Road Initiative. During the reporting period, the value of new contracts of the Company with countries participating in the joint construction of the Belt and Road Initiative was USD20,729 million, among which, the value of new contracts in the Middle East region amounted to USD4,803 million. Since the launch of joint construction of the Belt and Road Initiative, the value of new contracts of the Company accumulated to USD255,487 million.

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

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary

##### (1) Infrastructure Construction Business

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

During the reporting period, the value of new infrastructure construction contracts entered into by the Company amounted to RMB863,378 million, representing a year-on-year increase of 9.4%. The value of new contracts from overseas markets amounted to RMB191,391 million (equivalent to approximately USD27,152 million). Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB58,613 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB54,330 million. As at 30 June 2024, the backlog of the Company amounted to RMB3,013,780 million.

Categorized by project type and location, the value of new contracts in terms of port construction, road and bridge construction, railway construction, urban construction and overseas projects amounted to RMB45,895 million, RMB140,914 million, RMB12,749 million, RMB472,429 million and RMB191,391 million, representing 5%, 16%, 2%, 55% and 22% of the total value of new infrastructure construction contracts, respectively.

##### ① *Port Construction*

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

During the reporting period, the value of new contracts of the Company for port construction projects in Chinese Mainland amounted to RMB45,895 million, representing a year-on-year increase of 4.6%, and accounting for 5% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB1,788 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB1,182 million.

Data published by the Ministry of Transport of the PRC showed that fixed asset investment in coastal and inland water transport construction amounted to approximately RMB102,522 million from January to June 2024, representing a year-on-year increase of 9.5%. The major investing targets in coastal ports include the construction of international hub seaports, north-south sea transportation channels, national energy and resource strategic reserve bases and other fields, while as for the inland river regions, the investments are mainly targeting the newly added navigation target of 2,500 kilometers for the “14th Five-Year Plan” period of the “four verticals, four horizontals and two networks”, the national high-grade waterway networks.

Relying on the development of modern industrial chain leadership and the establishment of an intelligent port and maritime industry alliance, and following the business layout in strategic regions, the Company deeply got involved in Beijing-Tianjin-Hebei, the Yangtze River Delta, Guangdong, Hong Kong and Macao and other key regions, focused on major projects, and successfully completed the main works of the Pinglu Canal, Phase I Engineering Project of Breakwater of Xiaomo International Logistic Port in Shen-Shan Special Cooperation Zone, Guangdong Province, Phase I Project of Luoqi Operation Area, Main City Port Area, Chongqing Port and other key projects.

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (1) Infrastructure Construction Business (continued)

###### ② Road and Bridge Construction

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

During the reporting period, the value of new contracts of the Company for road and bridge construction projects in Chinese Mainland reached RMB140,914 million, representing a year-on-year decrease of 31.6%, and accounting for 16% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects amount to RMB34,503 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB35,161 million.

Data published by the Ministry of Transport of the PRC showed that fixed asset investment in road transport construction amounted to approximately RMB1,239,325 million from January to June 2024, representing a year-on-year decrease of 10.4%. During the “14th Five-Year Plan” period, China will construct its expressways with a target of accelerating the construction of a country with strong transportation network and guided by developing integrated and multi-dimensional transportation networks. China will alleviate the imbalance of road network development needs between regions, so as to enhance the quality of national expressway networks and develop a modern and integrated transportation system. According to statistics, the construction scale of the mid-term adjustment projects of the national highway under the “14th Five-Year Plan” is around 42,000 kilometers, with a total investment of approximately RMB3.1 trillion. Wherein, the construction scale of highways is around 10,500 kilometers, with an investment of approximately RMB1.9 trillion; the construction scale of ordinary highways is around 31,800 kilometers, with an investment of approximately RMB1.2 trillion. Following the mid-term plan adjustment for the “14th Five-Year Plan”, there is an enhanced focus on front-end leadership and green, low-carbon transformation, requiring the implementation of regional governance on key projects such as the urbanization reconstruction of expressways that run through the cities, upgrading and expansion of busy road sections, trunk routes and cross-harbor crossings. From the perspective of market layout, Guangdong, Hong Kong and Macao, the Yangtze River Delta, Central China, Northeast China, Northwest China and Beijing-Tianjin-Hebei regions have a relatively broad market.



## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (1) Infrastructure Construction Business (continued)

###### ② Road and Bridge Construction(continued)

During the reporting period, following the construction of a country with strong transportation network and a national integrated and multi-dimensional transportation networks, the Company focused on the incremental markets of comprehensive transportation hubs, highway urbanization reconstruction, smart transportation and “transportation + new energy”, and has engaged in the construction of a number of high-quality highway projects such as the General Contracting Project of Nanning Second Ring Expressway in Guangxi Province, the Project of Mianchi-Xichuan Expressway of Henan Province (Xichuan – Border between Henan and Hubei Provinces Section), the Main Construction Project for the Reconstruction and Expansion of the He’ao to Shenzhen Airport Section of the Shenyang-Haikou National Expressway and the Construction General Contracting for Project of Baiguo – Nanyue Expressway (including Hengshan Branch Line) in Hunan Province.

###### ③ Railway Construction

As one of the largest railway construction enterprises in China, the Company sticks to the strategic target of completely becoming a first-class rail transportation comprehensive service provider with leading technology, advanced management and outstanding quality. As for the domestic market, the Company has developed into the main force of China’s railway construction by virtue of its outstanding construction level and excellent management capability, but a large gap still exists between the Company and the two domestic traditional railway infrastructure enterprises in terms of market shares in China. As for the overseas market, the Company has successfully entered into the railway construction markets in Africa, Southeast Asia, etc., and several major railway projects have been completed or operated or are under construction by the Company, and the brand of “CCCC Railway” shows vital influence in the international market.

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

During the reporting period, China promoted the railway construction in a scientific and orderly manner with an investment on fixed assets of national railway field of RMB337,300 million, representing a year-on-year increase of 9.6%. According to statistics, a total of 76 railway projects were successfully tendered nationwide, with a total bidding amount of RMB151,773 million. In terms of the value of contracts awarded, the Company’s market share amounted to 6%, ranking third in the industry and first among non-railway sectors. The value of new contracts of the Company for railway construction projects in Chinese Mainland amounted to RMB12,749 million, accounting for 2% of that of the infrastructure construction business.

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (1) Infrastructure Construction Business (continued)

###### ④ *Urban Construction, etc.*

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

During the reporting period, the value of new contracts of the Company for urban construction projects in Chinese Mainland reached RMB472,429 million, representing a year-on-year increase of 21.8%, and accounting for 55% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from infrastructure and other investment projects was RMB22,322 million, and the value of construction and installation contracts to be undertaken by the Company was estimated to be RMB17,988 million.

Categorized by project type, the value of new contracts for building construction, municipal engineering, water conservancy, urban rail transit, comprehensive urban development, offshore wind power, ecological and environmental protection and other projects accounted for 44%, 17%, 5%, 5%, 3%, 2%, 2% and 22%, respectively, of the value of new contracts for urban construction projects.

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

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (1) Infrastructure Construction Business (continued)

###### ④ *Urban Construction, etc. (continued)*

During the reporting period, the Company catered to a new round of demands for district development and construction brought by the strategy of new type of urbanization, national land space planning and adjustment and urban renewal actions. The Company signed a number of large urban complex projects such as the Urban Renewal Project in Jingshuang District, Shapingba District, Chongqing, and the “Yuancheng Zhigu” Comprehensive Development Project in Liangzhu New City, Hangzhou. Our district development model has been refined, and our business scale has been growing. Focusing on the needs of people’s livelihood and taking up its corporate responsibility, the Group has signed resettlement housing projects in Hubei, Chengdu and Fujian, and promoted renovation and expansion projects in Jiangsu and Guangzhou, so as to deepen and expand in the field of livelihood housing construction. The Company entered areas with high technology such as complex urban transportation, smart transportation and smart city. The Company implemented projects including the EPC Project of Intelligent Agriculture Demonstration Base (Phase I) in Yang County, Hanzhong City, Shaanxi Province, the Parking Building Project in Lijia District and Jiuque District of Chongqing Smart Parking and Central Industry and Research Park of International Leading and Innovative Smart Digital Facility Agricultural Plant Factory in Chengdu to improve the urban modernization and build livable, resilient and smart cities. The Company is committed to building a beautiful China and has participated in watershed management and sewage treatment projects in Shandong, Sichuan and other places. Focusing on the carbon peaking and carbon neutrality target and building a professional platform of “CCCC Offshore Wind Power (中交海風)”, the Company achieved a value of new contracts of RMB10,733 million in the first half of the year, and signed new projects in Hainan, Fujian and other provinces. The Company has obtained a number of national leading offshore construction and operation and maintenance technologies, and has initially realized the scale effect of emerging businesses.

###### ⑤ *Overseas Projects*

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

During the reporting period, the value of new contracts of the Company for overseas projects in the infrastructure construction business amounted to RMB191,391 million (equivalent to approximately USD27,152 million), representing a year-on-year increase of 44.2%, and accounting for 22% of that of the infrastructure construction business.

Categorized by project type, the value of new contracts for roads and bridges, urban construction, ports, urban rail transit, railways and others accounted for 25%, 20%, 17%, 15%, 11% and 12% of that of the overseas projects, respectively.

Categorized by project location, the value of new contracts for Africa, Asia (excluding Hong Kong, Macau and Taiwan), Oceania, Europe, Latin America, as well as Hong Kong, Macau and Taiwan and other regions accounted for 31%, 30%, 20%, 9%, 5% and 5% of that of the overseas projects, respectively.



# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (1) Infrastructure Construction Business (continued)

###### ⑤ Overseas Projects (continued)

Based on a global perspective and taking advantage of its main business, the Company actively coped with and served national strategies, took the third “Belt and Road Summit” as an opportunity to give full play to its advantages in the fields of “big city”, “big transportation”, as well as “rivers, lakes and seas”, and made every effort to promote the interconnection of transportation infrastructure and improvement of people’s livelihood along the routes, actively contributed Chinese wisdom and Chinese solutions. During the reporting period, the Company won the bids for the project of Ndayane New Port in Senegal, the expansion project of the mining terminal at the port of Annaba in Algeria, the EPCIC project for the natural gas pipeline in the Samalaju in Sarawak, Malaysia, the locomotive expansion project in Queensland, Australia, and the northwest water treatment center project in Sydney, Australia. The Kenya Mombasa-Nairobi Railway has been operating safely for 7 years, with an average of 6.4 passenger trains and 15 freight trains running daily, and has accumulatively sent 12.86 million passengers and 32.87 million tons of goods. The construction of the four power systems of the East Coast Rail Link in Malaysia project was officially launched, the control engineering project of the Ruma expressway in Serbia, being the longest tunnel under construction in Serbia, has achieved a breakthrough of over 3,000 meters in footage of a single tunnel, the main structure of Quay No. 1 at the Chancay Port project in Peru was successfully completed, and the largest traffic diversion in the history of Bogotá was completed for the Bogotá Metro Line 1 project.

During the reporting period, the Company continued to deepen its overseas upgrading and solidify its distinctive advantages in high-quality development. **Determined to serve and obey the major national strategies.** It thoroughly implemented eight actions for high-quality co-development of the “Belt and Road” Initiative and actively practiced the “three major global initiatives”. High-quality resources were inclined towards key countries and regions, focusing on promoting key points and bottlenecks along the “Belt and Road” as well as overseas major cooperation projects with key attention from national leaders. The Company coordinated the advancement of major projects such as the East Coast Rail Link in Malaysia and the Colombo Port City project in Sri Lanka, and conducted in-depth research on the “six corridors and six channels serving multiple countries and ports” three-dimensional interconnection network. It fulfilled social responsibilities with a high standard and established its overseas image through the construction of a number of “small and beautiful” projects. **Deeply promoted the upgrading of the “Company Internationalization”.** The Company promoted the upgrading of the “Company Internationalization”, further integrated the back-office management organizations of key countries, conducted in-depth studies on the operation and assessment mechanism for the establishment of the “O” and completed the establishment of “O” organizations in the third batch of countries as soon as possible. The platform companies continued to consolidate lean management and improved control capabilities through informatization and digitization. The Company has thoroughly studied the trend of global value chain restructuring, increased the layout of upstream and downstream extension of the global industrial chain of the Company, accelerated the layout of new fields and new tracks, and promoted the “going global” of China’s standards and technologies in the advantageous fields of highways, bridges, railways, ports and other areas, so as to provide a solid foundation for the enhancement of the Company’s competitiveness in overseas markets.

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (2) Infrastructure Design Business

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

As the largest port design enterprise in China, as well as the world's leading highway, bridge and tunnel design enterprise, the Company enjoys remarkable competitive edges in related business fields. As compared with the Company, other participants in the market have relatively weak competitiveness. CCCC Design & Consulting Group Co., Ltd. ("CCCC Design"), a wholly-owned subsidiary of the Company (600720.SH) was officially listed on 28 December 2023. After the completion of asset swap, the preliminary professional integration of CCGG's design segment was completed, and CCCC Design became the largest listed company in China engaged in design business, it fully played its leading role in the industry chain, vigorously expanded the high-end markets, and contributed to the growth and upgrade of the Group's business.

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

During the reporting period, the value of new contracts of the Company in infrastructure design business reached RMB32,656 million, representing a year-on-year increase of 21.9%, which was mainly attributable to the increase in EPC projects for port terminals and inland waterways. Wherein, the value of new contracts from overseas markets amounted to RMB1,413 million (equivalent to approximately USD200 million). As at 30 June 2024, the backlog of the Company amounted to RMB185,017 million.

Categorized by project type, the value of new contracts for EPC general contracting, survey and design and other projects amounted to RMB21,850 million and RMB10,806 million, representing 67% and 33% of the value of new contracts for infrastructure design business, respectively.

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

#### (2) Infrastructure Design Business (continued)

During the reporting period, the Company continued to strengthen the role of ballast stone of traditional infrastructure design business, focusing on integrated and multi-dimensional transportation networks and large-scale integrated projects, and marching steadfastly in the field of large transportation and big cities; strengthened the leading role of the front-end of the design consulting, and closely surrounded the industrial pattern formed by the national strategy and the new growth points, increased high-end planning, and led by scientific and technological innovations, explored the synergistic joint efforts of the whole industry chain, and fully developed the comprehensive advantages of the whole industry to promote the landing of large projects. In the construction of the Pinglu Canal (平陸運河), the Company fully participated in the hubs, waterways, bridges and other relevant projects with an integrated solution, and played an important role in the planning and implementation of such projects. **In terms of water transportation business,** the Company focused on “carbon peaking and carbon neutrality target”, and successfully signed new projects including the EPC Project of Wharf Engineering of LNG Receiving Station Project of Jiangsu Huadian Ganyu and the Design, Procurement and Construction General Contracting Projects of New Energy Project Phase I in Haizhou, Lianyungang, Jiangsu around the construction of new energy ports to promote the green transformation of energy structure. The Company focused on the market opportunities in upgrading and reconstruction of seaports and improvement of inland waterways, and newly signed the projects including the EPC Project of Reconstruction of Huxi Waterway (Upstream Lake Section) of Beijing – Hangzhou Canal, and the Design, Procurement and Construction General Contracting Projects of Wharf of Ethylene External Light Hydrocarbon Raw Material Supporting Project in Nangang, Tianjin, and continued to consolidate its market share in its traditional main business. **In terms of road and bridge business,** the Company gave full play to its absolute leading edge in highway design, landing a number of projects, such as the Design, Procurement and Construction General Contracting Projects of Reconstructions of New Youth Avenue (Wuxing Avenue – Qufu Road Bridge Section) in Hangzhou, and the Feasibility Research/Preliminary Design and Construction Drawings Design Project of Songxian–Neixiang Expressway/Tongbai-Dengzhou Expressway in Nanyang, Henan. In response to the national strategy of rural revitalization, the Company signed contracts for rural road construction, such as the Construction Projects for Efficient Improvement of Rural Revitalization Capacity in Zhaoyuan County, Daqing City, Heilongjiang Province, to expand its sinking market share. **In terms of urban business,** the Company continued to root in cities, cultivate cities and operate cities, and signed contracts for urban development projects such as the Design, Procurement and Construction General Contracting Projects for Development of Jiangyin Port Economic Zone (Lan Yuan Area) in Fujian Province, and the Design, Procurement and Construction General Contracting Projects for Constructions of Water Supply and Sewage Treatment – Water Supply Pipeline and Supporting Facilities of Shale Gas Comprehensive Utilisation and Circular Economy Industrial Park of Weiyuan Economic Development Zone in Neijiang City, Sichuan Province. **In terms of emerging industries,** the Company continued to build the “CCCC Offshore Wind Power” brand and carried out offshore wind power survey, supervision and consulting in Yantai, Shantou, Dongying and other places in China.



## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

##### (3) Dredging Business

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

As the largest dredging enterprise in China and even in the world, the Company enjoys absolute influence in China's coastal dredging market. The Company won the bidding for the Dongting Lake Ecological Restoration Pilot Project.

During the reporting period, the value of new contracts of the Company in dredging business reached RMB59,683 million, representing a year-on-year decrease of 4.1%. Wherein, the value of new contracts from overseas markets amounted to RMB2,601 million (equivalent to approximately USD375 million). As at 30 June 2024, the backlog of the Company amounted to RMB306,302 million.

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

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

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

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

#### 3. Business Summary (continued)

#### (4) Other Businesses

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

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

During the reporting period, the value of new contracts of the Company in other businesses amounted to RMB5,150 million. As at 30 June 2024, the backlog of the Company amounted to RMB31,144 million.

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

##### (1) Infrastructure Construction Business

##### Port Construction

No.	Contract Name	Contract Value
1	Phase I Engineering Project of Breakwater of Xiaomo International Logistic Port in Shen-Shan Special Cooperation Zone, Guangdong Province	1,953
2	Phase I Project of Luoqi Operation Area, Main City Port Area, Chongqing Port	1,951
3	EPC Project of Section I of Commercial Coal Storage and Transportation Base of Huanghua Port in Hebei Province	1,923
4	EPC Project of LNG Long-distance Pipeline Project (Zouping Offtake Station-Qihe Offtake Station) in West Port of Yantai Port in Shandong Province	1,454
5	Container Terminal and Ancillary Projects in Xiaoyangshan North Operation Area, Yangshan Deepwater Port Area, Shanghai	1,284

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

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

##### (1) Infrastructure Construction Business (continued)

#### Road and Bridge Construction

No.	Contract Name	Contract Value
1	General Contracting Project of Nanning Second Ring Expressway in Guangxi Province	4,785
2	Project of Mianchi-Xichuan Expressway of Henan Province (Xichuan – Border between Henan and Hubei Provinces Section)	3,028
3	Main Construction Project for the Reconstruction and Expansion of the He'ao to Shenzhen Airport Section of the Shenyang-Haikou National Expressway	2,760
4	Construction General Contracting for Project of Baiguo – Nanyue Expressway (including Hengshan Branch Line) in Hunan Province	2,663
5	Project of Section YZSG-1 of Yellow River Expressway in Henan Province	2,394

#### Railway Construction

No.	Contract Name	Contract Value
1	Project of Section 3 of Pre-Station of Jiangsu Section of Weifang-Suqian High-speed Railway in Suqian, Jiangsu Province	3,011
2	Construction Lump-sum Contracting for Project of the Pearl River Delta Hub Airport to Provincial Boundary Section of Newly Built Shenzhen-Nanning High-speed Railway (Section SNSG-2)	2,599
3	Project of Section JZTJ-5 of Civil Engineering Works of Newly Built Jinan-Zaozhaung Railway	1,982
4	Project of Section 11 of Pre-Station of Guangzhou-Zhanjiang Railway in Foshan, Guangdong Province	1,494
5	EPC Project of Zhaoshipan Coal Container Transfer Station in Hengshan District, Yulin, Shaanxi Province	842



# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

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

##### (1) Infrastructure Construction Business (continued)

###### Urban Construction

No.	Contract Name	Contract Value
1	Construction General Contracting for the Phase I Project of Rail Transit Line 17 in Chengdu, Sichuan Province	9,755
2	Demonstration Project of Common Prosperity in Tanghe New City, Rui'an, Zhejiang Province	6,229
3	Project of CSIQ Industrial Park in Hohhot, Inner Mongolia	5,800
4	Infrastructure Construction Project of 5G Telecommunication Base Stations in Guangdong Province	5,569
5	Comprehensive Development Project of the Southern Sector of Shuixi Cluster in Sanjiangkou Area, Ganzhou, Jiangxi Province	5,521

###### Overseas Projects

No.	Contract Name	Contract Value
1	Operation and Maintenance Project of Trams (Phase V) in Yarra, Melbourne, Australia	11,983
2	Project of Ndayane New Port in Senegal	8,126
3	Projects of Stack Yard Packages for T1 Wharf of OXAGON Port in Neom, Saudi Arabia	6,758
4	Project of Section 3 of Second Ring Road of Riyadh South, Saudi Arabia	6,181
5	Comprehensive Development Project of Infrastructures in Jeddah Downtown, Saudi Arabia	5,425

## IV. BUSINESS OVERVIEW (CONTINUED)

### (I) Business Review and Market Strategies (continued)

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

##### (2) Infrastructure Design Business

No.	Contract Name	Contract Value
1	Construction Project of the Second Track of the Jiangjun Temple (Zhundong) – Naomao Lake (Hami) Railway (Baishihu South Station)	8,138
2	Design and Construction Project of Reconstruction of Huxi Waterway (Upstream Lake Section) of Beijing – Hangzhou Canal in Jining, Shandong Province	2,663
3	Project of Section LOT3 of 780MW Solar Photovoltaic Project in Algeria	951
4	Project of Dumper Sheds for Coal Storage and Transportation of Tangshan Port in Hebei Province	723
5	Construction Project of Water Supply and Sewage Treatment of Shale Gas Comprehensive Utilization and Circular Economy Industrial Park of Weiyuan Economic Development Zone in Neijiang City, Sichuan Province	499

##### (3) Dredging Business

No.	Contract Name	Contract Value
1	Comprehensive Development Project of Jiangnan Spring-city of Economic Development Zone in Chongqing	3,067
2	Ecological Environment Oriented Comprehensive Development Project of Nangang Industrial Zone	2,500
3	Land Formation and Deep Ground Treatment Project of West Area 2 (North Area) of Container Terminal and Ancillary Projects in Xiaoyangshan North Operation Area, Yangshan Deepwater Port Area, Shanghai	1,717
4	Maintenance Dredging Projects of 100,000 DWT and 200,000 DWT Waterways of Integrated Area and Bulk Cargo Area of Huanghua Port in Hebei Province	1,410
5	Desilting Pilot Project of Guanting Reservoir in Beijing	1,373

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data

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

Business Segment	April – June 2024		Accumulated in 2024		Aggregate for the same period of 2023		Year-on-year change (%)
	Number	Amount	Number	Amount	Number	Amount	
<b>Infrastructure Construction</b>							
<b>Business</b>	1,351	398,952	2,833	863,378	1,891	789,265	9.4
Port Construction	63	17,255	153	45,895	249	43,862	4.6
Road and Bridge Construction	126	67,947	274	140,914	273	205,866	-31.6
Railway Construction	4	7,814	8	12,749	20	18,995	-32.9
Urban Construction, etc.	1,118	201,829	2,318	472,429	1,189	387,840	21.8
Overseas Projects	40	104,108	80	191,391	160	132,701	44.2
<b>Infrastructure Design</b>							
<b>Business</b>	2,483	22,524	4,190	32,656	2,383	26,787	21.9
<b>Dredging Business</b>	505	30,464	845	59,683	597	62,240	-4.1
<b>Other Businesses</b>	N/A	1,628	N/A	5,150	N/A	8,402	-38.7
<b>Total</b>	N/A	453,569	N/A	960,867	N/A	886,693	8.4

Note: Other businesses involving trade-type contracts are recognized on a net basis.

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

Region of projects	Number of projects	Total value
Africa	27	60,117
Asia (excluding Hong Kong, Macau and Taiwan)	28	56,462
Oceania	9	37,591
Latin America	8	10,373
Europe	3	17,930
Hong Kong, Macau, Taiwan and other regions	5	8,918
<b>Total</b>	<b>80</b>	<b>191,391</b>

Note: The above data of infrastructure construction business was calculated by region.



## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data (continued)

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

<b>Total number of projects</b>		N/A	
<b>Total project value</b>		105,370	
		<b>Number</b>	<b>Value</b>
Categorized by region	Domestic	N/A	92,270
	Overseas	N/A	13,100
Categorized by business type	Infrastructure construction business	344	95,177
	Infrastructure design business	42	3,628
	Dredging business	48	6,565
	Other businesses	N/A	0

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

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

<b>Total number of projects</b>		N/A	
<b>Total project value</b>		4,975,139	
		<b>Number</b>	<b>Value</b>
Categorized by region	Domestic	N/A	4,231,179
	Overseas	N/A	743,960
Categorized by business type	Infrastructure construction business	6,975	4,465,145
	Infrastructure design business	21,440	235,375
	Dredging business	1,526	244,146
	Other businesses	N/A	30,473

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data (continued)

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

		Contracted but not yet commenced		Under construction and not yet completed	
<b>Total number of projects</b>		N/A		N/A	
<b>Total project value</b>		817,388		2,718,855	
		Number	Value	Number	Value
Categorized by region	Domestic	N/A	649,883	N/A	2,242,964
	Overseas	N/A	167,505	N/A	475,891
Categorized by business type	Infrastructure construction business	1,988	700,144	6,425	2,313,636
	Infrastructure design business	240	24,199	20,486	160,818
	Dredging business	418	91,813	1,517	214,489
	Other businesses	N/A	1,232	N/A	29,912

#### 5. Infrastructure and Other Investment Projects

In March 2024, the Report on the Work of the Government pointed out that the government launched several major projects set out in the “14th Five-Year Plan” ahead of schedule, the range of areas and uses to which funds from the sale of local government special-purpose bonds can be channeled will be appropriately expanded. These funds will be weighted toward regions where projects are well-prepared and investments are more effective. Efforts will be made to stabilize and further expand private investment by improving and implementing supporting policies. A new mechanism for cooperation between government and private capital to encourage private investment in major projects will put in place. In the first half of 2024, the state ministries and committees have intensively issued a number of policy documents, organized and carried out various special actions, and gradually detailed the regulatory requirements for the new mechanism for cooperation between government and private capital, non-main business investments, overseas investments, and existing PPP projects, etc., under which it is required to fully and faithfully apply the new development philosophy on all fronts, focus on promoting high-quality development, highlight the work of stabilizing investment, effectively prevent and resolve investment risks, and achieve effective qualitative improvement and reasonable quantitative growth in investment.

## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data (continued)

#### 5. Infrastructure and Other Investment Projects (continued)

Since the “14th Five-Year Plan”, the Company has strengthened top-level design and coordination and strictly controlled total investment to guide all kinds of resources to invest in key businesses and areas, and to prevent industrial, regional and model-related system risks; improved system construction through comprehensively reviewing and upgrading the existing systems and establishing a unified investment system covering the entire process; strengthened lifecycle management by emphasizing on project selection, strict pre-investment review, enhancing intra-investment management and control, proper risk diffusion and severe accountability for negligence, in an effort to steadily improve project quality and business structure; and strengthened the capability to “invest smartly and sell effectively” by actively planning for asset revitalization, thereby enhancing the efficiency of asset turnover.

During the reporting period, the Company actively adjusted market development and operation strategies according to macro policies, insisted on deepening the “three majors, two macros and two priorities” business strategy, adhered to the concept of valuable investment and oriented towards enhancing capital returns to control the total investment and optimize the incremental investment, practiced the concept of valuable investment, continuously optimized the “regional structure, business structure, cycle structure, profit structure, and cash flow structure” of investment, consolidated the investment management, enhanced the investment quality and efficiency, prevented and controlled the investment risks, promoted the high-quality development of investment to achieve new results, focused on driving the continuous improvement in the Company’s core competitiveness of “entering cities”, promoted the development and growth of the “three new” businesses, and cultivated more growth points for the Company’s high-quality development. The total number of newly-approved projects in China has been better controlled, the cycle structure has been further improved, the domain and regional distribution has been rationalized, and the investment entities have been more concentrated. The Company had landed a series of high-quality road and bridge projects including the Project of Qi County–Lishi Expressway in Shanxi Province, and the advantages of the main business in the field of “big transportation” had been consolidated during the period. The Company participated in major projects with regional influence, such as the “Yuancheng Zhigu” Comprehensive Development Project in Liangzhu New City, Hangzhou and the Urban Renewal Project in Jingshuang District, Shapingba District, Chongqing, and had successfully entered the urban renewal market in Hangzhou, Chongqing and other core areas. The investment model in the field of “big city” continued to mature and the quality and efficiency of investment continued to improve.

Meanwhile, the Company had been facing numerous new risks and challenges in promoting business development. In 2023, affected by the continuous decline in local government fund revenues and the new PPP mechanism, the demand for pre-financing funds for infrastructure investment projects of local governments and investment platforms had been increasing. 12 provinces and cities strictly controlled the establishment of new government investment projects, posing challenges to the sustainable and healthy development of the infrastructure construction industry. There had been changes in the supply and demand relationship in the real estate market in the PRC, and the real estate market was undergoing a continuous downward trend. Despite frequent policy interventions by the state and local governments to control and optimize the real estate industry, facilitate the urban renewals, and improve the renovations of villages and affordable housing, the market’s rebound had been relatively slow, and the industry was still facing challenges.



# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data (continued)

#### 5. Infrastructure and Other Investment Projects (continued)

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

During the reporting period, the growth rate of the investment infrastructure market slowed down, the incremental market shifted to the stock market, and some key provinces and municipalities imposed strict controls on new government investment projects, further narrowing down the suitable investment areas. The Company actively responded to the policy adjustments, strengthened the top-level design, coordinated and led the strengthening of investment, focused resources on key projects, important regions, major markets and short-and-mid-cycle projects, strictly controlled the total amount of investment, strictly controlled the investment standards, optimized the investment structure, and strengthened the management of budget revenue and expenditure. During the period, the confirmed value of contracts from infrastructure and other investment projects was RMB60,820 million for domestic projects. The value of total construction and installation contracts to be undertaken was estimated to be RMB54,629 million, among which, the confirmed values of contracts from BOT projects, urban comprehensive development projects and government paid projects were RMB32,252 million, RMB17,797 million and RMB10,771 million respectively, accounting for 53%, 29% and 18% of that of infrastructure and other investment projects respectively.

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

The accumulative completed investment in government paid projects by the Company amounted to RMB404,500 million with cumulatively RMB77,900 million recovered.

The accumulative completed investment in urban comprehensive development projects by the Company was RMB178,500 million and RMB156,600 million had been received by the Company.

##### (3) Concession Projects

As at 30 June 2024, according to statistics of the consolidated items contracted and financed by the Company (the latest statistics shall prevail if there was any change), the accumulative completed investment in concession projects amounted to RMB214,462 million. 32 concession projects together with 33 share-participation projects had been put into operation, and the operating revenue and net loss for the reporting period were RMB4,136 million and RMB1,078 million, respectively. As at 30 June 2024, the reviewed uncompleted investment amounted to RMB52,340 million.

## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data (continued)

#### 5. Infrastructure and Other Investment Projects (continued)

#### (3) Concession Projects (continued)

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

No.	Project Name	Project Type	Contract Value		Expected Construction and Installation Contract Value	Operating Project or Not	Consolidated or Not	Construction Period (Year)	Toll Collection/ Operation Period (Year)
			Total Investment Budget Estimate	according to Shareholding Ratio of the Company					
1	Project of Qi County-Lishi Expressway in Shanxi Province	BOT	13,616	12,400	9,008	Yes	Yes	3	30
2	Project of He County-Wuwei Section of Nanjing-Jiujiang Expressway of G4231 in Anhui	BOT	8,299	9,129	5,976	Yes	Yes	3	30
3	"Yuancheng Zhigu" Comprehensive Development Project in Liangzhu New City, Hangzhou	Comprehensive urban	6,702	6,367	3,488	Yes	Yes	4	6
4	Project Package of Expansion Project of Wangshiwan (Zhuting) in Zhuzhou-Leiyang Dashi Section Bundled with Guidong-Chenzhou Section of Guidong-Xintian (Ningyuan) Expressway of G4 Beijing-Hong Kong-Macao Expressway	BOT	38,206	4,776	6,274	Yes	No	4	30
5	Urban Renewal Project in Jingshuang District, Shapingba District, Chongqing	Comprehensive urban	8,210	3,831	2,225	Yes	Yes	6	34
6	Industry-City Integration Comprehensive Development Start-up Area Project of General Mountain in Huangpu District, Guangzhou	Comprehensive urban	5,434	3,804	1,421	Yes	Yes	2	20
7	Ronghu Modern Community Comprehensive Development Project in Linping New City, Hangzhou	Comprehensive urban	4,121	3,709	2,871	Yes	Yes	5	5
8	Others		102,667	16,804	23,366	-	-	-	-
Total			187,255	60,820	54,629	-	-	-	-

# BUSINESS OVERVIEW

## IV. BUSINESS OVERVIEW (CONTINUED)

### (II) Major Production and Operational Data (continued)

#### 5. Infrastructure and Other Investment Projects (continued)

#### (3) Concession Projects (continued)

② Concession Projects under Development<sup>2</sup> (RMB million)

No.	Project Name	Contract Value according to Shareholding Ratio	Investment Amount in the Period	Accumulated Investment Value
1	Highways including Taihangshan Highway in Hebei Province	14,570	Share participation	Share participation
2	PPP Project of Quanzhou-Rongxian Highway (Pingnan-Rongxian Section) in Guangxi Province	12,755	850	1,432
3	Chengde (Lijaying)-Pinggu (Hebei and Beijing Conjunction) Section Project of the Capital Region Ring Expressway (G95)	11,453	877	6,545
4	Highways including Urumchi-Yuli Highway in Xinjiang	10,616	Share participation	Share participation
5	Project of Guiyang-Jinsha-Gulin (between Guizhou and Sichuan) Highway in Guizhou Province	9,999	Share participation	Share participation
6	Project of Chongqing-Hunan Parallel Line (City Center to Youyang Section) and Wulong-Daozhen (Chongqing Section) Highway in Chongqing	9,687	Share participation	Share participation
7	Project of Dejiang-Yuqing Highway in Guizhou Province	9,388	Share participation	Share participation
8	Project of Quanzhou-Rongxian Highway (Pingle-Zhaoping Section) in Guangxi Province	9,192	685	2,525
9	Project of Chongqing-Wuhan Highway Expansion in Chongqing	9,080	1,407	8,724
10	PPP Project of Gansu G1816 Wuhai-Maqin Cooperation-Saierlong Expressway (between Gansu and Qinghai)	8,581	509	1,101
11	Jianglu North Line Expressway in Chongqing	8,498	Share participation	Share participation
12	Phase I of Project of Urumchi Rail Transit Line 4 in Xinjiang	8,287	Share participation	Share participation
13	PPP Project of Health Production Area in Jinxian Medical Park in Nanchang, Jiangxi	6,558	43	176
14	Project of Wushan - Guandu Section of Xuanhan - Kaizhou - Yunyang - Wuxi - Wushan Expressway	6,225	5	10
15	Tong'an Expressway in Chongqing	6,047	Share participation	Share participation
16	Reconstruction and Expansion Project of National Highway 208 between Jinzhong Changzhi Border to Tunliu Xiaohebei Section in Shanxi Province	4,940	440	723
17	Project of Phase I of Expressway from Lingtai to Huating of Line S28 in Gansu Province	4,050	Share participation	Share participation
18	Project of Mengxi Industrial Park-Sanbei Yangchang Railway in Ordos, Inner Mongolia	3,383	Share participation	Share participation
19	Project of Naomao Lake-Jiangjun Temple Railway in Xinjiang	3,313	Share participation	Share participation
20	Others	26,998	185	3,118
	Total	183,620	5,001	24,354

<sup>2</sup> The breakdown of concession projects under development does not include the concession projects acquired overseas.



IV. BUSINESS OVERVIEW (CONTINUED)

(II) Major Production and Operational Data (continued)

5. Infrastructure and Other Investment Projects (continued)

(3) Concession Projects (continued)

③ Concession Projects in Operation Period (RMB million)

No.	Project Name	Accumulated Investment Value	Operating Revenue in the Period	Toll Collection Rights Period (Year)	Completed Toll Collection Rights Period (Year)
1	New Songming-Kunming Expressway, Xuanwei-Qujing Expressway and Mengzi-Wenshan-Yanshan Expressway in Yunnan Province	27,399	551	30	6.5
2	Daozhen-Weng'an Expressway in Guizhou Province	26,616	321	30	8.5
3	Jiangkou-Weng'an Expressway in Guizhou Province	14,246	511	30	8.5
4	Phnom Penh-Port of Sihanoukville Expressway in Cambodia	13,258	148	50	1.0
5	Guiyang-Qianxi Expressway in Guizhou Province	9,242	186	30	7.5
6	Guiyang-Weng'an Highway in Guizhou Province	8,401	238	30	8.5
7	Yanhe-Dejiang Expressway in Guizhou Province	7,536	78	30	8.5
8	Guiyang-Duyun Expressway in Guizhou Province	7,444	268	30	13.3
9	Concessions of Lekki Port in Nigeria	6,345	200	45	1.2
10	Yulin-Jiaxian Expressway in Shaanxi Province	6,149	115	30	10.5
11	Yongchuan-Jiangjin Expressway in Chongqing	6,023	56	30	9.5
12	Fengdu-Fuling Expressway in Chongqing	5,982	143	30	10.5
13	Fengdu-Shizhu Expressway in Chongqing	5,577	78	30	10.5
14	South-North Highway in Jamaica	5,169	199	50	8.5
15	Foshan-Guangming Expressway in Guangdong Province	5,147	300	25	15.0
16	Quanzhou Section of Quanzhou-Xiamen-Zhangzhou City Alliance Expressway in Fujian Province	5,124	58	24	3.5
17	Zhuankou Yangtze River Bridge Project in Wuhan, Hubei Province	4,860	80	30	6.5
18	BOT Project of Expressway in Nairobi, Kenya	4,746	7	27	1.0
19	Xianning-Tongshan Expressway in Hubei Province	3,125	59	30	10.5
20	Others	17,719	540	-	-
	Total	190,108	4,136	-	-

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following section should be read in conjunction with the unaudited condensed consolidated interim financial information of the Group and accompanying notes herein.

## OVERVIEW

For the six months ended 30 June 2024, revenue of the Group amounted to RMB356,010 million, representing a decrease of 2.6% from RMB365,345 million in the corresponding period of 2023. Among which, revenue derived from overseas markets amounted to RMB69,459 million, accounted for 19.5% of the total revenue, representing an increase of 4.1% as compared to the corresponding period of last year. Infrastructure construction business, infrastructure design business, dredging business and other businesses accounted for 85.2%, 4.6%, 7.2% and 3.0% (all before elimination of inter-segment transactions) of the total revenue for the six months ended 30 June 2024, respectively.

Gross profit for the six months ended 30 June 2024 amounted to RMB41,596 million, representing an increase of 4.2% from RMB39,909 million in the corresponding period of 2023. Gross profit margin increased to 11.7% for the six months ended 30 June 2024 as compared to 10.9% for the six months ended 30 June 2023.

Operating profit for the six months ended 30 June 2024 amounted to RMB20,527 million, representing an increase of 4.0% from RMB19,744 million in the corresponding period of 2023.

For the six months ended 30 June 2024, profit attributable to owners of the parent amounted to RMB12,022 million, representing a decrease of 3.1% from RMB12,413 million in the corresponding period of 2023. For the six months ended 30 June 2024, earnings per share of the Group was RMB0.70, compared with RMB0.73 in the corresponding period of 2023.

The following is a comparison of financial results between the six months ended 30 June 2024 and 2023.

## CONSOLIDATED RESULTS OF OPERATIONS

### Revenue

Revenue for the six months ended 30 June 2024 decreased by 2.6% to RMB356,010 million from RMB365,345 million in the corresponding period of 2023. Revenue from dredging business and other businesses amounted to RMB26,894 million and RMB11,177 million (all before elimination of inter-segment transactions), representing an increase of 3.2% and 12.4% respectively, while infrastructure construction business and infrastructure design business amounted to RMB318,681 million and RMB17,342 million, representing a decrease of 2.8% and 10.4%. The decrease of infrastructure construction business was due to the slowing down of the growth rate of domestic infrastructure construction industry. The decrease of infrastructure design business was due to the change of infrastructure design business scale, which was attributable to the reduction in EPC projects and focusing on main design business.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2024 amounted to RMB314,414 million, representing a decrease of 3.4% from RMB325,436 million in the corresponding period of 2023. Cost of sales from infrastructure construction business, infrastructure design business, dredging business and other businesses amounted to RMB284,563 million, RMB14,112 million, RMB23,717 million and RMB10,071 million (all before elimination of inter-segment transactions) respectively. Compared with the costs in corresponding period of 2023, costs from dredging business and other business increased by 1.4% and 7.3%, while costs from infrastructure construction business and infrastructure design business decreased by 3.4% and 12.0%, respectively.

As a result of decreasing cost and steady business expansion, gross profit for the six months ended 30 June 2024 amounted to RMB41,596 million, representing an increase of 4.2% from RMB39,909 million in the corresponding period of 2023. Gross profit from infrastructure construction business, dredging business and other business increased by 2.2%, 19.4% and 97.5% respectively, while infrastructure design business decreased by 2.6%, from the corresponding period of 2023. Gross profit margin increased to 11.7% for the six months ended 30 June 2024 as compared to 10.9% for the six months ended 30 June 2023. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business and other businesses were 10.7%, 18.6%, 11.8% and 9.9%, respectively, as compared with 10.2%, 17.1%, 10.2% and 5.6% in the corresponding period of 2023. The increase of gross profit margin was credited to the improvement in gross profit.

### Administrative Expenses

Administrative expenses for the six months ended 30 June 2024 amounted to RMB18,910 million, representing an increase of 3.0% from RMB18,365 million in the corresponding period of 2023, this growth was primarily attributable to the increase in research and development expenses.

### Other Income

Other income for the six months ended 30 June 2024 amounted to RMB3,046 million, representing an increase of RMB316 million from RMB2,730 million in the corresponding period of 2023.

### Other (Losses)/Gains, Net

Other losses for the six months ended 30 June 2024 amounted to RMB210 million, compared with RMB439 million of other gains in the corresponding period of 2023, primarily because of less foreign exchange gains and less one-time gains in the reporting period as compared to the corresponding period of last year.

### Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets for the six months ended 30 June 2024 amounted to RMB2,173 million, representing a decrease of 24.2% from RMB2,865 million in the corresponding period of 2023, mainly due to the collection of recoveries on individual receivables with a relatively long aging.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Operating Profit

Operating profit for the six months ended 30 June 2024 amounted to RMB20,527 million, representing an increase of 4.0% from RMB19,744 million in the corresponding period of 2023. This increase was mainly due to improvement of gross profit.

For the six months ended 30 June 2024, operating profit from infrastructure construction business, infrastructure design business, dredging business and other business were RMB17,138 million, RMB1,300 million, RMB1,773 million and RMB491 million respectively, as compared with RMB16,516 million, RMB1,663 million, RMB1,228 million and RMB370 million (all before elimination of inter-segment transactions and unallocated cost) in the corresponding period of 2023.

Operating profit margin increased to 5.8% for the six months ended 30 June 2024 from 5.4% in the corresponding period of 2023.

### Finance Income

Finance income for the six months ended 30 June 2024 amounted to RMB10,696 million, representing a decrease of 3.2% from RMB11,046 million in the corresponding period of 2023.

### Finance Costs, Net

Net finance costs for the six months ended 30 June 2024 amounted to RMB11,649 million, representing an increase of 1.3% from RMB11,503 million in the corresponding period of 2023. The increase was mainly due to large scale of borrowings.

### Share of Losses of Joint Ventures

Share of losses of joint ventures for the six months ended 30 June 2024 amounted to RMB896 million, representing an increase of 25.3% from RMB715 million in the corresponding period of 2023.

### Share of Profits of Associates

Share of profits of associates for the six months ended 30 June 2024 amounted to RMB291 million, representing an increase of 33.5% from RMB218 million in the corresponding period of 2023.

### Profit before Income Tax

As a result of the foregoing factors, profit before income tax for the six months ended 30 June 2024 amounted to RMB18,969 million, representing an increase of 1.0% from RMB18,790 million in the corresponding period of 2023.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Income Tax Expense

Income tax expense for the six months ended 30 June 2024 amounted to RMB3,814 million, representing an increase of 18.3% from RMB3,224 million in the corresponding period of 2023, which was mainly due to the increase in taxes of certain overseas subsidiaries as compared with the corresponding period of 2023.

### Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests for the six months ended 30 June 2024 amounted to RMB3,133 million, representing a decrease of 0.6% from RMB3,153 million in the corresponding period of 2023.

### Discussion of Segment Operations

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the six months ended 30 June 2024 and 2023.

Business	Revenue		Gross Profit		Gross Profit Margin		Operating Profit <sup>(1)</sup>		Operating Profit Margin	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024 (RMB million)	2023 (RMB million)	2024 (RMB million)	2023 (RMB million)	2024 (%)	2023 (%)	2024 (RMB million)	2023 (RMB million)	2024 (%)	2023 (%)
Infrastructure Construction	318,681	327,822	34,118	33,379	10.7	10.2	17,138	16,516	5.4	5.0
% of total	85.2	85.5	81.9	83.6	–	–	82.7	83.5	–	–
Infrastructure Design	17,342	19,352	3,230	3,315	18.6	17.1	1,300	1,663	7.5	8.6
% of total	4.6	5.1	7.8	8.3	–	–	6.3	8.4	–	–
Dredging	26,894	26,059	3,177	2,660	11.8	10.2	1,773	1,228	6.6	4.7
% of total	7.2	6.8	7.6	6.7	–	–	8.6	6.2	–	–
Other businesses	11,177	9,943	1,106	560	9.9	5.6	491	370	4.4	3.7
% of total	3.0	2.6	2.7	1.4	–	–	2.4	1.9	–	–
Subtotal	374,094	383,176	41,631	39,914	11.1	10.4	20,702	19,777	5.5	5.2
Intersegment elimination and unallocated profit/(costs)	(18,084)	(17,831)	(35)	(5)	–	–	(175)	(33)	–	–
Total	356,010	365,345	41,596	39,909	11.7	10.9	20,527	19,744	5.8	5.4

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Infrastructure Construction Business

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

The following table sets out the principal profit and loss information for the infrastructure construction business for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024 (RMB million)	2023 (RMB million)
Revenue	<b>318,681</b>	327,822
Cost of sales	<b>(284,563)</b>	(294,443)
Gross profit	<b>34,118</b>	33,379
Selling and marketing expenses	<b>(735)</b>	(496)
Administrative expenses	<b>(14,933)</b>	(14,606)
Impairment losses on financial and contract assets, net	<b>(1,718)</b>	(2,286)
Other income/(expenses), net and Other gains/(losses), net	<b>406</b>	525
Segment result	<b>17,138</b>	16,516
Depreciation and amortisation	<b>5,259</b>	5,327

**Revenue.** Revenue from the infrastructure construction business for the six months ended 30 June 2024 was RMB318,681 million, representing a decrease of 2.8% from RMB327,822 million in the corresponding period of 2023. The decrease was mainly due to the slowing down of the growth rate of domestic infrastructure construction industry.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Infrastructure Construction Business (continued)

**Cost of sales and gross profit.** Cost of sales for the infrastructure construction business for the six months ended 30 June 2024 was RMB284,563 million, representing a decrease of 3.4% from RMB294,443 million in the corresponding period of 2023. Cost of sales as a percentage of revenue decreased to 89.3% for the six months ended 30 June 2024 from 89.8% in the corresponding period of 2023.

Gross profit from the infrastructure construction business for the six months ended 30 June 2024 increased 2.2% to RMB34,118 million from RMB33,379 million in the corresponding period of 2023. Gross profit margin increased to 10.7% for the six months ended 30 June 2024 from 10.2% in the corresponding period of 2023, primarily due to the improvement in gross profit.

**Selling and marketing expenses.** Selling and marketing expenses for the infrastructure construction business for the six months ended 30 June 2024 were RMB735 million, as compared with RMB496 million in the corresponding period of 2023.

**Administrative expenses.** Administrative expenses for the infrastructure construction business were RMB14,933 million for the six months ended 30 June 2024, representing an increase of 2.2% from RMB14,606 million in the corresponding period of 2023. Administrative expenses as a percentage of revenue is 4.7% for the six months ended 30 June 2024, compared with 4.5% in the corresponding period of 2023, primarily due to the increase of research and development costs.

**Impairment losses on financial and contract assets, net.** Net impairment losses on financial and contract assets for the infrastructure construction business for the six months ended 30 June 2024 were RMB1,718 million, representing a decrease of 24.8% from RMB2,286 million in the corresponding period of 2023. Net impairment losses on financial and contract assets as a percentage of revenue is 0.5% for the six months ended 30 June 2024, compared with 0.7% in the corresponding period of 2023.

**Other income/(expenses), net and Other gains/(losses), net.** Other income/(expenses), net and Other gains/(losses), net, for the infrastructure construction business decreased to RMB406 million for the six months ended 30 June 2024 from RMB525 million in the corresponding period of 2023, due to less foreign exchange gains in 2024 and less one-time gains in this period as compared to the last corresponding period.

**Segment result.** As a result of the above, segment result for the infrastructure construction business for the six months ended 30 June 2024 was RMB17,138 million, representing an increase of 3.8% from RMB16,516 million in the corresponding period of 2023. Segment result margin increased to 5.4% for the six months ended 30 June 2024 from 5.0% in the corresponding period of 2023.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Infrastructure Design Business

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

The following table sets out the principal profit and loss information for infrastructure design business for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024 (RMB million)	2023 (RMB million)
Revenue	17,342	19,352
Cost of sales	(14,112)	(16,037)
Gross profit	3,230	3,315
Selling and marketing expenses	(230)	(196)
Administrative expenses	(1,440)	(1,369)
Impairment losses on financial and contract assets, net	(313)	(187)
Other income/(expenses), net and Other gains/(losses), net	53	100
Segment result	1,300	1,663
Depreciation and amortization	365	258

**Revenue.** Revenue from the infrastructure design business for the six months ended 30 June 2024 was RMB17,342 million, representing a decrease of 10.4% from RMB19,352 million in the corresponding period of 2023. The change of infrastructure design business scale was attributable to reduction in EPC projects and focusing on main design business.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Infrastructure Design Business (continued)

**Cost of sales and gross profit.** Cost of sales for the infrastructure design business for the six months ended 30 June 2024 was RMB14,112 million, representing a decrease of 12.0% from RMB16,037 million in the corresponding period of 2023. Cost of sales as a percentage of revenue decreased to 81.4% for the six months ended 30 June 2024 from 82.9% in the corresponding period of 2023.

Gross profit from the infrastructure design business for the six months ended 30 June 2024 decreased to RMB3,230 million from RMB3,315 million in the corresponding period of 2023. Gross profit margin increased to 18.6% for the six months ended 30 June 2024 from 17.1% in the corresponding period of 2023, mainly attributable to the adjustment of business structure and focusing on main design business.

**Selling and marketing expenses.** Selling and marketing expenses for the infrastructure design business for the six months ended 30 June 2024 increased to RMB230 million from RMB196 million in the corresponding period of 2023.

**Administrative expenses.** Administrative expenses for the infrastructure design business for the six months ended 30 June 2024 were RMB1,440 million, representing an increase of 5.2% from RMB1,369 million in the corresponding period of 2023. Administrative expenses as a percentage of revenue increased to 8.3% for the six months ended 30 June 2024 from 7.1% in the corresponding period of 2023.

**Impairment losses on financial and contract assets, net.** Net impairment losses on financial and contract assets for the infrastructure design business for the six months ended 30 June 2024 were RMB313 million, compared with RMB187 million in the corresponding period of 2023. Net impairment losses on financial and contract assets as a percentage of revenue increased to 1.8% for the six months ended 30 June 2024 from 1.0% in the corresponding period of 2023.

**Other income/(expenses), net and Other gains/(losses), net.** Other income/(expenses), net and Other gains/(losses), net, for the infrastructure design business for the six months ended 30 June 2024 was RMB53 million, as compared with RMB100 million in the corresponding period of 2023, due to less foreign exchange gains in 2024.

**Segment result.** As a result of the above, segment result for the infrastructure design business for the six months ended 30 June 2024 was RMB1,300 million, representing a decrease of 21.8% from RMB1,663 million in the corresponding period of 2023. Segment result margin decreased to 7.5% for the six months ended 30 June 2024 from 8.6% in the corresponding period of 2023.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Dredging Business

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

The following table sets out the principal profit and loss information for the dredging business for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024 (RMB million)	2023 (RMB million)
Revenue	26,894	26,059
Cost of sales	(23,717)	(23,399)
Gross profit	3,177	2,660
Selling and marketing expenses	(215)	(118)
Administrative expenses	(1,325)	(1,500)
Impairment losses on financial and contract assets, net	(44)	(251)
Other income/(expenses), net and Other gains/(losses), net	180	437
Segment result	1,773	1,228
Depreciation and amortisation	560	527

**Revenue.** Revenue from the dredging business for the six months ended 30 June 2024 was RMB26,894 million, representing an increase of 3.2% from RMB26,059 million in the corresponding period of 2023.

**Cost of sales and gross profit.** Cost of sales for the dredging business for the six months ended 30 June 2024 was RMB23,717 million, representing an increase of 1.4% as compared with RMB23,399 million in the corresponding period of 2023. Cost of sales as a percentage of revenue for the dredging business for the six months ended 30 June 2024 decreased to 88.2% from 89.8% in the corresponding period of 2023.

Gross profit from the dredging business for the six months ended 30 June 2024 was RMB3,177 million, representing an increase from RMB2,660 million in the corresponding period of 2023. Gross profit margin for the dredging business increased to 11.8% for the six months ended 30 June 2024 from 10.2% in the corresponding period of 2023. This increase mainly due to the adjustment of business and effective internal controls.

**Selling and marketing expenses.** Selling and marketing expenses for the dredging business for the six months ended 30 June 2024 were RMB215 million, as compared with RMB118 million in the corresponding period of 2023.

**Administrative expenses.** Administrative expenses for the dredging business for the six months ended 30 June 2024 were RMB1,325 million, representing a decrease of 11.7% from RMB1,500 million in the corresponding period of 2023, due to effective internal controls. Administrative expenses as a percentage of revenue decreased to 4.9% for the six months ended 30 June 2024 from 5.8% in the corresponding period of 2023.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

### Dredging Business (continued)

**Impairment losses on financial and contract assets, net.** Net impairment losses on financial and contract assets for the dredging business for the six months ended 30 June 2024 were RMB44 million, representing a decrease of 82.5% from RMB251 million in the corresponding period of 2023. Net impairment losses on financial and contract assets as a percentage of revenue decreased to 0.2% for the six months ended 30 June 2024 from 1.0% in the corresponding period of 2023.

**Other income/(expenses), net and Other gains/(losses), net.** Other income/(expenses), net and Other gains/(losses), net, for the dredging business for the six months ended 30 June 2024 decreased to RMB180 million from RMB437 million in the corresponding period of 2023. This decrease was primarily due to less foreign exchange gains.

**Segment result.** As a result of the above, segment result for the dredging business for the six months ended 30 June 2024 was RMB1,773 million, representing an increase of 44.4% from RMB1,228 million in the corresponding period of 2023. Segment result margin for the six months ended 30 June 2024 increased to 6.6% from 4.7% in the corresponding period of 2023. This increase mainly contribute to the improvement in gross profit and decline in administrative expenses.

### Other Businesses

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

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024 (RMB million)	2023 (RMB million)
Revenue	11,177	9,943
Cost of sales	(10,071)	(9,383)
Gross profit	1,106	560

**Revenue.** Revenue from the other businesses for the six months ended 30 June 2024 was RMB11,177 million, representing an increase of 12.4% from RMB9,943 million in the corresponding period of 2023. The increase was mainly due to the reorganization of Qilianshan Ltd.

**Cost of sales and gross profit.** Cost of sales for the other businesses for the six months ended 30 June 2024 was RMB10,071 million, compared with RMB9,383 million in the corresponding period of 2023. Cost of sales as a percentage of revenue decreased to 90.1% for the six months ended 30 June 2024 from 94.4% in the corresponding period of 2023.

Gross profit from the other businesses for the six months ended 30 June 2024 was RMB1,106 million, compared with RMB560 million in the corresponding period of 2023. Gross profit margin increased to 9.9% for the six months ended 30 June 2024 from 5.6% in the corresponding period of 2023.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 30 June 2024, the Group had unutilised credit facilities in the amount of RMB1,908,257 million. The Group's access to financial markets since its public offering in Hong Kong Stock Exchange and Shanghai Stock Exchange has provided additional financing flexibility.

### Cash Flow Data

The following table presents selected cash flow data from the Group's consolidated cash flow statements for the six months ended 30 June 2024 and 2023.

	Six months ended 30 June	
	2024	2023
	(RMB million)	(RMB million)
Net cash flows used in operating activities	<b>(74,161)</b>	(49,582)
Net cash flows used in investing activities	<b>(15,608)</b>	(32,899)
Net cash flows generated from financing activities	<b>99,205</b>	130,824
Net increase in cash and cash equivalents	<b>9,436</b>	48,343
Cash and cash equivalents at beginning of period	<b>110,406</b>	104,782
Effect of foreign exchange rate changes, net	<b>10</b>	337
Cash and cash equivalents at end of period	<b>119,852</b>	153,462

### Cash flow from operating activities

For the six months ended 30 June 2024, net cash outflow used in operating activities was RMB74,161 million, compared with RMB49,582 million in the corresponding period of 2023, which was due to increased cash outflows from operating activities.

### Cash flow from investing activities

For the six months ended 30 June 2024, net cash outflow used in investing activities was RMB15,608 million, compared with RMB32,899 million in the corresponding period of 2023, which was due to the increase in cash received from disposal of financial assets in 2024 and the decrease in purchase of fixed assets and intangible assets.

### Cash flow from financing activities

For the six months ended 30 June 2024, net cash inflow generated from financing activities was RMB99,205 million compared with RMB130,824 million in the corresponding period of 2023. which was due to the increase in borrowing repayments.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

### Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipments and vessels, and the building of plants. The following table set forth the Group's capital expenditure by business for the six months ended 30 June 2024 and 2023.

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>(RMB million)</i>	2023 <i>(RMB million)</i>
Infrastructure Construction Business	<b>11,875</b>	18,845
– BOT projects	<b>5,772</b>	12,306
Infrastructure Design Business	<b>533</b>	472
Dredging Business	<b>744</b>	446
Other	<b>790</b>	642
<b>Total</b>	<b>13,942</b>	20,405

Capital expenditure for the six months ended 30 June 2024 was RMB13,942 million, as compared with RMB20,405 million in the corresponding period of 2023, which was mainly due to the decline of the capital expenditure of BOT projects.

### Working Capital

#### Trade and bills receivables and trade and bills payables

The following table sets forth the turnover of the Group's average trade and bills receivables and average trade and bills payables for the six months ended 30 June 2024 and the year ended 31 December 2023.

	<b>For the</b>	
	<b>Six months ended 30 June 2024</b> <i>(Number of days)</i>	Twelve months ended 31 December 2023 <i>(Number of days)</i>
Turnover of average trade and bills receivables <sup>(1)</sup>	<b>65</b>	56
Turnover of average trade and bills payables <sup>(2)</sup>	<b>234</b>	206

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

### Working Capital (continued)

#### Trade and bills receivables and trade and bills payables (continued)

- (1) For the six months ended 30 June 2024, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the six-month period plus trade and bills receivables net of provisions at the end of the six-month period divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 180. For the twelve months ended 31 December 2023, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.
- (2) For the six months ended 30 June 2024, average trade and bills payables equals trade and bills payables at the beginning of the six-month period plus trade and bills payables at the end of the six-month period divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 180. For the twelve months ended 31 December 2023, average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

The following table sets forth an ageing analysis of trade and bills receivables, net of provision, as at 30 June 2024 and 31 December 2023.

	As at	
	30 June 2024 (RMB million)	31 December 2023 (RMB million)
Within 6 months	79,695	71,630
6 months to 1 year	24,178	13,188
1 year to 2 years	16,213	14,284
2 years to 3 years	10,318	11,390
Over 3 years	9,127	8,748
Total	139,531	119,240

Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 30 June 2024, the Group had a provision for impairment of RMB24,745 million, as compared with RMB23,988 million as at 31 December 2023.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

### Retentions

The following table sets forth the fair value of the retentions as at 30 June 2024 and 31 December 2023.

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>(RMB million)</b>	<b>(RMB million)</b>
Current	<b>15,550</b>	13,625
Non-current	<b>46,767</b>	43,131
Total	<b>62,317</b>	56,756

## INDEBTEDNESS

### Borrowings

The following table sets out the maturities of the Group's total borrowings as at 30 June 2024 and 31 December 2023.

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>(RMB million)</b>	<b>(RMB million)</b>
Within 1 year	<b>181,670</b>	111,912
1 year to 2 years	<b>63,488</b>	58,984
2 years to 5 years	<b>138,043</b>	119,367
Over 5 years	<b>244,152</b>	221,363
Total borrowings	<b>627,353</b>	511,626



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INDEBTEDNESS (CONTINUED)

### Borrowings (continued)

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Japanese Yen, Hong Kong dollars and others. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 30 June 2024 and 31 December 2023.

	<b>As at</b>	
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>(RMB million)</b>	<b>(RMB million)</b>
Renminbi	<b>594,413</b>	481,310
U.S. dollar	<b>23,907</b>	23,850
Euro	<b>3,186</b>	3,159
Japanese Yen	<b>278</b>	37
Hong Kong dollar	<b>91</b>	91
Others	<b>5,478</b>	3,179
Total borrowings	<b>627,353</b>	511,626

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 30 June 2024 was 51.9%, as compared with 46.6% as at 31 December 2023 and 50.7% as at 30 June 2023.

### Contingent liabilities and financial guarantee commitment

#### (i) Claims

The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,151 million (31 December 2023: RMB2,894 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INDEBTEDNESS (CONTINUED)

### Contingent liabilities and financial guarantee commitment (continued)

#### (ii) Loan guarantees

As at 30 June 2024, the Group has acted as the guarantor for several borrowings of RMB3,504 million (31 December 2023: RMB3,714 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.

The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 30 June 2024, the outstanding balance of guarantees provided by the Group was approximately RMB4,633 million (31 December 2023: RMB4,462 million).

#### (iii) Liquidity support

The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 30 June 2024, out of the ABS and ABN in issue with an aggregate amount of RMB62,803 million (31 December 2023: RMB72,543 million), RMB58,236 million (31 December 2023: RMB67,089 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 30 June 2024, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

## MARKET RISKS

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

### Macroeconomic volatility risk

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

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MARKET RISKS (CONTINUED)

### Internationalisation risk

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

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

### Investment risk

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

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

### Raw material risk

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

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



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MARKET RISKS (CONTINUED)

### Interest rate risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During the six months ended 30 June 2024, the Group's borrowings at variable rates were mainly denominated in RMB, USD, Euro and Hong Kong dollar. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. Increases in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have an adverse effect on the Group's financial position.

As at 30 June 2024, the Group's borrowings of approximately RMB371,474 million were at variable rates. As at 30 June 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit before tax for the year would have been decreased/increased by RMB3,715 million, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Group continuously monitors the interest rate position, and makes decisions with reference to the latest market conditions, including entering into interest rate swap agreements from time to time to mitigate its exposure to interest rate risks in connection with the floating rate borrowings.

### Exchange rate risk

The Group has focused on international markets in its past operations and future strategies. The relatively large scale of its overseas operations has resulted in a relatively large foreign exchange receipts and payments by the Company. The Company's operations mainly involve foreign currencies such as USD, the Euro and Hong Kong dollar. Fluctuations in the exchange rates between these currencies and Renminbi may result in higher costs or lower revenues, which in turn may have an impact on the Company's profitability.

As at 30 June 2024, the Group's aggregate net liabilities of RMB8,677 million, including trade and other receivables, cash and bank balances, trade and other payables and borrowings, were denominated in foreign currencies, mainly USD.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and uses derivative financial instruments to hedge when necessary. As at 30 June 2024, if RMB had strengthened/weakened by 5% against USD with all other variables held constant, pre-tax profit for the year would had been decreased/increased by approximately RMB297 million, mainly as a result of foreign exchange losses/gains on translation of USD-denominated trade and other receivables, cash and cash equivalents.

### Production safety risk

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

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MARKET RISKS (CONTINUED)

### Risk of price fluctuation in the securities markets

The Group's investments in equity instruments are classified as financial assets held for trading, investments in other equity instruments and other non-current financial assets. As these financial assets are required to be stated at fair value, the Group is exposed to the risk of price fluctuation in the securities markets.

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

### Force Majeure Risks

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

### Network risk and security

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

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

### Significant Events After the Period

On 9 August 2024 and 20 August 2024, CCCI Treasure Limited (the "Issuer"), a company incorporated in the British Virgin Islands and an indirect wholly owned offshore subsidiary of the Company, issued the CNY2,100,000,000 2.90 per cent. guaranteed green bonds due 2027 and the CNY2,800,000,000 2.88 per cent. guaranteed green bonds due 2027 guaranteed by the Company, respectively, to professional investors (as defined in Chapter 37 of the Hong Kong Listing Rules). The Issuer intends to use the net proceeds from the offering of the bonds to repay the Group's existing offshore indebtedness. The bonds are listed on the Hong Kong Stock Exchange under stock code of 84546 and 84553, respectively. For details, please refer to the announcements of the Company dated 9 August 2024 and 20 August 2024.



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## To the Board of Directors of China Communications Construction Company Limited

(Incorporated in the People's Republic of China with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 62 to 128, which comprises the interim condensed consolidated statement of financial position of China Communications Construction Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2024 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

### Ernst & Young

*Certified Public Accountants*

Hong Kong  
30 August 2024



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 Unaudited RMB million	2023 Unaudited (Restated) RMB million
Revenue	4	356,010	365,345
Cost of sales		(314,414)	(325,436)
<b>Gross profit</b>		<b>41,596</b>	39,909
Other income	4	3,046	2,730
Other (losses)/gains, net	4	(210)	439
Selling and marketing expenses		(1,399)	(973)
Administrative expenses		(18,910)	(18,365)
Impairment losses on financial and contract assets, net		(2,173)	(2,865)
Other expenses		(1,423)	(1,131)
<b>Operating profit</b>		<b>20,527</b>	19,744
Finance income	6	10,696	11,046
Finance costs, net	7	(11,649)	(11,503)
Share of profits and losses of:			
– Joint ventures		(896)	(715)
– Associates		291	218
<b>Profit before tax</b>	5	<b>18,969</b>	18,790
Income tax expense	8	(3,814)	(3,224)
<b>Profit for the period</b>		<b>15,155</b>	15,566
<b>Attributable to:</b>			
– Owners of the parent		12,022	12,413
– Non-controlling interests		3,133	3,153
		<b>15,155</b>	15,566
<b>Earnings per share attributable to ordinary equity holders of the parent</b>	10		
Basic		<b>RMB0.70</b>	RMB0.73
Diluted		<b>RMB0.70</b>	RMB0.73

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

**For the six months ended 30 June**

	<b>2024</b>	2023
	<b>Unaudited</b>	Unaudited (Restated)
	<b>RMB million</b>	RMB million
<b>Profit for the period</b>	<b>15,155</b>	15,566
<b>Other comprehensive income/(losses)</b>		
<i>Other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods, net of tax:</i>		
Actuarial loss on retirement benefit obligations, net of tax	<b>(20)</b>	(4)
Share of other comprehensive income of joint ventures and associates	<b>7</b>	2
Changes in fair value of equity investments designated at fair value through other comprehensive income/(losses), net of tax	<b>2,577</b>	(1,095)
Net other comprehensive income/(losses) that will not be reclassified to profit or loss in subsequent periods	<b>2,564</b>	(1,097)
<i>Other comprehensive (losses)/income that may be reclassified to profit or loss in subsequent periods, net of tax:</i>		
Cash flow hedges, net of tax	<b>2</b>	2
Share of other comprehensive (losses)/income of joint ventures and associates	<b>(293)</b>	6
Exchange differences on translation of foreign operations	<b>(506)</b>	1,674
Net other comprehensive (losses)/income that may be reclassified to profit or loss in subsequent periods	<b>(797)</b>	1,682
<b>Other comprehensive income for the period, net of tax</b>	<b>1,767</b>	585
<b>Total comprehensive income for the period</b>	<b>16,922</b>	16,151
<b>Attributable to:</b>		
– Owners of the parent	<b>13,791</b>	12,925
– Non-controlling interests	<b>3,131</b>	3,226
	<b>16,922</b>	16,151

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	<b>30 June 2024 Unaudited</b>	31 December 2023 Audited (Restated)
		<i>RMB million</i>	<i>RMB million</i>
<b>Non-current assets</b>			
Property, plant and equipment	11	76,795	75,124
Investment properties		10,338	9,583
Right-of-use assets		20,263	20,353
Intangible assets	12	213,952	200,563
Investments in joint ventures		59,383	59,671
Investments in associates		54,867	53,801
Financial assets at fair value through profit or loss	13	26,901	27,316
Derivative financial instruments		335	413
Debt investments at amortised cost		1,230	1,240
Equity investments designated at fair value through other comprehensive income	14	24,940	21,425
Contract assets	16	300,815	282,355
Trade and other receivables	17	273,019	236,179
Deferred tax assets		10,222	10,117
<b>Total non-current assets</b>		<b>1,073,060</b>	998,140
<b>Current assets</b>			
Inventories	15	96,511	88,021
Contract assets	16	220,247	170,257
Trade and other receivables	17	345,848	302,241
Financial assets at fair value through profit or loss	13	628	838
Restricted bank deposits and time deposits with an initial term of over three months	18	8,702	10,730
Cash and cash equivalents	18	119,852	110,252
		<b>791,788</b>	682,339
Assets of a disposal group classified as held for sale		2	3,902
<b>Total current assets</b>		<b>791,790</b>	686,241
<b>Current liabilities</b>			
Trade and other payables	19	620,847	564,402
Contract liabilities	20	69,597	73,483
Derivative financial instruments		2	5
Tax payable		6,791	9,662
Interest-bearing bank and other borrowings	21	181,670	111,912
Retirement benefit obligations		102	102
		<b>879,009</b>	759,566
Liabilities directly associated with the assets classified as held for sale		–	2,688
<b>Total current liabilities</b>		<b>879,009</b>	762,254
<b>Net current liabilities</b>		<b>(87,219)</b>	(76,013)
<b>Total assets less current liabilities</b>		<b>985,841</b>	922,127

continued/...



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		<b>30 June 2024</b>	31 December 2023
		<b>Unaudited</b>	Audited (Restated)
	<i>Notes</i>	<b>RMB million</b>	<i>RMB million</i>
<b>Total assets less current liabilities</b>		<b>985,841</b>	922,127
<b>Non-current liabilities</b>			
Trade and other payables	19	<b>58,343</b>	53,121
Interest-bearing bank and other borrowings	21	<b>445,683</b>	399,714
Deferred income		<b>1,612</b>	1,633
Deferred tax liabilities		<b>6,107</b>	4,379
Retirement benefit obligations		<b>877</b>	907
Provisions		<b>3,520</b>	3,203
Total non-current liabilities		<b>516,142</b>	462,957
<b>Net assets</b>		<b>469,699</b>	459,170
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		<b>16,279</b>	16,264
Share premium		<b>20,109</b>	20,049
Treasury shares		<b>(597)</b>	(522)
Financial instruments classified as equity		<b>35,000</b>	35,000
Reserves		<b>238,274</b>	230,961
		<b>309,065</b>	301,752
<b>Non-controlling interests</b>		<b>160,634</b>	157,418
<b>Total equity</b>		<b>469,699</b>	459,170

**Wang Tongzhou**  
Director

**Wang Haihui**  
Director

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent									
	Notes	Share capital	Share premium	Treasury shares	Financial instruments classified as equity <sup>(1)</sup>	Other reserves (note 22)	Retained earnings	Total	Non-controlling interests <sup>(2)</sup>	Total equity
		Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million
<b>As at 31 December 2023 (audited)</b>		16,264	20,049	(522)	35,000	49,721	181,222	301,734	157,390	459,124
Business combination under common control		-	-	-	-	10	8	18	28	46
<b>As at 1 January 2024 (restated)</b>		16,264	20,049	(522)	35,000	49,731	181,230	301,752	157,418	459,170
Profit for the period		-	-	-	-	-	12,022	12,022	3,133	15,155
Other comprehensive income/(losses) for the period:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		-	-	-	-	2,576	-	2,576	1	2,577
Cash flow hedges, net of tax		-	-	-	-	2	-	2	-	2
Share of other comprehensive income of joint ventures and associates		-	-	-	-	(286)	-	(286)	-	(286)
Actuarial loss on retirement benefit obligations, net of tax		-	-	-	-	(20)	-	(20)	-	(20)
Exchange differences on translation of foreign operations		-	-	-	-	(503)	-	(503)	(3)	(506)
<b>Total comprehensive income for the period</b>		-	-	-	-	1,769	12,022	13,791	3,131	16,922
Final 2023 dividend declared		-	-	-	-	-	(4,762)	(4,762)	-	(4,762)
Interest on perpetual securities		-	-	-	-	-	(1,153)	(1,153)	(118)	(1,271)
Share-based payment		-	-	-	-	122	-	122	-	122
Grant of restricted stock shares		16	67	-	-	-	-	83	-	83
Forfeited restricted stock shares		(1)	(7)	8	-	-	-	-	-	-
Restricted stock repurchase obligation		-	-	(83)	-	-	-	(83)	-	(83)
Dividends to non-controlling shareholders		-	-	-	-	-	-	-	(525)	(525)
Capital contribution from shareholders		-	-	-	-	-	-	-	593	593
Withdrawal of capital by non-controlling shareholders		-	-	-	-	-	-	-	(2,549)	(2,549)
Business combination under common control		-	-	-	-	(35)	-	(35)	35	-
Share of other reserves of joint ventures and associates		-	-	-	-	4	-	4	-	4
Issue of perpetual securities		-	-	-	-	-	-	-	9,220	9,220
Redemption of perpetual securities		-	-	-	-	-	-	-	(6,547)	(6,547)
Transaction with non-controlling interests	22	-	-	-	-	(654)	-	(654)	(24)	(678)
Transfer to general reserve	22	-	-	-	-	731	(731)	-	-	-
Transfer to safety production reserve	22	-	-	-	-	623	(623)	-	-	-
<b>As at 30 June 2024</b>		16,279	20,109	(597)	35,000	52,291*	185,983*	309,065	160,634	469,699

\* As at 30 June 2024, these reserve accounts comprise the consolidated reserves of RMB238,274 million (31 December 2023: RMB230,961 million) in the interim condensed consolidated statement of financial position.

- As of 30 June 2024, perpetual securities of RMB35,000 million (2023: RMB35,000 million) issued by the Company were classified as equity in the interim condensed consolidated financial information. During the period, interest distribution on these perpetual securities by the Company totalled RMB1,153 million.
- As of 30 June 2024, perpetual securities of RMB89,330 million (2023: RMB85,436 million) issued by subsidiaries of the Company were classified as non-controlling interests in the interim condensed consolidated financial information. During the period, interest distribution on these perpetual securities by the Group totalled RMB118 million.

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# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the parent									
	Notes	Share capital	Share premium	Treasury shares	Financial instruments classified as equity	Other reserves (note 22)	Retained earnings	Total	Non-controlling interests	Total equity
		Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million
<b>As at 31 December 2022 (audited)</b>		16,166	19,625	-	37,988	44,339	163,860	281,978	144,198	426,176
Business combination under common control		-	-	-	-	(188)	721	533	815	1,348
Effect of adoption of amendments to IAS 12		-	-	-	-	-	1	1	-	1
<b>As at 1 January 2023 (restated)</b>		16,166	19,625	-	37,988	44,151	164,582	282,512	145,013	427,525
Profit for the period(restated)		-	-	-	-	-	12,413	12,413	3,153	15,566
Other comprehensive income/(losses) for the period:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax		-	-	-	-	(1,090)	-	(1,090)	(5)	(1,095)
Cash flow hedges, net of tax		-	-	-	-	2	-	2	-	2
Share of other comprehensive loss of joint ventures and associates		-	-	-	-	8	-	8	-	8
Actuarial income on retirement benefit obligations, net of tax		-	-	-	-	(5)	-	(5)	1	(4)
Exchange differences on translation of foreign operations		-	-	-	-	1,597	-	1,597	77	1,674
<b>Total comprehensive income for the period (restated)</b>		-	-	-	-	512	12,413	12,925	3,226	16,151
Final 2022 dividend declared		-	-	-	-	-	(3,509)	(3,509)	-	(3,509)
Interest on perpetual securities		-	-	-	-	-	(1,301)	(1,301)	(1,678)	(2,979)
Share-based payment		-	-	-	-	36	-	36	-	36
Grant of restricted stock shares		98	424	-	-	-	-	522	-	522
Restricted stock repurchase obligation		-	-	(522)	-	-	-	(522)	-	(522)
Dividends to non-controlling shareholders		-	-	-	-	-	-	-	(270)	(270)
Capital contribution from shareholders		-	-	-	-	-	-	-	1,427	1,427
Withdrawal of capital by non-controlling shareholders		-	-	-	-	-	-	-	(132)	(132)
Business combination under common control		-	-	-	-	(88)	-	(88)	-	(88)
Acquisition of subsidiaries		-	-	-	-	-	-	-	99	99
Disposal of subsidiaries		-	-	-	-	-	-	-	(14)	(14)
Issue of perpetual securities		-	-	-	-	-	-	-	9,570	9,570
Redemption of perpetual securities		-	-	-	-	-	-	-	(8,256)	(8,256)
Transaction with non-controlling interests	22	-	-	-	-	(38)	-	(38)	(44)	(82)
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	22	-	-	-	-	(49)	49	-	-	-
Transfer to general reserve	22	-	-	-	-	409	(409)	-	-	-
Transfer to safety production reserve	22	-	-	-	-	946	(946)	-	-	-
<b>As at 30 June 2023 (unaudited and restated)</b>		16,264	20,049	(522)	37,988	45,879	170,879	290,537	148,941	439,478



# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June	
		2024 Unaudited RMB million	2023 Unaudited (Restated) RMB million
<b>Cash flows from operating activities</b>			
Profit before tax		<b>18,969</b>	18,790
Adjustments for:			
– Depreciation of property, plant and equipment and investment properties	5	<b>4,116</b>	4,274
– Depreciation of right-of-use assets	5	<b>827</b>	645
– Amortisation of intangible assets	5	<b>1,683</b>	1,503
– Gains on disposal of items of property, plant and equipment, intangible assets and other long-term assets	4	<b>(48)</b>	(331)
– Fair value losses on financial assets at fair value through profit or loss	4	<b>65</b>	499
– Fair value losses on derivative financial instruments	4	<b>32</b>	69
– Gains on disposal of financial assets at fair value through profit or loss	4	<b>(22)</b>	(16)
– Gains on disposal of subsidiaries	4	<b>(31)</b>	(134)
– Dividend income from financial assets at fair value through profit or loss	4	<b>(199)</b>	(113)
– Dividend income from equity investments designated at fair value through other comprehensive income	4	<b>(938)</b>	(839)
– Other income from investing activities		<b>(77)</b>	(48)
– Share of losses of joint ventures and associates		<b>605</b>	497
– Write-down/reversal of inventories to net realisable value		<b>18</b>	(6)
– Provision for impairment of financial and contract assets, net	5	<b>2,173</b>	2,865
– Interest income	6	<b>(10,696)</b>	(11,046)
– Interest expenses	7	<b>10,913</b>	10,051
– Equity-settled share-based payment		<b>122</b>	36
– Net foreign exchange gains on borrowings	7	<b>(119)</b>	419
		<b>27,393</b>	27,115
Increase in inventories		<b>(8,825)</b>	(11,659)
Decrease/(increase) in restricted bank deposits		<b>1,116</b>	(221)
Increase in contract assets, trade and other receivables		<b>(145,363)</b>	(147,352)
Increase in trade and other payables		<b>51,867</b>	69,583
(Decrease)/increase in contract liabilities		<b>(3,879)</b>	6,107
Decrease in retirement benefit obligations		<b>(30)</b>	(47)
Increase/(decrease) in provisions		<b>317</b>	(17)
Decrease in deferred income		<b>(21)</b>	(35)
Cash used in operations		<b>(77,425)</b>	(56,526)
Interest income from operating activities		<b>10,024</b>	10,893
Income tax paid		<b>(6,760)</b>	(3,949)
Net cash flows used in operating activities		<b>(74,161)</b>	(49,582)

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# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>Unaudited</b>	Unaudited
		(Restated)
<i>Notes</i>	<b>RMB million</b>	<i>RMB million</i>
<b>Cash flows from investing activities</b>		
Purchases of items of property, plant and equipment	<b>(3,365)</b>	(5,937)
Additions to right-of-use assets	<b>(25)</b>	(354)
Purchases of investment properties	<b>(648)</b>	(29)
Purchases of intangible assets	<b>(6,328)</b>	(9,653)
Proceeds from disposal of items of property, plant and equipment	<b>314</b>	156
Proceeds from disposal of right-of-use assets	<b>12</b>	271
Proceeds from disposal of investment properties	<b>15</b>	2
Proceeds from disposal of intangible assets	<b>69</b>	2
Investments in associates	<b>(855)</b>	(2,645)
Investments in joint ventures	<b>(2,595)</b>	(3,036)
Acquisition of subsidiaries	<b>(3)</b>	(396)
Asset acquisition	<b>(788)</b>	–
Disposal of subsidiaries	<b>1,145</b>	(94)
Other combination changes	<b>(7)</b>	–
Disposal of joint ventures and associates	<b>276</b>	1,161
Purchases of equity investments designated at fair value through other comprehensive income	<b>(241)</b>	(860)
Purchases of financial assets at fair value through profit or loss	<b>(10,828)</b>	(10,031)
Purchases of debt investments	<b>(20)</b>	–
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	<b>–</b>	132
Proceeds from disposal of financial assets at fair value through profit or loss	<b>11,641</b>	3,207
Loans to joint ventures, associates and third parties	<b>(7,646)</b>	(8,221)
Repayment of loans from joint ventures, associates and third parties	<b>1,344</b>	1,597
Interest received	<b>124</b>	20
Changes in time deposits with an initial term of over three months	<b>911</b>	187
Cash consideration received for concession assets	<b>1,202</b>	758
Dividends received	<b>610</b>	740
Proceeds from other investing activities	<b>78</b>	124
<b>Net cash flows used in investing activities</b>	<b>(15,608)</b>	(32,899)

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# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 Unaudited	2023 Unaudited (Restated)
Notes	RMB million	RMB million
<b>Cash flows from financing activities</b>		
Capital contribution from non-controlling shareholders	593	1,427
Withdrawal of capital contribution by non-controlling interests	(2,549)	–
Dividends paid to non-controlling shareholders	(803)	(317)
Proceeds from perpetual securities	9,220	9,570
Interest paid for perpetual securities	(1,407)	(1,475)
Redemption of perpetual securities	(6,547)	(8,256)
Proceeds from bank and other borrowings	231,205	225,219
Repayment of bank and other borrowings	(118,301)	(84,037)
Interest paid for bank and other borrowings	(11,090)	(10,695)
Transaction with non-controlling interests	(383)	(214)
Stock repurchase	(8)	–
Cash paid for business combination under common control	–	(88)
Proceeds from issue of shares	83	522
Lease payments	(808)	(832)
Net cash flows generated from financing activities	99,205	130,824
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of period	9,436	48,343
(Included held for sale-cash and cash equivalents)	18	110,406
Effect of foreign exchange rate changes, net	10	337
<b>Cash and cash equivalents at end of period</b>	18	119,852



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 1. CORPORATE AND GROUP INFORMATION

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

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

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

## 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The interim condensed consolidated financial information is presented in Renminbi (“RMB”), and all values are rounded to the nearest million except when otherwise indicated.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised IFRSs for the first time for the current period’s financial information.

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

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the revised IFRSs are described below:

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

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

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

## 3. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

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

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

Capital expenditure comprises mainly additions to property, plant and equipment (note 11), investment properties, right-of-use assets and intangible assets (note 12).



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2024 and other segment information included in the unaudited interim condensed consolidated financial information are as follows:

	For the six months ended 30 June 2024					
	Construction	Design	Dredging	Others	Eliminations	Total
	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million	Unaudited RMB million
Total gross segment revenue	318,681	17,342	26,894	11,177	(18,084)	356,010
Intersegment sales	(7,637)	(1,491)	(1,792)	(7,164)	18,084	–
<b>Revenue (note 4)</b>	<b>311,044</b>	<b>15,851</b>	<b>25,102</b>	<b>4,013</b>	<b>–</b>	<b>356,010</b>
Segment results	17,138	1,300	1,773	491	(14)	20,688
Unallocated income						(161)
Operating profit						20,527
Finance income						10,696
Finance costs, net						(11,649)
Share of profits and losses of joint ventures and associates						(605)
<b>Profit before tax</b>						<b>18,969</b>
Income tax expense						(3,814)
<b>Profit for the period</b>						<b>15,155</b>
<b>Other segment information</b>						
Depreciation	3,683	274	553	433	–	4,943
Amortisation	1,576	91	7	9	–	1,683
Impairment losses on financial and contract assets, net	1,718	313	44	98	–	2,173
Capital expenditure	11,875	533	744	790	–	13,942

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2023 and other segment information included in the unaudited interim condensed consolidated financial information are as follows:

	For the six months ended 30 June 2023					Total Unaudited RMB million
	Construction Unaudited RMB million	Design Unaudited RMB million	Dredging Unaudited RMB million	Others Unaudited RMB million	Eliminations Unaudited RMB million	
	Total gross segment revenue	327,822	19,352	26,059	9,943	
Intersegment sales	(5,670)	(2,888)	(2,052)	(7,221)	17,831	–
<b>Revenue (note 4)</b>	<b>322,152</b>	<b>16,464</b>	<b>24,007</b>	<b>2,722</b>	<b>–</b>	<b>365,345</b>
Segment results	16,516	1,663	1,228	370	(1)	19,776
Unallocated income						(32)
Operating profit						19,744
Finance income						11,046
Finance costs, net						(11,503)
Share of profits and losses of joint ventures and associates						(497)
<b>Profit before tax</b>						<b>18,790</b>
Income tax expense						(3,224)
<b>Profit for the period</b>						<b>15,566</b>
<b>Other segment information</b>						
Depreciation	3,876	228	507	308	–	4,919
Amortisation	1,451	30	20	2	–	1,503
Impairment losses on financial and contract assets, net	2,401	187	251	26	–	2,865
Capital expenditure	18,845	472	446	642	–	20,405

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

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

The segment assets and liabilities as at 30 June 2024 are as follows:

	As at 30 June 2024					Total Unaudited RMB million
	Construction Unaudited RMB million	Design Unaudited RMB million	Dredging Unaudited RMB million	Others Unaudited RMB million	Eliminations Unaudited RMB million	
Segment assets	1,399,940	78,214	142,594	146,295	(98,011)	1,669,032
Investments in joint ventures						59,383
Investments in associates						54,867
Other unallocated assets						81,568
<b>Total assets</b>						<b>1,864,850</b>
Segment liabilities	586,942	41,104	75,447	25,249	(60,780)	667,962
Unallocated liabilities						727,189
<b>Total liabilities</b>						<b>1,395,151</b>

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

	As at 31 December 2023					Total RMB million
	Construction RMB million	Design RMB million	Dredging RMB million	Others RMB million	Eliminations RMB million	
Segment assets	1,282,412	74,277	130,097	117,098	(81,085)	1,522,799
Investments in joint ventures						59,671
Investments in associates						53,801
Other unallocated assets						48,110
<b>Total assets</b>						<b>1,684,381</b>
Segment liabilities	566,716	41,151	65,426	15,327	(48,777)	639,843
Unallocated liabilities						585,368
<b>Total liabilities</b>						<b>1,225,211</b>



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 3. OPERATING SEGMENT INFORMATION (CONTINUED)

### Geographical information

#### (a) Revenue from external customers

	For the six months ended 30 June	
	2024 Unaudited RMB million	2023 Unaudited RMB million
Chinese Mainland	286,551	309,081
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	69,459	56,264
Total Revenue	356,010	365,345

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

#### (b) Non-current assets

	30 June 2024	31 December 2023
	Unaudited RMB million	Audited RMB million
Chinese Mainland	284,502	269,116
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	50,086	49,002
Total non-current assets	334,588	318,118

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

### Information about a major customer

No revenue derived from services or sales to a single customer accounted for 10% or more of the Group's revenue during the six months ended 30 June 2024 and 2023.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 4. REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

For the six months ended 30 June 2024

Segments	Construction Unaudited RMB million	Design Unaudited RMB million	Dredging Unaudited RMB million	Others Unaudited RMB million	Total Unaudited RMB million
<b>Type of goods or services</b>					
Infrastructure construction services	298,077	7,817	3,360	37	309,291
Infrastructure design services	345	7,894	322	–	8,561
Dredging and filling services	–	–	19,902	–	19,902
Others	12,622	140	1,518	3,976	18,256
<b>Total</b>	<b>311,044</b>	<b>15,851</b>	<b>25,102</b>	<b>4,013</b>	<b>356,010</b>
<b>Geographical markets</b>					
Chinese Mainland	246,181	15,079	21,343	3,948	286,551
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	64,863	772	3,759	65	69,459
<b>Total</b>	<b>311,044</b>	<b>15,851</b>	<b>25,102</b>	<b>4,013</b>	<b>356,010</b>
<b>Timing of revenue recognition</b>					
Services transferred over time	298,420	15,821	23,968	37	338,246
Services transferred at a point in time	4,248	–	–	–	4,248
Merchandise transferred at a point in time	8,376	30	1,134	3,976	13,516
<b>Total</b>	<b>311,044</b>	<b>15,851</b>	<b>25,102</b>	<b>4,013</b>	<b>356,010</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 4. REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET (CONTINUED)

### Revenue from contracts with customers (continued)

#### (i) Disaggregated revenue information (continued)

For the six months ended 30 June 2023

Segments	Construction Unaudited RMB million	Design Unaudited RMB million	Dredging Unaudited RMB million	Others Unaudited RMB million	Total Unaudited RMB million
<b>Type of goods or services</b>					
Infrastructure construction services	306,428	8,635	3,572	54	318,689
Infrastructure design services	617	7,596	270	–	8,483
Dredging and filling services	–	–	18,769	–	18,769
Others	15,107	233	1,396	2,668	19,404
<b>Total</b>	<b>322,152</b>	<b>16,464</b>	<b>24,007</b>	<b>2,722</b>	<b>365,345</b>
<b>Geographical markets</b>					
Chinese Mainland	270,032	15,542	21,070	2,437	309,081
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	52,120	922	2,937	285	56,264
<b>Total</b>	<b>322,152</b>	<b>16,464</b>	<b>24,007</b>	<b>2,722</b>	<b>365,345</b>
<b>Timing of revenue recognition</b>					
Services transferred over time	307,041	16,450	22,610	54	346,155
Services transferred at a point in time	4,504	–	–	–	4,504
Merchandise transferred at a point in time	10,607	14	1,397	2,668	14,686
<b>Total</b>	<b>322,152</b>	<b>16,464</b>	<b>24,007</b>	<b>2,722</b>	<b>365,345</b>



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 4. REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET (CONTINUED)

### Revenue from contracts with customers (continued)

#### (i) Disaggregated revenue information (continued)

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

For the six months ended 30 June 2024

Segments	Construction Unaudited <i>RMB million</i>	Design Unaudited <i>RMB million</i>	Dredging Unaudited <i>RMB million</i>	Others Unaudited <i>RMB million</i>	Total Unaudited <i>RMB million</i>
<b>Revenue from contracts with customers</b>					
External customers	311,044	15,851	25,102	4,013	356,010
Intersegment sales	7,637	1,491	1,792	7,164	18,084
Intersegment adjustments and eliminations	(7,637)	(1,491)	(1,792)	(7,164)	(18,084)
<b>Total</b>	<b>311,044</b>	<b>15,851</b>	<b>25,102</b>	<b>4,013</b>	<b>356,010</b>

For the six months ended 30 June 2023

Segments	Construction Unaudited <i>RMB million</i>	Design Unaudited <i>RMB million</i>	Dredging Unaudited <i>RMB million</i>	Others Unaudited <i>RMB million</i>	Total Unaudited <i>RMB million</i>
<b>Revenue from contracts with customers</b>					
External customers	322,152	16,464	24,007	2,722	365,345
Intersegment sales	5,670	2,888	2,052	7,221	17,831
Intersegment adjustments and eliminations	(5,670)	(2,888)	(2,052)	(7,221)	(17,831)
<b>Total</b>	<b>322,152</b>	<b>16,464</b>	<b>24,007</b>	<b>2,722</b>	<b>365,345</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 4. REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET (CONTINUED)

### Other income

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	RMB million	RMB million
Rental income	398	447
Revenue from consulting services	234	182
Dividend income from equity investments designated at fair value through other comprehensive income		
– Listed equity instruments	937	838
– Unlisted equity instruments	1	1
Government grants	167	243
Dividend income from financial assets at fair value through profit or loss	199	113
Income from sales of scraps	255	251
Others	855	655
<b>Total other income</b>	<b>3,046</b>	<b>2,730</b>

### Other (losses)/gains, net

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	RMB million	RMB million
Gains on disposal of items of property, plant and equipment	37	76
Gains on disposal of items of intangible assets and other long-term assets	11	255
Gains on disposal of subsidiaries	31	134
Fair value losses, net:		
– Financial assets at fair value through profit or loss	(65)	(499)
– Derivative financial instruments – transactions not qualifying as hedges	(32)	(69)
Foreign exchange differences, net	343	1,283
Gains on disposal of financial assets at fair value through profit or loss	22	16
Losses on derecognition of financial assets at amortised cost	(557)	(757)
<b>Total other (losses)/gains, net</b>	<b>(210)</b>	<b>439</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 5. PROFIT BEFORE TAX

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

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>Unaudited</b>	Unaudited
	<b>RMB million</b>	RMB million
Raw materials and consumables used*	<b>89,061</b>	94,703
Cost of goods sold	<b>5,449</b>	9,087
Subcontracting costs	<b>164,037</b>	167,374
Employee benefit expenses*:		
– Salaries, wages and bonuses	<b>16,890</b>	16,581
– Pension costs – defined contribution plans	<b>2,902</b>	2,536
– defined benefit plans	<b>8</b>	10
– Housing benefits	<b>1,553</b>	1,429
– Welfare, medical and other expenses	<b>8,746</b>	9,182
<b>Total</b>	<b>30,099</b>	29,738
Equipment and plant usage costs	<b>8,658</b>	7,342
Business tax and other taxes	<b>932</b>	785
Fuel and utilities	<b>3,145</b>	2,819
Research and development costs (including raw materials and consumables used, employee benefit expenses, depreciation and amortisation)	<b>9,855</b>	9,423
Maintenance costs	<b>2,030</b>	1,538
Depreciation of property, plant and equipment, investment properties and right-of-use assets*	<b>4,943</b>	4,919
Amortisation of intangible assets*	<b>1,683</b>	1,503
Impairment of financial and contract assets, net	<b>2,173</b>	2,865

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



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 6. FINANCE INCOME

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	RMB million	RMB million
Interest income from:		
– Bank deposits	542	680
– Contract assets and receivables from Public-Private-Partnership (“PPP”) contracts and primary land development contracts	6,602	6,407
– Loan receivables	2,744	2,419
– Others	808	1,540
Total	10,696	11,046

## 7. FINANCE COSTS, NET

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	RMB million	RMB million
Total interest expense	11,577	11,149
Less: Interest capitalised	664	1,098
Net interest expense	10,913	10,051
Foreign exchange difference on borrowings, net	(119)	419
Others	855	1,033
Total	11,649	11,503

### Interest capitalised

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	RMB million	RMB million
Inventories	259	81
Concession assets	279	927
Construction in progress	126	90
Total	664	1,098

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 8. INCOME TAX

Most of the companies comprising the Group are subject to the PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% (six months ended 30 June 2023: 25%) of the assessable income of each of these companies during the period as determined in accordance with the relevant PRC income tax rules and regulations, except for certain PRC subsidiaries of the Company, which were taxed at a preferential rate of 15% (six months ended 30 June 2023: 15%).

Taxation for other companies of the Group has been calculated based on the estimated assessable profit for the six months ended 30 June 2024 and 2023 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

The amount of income tax expense charged to the interim condensed consolidated statement of profit or loss represents:

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited (Restated)
	RMB million	RMB million
Current income tax		
– PRC enterprise income tax	3,063	3,011
– Others	826	365
	3,889	3,376
Deferred income tax	(75)	(152)
Total tax charge for the period	3,814	3,224

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

## 9. DIVIDENDS

A dividend in respect of the year ended 31 December 2023 of RMB0.29256 (including tax) per ordinary share totalling RMB4,762 million was approved by the Company’s shareholders in the annual general meeting on 17 June 2024. The dividend of A shares was distributed in cash on 10 July 2024, and the dividend of H shares was distributed in cash on 13 August 2024.

The above approval has triggered the mandatory clauses about the distribution of interest relating to perpetual securities issued by the Company, totalling RMB1,153 million.

The proposed interim dividend for the period is subject to the approval of the Company’s shareholders at the 2024 first extraordinary general meeting (“EGM”).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

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

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

As mentioned in note 31, the Company granted restricted shares to certain employees in 2023 and the six months ended 30 June 2024, the restricted shares had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share is equal to the basic earning per share.

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited (Restated)
Profit attributable to ordinary equity holders of the parent (RMB million)	12,022	12,413
Less: Interest on perpetual securities (RMB million) (i)	623	687
Dividends on restricted stock shares (RMB million)	32	–
	11,367	11,726
Weighted average number of ordinary shares in issue (million)	16,166	16,166
Basic earnings per share	RMB0.70	RMB0.73

- (i) The perpetual securities issued by the Company were classified as equity instruments with deferrable accumulative interest distribution and payment. Interest of RMB623 million on the perpetual securities which has been accrued but not declared from 1 January 2024 to 30 June 2024 was deducted from earnings when calculating the basic earnings per share amount for the six months ended 30 June 2024.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 11. PROPERTY, PLANT AND EQUIPMENT

	Buildings Unaudited <i>RMB million</i>	Machinery Unaudited <i>RMB million</i>	Vessels and vehicles Unaudited <i>RMB million</i>	Other equipment Unaudited <i>RMB million</i>	Construction in progress Unaudited <i>RMB million</i>	Total Unaudited <i>RMB million</i>
<b>30 June 2024</b>						
At 31 December 2023, net of accumulated depreciation and impairment	23,148	16,341	21,698	3,220	10,717	75,124
Additions	144	465	653	562	3,926	5,750
Disposal	(3)	(252)	(9)	(56)	–	(320)
Disposal of subsidiaries	–	–	(1)	–	–	(1)
Transfer	242	616	273	62	(1,193)	–
Transfer from investment properties	358	–	–	–	–	358
Transfer to investment properties	(108)	–	–	–	–	(108)
Transfer from inventories	53	2	–	–	49	104
Transfer to Intangible assets	–	–	–	–	(160)	(160)
Transfer to right-of-use asset	–	–	–	–	(15)	(15)
Depreciation provided during the period	(585)	(1,441)	(1,022)	(853)	–	(3,901)
Exchange realignment and others	7	(16)	2	(18)	(11)	(36)
At 30 June 2024, net of accumulated depreciation and impairment	23,256	15,715	21,594	2,917	13,313	76,795
At 30 June 2024						
Cost	30,717	40,565	49,057	17,349	13,461	151,149
Accumulated depreciation and impairment	(7,461)	(24,850)	(27,463)	(14,432)	(148)	(74,354)
Net carrying amount	23,256	15,715	21,594	2,917	13,313	76,795



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings RMB million	Machinery RMB million	Vessels and vehicles RMB million	Other equipment RMB million	Construction in progress RMB million	Total RMB million
<b>31 December 2023</b>						
At 31 December 2022, net of accumulated depreciation and impairment	15,820	13,106	19,087	3,100	9,615	60,728
Additions	156	2,964	1,488	1,570	9,286	15,464
Capital contribution from non-controlling shareholders	123	–	–	–	–	123
Disposals	(17)	(670)	(296)	(140)	–	(1,123)
Business combination	4,968	2,637	60	351	317	8,333
Disposal of subsidiaries	–	(8)	(2)	–	–	(10)
Transfer	2,375	1,811	2,936	218	(7,340)	–
Transfer from investment properties	101	–	–	–	–	101
Transfer from inventories	393	–	–	–	185	578
Transfer to inventories	–	–	–	–	(931)	(931)
Transfer to Intangible assets	–	–	–	–	(36)	(36)
Transfer to right-of-use assets	–	–	–	–	(13)	(13)
Transfer to investment properties	(28)	–	–	–	(233)	(261)
Transfer from right-of-use asset	–	–	444	–	–	444
Transfer to assets of a disposal group classified as held for sale	(2)	(1)	(260)	(2)	–	(265)
Depreciation provided during the year	(767)	(3,505)	(1,767)	(1,832)	–	(7,871)
Impairment	–	–	–	–	(5)	(5)
Exchange realignment and others	28	5	8	(45)	(128)	(132)
At 31 December 2023, net of accumulated depreciation and impairment	23,150	16,339	21,698	3,220	10,717	75,124
At 31 December 2023						
Cost	29,967	40,915	48,448	17,120	10,739	147,189
Accumulated depreciation and impairment	(6,817)	(24,576)	(26,750)	(13,900)	(22)	(72,065)
Net carrying amount	23,150	16,339	21,698	3,220	10,717	75,124

As at 30 June 2024, the Group was in the process of applying for the ownership certificates for certain of its properties with an aggregate carrying amount of approximately RMB2,709 million (31 December 2023: RMB2,434 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

As at 30 June 2024, certain bank and other borrowings were secured by property, plant and equipment, with a carrying amount of approximately RMB2,818 million (31 December 2023: RMB782 million) (note 27).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 12. INTANGIBLE ASSETS

	Concession assets Unaudited RMB million	Goodwill Unaudited RMB million	Trademarks, patent, proprietary technologies and copyrights Unaudited RMB million	Computer software Unaudited RMB million	Others Unaudited RMB million	Total Unaudited RMB million
<b>30 June 2024</b>						
Cost at 1 January 2024, net of accumulated amortisation and impairment	188,176	5,455	1,413	724	4,795	200,563
Additions	5,955	–	–	19	752	6,726
Transfer from property, plant and equipment	–	–	–	4	156	160
Acquisition of assets	8,401	–	–	–	–	8,401
Disposal	(64)	–	–	(5)	–	(69)
Amortisation provided during the period	(1,458)	–	(26)	(127)	(72)	(1,683)
Exchange realignment	178	(86)	–	–	–	92
Others	–	–	(236)	(2)	–	(238)
At 30 June 2024	201,188	5,369	1,151	613	5,631	213,952
At 30 June 2024						
Cost	215,681	5,665	1,482	1,951	6,126	230,905
Accumulated amortisation and impairment	(14,493)	(296)	(331)	(1,338)	(495)	(16,953)
Net carrying amount	201,188	5,369	1,151	613	5,631	213,952

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 12. INTANGIBLE ASSETS (CONTINUED)

	Concession assets <i>RMB million</i>	Goodwill <i>RMB million</i>	Trademarks, patent, proprietary technologies and copyrights <i>RMB million</i>	Computer software <i>RMB million</i>	Others <i>RMB million</i>	Total <i>RMB million</i>
<b>31 December 2023</b>						
Cost at 1 January 2023, net of accumulated amortisation and impairment	212,291	5,182	1,153	501	416	219,543
Additions	20,830	–	44	411	3,259	24,544
Business combinations	11,651	330	291	9	1,142	13,423
Transfer from property, plant and equipment	–	–	–	3	33	36
Disposal of subsidiaries	(41,655)	–	–	–	–	(41,655)
Disposal	–	–	(20)	(7)	(2)	(29)
Amortisation provided during the period	(2,963)	–	(75)	(193)	(54)	(3,285)
Impairment during the year	–	(196)	–	–	–	(196)
Exchange realignment	457	139	20	–	1	617
Others	(12,435)	–	–	–	–	(12,435)
At 31 December 2023	188,176	5,455	1,413	724	4,795	200,563
At 31 December 2023						
Cost	201,214	5,751	1,718	1,940	5,217	215,840
Accumulated amortisation and impairment	(13,038)	(296)	(305)	(1,216)	(422)	(15,277)
Net carrying amount	188,176	5,455	1,413	724	4,795	200,563

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 12. INTANGIBLE ASSETS (CONTINUED)

As at 30 June 2024, concession assets represented assets under “Build-Operate-Transfer” service concession arrangements and mainly consisted of toll roads in Chinese Mainland. Certain concession projects have been put into operations, of which the net carrying amount was RMB176,064 million (2023: RMB168,207 million). The net carrying amount of concession assets of which the related projects were under construction was RMB25,124 million (2023: RMB19,969 million).

As at 30 June 2024, the Group recognised an accumulated impairment of RMB299 million (31 December 2023: RMB299 million), provided for concession assets in the infrastructure construction segment.

As at 30 June 2024, certain bank and other borrowings were secured by concession assets, with a carrying amount of approximately RMB166,916 million (31 December 2023: RMB129,813 million) (note 21(d) and note 27).

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Listed equity investments ( <i>note a</i> )	<b>474</b>	584
Unlisted investments		
– Investments in structured entities	<b>19,003</b>	20,776
– Unlisted equity investments	<b>4,903</b>	3,763
– Future purchase option ( <i>note c</i> )	<b>2,995</b>	2,740
– Investments in assets-backed securities	–	37
– Wealth management products ( <i>note b</i> )	<b>154</b>	254
	<b>27,529</b>	28,154
Less: Non-current portion		
Unlisted investments	<b>26,901</b>	27,316
Current portion	<b>628</b>	838

- (a) The listed equity investments at 30 June 2024 were classified as financial assets at fair value through profit or loss as they were held for trading. The fair values of these investments were based on the quoted market prices at the end of the reporting period.
- (b) The above wealth management products issued by banks in Chinese Mainland are mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.
- (c) The Group purchased future purchase options to buy back equity interests in certain companies it disposed of in prior years at a discounted price. As at 30 June 2024, the fair value of the future purchase options was RMB2,995 million (31 December 2023: RMB2,740 million).



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 14. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Listed equity instruments		
– China Merchants Bank Co., Ltd.	<b>14,455</b>	11,761
– China Merchants Securities Co., Ltd.	<b>3,823</b>	3,749
– Yutong Bus Co., Ltd.	<b>1,055</b>	542
– China Everbright Bank Co., Ltd.	<b>89</b>	82
– China Development Bank Financial Leasing Co., Ltd.	<b>190</b>	194
– CECEP Environmental Protection Equipment Co., Ltd.	<b>119</b>	147
– Beijing Originwater Technology Co., Ltd.	<b>54</b>	64
– Zhongtong Bus Holding Co., Ltd.	<b>49</b>	42
– Others	<b>168</b>	149
Subtotal	<b>20,002</b>	16,730
Unlisted equity instruments		
– Lunan High Speed Railway Co., Ltd.	<b>1,267</b>	1,267
– Shandong Zilin Expressway Co., Ltd.	<b>663</b>	663
– Shandong Jiwei Expressway Co., Ltd.	<b>346</b>	346
– Beijing CEDC Ltd.	<b>372</b>	372
– Shandong Expressway Jiqing Midline Highway Co., Ltd.	<b>242</b>	242
– Hunan Bainan Expressway Construction Development Co., Ltd.	<b>403</b>	403
– Jiangsu Xitai Tunnel Co., Ltd.	<b>287</b>	287
– Shandong Expressway Linteng Highway Co., Ltd.	<b>311</b>	159
– Shandong Expressway Qilin Highway Co., Ltd.	<b>164</b>	164
– Others	<b>883</b>	792
Subtotal	<b>4,938</b>	4,695
Total	<b>24,940</b>	21,425

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the six months ended 30 June 2024, the Group received dividends in a total amount of RMB938 million, mainly including RMB804 million, RMB69 million and RMB61 million from China Merchants Bank Co., Ltd., China Merchants Securities Co., Ltd. and Yutong Bus Co., Ltd., respectively.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 15. INVENTORIES

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	<i>RMB million</i>
Raw materials	<b>18,055</b>	15,346
Work in progress	<b>1,936</b>	1,415
Properties under development	<b>56,418</b>	50,949
Completed properties held for sale	<b>18,395</b>	19,238
Finished goods	<b>1,328</b>	853
Others	<b>379</b>	220
	<b>96,511</b>	88,021

As at 30 June 2024, certain of the Group's properties under development and completed properties held for sale with an aggregate carrying amount of RMB29,299 million (31 December 2023: RMB18,199 million) were pledged to secure the Group's bank loans (note 21(d) and note 27).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 16. CONTRACT ASSETS

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
Contract assets arising from:		
Infrastructure construction	<b>488,323</b>	426,628
Infrastructure design	<b>14,998</b>	12,706
Dredging	<b>22,356</b>	17,120
Others	<b>164</b>	419
Subtotal	<b>525,841</b>	456,873
Impairment	<b>(4,779)</b>	(4,261)
Net carrying amount	<b>521,062</b>	452,612
Portion classified as non-current	<b>300,815</b>	282,355
Current portion	<b>220,247</b>	170,257

The movements in the loss allowance for impairment of contract assets are as follows:

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
At beginning of period/year	<b>4,261</b>	3,349
Impairment losses, net	<b>620</b>	1,008
Others	<b>(102)</b>	(96)
At end of period/year	<b>4,779</b>	4,261

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 17. TRADE AND OTHER RECEIVABLES

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Trade and bills receivables ( <i>note a</i> )	<b>164,276</b>	143,228
Impairment	<b>(24,745)</b>	(23,988)
Net carrying amount	<b>139,531</b>	119,240
Long-term receivables ( <i>note b</i> )	<b>364,413</b>	308,864
Impairment	<b>(10,709)</b>	(10,342)
Net carrying amount	<b>353,704</b>	298,522
Other receivables:		
Prepayments	<b>30,936</b>	33,053
Deposits ( <i>note c</i> )	<b>27,787</b>	26,700
Others	<b>74,431</b>	68,380
Subtotal	<b>133,154</b>	128,133
Impairment	<b>(7,522)</b>	(7,475)
Net carrying amount	<b>125,632</b>	120,658
Total	<b>618,867</b>	538,420
Portion classified as non-current		
Long-term receivables	<b>257,408</b>	221,715
Other receivables:		
Prepayments	<b>5,744</b>	5,982
Deposits	<b>2,371</b>	1,969
Others	<b>7,496</b>	6,513
Total non-current portion	<b>273,019</b>	236,179
Total current portion	<b>345,848</b>	302,241



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

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

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
Within 6 months	<b>79,695</b>	71,630
6 months to 1 year	<b>24,178</b>	13,188
1 year to 2 years	<b>16,213</b>	14,284
2 years to 3 years	<b>10,318</b>	11,390
Over 3 years	<b>9,127</b>	8,748
<b>Total</b>	<b>139,531</b>	119,240

The movements in provision for impairment of trade and bills receivables are as follows:

	<b>For the</b> <b>six months ended</b> <b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	Year ended 31 December 2023 Audited <i>RMB million</i>
At beginning of period/year	<b>23,988</b>	22,375
Impairment losses, net	<b>951</b>	3,268
Amount written off*	<b>(75)</b>	(1,161)
Others	<b>(119)</b>	(494)
<b>At end of period/year</b>	<b>24,745</b>	23,988

- \* As at 30 June 2024, an accumulated impairment of RMB73 million (2023: RMB616 million) was written off because the relevant trade and bills receivables were derecognised due to the arrangement of non-recourse factoring agreements, ABS, ABN, and endorsement.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 17. TRADE AND OTHER RECEIVABLES (CONTINUED)

- (b) Long-term receivables mainly represented amounts due from certain construction works with payment periods over one year.
- (c) Deposits mainly represented tender and performance bonds due from customers.
- (d) As at 30 June 2024, certain of the Group's outstanding trade and other receivables (excluding PPP projects) with a net carrying amount of approximately RMB52,255 million (31 December 2023: RMB42,288 million) were pledged to secure general banking facilities granted to the Group, and certain of the Group's outstanding trade receivables from PPP projects with a net carrying amount of approximately RMB147,555 million (31 December 2023: RMB176,508 million) have been pledged to secure bank borrowings (note 21(d) and note 27).

## 18. CASH AND BANK BALANCES

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited RMB million
Restricted bank deposits ( <i>note a</i> )	<b>6,003</b>	7,119
Time deposits with an initial term of over three months ( <i>note b</i> )	<b>2,699</b>	3,611
Subtotal	<b>8,702</b>	10,730
Cash and cash equivalents ( <i>note c</i> )	<b>119,852</b>	110,252
Total	<b>128,554</b>	120,982

- (a) As at 30 June 2024 and 31 December 2023, restricted bank deposits mainly included deposits for issuance of bank acceptance notes, performance bonds, letters of credit to customers, and mandatory reserve deposits placed with the People's Bank of China by CCCC Finance.
- (b) Time deposits with an initial term of over three months are excluded from cash and cash equivalents, as management is of the opinion that these time deposits are not readily convertible to known amounts of cash without significant risk of changes in value.
- (c) As at 31 December 2023, monetary funds in assets held for sale amounted to RMB154 million are classified as cash and cash equivalents.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 18. CASH AND BANK BALANCES (CONTINUED)

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB93,860 million (31 December 2023: RMB84,045 million). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2024, less than 3% (31 December 2023: less than 3%) of the cash and bank balances denominated in currencies other than RMB were deposited in banks in certain countries which are subject to foreign exchange control and the currencies are not freely convertible into other currencies or remitted out of those countries.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

## 19. TRADE AND OTHER PAYABLES

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Trade and bills payables ( <i>note a</i> )	<b>427,142</b>	391,835
Deposits from suppliers	<b>51,809</b>	45,775
Retentions	<b>62,317</b>	56,756
Deposits in CCCC Finance ( <i>note b</i> )	<b>14,570</b>	13,530
Other taxes	<b>40,094</b>	39,566
Payroll and social security	<b>2,662</b>	2,762
Other borrowings ( <i>note c</i> )	<b>25,293</b>	20,244
Accrued expenses and others	<b>55,303</b>	47,055
Total	<b>679,190</b>	617,523
Portion classified as non-current		
Retentions	<b>46,767</b>	43,131
Other borrowings	<b>5,384</b>	2,465
Other taxes	<b>451</b>	516
Others	<b>5,741</b>	7,009
Total non-current portion	<b>58,343</b>	53,121
Total current portion	<b>620,847</b>	564,402

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 19. TRADE AND OTHER PAYABLES (CONTINUED)

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

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
Within 1 year	<b>371,962</b>	343,362
1 year to 2 years	<b>38,182</b>	33,762
2 years to 3 years	<b>9,343</b>	6,595
Over 3 years	<b>7,655</b>	8,116
Total	<b>427,142</b>	391,835

(b) CCCC Finance, a subsidiary of the Company, accepted deposits from CCCG and fellow subsidiaries. These deposits were due within one year with an average annual interest rate of 0.8% (2023: 0.8%).

(c) As at 30 June 2024, the borrowings were secured by the Group's trade and other receivables, with interest rates ranging from 2.3% to 5.0%.

## 20. CONTRACT LIABILITIES

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
Short-term advances received from customers:		
Infrastructure construction	<b>58,748</b>	63,428
Infrastructure design	<b>5,662</b>	5,397
Dredging	<b>4,008</b>	3,973
Others	<b>1,179</b>	685
	<b>69,597</b>	73,483



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 21. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<i>Notes</i>	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited RMB million
<b>Non-current</b>			
Long-term bank borrowings			
– secured	<i>(d)</i>	<b>286,977</b>	266,124
– guaranteed	<i>(e)</i>	<b>14,155</b>	13,215
– unsecured or unguaranteed		<b>106,141</b>	88,290
Subtotal		<b>407,273</b>	367,629
Long-term other borrowings			
– secured	<i>(d)</i>	<b>186</b>	337
– guaranteed	<i>(e)</i>	<b>4,493</b>	3,993
– unsecured or unguaranteed		<b>617</b>	352
Subtotal		<b>5,296</b>	4,682
Corporate bonds		<b>19,026</b>	16,314
Non-public debt instruments		<b>12,295</b>	9,239
Lease liabilities		<b>1,793</b>	1,850
Total non-current borrowings		<b>445,683</b>	399,714
<b>Current</b>			
Current portion of long-term bank borrowings			
– secured	<i>(d)</i>	<b>32,244</b>	26,118
– guaranteed	<i>(e)</i>	<b>1,765</b>	2,134
– unsecured or unguaranteed		<b>18,332</b>	12,236
Subtotal		<b>52,341</b>	40,488
Short-term bank borrowings			
– secured	<i>(d)</i>	<b>5,902</b>	6,816
– guaranteed	<i>(e)</i>	<b>785</b>	296
– unsecured or unguaranteed		<b>73,484</b>	41,778
Subtotal		<b>80,171</b>	48,890

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 21. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	<i>Notes</i>	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited RMB million
Current portion of long-term other borrowings			
– secured	<i>(d)</i>	<b>133</b>	517
– unsecured or unguaranteed		<b>97</b>	69
<b>Subtotal</b>		<b>230</b>	586
Short-term other borrowings			
– secured	<i>(d)</i>	<b>500</b>	–
– unsecured or unguaranteed		<b>281</b>	139
<b>Subtotal</b>		<b>781</b>	139
Corporate bonds		<b>2,581</b>	6,521
Debentures		<b>34,219</b>	6,030
Non-public debt instruments		<b>10,474</b>	8,332
Lease liabilities		<b>873</b>	926
<b>Total current borrowings</b>		<b>181,670</b>	111,912
<b>Total borrowings</b>		<b>627,353</b>	511,626

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 21. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(a) The Group's borrowings (excluding lease liabilities) were repayable as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Bank borrowings		
– Within one year or on demand	<b>132,512</b>	89,378
– In the second year	<b>56,659</b>	52,241
– In the third to fifth years, inclusive	<b>111,954</b>	97,762
– Beyond five years	<b>238,660</b>	217,626
Subtotal	<b>539,785</b>	457,007
Others, excluding lease liabilities		
– Within one year or on demand	<b>48,285</b>	21,608
– In the second year	<b>6,054</b>	5,965
– In the third to fifth years, inclusive	<b>25,544</b>	20,983
– Beyond five years	<b>5,019</b>	3,287
Subtotal	<b>84,902</b>	51,843
Total	<b>624,687</b>	508,850

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 21. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) The carrying amounts of the borrowings were denominated in the following currencies:

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Renminbi	<b>594,413</b>	481,310
United States dollar	<b>23,907</b>	23,850
Euro	<b>3,186</b>	3,159
Japanese yen	<b>278</b>	37
Hong Kong dollar	<b>91</b>	91
Others	<b>5,478</b>	3,179
Total	<b>627,353</b>	511,626

(c) Borrowings of the Group, excluding corporate bonds, debentures, non-public debt instruments, and lease liabilities, bore interest at effective rates ranging from 0.89% to 8.23% (2023: 0.89% to 8.09%) per annum at the end of the reporting period, and three overseas bank borrowing bore interest at a rate of 5.62% to 18.27%(2023: 9.38% to 18.00%).

(d) As at 30 June 2024 and 31 December 2023, these borrowings were secured by the Group's property, plant and equipment (note11), right-of-use assets, concession assets and trade receivables from PPP projects(note12, note17), inventories (note 15) and trade and other receivables (excluding PPP projects) (note 17).

(e) Guaranteed borrowings were guaranteed by certain subsidiaries of the Company.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 22. OTHER RESERVES

	Capital reserve Unaudited RMB million	Statutory surplus reserve Unaudited RMB million	General reserve Unaudited RMB million	Retirement benefit obligation remeasurement reserve Unaudited RMB million	Investment revaluation reserve Unaudited RMB million	Hedging reserve Unaudited RMB million	Safety production reserve Unaudited RMB million	Exchange reserve Unaudited RMB million	Total Unaudited RMB million
<b>At 31 December 2023</b>	22,058	11,285	873	(65)	10,418	(4)	4,851	305	49,721
Business combination under common control	10	-	-	-	-	-	-	-	10
<b>At 1 January 2024</b>	22,068	11,285	873	(65)	10,418	(4)	4,851	305	49,731
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	2,576	-	-	-	2,576
Cash flow hedges, net of tax	-	-	-	-	-	2	-	-	2
Share of other comprehensive income of joint ventures and associates	-	-	-	-	(286)	-	-	-	(286)
Share of other reserves of joint ventures and associates	4	-	-	-	-	-	-	-	4
Actuarial loss on retirement benefit obligations, net of tax	-	-	-	(20)	-	-	-	-	(20)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(503)	(503)
Share-based payment	122	-	-	-	-	-	-	-	122
Business combination under common control	(35)	-	-	-	-	-	-	-	(35)
Transaction with non-controlling interests	(654)	-	-	-	-	-	-	-	(654)
Transfer to general reserve	-	-	731	-	-	-	-	-	731
Transfer to safety production reserve	-	-	-	-	-	-	623	-	623
<b>At 30 June 2024</b>	21,505	11,285	1,604	(85)	12,708	(2)	5,474	(198)	52,291

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 22. OTHER RESERVES (CONTINUED)

	Capital reserve Unaudited <i>RMB million</i>	Statutory surplus reserve Unaudited <i>RMB million</i>	General reserve Unaudited <i>RMB million</i>	Retirement benefit obligation remeasurement reserve Unaudited <i>RMB million</i>	Investment revaluation reserve Unaudited <i>RMB million</i>	Hedging reserve Unaudited <i>RMB million</i>	Safety production reserve Unaudited <i>RMB million</i>	Exchange reserve Unaudited <i>MB million</i>	Total Unaudited <i>RMB million</i>
<b>At 31 December 2022</b>	17,751	9,025	778	(64)	13,209	-	3,929	(289)	44,339
Business combination under common control	(195)	-	-	-	7	-	-	-	(188)
<b>At 1 January 2023</b>	17,556	9,025	778	(64)	13,216	-	3,929	(289)	44,151
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	(1,090)	-	-	-	(1,090)
Cash flow hedges, net of tax	-	-	-	-	-	2	-	-	2
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	8	-	-	-	8
Actuarial loss on retirement benefit obligations, net of tax	-	-	-	(5)	-	-	-	-	(5)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	1,597	1,597
Share-based payment	36	-	-	-	-	-	-	-	36
Business combination under common control	(88)	-	-	-	-	-	-	-	(88)
Transaction with non-controlling interests	(38)	-	-	-	-	-	-	-	(38)
Transfer to general reserve	-	-	409	-	-	-	-	-	409
Transfer to safety production reserve	-	-	-	-	-	-	946	-	946
Transfer of fair value reserve upon the disposal of equity investments designated at fair value through other comprehensive income	-	-	-	-	(49)	-	-	-	(49)
<b>At 30 June 2023</b>	17,466	9,025	1,187	(69)	12,085	2	4,875	1,308	45,879

## 23. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEE COMMITMENT

### (i) Claims

- (a) The Group has been named as defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account the legal advice. No provision has been made for those pending lawsuits with a maximum compensation amount of RMB4,151 million (31 December 2023: RMB2,894 million) related mainly to disputes with customers and subcontractors, as the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. Pending lawsuits of which the probability of loss is remote or the claim amount is insignificant to the Group were not included in the above.

### (ii) Loan guarantees

- (a) As at 30 June 2024, the Group has acted as the guarantor for several borrowings of RMB3,504 million (31 December 2023: RMB3,714 million) made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the loan guarantee.
- (b) The Group provides guarantees to banks for the mortgage loans of the property buyers in certain real estate projects. As at 30 June 2024, the outstanding balance of guarantees provided by the Group was approximately RMB4,633 million (31 December 2023: RMB4,462 million).

### (iii) Liquidity support

- (a) The Group has entered into certain agreements with financial institutions to set up asset-backed securities (ABS) and asset-backed notes (ABN) arrangements. As at 30 June 2024, out of the ABS and ABN in issue with an aggregate amount of RMB62,803 million (31 December 2023: RMB72,543 million), RMB58,236 million (31 December 2023: RMB67,089 million) had been issued to preferential investors. Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return to preferential investors at the due date is not sufficient.

As of 30 June 2024, no provision has been made for the above liquidity supports as management estimates the outflow of resources is not probable.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 24. BUSINESS COMBINATIONS

### (a) Acquisition of a subsidiary not under common control

In January 2024, the Group obtained control over Shenzhen Taixi Investment Development Co., Ltd. at a total consideration of RMB3 million. The Group has elected to measure the non-controlling interests in such company at the non-controlling interests' proportionate share of identifiable net assets of such company. Taking into account the cash and cash equivalents held by the Company at the acquisition date, the Group's net outflow of cash and cash equivalents included in cash flows from investing activities is RMB3 million.

Since the acquisition, the acquiree contributed nil to the Group's revenue and nil to the Group's profit for the period ended 30 June 2024.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period ended 30 June 2024 would have been RMB356,010 million and RMB15,155 million, respectively.

### (b) Acquisition of a subsidiary under common control

China Communications (Xiamen) E-commerce Co., Ltd. ("China Communications E-commerce") is a subsidiary of China Communications Information Technology Group Co., Ltd., which is also controlled by CCCG. During the six months ended 30 June 2024, CCCG Materials Co., Ltd., a subsidiary of the Company, increased capital to China Communications E-commerce at a consideration of RMB113,180,798. Upon completion of the transaction, the Group held 57% equity interest in China Communications E-commerce and obtained control over it.

Since China Communications E-commerce and the Group are both under common control of CCCG before and after the acquisition, the acquisition is accounted for as merger accounting, i.e., the assets and liabilities of China Communications E-commerce are consolidated by the Group using the existing book values from the CCCG's perspective, as if the current group structure had been in existence throughout the periods presented, with the difference between the book value of the net assets of China Communications E-commerce and the consideration directly credited to equity. The comparative figures of the consolidated financial statements have also been restated as a result of the merger accounting.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 24. BUSINESS COMBINATIONS (CONTINUED)

### (b) Acquisition of a subsidiary under common control (continued)

The carrying amount of China Communications E-commerce's assets and liabilities as at the merger date and 31 December 2023 were as follows:

	<b>Merger date Book value RMB million</b>	31 December 2023 Book value RMB million
Non-current assets	<b>39</b>	37
Current assets	<b>438</b>	146
Current liabilities	<b>(297)</b>	(118)
Non-current liabilities	<b>–</b>	–
Net assets	<b>180</b>	65
Non controlling interest	<b>64</b>	
Difference directly credited to equity	<b>3</b>	
Consideration	<b>113</b>	

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 24. BUSINESS COMBINATIONS (CONTINUED)

### (c) Asset acquisition

During the six months ended 30 June 2024, the Group acquired the majority shareholdings previously held by third parties in Guizhou Zhongjiao Guiweng Expressway Co., Ltd. (“Guiweng”) at a total cash consideration of RMB844 million and obtained control over the company. On an acquisition-by-acquisition basis, the Group determined that the acquisition to be asset acquisition instead of business acquisition since substantially all of the fair value of the gross assets acquired is concentrated on a single identifiable asset of the acquired company.

The financial information of the relevant assets at the time of acquisition is listed as follows:

	<b>For the six months ended 30 June 2024 RMB million</b>
Intangible assets	8,401
Other assets	429
Total liabilities	<b>(6,607)</b>
Fair value of identifiable net assets on acquisition date	<b>2,223</b>
Consideration	<b>2,223</b>
Satisfied by cash	<b>844</b>
Book value of the equity interests previously held by the Group	<b>1,379</b>

An analysis of the cash flows in respect of the asset acquisition is as follows:

Cash paid for asset acquisition	<b>844</b>
Cash and bank balances of assets acquired	<b>56</b>
Net outflow of cash and cash equivalents in respect of asset acquisition	<b>788</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 25. DISPOSAL OF SUBSIDIARIES

- (a) The subsidiaries of the Company disposed of Ningxia Jiaotou Survey and Design Institute Co., Ltd., China Communications (Yantai) Environmental Dredging Co., Ltd., and China Communications (Baize) North Ring Expressway Investment and Construction Co., Ltd., at a total consideration of RMB1,460 million. Upon completion of these transactions, the Group no longer has control over these companies.
- (b) The financial information of the subsidiary mentioned above disposed of by the Group during the period and as at the date of disposal, is as follows:

	<b>As at the date of disposal Total Unaudited RMB million</b>
Non-current assets	4,635
Current assets	4,326
Current liabilities	(3,573)
Non-current liabilities	(3,855)
	1,533
Non-controlling interests	–
	1,533
Gains on disposal of a subsidiary	31
Total consideration	1,564

An analysis of the cash flows in respect of the disposal of a subsidiary is as follows:

	<b>Total Unaudited RMB million</b>
Cash received from disposal of the subsidiary in the current period	2
Cash and bank balances of the subsidiary disposed of	(154)
Cash received from disposal of subsidiaries in prior years	1,297
Net outflow of cash and cash equivalents in respect of the disposal of the subsidiary	1,145

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 25. DISPOSAL OF SUBSIDIARIES (CONTINUED)

- (c) During the six months ended 30 June 2024, the Company's subsidiary, Beijing North Huade Neoplan Bus Co., Ltd. ("Huade Neoplan Company"), went into bankruptcy liquidation due to its inability to pay off maturing debts and apparent lack of solvency, and was transferred to the administrator, Beijing Jintai Law Firm. As at the transfer date, the assets of Huade Neoplan Company were RMB116 million, liabilities were RMB900 million, and net liabilities were RMB784 million. Cash and cash equivalents of transferred assets were RMB7 million.

## 26. COMMITMENTS

### (i) Capital expenditure commitments

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

	<b>30 June 2024</b> <b>Unaudited</b> <i>RMB million</i>	31 December 2023 Audited <i>RMB million</i>
Intangible assets – concession assets	<b>52,340</b>	51,388
Property, plant and equipment	<b>1,357</b>	1,713
Others	<b>958</b>	–
Total	<b>54,655</b>	53,101

### (ii) Other commitment

In accordance with the financial services framework agreement between CCCC Finance and CCCG, CCCC Finance provides financial services to CCCG and its subsidiaries. In 2024, the maximum daily balance of loan services under the deposit services and loan services framework agreement is RMB43,617 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement is RMB7,014 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement is RMB1,946 million.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 27. PLEDGE OF ASSETS

- (a) As at 30 June 2024, the restricted deposits were RMB6,003 million (31 December 2023: RMB7,119 million).
- (b) Details of the Group's assets secured for interest-bearing bank and other borrowings are as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
Property, plant and equipment ( <i>note 11</i> )	<b>2,818</b>	782
Right-of-use assets	<b>8,968</b>	9,015
Concession assets and trade receivables from PPP projects ( <i>note 12, note 17</i> )	<b>314,470</b>	306,321
Inventories ( <i>note 15</i> )	<b>29,299</b>	18,199
Contract assets and trade and other receivables (excluding PPP projects) ( <i>note 17</i> )	<b>52,255</b>	42,288
Total	<b>407,810</b>	376,605

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 28. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2024 Unaudited RMB million	2023 Unaudited RMB million
<b>Transactions with CCCG</b>		
- Revenue from the provision of construction services and construction-related services	2,100	728
- Rental income	1	1
- Rental charges	145	148
- Interest expenses on deposits placed in CCCC Finance	2	21
- Loans to CCCG by CCCC Finance	1,000	3,000
- Interest income from loans provided by CCCC Finance	32	29
- Other borrowings from CCCG	5,096	3,034
<b>Transactions with fellow subsidiaries</b>		
- Revenue from the provision of construction services and construction-related services	3,635	5,304
- Revenue from the sale of goods	355	969
- Rental income	27	4
- Rental charges	1	-
- Interest expenses on deposits placed in CCCC Finance	70	26
- Purchase of goods and property, plant and equipment	806	1,578
- Subcontracting and service charges	1,047	880
- Loans to fellow subsidiaries by CCCC Finance	1,240	415
- Interest income from loans provided by CCCC Finance	31	6
- Factoring to fellow subsidiaries	377	372
- Interest income from factoring	10	16
- Finance lease loans to fellow subsidiaries	550	380
- Interest income from finance lease loans	33	35
- Interest expenses on loans	2	-

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) The Group had the following transactions with related parties during the period: (continued)

	For the six months ended 30 June	
	2024 Unaudited RMB million	2023 Unaudited RMB million
<b>Transactions with fellow subsidiaries' joint ventures and associates</b>		
- Revenue from the provision of construction services and construction-related services	200	167
- Factoring to fellow subsidiaries' joint ventures and associates	-	80
- Interest income from factoring	-	4
- Finance lease loans to fellow subsidiaries' joint ventures and associates	550	-
- Interest income from finance lease loans	-	3
<b>Transactions with joint ventures and associates</b>		
- Revenue from the provision of construction services and construction-related services	21,581	28,739
- Revenue from the sale of goods	43	263
- Subcontracting and service charges	416	1,701
- Rental income	46	2
- Interest expenses on deposits placed in CCCC Finance	18	11
- Loans from joint ventures and associates	2,709	2,110
- Interest expenses on loans	3	5
- Loans to joint ventures and associates	1,877	2,767
- Interest income from other loans	300	151
- Interest income from loans by CCCC Finance	-	3
- Factoring to joint ventures and associates	160	131
- Interest income from factoring	10	14
- Interest income from finance lease loans	64	66
- Purchase of materials	85	-

These transactions were carried out by reference to the prices and terms that would be available to third parties in the ordinary course of business.

Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC") is an associate and also a fellow subsidiary of the Company. The transaction with ZPMC and its subsidiaries for the six months ended 30 June 2024 and 30 June 2023, and the outstanding balances with ZPMC and its subsidiaries as at 30 June 2024 and 31 December 2023 were included in the category of transactions and balances with fellow subsidiaries.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Outstanding balances with related parties

Balances with related parties other than government-related entities:

	<b>30 June 2024</b>	31 December 2023
	<b>Unaudited</b>	Audited
	<b>RMB million</b>	RMB million
<b>Trade and bills receivables due from</b>		
– CCCG	1,611	478
– Fellow subsidiaries	2,625	2,716
– Joint ventures and associates	9,405	7,894
– Fellow subsidiaries' joint ventures	31	47
Subtotal	13,672	11,135
<b>Long-term trade receivables due from</b>		
– CCCG	2,403	2,030
– Fellow subsidiaries	6,054	6,273
– Joint ventures and associates	26,355	20,805
– Fellow subsidiaries' joint ventures	181	200
Subtotal	34,993	29,308
<b>Prepayments to</b>		
– Fellow subsidiaries	321	256
– Joint ventures and associates	703	615
– Fellow subsidiaries' joint ventures	2	4
Subtotal	1,026	875
<b>Other receivables due from</b>		
– CCCG	1,556	3,541
– Fellow subsidiaries	4,219	3,167
– Joint ventures and associates	9,749	11,033
– Fellow subsidiaries' joint ventures	8	8
Subtotal	15,532	17,749
<b>Contract assets</b>		
– CCCG	328	203
– Fellow subsidiaries	2,538	2,008
– Joint ventures and associates	5,936	5,764
– Fellow subsidiaries' joint ventures	28	61
Subtotal	8,830	8,036
<b>Total</b>	<b>74,053</b>	<b>67,103</b>



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Outstanding balances with related parties (continued)

Balances with related parties other than government-related entities: (continued)

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited RMB million
<b>Trade and bills payables due to</b>		
– CCCG	1	–
– Fellow subsidiaries	3,431	4,221
– Joint ventures and associates	653	1,757
– Fellow subsidiaries' joint ventures	7	24
Subtotal	<b>4,092</b>	6,002
<b>Long-term trade payables due to</b>		
– Fellow subsidiaries	2,718	2,715
– Joint ventures and associates	291	364
– Fellow subsidiaries' joint ventures	–	7
Subtotal	<b>3,009</b>	3,086
<b>Contract liabilities</b>		
– CCCG	413	81
– Fellow subsidiaries	483	521
– Joint ventures and associates	5,650	6,093
– Fellow subsidiaries' joint ventures	36	36
Subtotal	<b>6,582</b>	6,731
<b>Other payables</b>		
– CCCG	8,861	1,713
– Fellow subsidiaries	11,853	10,184
– Joint ventures and associates	4,354	8,371
Subtotal	<b>25,068</b>	20,268
<b>Lease liabilities</b>		
– Fellow subsidiaries	16	–
– Joint ventures and associates	2	–
Subtotal	<b>18</b>	–
Total	<b>38,769</b>	36,087

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### (c) Guarantees with related parties

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
<b>Outstanding loan guarantees provided to</b>		
– Joint ventures	1,749	1,952
– Associates	1,755	1,762
Total	3,504	3,714
<b>Outstanding loan guarantees provided by CCCG</b>	9,204	9,102

### (d) Commitments with related parties

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited <i>RMB million</i>
<b>Provision of construction services</b>		
– CCCG	5,999	5,909
– Fellow subsidiaries	15,696	16,010
– Joint ventures and associates	85,672	83,389
– Fellow subsidiaries' joint ventures	1,741	489
Total	109,108	105,797
<b>Purchase of services</b>		
– Fellow subsidiaries	9,726	4,136
– Joint ventures and associates	1,042	1,196
Total	10,768	5,332

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### (e) Key management compensation

	For the six months ended 30 June	
	2024	2023
	Unaudited	Unaudited
	RMB'000	RMB'000
Short-term employee benefits	6,752	5,470
Post-employment benefits	560	377
Total	7,312	5,847

During the period, in addition to the management compensation listed above, the fair value amortization of the restricted shares granted to key management amounted to RMB1,709,000 (30 June 2023: RMB376,000).

### (f) Equity transactions with related parties

During the six months ended 30 June 2024, the Group contributed RMB792 million in total to share capitals of companies set up together with fellow subsidiaries of CCCG.

### (g) Other transactions with related parties

- (i) In 2024, the Group obtained control over China Communications E-commerce through a capital increase.
- (ii) In 2024, the Group acquired the majority shareholdings previously held by third parties in Guiweng, a joint venture of the Group, at a total cash consideration of RMB844 million and obtained control over the company.
- (iii) As of 30 June 2024, CCCC Finance, a subsidiary of the Company, provided migrant workers' wage guarantees, advance payment guarantees and performance guarantees to related parties in the amount of RMB977 million (31 December 2023: RMB1,923 million).
- (iv) In accordance with the financial services framework agreement between CCCC Finance and CCCG, in 2024, CCCC Finance provides financial services to CCCG and its subsidiaries: the maximum daily balance of loan services under the deposit services and loan services framework agreement is RMB43,617 million, the maximum daily balance of guarantee letter services under the guarantee letter services framework agreement is RMB7,014 million, and the maximum daily balance of bills issuance services and bonds subscription under the other credit services framework agreement is RMB1,946 million.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### (g) Other transactions with related parties (continued)

- (v) As of 30 June 2024, the outstanding balances of the bond investments in China Communications Real Estate Group Co., Ltd., held by CCCC Finance was RMB600 million and during the period, the interest of RMB14 million was accrued and recovered.
- (vi) During the period, the Group signed agreements with ZPMC and CCGG Overseas Real Estate Pte. Ltd. to acquire 25.79% equity interest in CCCC South America Regional Company S.à.r.l.\* (中國交建南部美洲區域公司), a subsidiary of CCGG, at a consideration of RMB288 million. Upon completion of the transaction, the Group held 100% equity interest in CCCC South America Regional Company S.à.r.l.
- (vii) During the period, the Company's subsidiaries, CCCC Fourth Harbour Engineering Co., Ltd., CCCC Haosheng City Construction Development Co., Ltd.\* (中交豪生城市建設發展有限公司), CCCC East China Investment Limited\* (中交華東投資有限公司), CCCC Investment Co., Ltd. and CCGG Real Estate Corporation Limited\* (中交地產股份有限公司), intended to reduce the capital of CCCC Huachuang Real Estate (Suzhou) Co., Ltd.\* (中交華創地產(蘇州)有限公司) by a total of RMB750 million in the proportion of 10%:10%:10%:10%:60%. The transaction was completed in July 2024.
- (viii) China Harbour Engineering Co., Ltd., a subsidiary of the Company, intends to jointly establish a project company in Botswana with China International Water & Electric Corp. and a local partner in Botswana in the proportion of 55%:30%:15% to invest in the construction and operation of the 100MW photovoltaic power station project in Jwaneng, Botswana. China Harbour Engineering Co., Ltd. holds a 55% equity interest in the project, with a capital contribution in cash of approximately US\$11 million (equivalent to approximately RMB78 million), involving a one-off connected transaction amounting to approximately US\$11 million. The above transaction has not yet been completed as at the date of approval of this interim condensed consolidated financial information.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

30 June 2024

### Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total Unaudited RMB million
	Debt investments Unaudited RMB million	Equity investments Unaudited RMB million	Held for trading Unaudited RMB million	Unaudited RMB million	
Financial assets at fair value through profit or loss	-	-	27,529	-	27,529
Equity investments designated at fair value through other comprehensive income	-	24,940	-	-	24,940
Derivative financial instruments	-	-	335	-	335
Debt investments at amortised cost	-	-	-	1,230	1,230
Trade and other receivables excluding prepayments and other non-financial assets	772	-	-	587,159	587,931
Cash and bank balances	-	-	-	128,554	128,554
<b>Total</b>	<b>772</b>	<b>24,940</b>	<b>27,864</b>	<b>716,943</b>	<b>770,519</b>

### Financial liabilities

	Financial liabilities at fair value through profit or loss Unaudited RMB million	Financial liabilities at amortised cost Unaudited RMB million	Total Unaudited RMB million
Borrowings (excluding lease liabilities)	-	649,980	649,980
Derivative financial instruments	2	-	2
Trade and bills payables (note 19)	-	427,142	427,142
Deposits from suppliers (note 19)	-	51,809	51,809
Retentions (note 19)	-	62,317	62,317
Deposits in CCCC Finance (note 19)	-	14,570	14,570
Financial liabilities included in other payables and accruals	-	55,171	55,171
<b>Total</b>	<b>2</b>	<b>1,260,989</b>	<b>1,260,991</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 29. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

31 December 2023

### Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Debt investments	Equity investments	Held for trading		
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Financial assets at fair value through profit or loss	-	-	28,154	-	28,154
Equity investments designated at fair value through other comprehensive income	-	21,425	-	-	21,425
Derivative financial instruments	-	-	413	-	413
Debt investments at amortised cost	-	-	-	1,240	1,240
Trade and other receivables excluding prepayments and other non-financial assets	961	-	-	504,406	505,367
Cash and bank balances	-	-	-	120,982	120,982
<b>Total</b>	<b>961</b>	<b>21,425</b>	<b>28,567</b>	<b>626,628</b>	<b>677,581</b>

### Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	<i>RMB million</i>	<i>RMB million</i>	
Borrowings (excluding lease liabilities)	-	529,094	529,094
Derivative financial instruments	5	-	5
Trade and bills payables ( <i>note 19</i> )	-	391,835	391,835
Deposits from suppliers ( <i>note 19</i> )	-	45,775	45,775
Retentions ( <i>note 19</i> )	-	56,756	56,756
Deposits in CCCC Finance ( <i>note 19</i> )	-	13,530	13,530
Financial liabilities included in other payables and accruals	-	46,011	46,011
<b>Total</b>	<b>5</b>	<b>1,083,001</b>	<b>1,083,006</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than lease liabilities and those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2024 Unaudited RMB million	31 December 2023 Audited RMB million	30 June 2024 Unaudited RMB million	31 December 2023 Audited RMB million
<b>Financial liabilities</b>				
Non-current				
Bank borrowings	407,273	367,629	407,208	367,564
Corporate bonds	19,026	16,314	19,028	16,419
Non-public debt instruments	12,295	9,239	11,758	8,903
Other borrowings (other than lease liabilities)	5,296	4,682	5,391	4,719
<b>Total</b>	<b>443,890</b>	<b>397,864</b>	<b>443,385</b>	<b>397,605</b>

Management has assessed that the fair values of cash and bank balances, financial assets included in trade and other receivables, and financial liabilities included in trade and other payables approximate to their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings (excluding lease liabilities) have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings (excluding lease liabilities) as at 30 June 2024 and 31 December 2023 was assessed to be insignificant.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation techniques. The valuation models used mainly comprise the discounted cash flow model and the market comparable corporate model. The inputs of the valuation technique mainly include future cash flow, PBR (price/book ratio) of companies in same category and unit prices of comparable property.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with high credit ratings. Derivative financial instruments, including forward currency contracts, interest rate swaps and total return swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts, interest rate swaps and total return swaps are the same as their fair values.

As at 30 June 2024, the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value measurement categorised within level 3 adopts the discounted cash flow method. The unobservable inputs are weighted average capital costs and long-term growth rates.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments have been estimated by the most appropriate valuation techniques based on assumptions that are not supported by observable market prices or rates, including: (i) market approach by using initial cost of the investment itself or a multiple of earnings, or of revenue depending on the stage of development of an enterprise; and (ii) income approach by using the discounted cash flows or earnings of underlying business based on reasonable assumptions and estimations of expected future cash flows (or expected future earnings), the terminal value, and the appropriate risk-adjusted rate that captures the risk inherent in the projections.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by financial institutions in Chinese Mainland. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### Assets and liabilities measured at fair value:

As at 30 June 2024

	Fair value measurement using			Total Unaudited RMB million
	Quoted prices in active markets (Level 1) Unaudited RMB million	Significant observable inputs (Level 2) Unaudited RMB million	Significant unobservable inputs (Level 3) Unaudited RMB million	
<b>Assets</b>				
Bills receivable	–	772	–	772
Equity investments designated at fair value through other comprehensive income	20,002	–	4,938	24,940
Financial assets at fair value through profit or loss	628	175	26,726	27,529
Derivative financial instruments				
– Foreign exchange option	–	–	335	335
<b>Total</b>	<b>20,630</b>	<b>947</b>	<b>31,999</b>	<b>53,576</b>
<b>Liabilities</b>				
Derivative financial instruments				
– Forward currency contracts	–	2	–	2

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments: (continued)

#### Assets and liabilities measured at fair value: (continued)

As at 31 December 2023

	Fair value measurement using			Total <i>RMB million</i>
	Quoted prices in active markets (Level 1) <i>RMB million</i>	Significant observable inputs (Level 2) <i>RMB million</i>	Significant unobservable inputs (Level 3) <i>RMB million</i>	
<b>Assets</b>				
Bills receivable	–	961	–	961
Equity investments designated at fair value through other comprehensive income	16,730	–	4,695	21,425
Financial assets at fair value through profit or loss	838	129	27,187	28,154
Derivative financial instruments				
– Interest rate swap	–	48	–	48
– Foreign exchange option	–	–	365	365
Total	17,568	1,138	32,247	50,953
<b>Liabilities</b>				
Derivative financial instruments				
– Forward currency contracts	–	5	–	5

The movements in fair value measurements within Level 3 during the period are as follows:

	For the six months ended 30 June	
	2024 Unaudited <i>RMB million</i>	2023 Unaudited <i>RMB million</i>
At 1 January	32,247	25,496
Total losses recognised in the statement of profit or loss included in other gains	(96)	(555)
Total gains recognised in other comprehensive income	3	–
Purchases	2,797	3,877
Disposal	(2,952)	(33)
At 30 June	31,999	28,785

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 30. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 30 June 2024

	Fair value measurement using		Total Unaudited RMB million
	Quoted prices in active markets (Level 1) Unaudited RMB million	Significant observable inputs (Level 2) Unaudited RMB million	
Bank borrowings	–	407,208	407,208
Corporate bonds	4,000	15,028	19,028
Non-public debt instruments	–	11,758	11,758
Other borrowings (other than lease liabilities)	–	5,391	5,391
<b>Total</b>	<b>4,000</b>	<b>439,385</b>	<b>443,385</b>

As at 31 December 2023

	Fair value measurement using		Total RMB million
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	
Bank borrowings	–	367,564	367,564
Corporate bonds	4,000	12,419	16,419
Non-public debt instruments	–	8,903	8,903
Other borrowings (other than lease liabilities)	–	4,719	4,719
<b>Total</b>	<b>4,000</b>	<b>393,605</b>	<b>397,605</b>

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 31. SHARE-BASED PAYMENT

On 27 April 2023, the Company's general meeting of shareholders approved the 2022 Restricted Stock Incentive Scheme (the "Scheme"). Subsequently, the Company approved the first grant under the Scheme, 97,950,000 restricted shares were granted to employees of the Group. On 5 June 2023, the Company completed the registration of the 97,950,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

On 26 January 2024, the Board of Directors of the Company approved the reserved grant under the Scheme. 16,700,000 restricted stock shares were granted to employees of the Group. On 21 February 2024, the Company completed the registration of the 16,450,000 restricted shares granted under the Scheme at the Shanghai branch of China Securities Depository and Clearing Co., Ltd.

The offer of the first grant and reserved grant of each incentive share was accepted upon payment of RMB5.33 and RMB5.06 for each incentive share by the grantee. The unlocking dates of the incentive shares are the first trading day after 24 months, 36 months and 48 months from the date of share registration. Upon meeting the performance conditions stipulated in the Scheme, 34%, 33% and 33% of the incentive shares shall be unlocked respectively.

Both of the first grant and reserved grant are share-based payment of equity-settled transactions. The fair value of the shares granted was valued by reference to the market prices of the Company's shares at the grant date. The fair value of the restricted shares granted during the period was RMB629 million (RMB: 6.42 each) and RMB57 million (RMB: 3.45 each) on the first and reserved grant date, of which the Group recognised a share-based payment expense of RMB122 million (six months ended 30 June 2023: RMB36 million) during the six months ended 30 June 2024.

For the six months ended 30 June 2024 (Unaudited)

<b>Date of grant</b> <i>(based on IFRS 2)</i>	<b>As at 1 January 2024</b> <i>(number of shares)</i>	<b>Granted during the period</b> <i>(number of shares)</i>	<b>Forfeited during the period</b> <i>(number of shares)</i>	<b>Exercisable as at the end of period</b> <i>(number of shares)</i>
27 April 2023	96,950,000	–	(1,500,000)	95,450,000
26 January 2024	–	16,700,000	(250,000)	16,450,000

For the six months ended 30 June 2023 (Unaudited)

<b>Date of grant</b> <i>(based on IFRS 2)</i>	<b>As at 1 January 2023</b> <i>(number of shares)</i>	<b>Granted during the period</b> <i>(number of shares)</i>	<b>Forfeited during the period</b> <i>(number of shares)</i>	<b>Exercisable as at the end of period</b> <i>(number of shares)</i>
27 April 2023	97,950,000	–	–	97,950,000



# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 32. CAPITAL RISK MANAGEMENT

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

	<b>30 June 2024</b> <b>Unaudited</b> <b>RMB million</b>	31 December 2023 Audited RMB million
Total borrowings (note 21)	<b>627,353</b>	511,626
Less: Cash and cash equivalents (note 18)	<b>119,852</b>	110,406
Net debt	<b>507,501</b>	401,220
Total equity	<b>469,699</b>	459,170
Total capital	<b>977,200</b>	860,390
Gearing ratio	<b>51.9%</b>	46.6%

The gearing ratio as at 30 June 2024 increased by 5.3% compared with that at the end of 2023.

# NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

## 33. EVENTS AFTER THE REPORTING PERIOD

On 30 August 2024, the board of directors of the Company has proposed a interim dividend totalling approximately RMB2,280 million is to be distributed to shareholders, subject to approval by the Shareholders at the forthcoming EGM. Such interim dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

In June 2022, the Company's joint venture, Sanya Phoenix Island International Cruise Terminal Development Co., Ltd.\* (三亞鳳凰島國際郵輪港發展有限公司), entered into a bankruptcy reorganisation procedure due to its inability to repay due debts and insolvency. In December 2022, the Intermediate People's Court of Sanya, Hainan Province ruled that Sanya Phoenix Island International Cruise Terminal Development Co., Ltd. and its subsidiaries Sanya Phoenix Island Development Co., Ltd.\* (三亞鳳凰島發展有限公司) and Sanya Phoenix Island Real Estate Co., Ltd.\* (三亞鳳凰島置業有限公司) should be substantially merged and reorganised. On 18 January 2024, the Intermediate People's Court of Sanya, Hainan Province ruled to approve the substantial merger and reorganisation plan of the Sanya Phoenix Island International Cruise Terminal Development Co., Ltd., and its subsidiaries (the "Reorganisation Plan"). According to the Reorganization Plan, the restructuring entity will transfer all assets, business, personnel, debts remaining to be settled included in the scope of audit and valuation to the newly established new cruise terminal company, and the new cruise terminal company's equity interests will be used for sale and setting debts to investors, in order to pay for the reorganization costs and pay all kinds of debts. The Company's unsecured claims to the restructuring entity will be converted into the equity of the new cruise terminal company, and it will be served as capital injection into the new cruise terminal company by the Company as a restructuring investor. As of the date of approval of this interim condensed consolidated financial information, the Reorganisation Plan is still in the process of implementation.

On 8 August 2024 and 19 August 2024, CCCI Treasure Limited, a subsidiary of the Company, has completed the issuance of three-year guaranteed green bonds guaranteed by the Company with principal amounts of RMB21 billion (with interest rate of 2.90% per annual) and RMB28 billion (with interest rate of 2.88% per annual), respectively. And the bonds were listed on the Stock Exchange of Hong Kong Limited on 9 August 2024 and 20 August 2024 respectively.

## 34. COMPARATIVE AMOUNTS

Due to the acquisition of a subsidiary under common control as mentioned in note 24(b), the comparative information has been restated.

## 35. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 was approved for issue by the Board of Directors on 30 August 2024.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

Pursuant to the authorization from the 2023 second extraordinary general meeting, the 2023 first class meeting for A Shareholders and the 2023 first class meeting for H Shareholders held on 27 April 2023, on 24 April 2024, the Company resolved to repurchase a total of 1,500,000 Restricted A Shares granted but not yet unlocked from 8 Participants and cancel the same in accordance with the 2022 Incentive Scheme and relevant laws and regulations with a total of consideration at approximately RMB8 million. Among which, 7 Participants were transferred from the Company and ceased to take office in the Company due to organizational arrangements, or became disqualified for the 2022 Incentive Scheme due to change of position, their repurchase price was the grant price of RMB5.33 per Share plus the interest on fixed bank deposits in the same period when repurchase, i.e. approximately RMB5.39 per Share; and one Participant became disqualified for the 2022 Incentive Scheme due to his/her failure to perform or improper performance of his/her duties, whose repurchase price was the lower of the grant price (RMB5.33 per Share) and the average trading price of the A Shares for one trading day prior to the announcement of the resolution of the Board considering the repurchase (RMB8.42 per Share), i.e. RMB5.33 per Share. The cancellation for such repurchased Restricted Shares was completed on 29 April 2024. Upon completion of such repurchase and cancellation, the remaining Restricted Shares of the Company were 112,900,000 Shares under the 2022 Incentive Scheme, and the total number of Shares was reduced from 16,280,111,425 Shares to 16,278,611,425 Shares. For details, please refer to the announcement of the Company dated 24 April 2024.

Save as disclosed above, during the period from 1 January 2024 to 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company (including treasury Shares). As at 30 June 2024, the Company did not hold any treasury Shares.

### INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, none of the Directors, Supervisors or chief executive officer of the Company had any interest or short position in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

As at 30 June 2024, the Company had not granted the Directors, or Supervisors or the chief executive officer of the Company, or their respective spouses or children below the age of 18, any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them had ever exercised any such right to subscribe for shares or debentures.

## OTHER INFORMATION

### MATERIAL INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, based on the disclosure information filed with the Hong Kong Stock Exchange on its website in accordance with the requirement of the Securities and Futures Commission of Hong Kong, and so far as the Company is aware of, the interests or short positions of Shareholders (other than Directors, Supervisors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed by the Company as recorded in the register required to be maintained under Section 336 of the SFO are as follows:

Name of Shareholder <sup>(Note 1)</sup>	Number of Shares held	Type of Shares	Percentage of the respective type of Shares <sup>(Note 2)</sup> (%)	Percentage of the total number of Shares in issue <sup>(Note 3)</sup> (%)	Capacity in which the Shares are held
CCCCG	9,374,616,604 (Long position)	A Shares	79.04	57.59	Beneficial owner
	297,387,000 (Long position)	H Shares	6.73	1.83	Beneficial owner

*Note 1:* The table is prepared based on the disclosure of interest fillings of the substantial shareholders published on the website of the Hong Kong Stock Exchange for the relevant events as of 30 June 2024.

*Note 2:* The percentage of respective type of shares is based on 11,860,135,425 A shares and 4,418,476,000 H shares of the Company as at 30 June 2024, respectively.

*Note 3:* The percentage of total number of shares in issue is based on 16,278,611,425 Shares of the total issued share capital of the Company as at 30 June 2024.

Save as stated above, as at 30 June 2024, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of the Company that would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO.

### EMPLOYEE BENEFITS

In accordance with applicable regulations, the Group makes contributions to the employees' pension plan, medical insurance plan, unemployment insurance plan, maternity insurance plan and personal injury insurance plan. The amount of contributions is based on the specified percentages of employees' aggregate salaries as provided for by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group also provides other benefits to current employees and retired employees. Current employees of the Group are also entitled to performance-based annual bonus.

Adhering to the value creator-oriented concept, the Group actively protects the rights and interests of employees, provides them with diversified and systematic trainings, sets clear career development path for them, and helps them achieve self-worth.



### 2022 RESTRICTED SHARE INCENTIVE SCHEME

On 27 April 2023, the Company has adopted the 2022 Incentive Scheme at the 2023 second extraordinary general meeting, the 2023 First H Share Class Meeting and the 2023 First A Share Class Meeting (collectively, the “Meetings”), pursuant to which, the Company intended to issue a total number of up to 117 million Restricted Shares to the Participants. Wherein: (i) a maximum of 99.40 million Restricted Shares will be issued to not more than 668 Participants under the first grant; and (ii) a maximum of 17.60 million Restricted Shares will be issued to Participants who shall be determined within 12 months from the date of the Meetings under the reserved grant.

As six Participants were no longer within the scope of the Participants under the first grant of the Incentive Scheme, the Board, pursuant to the authorization granted by the Meetings, adjusted the number of Participants under the first grant from 668 to 662 and the number of Restricted Shares under the first grant from 99.40 million to 98.55 million. Accordingly, the total number of Restricted Shares to be granted under the Incentive Scheme was adjusted from 117.00 million to 116.15 million and the number of Restricted Shares under the reserved grant remained unchanged. The Board determined to grant a total of 98.55 million Restricted Shares to 662 Participants on 4 May 2023 at a price of RMB 5.33 per A Share.

On 5 June 2023, the Company had completed the registration of the first grant of the Incentive Scheme with Shanghai Branch of the China Securities Depository and Clearing Corporation Limited for an actual grant of 97.95 million Restricted Shares to 658 Participants under the first grant, because four Participants voluntarily waived their subscription for a total of 0.6 million Restricted Shares due to personal reasons.

On 26 January 2024, the Board, pursuant to the authorization granted by the Meetings, determined to grant a total of 16.70 million Restricted Shares to 134 Participants at a price of RMB5.06 per A Share for the reserved grant under the Incentive Scheme. After making the reserved grant, the remaining 0.9 million Restricted Shares will not be further granted, and therefore the number of shares available for future grant under the Incentive Scheme will be nil.

On 21 February 2024, the Company had completed the registration of the reserved grant of the Incentive Scheme with Shanghai Branch of the China Securities Depository and Clearing Corporation Limited for an actual grant of 16.45 million Restricted Shares to 132 Participants under the reserved grant, because two Participants voluntarily waived their subscription for a total of 0.25 million Restricted Shares due to personal reasons.

## OTHER INFORMATION

The table below sets out particulars of the Restricted Shares granted and registered under the Incentive Scheme:

Name of the participants	Category of the participants	Unlocking period	Granted and	Unlocked	Cancelled/	As at 30 June 2024	Grant price	Closing price prior to Grant Date	Repurchase price
			As at 1 January 2024	registered during the reporting period	during the reporting period				
			(0'000 shares)	(0'000 shares)	(0'000 shares)	(0'000 shares)	(RMB/share)	(RMB/share)	(RMB/share)
YANG Zhichao	Vice president	06/06/2025-05/06/2028	35	Nil	Nil	35	5.33	11.41	/
ZHOU Changjiang	Secretary to the Board	06/06/2025-05/06/2028	30	Nil	Nil	(30)	5.33	11.41	/
Middle management personnel and core personnel (First grant)		06/06/2025-05/06/2028	9,630	Nil	Nil	(120)	5.33	11.41	5.39 and 5.33
Middle management personnel and core personnel (Reserved grant)		22/02/2026-21/02/2029	Nil	1,645	Nil	Nil	5.06	8.25	/
<b>Total</b>			<b>9,695</b>	<b>1,645</b>	<b>Nil</b>	<b>(150)</b>	<b>/</b>	<b>/</b>	<b>/</b>

### Notes:

- (1) The total number of the Company's Shares granted under all effective share incentive schemes to any of the aforesaid Participants does not exceed 1% of the total share capital of the Company. The total number of underlying Shares involved in all effective share incentive schemes of the Company does not exceed 10% of the total share capital of the Company.
- (2) The Restricted Shares granted under the Incentive Scheme shall be unlocked in three batches, and the lock-up period of each batch is 24 months, 36 months and 48 months, respectively, from the completion date of registration of the corresponding grant. Before unlocking, the Restricted Shares granted to the Participants under the Incentive Scheme shall be restricted for sale and shall not be transferred, used as security or for repayment of debts. The shares entitled by the Participants as a result of the capitalisation issue, bonus issue and sub-division of shares, etc. in connection with the granted Restricted Shares that have not yet been unlocked are simultaneously locked in accordance with the Incentive Scheme.
- (3) For details of the performance targets, please refer to the section headed "II.(viii) 2. Unlocking conditions for the Incentive Scheme" as set out in the circular of the Company dated 4 April 2023.
- (4) On 22 March 2024, Mr. Zhou Changjiang, due to work re-allocation, resigned as secretary to the Board of the Company. The 300,000 Restricted Shares granted to Mr. Zhou Changjiang shall be repurchased by the Company pursuant to the terms of the Incentive Scheme. For more details, please refer to the section headed "II. (xiii) 4. Changes to the individual circumstances of the Participants" as set out in the circular of the Company dated 4 April 2023. The Company will comply with the applicable laws and regulations including the Hong Kong Listing Rules when conducting repurchase of A Shares.
- (5) On 24 April 2024, the Company resolved to repurchase a total of 1,500,000 Restricted A Shares granted but not yet unlocked from 8 Participants and cancel the same in accordance with the 2022 Incentive Scheme and relevant laws and regulations with a total of consideration at approximately RMB8 million. Among which, 7 Participants (including Mr. ZHU Hongbiao, resigning as the chief financial officer of the Company on 30 August 2023), were transferred from the Company and ceased to take office in the Company due to organizational arrangements, or became disqualified for the 2022 Incentive Scheme due to change of position, their repurchase price was the grant price of RMB5.33 per Share plus the interest on fixed bank deposits in the same period when repurchase, i.e. approximately RMB5.39 per Share; and one Participant became disqualified for the 2022 Incentive Scheme due to his/her failure to perform or improper performance of his/her duties, whose repurchase price was the lower of the grant price (RMB5.33 per Share) and the average trading price of the A Shares for one trading day prior to the announcement of the resolution of the Board considering the repurchase (RMB8.42 per Share), i.e. RMB5.33 per Share. The cancellation for such repurchased Restricted Shares was completed on 29 April 2024. For details, please refer to the announcement of the Company dated 24 April 2024.

## OTHER INFORMATION

During the reporting period, the aggregate fair value of the Restricted Shares granted under the reserved grant of the Incentive Scheme was RMB57 million. The accounting standard and policy to estimate the fair value of the Restricted Shares is set out in Note 31 to the financial statements of this report.

As at 1 January 2024 and at 30 June 2024, the total number of Restricted Shares available for grant under the Incentive Scheme is 17.60 million Shares (being the number of Restricted Shares under the reserved grant) and nil, respectively. The number of Shares that may be issued in respect of Restricted Shares granted under the Incentive Scheme during the reporting period divided by the weighted average number of ordinary A Shares in issue for the reporting period is approximately 0.14%.

For details of the Incentive Scheme, please refer to the announcements of the Company dated 15 December 2022, 27 April 2023, 4 May 2023, 7 June 2023, 26 January 2024, 23 February 2024 and 24 April 2024 and the circular of the Company dated 4 April 2023.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in Part 2 of Appendix C1 (Corporate Governance Code) to the Hong Kong Listing Rules for the six months ended 30 June 2024.

## CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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

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

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

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

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



## OTHER INFORMATION

### COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules to govern securities transactions by Directors and Supervisors. Having made specific enquiry to all Directors and Supervisors, the Company confirms that the Directors and Supervisors have complied with the Model Code throughout the period from 1 January 2024 to 30 June 2024.

### REVIEW BY THE AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee of the Board currently comprises Mr. LIU Hui, Mr. CHAN Wing Tak Kevin, Mr. WU Guangqi and Mr. ZHOU Xiaowen, and is chaired by Mr. CHAN Wing Tak Kevin. The audit and internal control committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2024. The audit and internal control committee has also discussed matters such as the accounting policies and practices adopted by the Company and internal control with the senior management of the Company.

### INTERIM DIVIDEND

On 30 August 2024, the Board recommended an interim dividend totaling approximately RMB2,280 million which represents approximately 20% of the distributable profit available for the ordinary Shareholders out of the net profit realized in the first half of 2024 (including tax), on the basis of the total registered share capital of the Company on the record date, which is RMB0.14005 (equivalent to HK\$0.15353 including tax) per Share calculated based on the total issued share capital of the Company of 16,278,611,425 Shares as at the latest practicable date prior to the printing of this report (i.e. 19 September 2024). The recommended interim dividends are subject to Shareholders' approval at the EGM. The interim dividends will be expected to distribute to all Shareholders on or before 27 January 2025, subject to the provisions of the Articles of Association. Regarding the specific arrangements for the declaration and payment of the interim dividend, including but not limited to the closure of the register of members for H Shares, the record date and ex-entitlement date, etc., the Company will issue a circular for the EGM in due course for further disclosure. In an event of any change in the total issued share capital of the Company before the record date for the payment of the proposed dividend distribution, the total distribution amount will remain unchanged and the proposed interim dividend per share will be adjusted accordingly with specific adjustments to be announced separately.

Dividends will be denominated and declared in Renminbi and will be paid to holders of H Shares in Hong Kong dollars. The relevant exchange rate is determined at RMB0.91222 equivalent to HK\$1.00 as the middle rate of Renminbi to Hong Kong dollars as announced by the People's Bank of China on the date when such dividends were declared.

Under relevant regulations of China Securities Depository and Clearing Corporation Limited ("CSDC") Shanghai Branch and in line with the market practice regarding dividend distribution for A shares, the Company will publish a separate announcement in respect of its interim dividends distribution for A Shares after the EGM, which, among others, will set out the record date and ex-entitlement date of dividend distribution for A Shares.



## OTHER INFORMATION

Pursuant to relevant laws and regulations including the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and the Regulations for the Implementation of the Law of the People's Republic of China on Individual Income Tax (《中華人民共和國個人所得稅法實施條例》), and the Notice of the State Administration of Taxation on the Collection and Management of Personal Income Tax After the Abolishment of Document Guo Shui Fa No. [1993]045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), as a withholding agent, the Company is required to withhold and pay the individual income tax at the tax rate of 10% in general on behalf of the individual H Shareholders. For individual H Shareholders receiving dividends who are citizens from countries under agreements to be entitled to tax rates lower than 10%, the Company can process applications on their behalf to seek entitlement of the relevant agreed preferential treatments pursuant to relevant regulations, and upon approval by the tax authorities, over withheld tax amounts will be refunded. For individual H Shareholders receiving dividends who are citizens from countries under agreements to be entitled to tax rates higher than 10% but lower than 20%, the Company will withhold the individual income tax at the agreed-upon effective tax rate when distributing dividends, and no application procedures will be necessary. For individual H Shareholders receiving dividends who are citizens from countries without taxation agreements with the PRC or are under other situations, the Company will withhold the individual income tax at a tax rate of 20% when distributing dividends.

In respect of the non-resident corporate shareholders, in accordance with the Law on Corporate Income Tax of the People's Republic of China revised in 2018, the Implementing Rules of the Law on Corporate Income Tax of the People's Republic of China revised in 2019 (collectively, the "Corporate Income Tax Law") and other laws and regulations, starting from 1 January 2008, enterprises established in the PRC which distribute dividend to the non-resident corporate shareholders (namely, the legal person shareholders) for the accounting period from 1 January 2008 onwards shall withhold for payment of the corporate income tax, and the payer shall be the withholding agent. Therefore, the Company is required to withhold corporate income tax at the rate of 10% when distributing the interim dividend for 2024 to non-resident enterprise Shareholders whose names appear on the H Share register of members of the Company on the record date. The Company will distribute the interim dividend for 2024 following withholding corporate income tax at the rate of 10% to all H Shareholders (including HKSCC Nominees Limited, other business agents or trustees, or other groups or organizations, all deemed as the non-resident corporate Shareholders) who register in the name of a non-person Shareholder on the H Share register of members as of the record date.

Regarding the withholding and payment of dividend income tax and further information required for H Shareholders to obtain tax relief, the Company will issue a circular for the EGM in due course for further disclosure.

## OTHER INFORMATION

### DISTRIBUTION OF INTERIM DIVIDENDS TO INVESTORS OF NORTHBOUND TRADING

For investors of Hong Kong Stock Exchange, including enterprises and individuals, investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “Investors of Northbound Trading”), their interim dividends will be distributed in RMB by the Company through CSDC Shanghai Branch to the account of the nominees holding such shares. The Company will withhold and pay income taxes of 10% on behalf of those investors and will report to the tax authorities. For Investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities of the Company for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date, the ex-entitlement date and the date of distribution of interim dividends and other arrangements for the Investors of Northbound Trading will be the same with those for the A Shareholders.

### DISTRIBUTION OF INTERIM DIVIDENDS TO INVESTORS OF SOUTHBOUND TRADING

#### (1) Distribution of Interim Dividends to Investors of Southbound Trading on Shanghai Stock Exchange

For investors of the Shanghai Stock Exchange, including enterprises and individuals, investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “Investors of Southbound Trading on Shanghai Stock Exchange”), the Company has entered into “the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (《港股通H股股票現金紅利派發協議》) with CSDC Shanghai Branch, pursuant to which, CSDC Shanghai Branch, as the nominee holders of H Shares for the Investors of Southbound Trading on Shanghai Stock Exchange, will receive the interim dividends distributed by the Company and distribute the interim dividends to the relevant Investors of Southbound Trading on Shanghai Stock Exchange through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading on Shanghai Stock Exchange will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

### (2) Distribution of Interim Dividends to Investors of Southbound Trading on Shenzhen Stock Exchange

For investors of the Shenzhen Stock Exchange, including enterprises and individuals, investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “Investors of Southbound Trading on Shenzhen Stock Exchange”), the Company has entered into “the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (《港股通H股股票現金紅利派發協議》) with CSDC Shenzhen Branch, pursuant to which, CSDC Shenzhen Branch, as the nominee holders of H Shares for the Investors of Southbound Trading on Shenzhen Stock Exchange, will receive the interim dividends distributed by the Company and distribute the interim dividends to the relevant Investors of Southbound Trading on Shenzhen Stock Exchange through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading on Shenzhen Stock Exchange will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) (Caishui [2016] No. 127), for dividends received by domestic investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date, the ex-entitlement date and the date of distribution of interim dividends and other arrangements for the Investors of Southbound Trading on Shanghai Stock Exchange and Investors of Southbound Trading on Shenzhen Stock Exchange will be the same with those for the H Shareholders. Regarding the distribution schedule of the interim dividend applicable to H Shareholders, the Company will issue a circular for the EGM in due course for further disclosure.



## OTHER INFORMATION

### CONTINUING CONNECTED TRANSACTIONS

During the period from 1 January 2024 to 30 June 2024, the Group carried out continuing connected transactions with CCCG. To regulate the compliance management of connected transactions, strengthen the implementation and supervision of connected transaction plans, the Company has set annual goals for internal control management for the continuing connected transactions within the annual caps approved by the Board and the general meeting. The Company organized the formulation of and adjustments to these annual goals for internal control management at the beginning and mid-year, and the formulation and execution of these annual goals for internal control management have been regularly reported to the audit and internal control committee of the Board.

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

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

	Approved annual caps for 2024 <i>(RMB million)</i>	Annual goals for internal control management for 2024 <i>(RMB million)</i>	Actual amount for the first half of 2024 <i>(RMB million)</i>
<b>1. Mutual Project Contracting Framework Agreement</b>			
Project contracting services provided by the Group to CCCG Group	34,656	19,601	5,736
Labour and subcontracting services provided by CCCG Group to the Group	6,210	6,187	1,048
<b>2. Mutual Product Sales and Purchase Agreement</b>			
Sales of material products to CCCG Group by the Group	5,115	1,829	355
Purchase of engineering products from CCCG Group by the Group	4,829	3,892	806
<b>3. Leasing and Asset Management Services Framework Agreement</b>			
Leasing of certain buildings, plants and auxiliary equipment, facilities, etc. for production and operation by CCCG Group to the Group	459	257	145



## OTHER INFORMATION

		<b>Approved annual caps for 2024 (RMB million)</b>	<b>Annual goals for internal control management for 2024 (RMB million)</b>	<b>Actual amount for the first half of 2024 (RMB million)</b>
<b>4. Financial Services Agreement</b>				
Maximum daily balance (including the interests and handling charges accrued thereon) of credit services to provided by CCCG Finance to CCCG Group	Loan services under the Financial Services – Deposit Services and Loan Services Framework Agreement	43,617	8,580	5,153
	Guarantee letter services under the Financial Services – Guarantee Letter Services Framework Agreement	7,014	1,500	977
	Bills issuance services and bonds subscription under the Financial Services – Other Credit Services Framework Agreement	1,946	1,372	614
<b>5. Finance Lease and Commercial Factoring Agreement</b>				
Finance lease services provided by CCCG Capital to CCCG Group		6,900	3,794	582
Commercial factoring services provided by CCCG Capital to CCCG Group		7,900	6,749	387
<b>6. Product Leasing Framework Agreement</b>				
Leasing of engineering products by CCCG Haifeng Group to the Group		426	400	94
<b>7. Labor Subcontracting and Professional Subcontracting Framework Agreement</b>				
Labor subcontracting and professional subcontracting services provided by the Group to CCCG Haifeng Group		210	210	11
<b>8. Product Purchasing Framework Agreement</b>				
Purchase of cement and cement products, etc. from Qilianshan Ltd.		400	400	71
<b>9. Asset Leasing Framework Agreement</b>				
Leasing of certain buildings, plants and auxiliary equipment, facilities, etc. for production and operation by the Group to CCCG Group		134.54	34	26

## OTHER INFORMATION

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

- (i) Strengthen annual plan management. In order to regulate the compliance management of connected transactions, strengthen the implementation and supervision of the connected transaction plan and enhance the governance level of listed companies, the Company has organized the formulation and adjustment of the Company's annual internal control management goals at the beginning and middle of the year within the annual caps approved by the Board and the general meeting for various types of continuing connected transactions, and has consolidated the data and regularly reported to the audit and internal control committee of the Company on the formulation and implementation of the annual goals. At the same time, the day-to-day supervision of the implementation of the plan has been strengthened. Through the ordinary connected transaction management system, the Company achieves real-time monitoring, dynamic tracking and monitoring alerts of the Company's connected transaction data, ensuring that there are monthly statistics, quarterly self-inspection and annual summaries.
- (ii) Formulate the continuing connected transaction plan for 2025–2027. In order to regulate the Company's connected transaction and protect the normal development of the Company's business, in accordance with the securities regulatory rules in Shanghai and Hong Kong, the Company has organized and formulated the continuing connected transaction plan for the years from 2025 to 2027 (the "New Three-Year Plan"). To ensure the smooth formulation of the New Three-Year Plan, the Company prepared a work plan for the formulation of the New Three-Year Plan, organized various departments and subsidiaries of the Company to reasonably estimate and formulate the annual caps of the New Three-Year Plan, and communicated with the major shareholders to seek their support, and the New Three-Year Plan was passed with a high number of votes at the general meeting whilst the controlling Shareholder abstained from voting.
- (iii) Continuously optimize the connected transaction system. In order to reduce the risk of non-compliance of connected transactions and enhance the management level of connected transactions by digital means, the Company has continued to promote the updating of the connected transaction system: firstly, the function of annual appraisal has been launched, where the system will automatically generate scores for the appraisal of the implementation of the annual plans of each subsidiary; secondly, the function of filing of changes in management personnel has been launched, which will dynamically regulate the management of personnel involved in connected transactions of each subsidiary, and the personnel changes are subject to the filing in the system and completion of the pre-filing training, and certified to the post; thirdly, the annual plan adjustment function for each subsidiary has been launched, which establishes an independent review and approval process for the adjustment of the annual plan for each subsidiary, strengthens the management of the plan, and streamlines the review and approval process.
- (iv) Conduct trainings on strengthening the supervision of listed companies and securities compliance. By combining live broadcasts on-site and online, the Company has organized trainings for connected transaction management personnel from various departments and subsidiaries of the Company, and has set up a number of courses on the interpretation of regulatory policies on listed companies, market case analyses, explanations of key points of securities compliance, and handling of public opinion in the capital market, etc., focusing on the governance of listed companies, management of connected transactions and other key areas, so as to enhance the awareness of compliance management and professional working ability of the board secretaries, securities affairs representatives and capital operation of listed companies, and to build a professional team proficient in the operating rules of the capital market and the business of listed companies.

## TERMS & GLOSSARIES

“1+4+N”	the main structure of overseas operations: “1” represents the headquarters of the Company, “4” represents the platform companies (China Harbour Engineering Company Ltd. * (中國港灣工程有限責任公司, “CHEC”), China Road & Bridge Corporation* (中國路橋工程有限責任公司, “CRBC”), overseas engineering branches (海外工程公司) and China International Water & Electric Corp* (中國水利電力對外有限公司, “CIWE”)) and “N” represents important sub-subsidiaries
“1+4+O+P”	overseas management structure: “1” represents the headquarters of the Company, “4” represents the platform companies (CHEC, CRBC, overseas engineering branches and CIWE), “O” represents national (regional) organizations and “P” represents project offices
“2022 Incentive Scheme”	the 2022 Restricted Share Incentive Scheme of the Company adopted on 27 April 2023
“Board”	the board of directors of the Company
“CCCC Capital”	CCCC Capital Holdings Limited* (中交資本控股有限公司), a subsidiary of the Company as at the date of this report
“CCCC Finance”	CCCC Finance Company Limited* (中交財務有限公司), a subsidiary of the Company as at the date of this report
“CCCC Haifeng”	CCCC Haifeng Wind Power Development Co., Ltd.* (中交海峰風電發展股份有限公司), a connected subsidiary of the Company as at the date of this report
“CCCC Haifeng Group”	CCCC Haifeng and its subsidiaries
“CCCCG”	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 59.42% equity interest in the Company
“CCCCG Group”	CCCCG and its subsidiaries, excluding the Company and its subsidiaries
“Company” or “CCCC”	China Communications Construction Company Limited, a joint stock limited company with limited liability incorporated under the laws of the PRC on 8 October 2006, and except where the context requires otherwise, all of its subsidiaries
“Director(s)”	the director(s) of the Company
“EGM”	the 2024 first extraordinary general meeting of the Company to be held to, among others, consider and approve the proposal in relation to the distribution of the proposed interim dividends
“Group”	the Company itself and all of its subsidiaries



## TERMS & GLOSSARIES

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



## I. CORPORATE INFORMATION

Legal name of the Company in Chinese: 中國交通建設股份有限公司  
Legal Chinese abbreviation of the Company: 中國交建  
Legal name of the Company in English: China Communications Construction Company Limited  
Legal English abbreviation of the Company: CCCC  
Legal representative of the Company: WANG Tongzhou

## II. CONTACT PERSON AND CONTACT DETAILS

Secretary to the Board of the Company: LIU Zhengchang  
Company Secretary: YU Jingjing  
Address: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China  
Tel: 8610-82016562  
Fax: 8610-82016524  
E-mail: ir@ccccltd.cn

## III. BASIC INFORMATION

Registered address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China  
Postal code: 100088  
Office address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China  
Postal code: 100088  
Company website: <http://www.ccccltd.cn>  
E-mail: ir@ccccltd.cn

## IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

Newspapers designated by the Company for disclosure of information (A Shares):  
China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily  
Website designated by China Securities Regulatory Commission for publishing annual reports of A Shares:  
[www.sse.com.cn](http://www.sse.com.cn)  
Website designated by the Hong Kong Stock Exchange for publishing annual reports of H Shares:  
[www.hkexnews.hk](http://www.hkexnews.hk)

Place available for inspection of the Company's interim reports of A Shares:  
19th Floor, 85 De Sheng Men Wai Street, Xicheng District, Beijing, China  
Place available for inspection of the Company's interim reports of H Shares:  
Room 2805, 28th Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong, China

# CORPORATE INFORMATION

## V. BASIC INFORMATION ON SHARES OF THE COMPANY

Listing place of A Shares: Shanghai Stock Exchange

Abbreviation of A Shares: 中國交建

Stock code of A Shares: 601800

Listing place of H Shares: The Stock Exchange of Hong Kong Limited

Abbreviation of H Shares: CHINA COMM CONS

Stock code of H Shares: 01800

## VI. OTHER INFORMATION OF THE COMPANY

Domestic Auditors:

Ernst & Young Hua Ming LLP

Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue,  
Dong Cheng District, Beijing, China

Signing auditors: CHEN Jing and LI Xiaodong

International Auditors:

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Hong Kong legal advisors:

Baker & McKenzie

14/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

PRC legal advisors:

Guantao Law Firm

19/F, Tower B, Xincheng Plaza, 5 Finance Street, Xicheng District, Beijing, China

Authorised representatives of H Shares: WANG Tongzhou, YU Jingjing

H Share registrar:

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong



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

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[www.ccccltd.cn](http://www.ccccltd.cn)