北京城建设计发展集团股份有限公司
BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

Beijing Urban Construction Design & Development Group Co., Limited
北京城建設計發展集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1599)

2016 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "**Board**") of Beijing Urban Construction Design & Development Group Co., Limited (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries for the six months period ended 30 June 2016. This results announcement, containing the full text of the 2016 Interim Report of the Company, complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of interim results and have been reviewed by the audit committee under the Board. The printed version of the 2016 Interim Report of the Company will be dispatched to the holders of H shares of the Company and available for viewing on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and of the Company at www.bjucd.com in September 2016.

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

Beijing, 30 August 2016

As at the date of this announcement, the executive directors of the Company are Wang Hanjun and Li Guoqing; the non-executive directors of the Company are Wang Liping, Chen Daihua, Guo Yanhong, Wang Hao, Guan Jifa, Su Bin, Kong Lingbin and Tang Shuchang; and the independent non-executive directors of the Company are Zhang Fengchao, Wang Dexing, Yim Fung, Sun Maozhu and Liang Qinghuai.

CONTENTS

Definitions

In this interim report, the following expressions shall have the following meanings unless the context otherwise requires:

"Articles of Association"	the Articles of Association of Beijing Urban Construction Design & Development Group Co., Limited
"Board" or "Board of Directors"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"Company"	Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司)
"Corporate Governance Code"	the corporate governance code section contained in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Hong Kong Listing Rules
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted shares which are currently not listed or traded on any stock exchange
"Group", "us" or "we"	the Company and its subsidiaries

"H Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"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 as set out in Appendix 10 to the Hong Kong Listing Rules
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Supervisor(s)"	supervisor(s) of the Company
"%"	per cent.

Financial Summary

For the six-month period ended 30 June 2016, the Group achieved a revenue of RMB1,973 million, while the profit for the reporting period amounted to RMB188 million.

The Group is mainly engaged in two segments, including design, survey and consultancy as well as construction contracting business.

The following table sets out the Group's revenue of each business segment generated and their percentage of the revenue for the periods indicated:

	For the six-month period ended 30 June			
	2016		2015	
	RMB'000 (Unaudited)	**% of revenue**	RMB'000 (Unaudited)	% of revenue
Design, survey and consultancy	**1,023,538**	**51.86**	855,304	54.10
Construction contracting	**949,961**	**48.14**	725,775	45.90
Total	**1,973,499**	**100.00**	1,581,079	100.00

For the six-month period ended 30 June 2016, the Group's total revenue was RMB1,973 million, representing an increase of approximately RMB392 million or 24.8% as compared to the corresponding period of last year, which was mainly attributable to the smooth progress of the projects on hand in each business segment.

Corporate Information

Registered name:	Chinese: 北京城建設計發展集團股份有限公司 English: Beijing Urban Construction Design & Development Group Co., Limited
Listing place of H Shares:	The Stock Exchange of Hong Kong Limited
Type of stock:	H Share
Stock name:	UCD
Stock code:	1599
H Share registrar:	Computershare Hong Kong Investor Services Limited
Registered address:	5 Fuchengmen North Street, Xicheng District, Beijing, PRC
Principal place of business in Hong Kong:	18/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Legal representative:	Ms. Wang Liping
Secretary of the Board:	Mr. Xuan Wenchang
Joint company secretaries:	Mr. Xuan Wenchang Ms. Kwong Yin Ping Yvonne *(a member of the Hong Kong Institute of Chartered Secretaries)*
Website:	www.bjucd.com
Auditor:	Ernst & Young
Legal advisors:	As to Hong Kong Laws: Linklaters As to PRC Laws: Haiwen & Partners

Management Discussion and Analysis

SUMMARY

In the first half of 2016, the Group insisted on its synergetic development of the entire rail transit industry chain and, by seizing opportunities arising from the accelerated construction of the major engineering projects in China's transportation infrastructure and by actively promoting its business development, the Group further consolidated and enhanced in its market position and strengthened its capital resources, resulting in significant growth in operating results and enhancement in comprehensive strengths.

For the six-month period ended 30 June 2016, the Group's revenue amounted to RMB1,973 million, representing an increase of RMB392 million or 24.8% compared to RMB1,581 million for the corresponding period last year. The Group's net profit amounted to RMB188 million, representing an increase of RMB32 million or 20.5% compared to the net profit of RMB156 million for the corresponding period last year.

Market environment

2016 is the commencing year of the "13th Five-Year Plan", marked by the promulgation of a number of policies on urban infrastructure, including: the issuance of the 13th Five-Year Plan for the Country's Economic and Social Development (《國民經濟和社會發展第十三個五年規劃》) which confirms the importance of investment as a means to achieve steady economic growth under the New Normal and investments by the government in transport infrastructure will continue to increase; the convening of the Central Urban Work Meeting at which it was pointed out that urban spatial layout should be scientifically planned with a view to achieving compact and high efficiency green developments, promoting "sponge city" and "integrated pipeline corridor" as key investment projects; the highlighting of rail transit in the joint publication of the Three-year Action Plan for Major Construction Projects on Transportation Infrastructure (《交通基礎設施重大工程建設三年行動計劃》) by the National Development and Reform Commission and the Ministry of Transport; the convening of the National Science and Technology Innovation Conference to promote innovation-driven development. Facing favourable policies, the Group, as "an integrated urban construction service provider driven by design", continued to achieve good performances in its business segments.

Urban rail transit

With the accelerated advancement of the new urbanization in China, cities with future plans for construction and operation of urban rail transit will maintain a rapid growth. The business market has the following five features:

Firstly, steady increase in planned mileages. The cumulative investments approved during the "12th Five-Year Plan" in the feasibility study reports for urban rail transit projects amounted to RMB2,633.7 billion. According to the statistics of http://www.bhi.com.cn (中國擬在建項目網), as of 31 March 2016, 15 cities and provinces including Beijing, Hebei, Anhui, Fujian, Zhejiang had announced their key project investment plans for 2016, among which, a total of 126 projects were urban rail transit projects involving an investment size expecting to be over RMB1 trillion. The prospects of early-stage planning and design business in the next five years look promising, which will simultaneously drive the development in the related businesses in investment, construction and industrialisation.

Secondly, fast construction speed of projects under development and simultaneous construction of multiple modes. According to the figures published by China Association of Metros (中國城市軌道交通協會), lines currently under construction amounted to 4,448 km and seven different modes of transportation, including subway, light rail, monorail, city express rail, rail tram, maglev and APM, are simultaneously under development. Following the implementation of the national strategy on development of urbanisation and the planned construction of 19 city groups, city express rail is expected to grow rapidly. The Company has already accumulated solid technical capabilities from topical researches and standard regulations on city express rails.

Thirdly, operation business is receiving more and more attention in the industry. According to the figures published by China Association of Metros (中國城市軌道交通協會), at present, 26 cities have rail transit lines in operations with an operating mileage of 3,618 km. In 2015, the newly increased operating rail transit mileage amounted to 445 km, representing a year-on-year increase of 14%. It is expected that by 2020, the total operating mileage of transit lines will reach 6,000 km, and at the same time, those lines which commenced operations at early stages will gradually enter the peak level of upgrading, thus continuously expanding the operation business.

Fourthly, the role of urban rail transit will further manifest in city development. Rail transit will become the mainstream urban public transportation in the first and second tier cities, providing support and leading the sustainable development of cities.

Fifthly, China urban rail transit is imperative to "go global". After 50 years of development, China has become the frontrunner in urban rail transit technology, with capabilities for deepened participation in the international competition. During the period of "13th Five-Year Plan", the demand from global market will remain strong, and together with the "One Belt One Road" initiative, urban rail transit and the high-speed rail will go together to develop a new international market.

During the first half of 2016, against the backdrop of continuous rapid growth in the urban rail transit industry, the Company successively won a number of survey and design general contracting projects and design general contracting projects, including the Shenzhen Line 16 project, the Chengdu Line 8 Phase 1 project, the Urumqi Line 3 Phase 1 project, the Shijiazhuang Line 1 Phase 2 project, the Nanjing Line 1 North Extension project, the Line 2 West Extension project, the Line 3 Phase 3 project, the Dalian Line 5 project, the Beijing Batong Line South Extension project, the Changchun Line 2 East and West extension project. Such projects surpassed the total of 2015, reaching a record high. Among these projects, three had a total contract value exceeding RMB300 million and the total contract value of the Shenzhen Line 16 project reached RMB570 million, making it the biggest single unit design contracting project in the history of the Company.

The overseas market is expanding. Through alliances with central state-owned and municipal state-owned enterprises to develop the Kazakhstan market, the Company won the Astana Light Rail Design Project (阿斯塔納輕軌設計項目). The Angolan market developed steadily; the Company has recently signed the design projects of an aluminum alloy factory and certain tourism area in Angola.

Investment and financing

In recent years, public private partnerships (PPP) reforms are playing an active leading role as an important measure for the supply-side structural reform. According to the figures published by the PPP Integrated Information Platform of the Ministry of Finance (財政部PPP綜合信息平台), as of 30 June 2016, the Ministry of Finance has approved a total of 232 PPP demonstrative projects in two batches, amounting to a total investment of RMB802.54 billion. The number of projects and the investment amounts from such investments fully demonstrate the increasing demands for municipal engineering and transportation industries, which are the key focuses for development of the Company's PPP business.

Against the backdrop of the new urbanisation policy put forward by the central government and while undergoing its strategic transformation, the Company, through its professional capabilities and market acumen, successfully won the bid of the Zunyi-Fengxin Express Line (遵義鳳新快線) PPP project in June 2016, which is a project won after the successful bidding by the Company of the first municipal road PPP project at the early stage of promotion by the government of PPP investment and financing projects and amid an increasingly competitive market environment in the wave of PPP investments and financings.

Smart city

Currently, the "13th Five-Year Plan" under preparation by the Ministry of Housing and Urban-Rural Development (MOHURD) is anticipating an investment of over RMB500 billion in smart city projects. Since 2013, China has released in sequence three batches of over 500 pilot projects for smart city. Smart city has achieved broad success in urban transportation, medical and government administration.

Taking such opportunity, the Company has established Beijing Urban Construction Smart Engineering Institute to build up a comprehensive full lifecycle of designing, construction, operating and maintenance mechanism with respect to urban rail transportation. It will comprehensively consolidate 3D GIS technology with the construction of smart rail transit; utilize integrated technology combining mobile 3D laser scanning technology, integrated system and data processing technology; research and development of new products through application service software in 3D geographical information database building and rapid basic geographical data update; through goals such as sustainable development of digital city and smart city construction, explore in-depth the application of 3D laser scanning technology and the construction of smart city. By studying in-depth the new technologies, new features, new methodologies integrating BIM and rail transit, it aims to comprehensively apply GIS-BIM in the full lifecycle of preliminary planning, designing, construction, operating and maintenance of the rail transit constructions. To expand the business scope, the Company will research into the extensive application of Internet+ and Internet-of-Things technology in the practical details of smart city such as smart utility corridor, sponge city, smart community.

Development of integrated urban space

The National New Urbanisation Plan (國家新型城鎮化規劃) has expressly recommended the priority development of public transportation, unified coordination and planning of city space functional layout and the promotion of appropriate mix of city land functions. Construction of rail transit-oriented intensive urban space is an important mean to solve current rapid urbanisation and also the main direction for development for cities, particularly large or medium size cities. Meanwhile, multi-functional communities, green transit, intensive land utilisation mode and the diversity of spatial forms are all integral components of green biological urban area and smart city. In recent years, the development of rail transit-oriented integrated urban space has continued to develop. For example, in Beijing, under the guidance and organisation of the Beijing Municipal Commission of Urban Planning (BMCUP), the metro company has commenced the integration project for the reorganization and planning design work along 16 metro lines, and the recently commenced airport line, Line 16, Line 17, Line 3 and Line 12 have at the early planning stage established an integrated entity to coordinate the development and research works along such lines.

Currently, cities in which the Company has started similar design projects include Beijing, Shanghai, Shenzhen, Wuxi, Nanjing, Nanning, Xiamen, Chengdu, Hangzhou, Chongqing, Shijiazhuang and Ningbo, etc.

Industrialisation of science and technology

In the "Made in China 2025" plan, rail transit is listed as a key area for development. In urban rail transit constructions, enterprises are encouraged to make the best use of the competitive advantages in their own resources to integrate the upstream and downstream industry chain, and expand and extend their existing business segments to be established as providers of comprehensive products and services of full industry chain. High-tech enterprises are listed as top priorities to be supported and are encouraged to conduct independent research and development in order to realise the aim to localise the rail transit technology and professional equipment in China's rail transit industry and to move away from the reliance on foreign technology and equipment. The focus of segment development in the industry is mainly concentrated on the middle- and downstream areas, including signal and communication system, track maintenance equipment, track-dedicated equipment and informatisation of operation and other related value-added services.

Facing a new round of industrial technology revolution around the world – "Internet+", the internet innovation results deeply integrated with various economic and social aspects, is driving innovations in production modes, organisational patterns, management concepts and business models – the Company follows closely the latest development direction and by continuously promoting the application of automation and intellectualisation of new technologies to urban rail transit projects, as well as by focusing on the applications of fully automated operation system, interconnection technology and BIM technology, the Company has effectively strengthened its core competitiveness.

In summary, urbanisation and the major development in infrastructures, especially urban rail transit, provide good opportunities for enterprises to develop. However, at the same time, as more and more national and local competitors enter that business area, competitions among enterprises will increase. The Company will take advantage of its differentiated competitive edges in its full industry chain business services, maintain its leading role in the business of urban rail transit, explore markets related to urban development and strengthen the industrialisation of science and technology, to be proactive in the future competition and market share expansion.

FINANCIAL REVIEW

Summary of Operating Results

	For the six-month period ended 30 June	
	2016 (RMB'000) (unaudited)	2015 (RMB'000) (unaudited)
Revenue	**1,973,499**	1,581,079
Cost of sales	**(1,537,795)**	(1,267,546)
Gross profit	**435,704**	313,533
Other income and gains	**64,892**	35,912
Selling and distribution expenses	**(38,954)**	(27,016)
Administrative expenses	**(193,529)**	(118,352)
Other expenses	**(32,641)**	(9,530)
Finance costs	**(17,779)**	(5,679)
Share of loss of joint ventures	**(100)**	(635)
Share of profits of associates	**1,055**	882
Profit before tax	**218,648**	189,115
Income tax expense	**(30,877)**	(33,340)
Profit for the period	**187,771**	155,775

Revenue

The Group generates its revenue from the design, survey and consultancy segment as well as the construction contracting segment where the Group provides services for infrastructure construction (in particular, urban rail transit). For the six-month period ended 30 June 2016, the Group achieved a revenue of RMB1,973 million, representing an increase of RMB392 million or 24.8% compared with that of RMB1,581 million for the corresponding period last year. Such increase was mainly attributable to the Company's adherence to the development strategies of expanding the design, survey and consultancy business as well as capturing favourable opportunities in the urban rail transit development in PRC. The Group strived for the development of design, survey and consultancy business and proactively expanded the new PPP business, thereby steadily increased the revenue from the relevant businesses.

The revenues from each business segment are as follows:

Business segments	For the six-month period ended 30 June	
	2016 (RMB'000) (unaudited)	2015 (RMB'000) (unaudited)
Design, survey and consultancy	**1,023,538**	855,304
Of which:		
Urban rail transit construction	**828,673**	694,068
Industrial and civil construction and municipal engineering	**194,865**	161,236
Construction contracting	**949,961**	725,775
Total	**1,973,499**	1,581,079

Design, survey and consultancy segment

The design, survey and consultancy segment includes design, survey and consultancy services for urban rail transit construction as well as industrial and civil construction and municipal engineering. The design, survey and consultancy segment has been the traditional and core business of the Group. In 2016, facing transformation and adjustment of the macro-economy in China and the overall landscape resulting from a change of investment mode by the government, the Group seized the opportunities arising from the accelerated implementation of major engineering constructions projects relating to transportation infrastructure in China, fully leveraged on its technical strengths in the industry and adhered to the advantageous business in rail transit to increase its core competitiveness while actively expanded the market by synergy of the whole industry chain.

For the six-month period ended 30 June 2016, the design, survey and consultancy segment of the Group achieved a revenue of RMB1,024 million, representing an increase of RMB169 million or 19.8% compared with that of RMB855 million for the corresponding period last year. Among which, the revenue of the urban rail transit construction business amounted to RMB829 million, representing an increase of RMB135 million or 19.5% compared with that of RMB694 million for the corresponding period last year. The revenue of the industrial and civil construction and municipal engineering business amounted to RMB195 million, representing an increase of RMB34 million or 21.1% compared with that of RMB161 million for the corresponding period last year.

Construction contracting segment

The construction contracting segment of the Group focuses on the services for urban rail transit construction projects and relevant infrastructure construction projects. The construction contracting projects undertaken by the Group covered major cities in China, including Beijing, Anqing, Guangzhou, Qingdao, Urumqi and Dalian.

For the six-month period ended 30 June 2016, the Group's revenue from the construction contracting segment was RMB950 million, representing an increase of RMB224 million or 30.9% compared with that of RMB726 million for the corresponding period last year. Such increase was mainly attributable to the commencement of the Outer Ring North Road project in Anqing in the second half of 2015, the bid of which was recently won by the Group in 2015, and large-scale construction makes a relatively fast growth in revenue for the current period.

Cost of Sales

For the six-month period ended 30 June 2016, the cost of sales incurred by the Group was RMB1,538 million, representing an increase of RMB270 million or 21.3%, against an increase of 24.8% in revenue, compared with that of RMB1,268 million for the corresponding period last year. This was mainly attributable to the corresponding increase in costs as a result of an increase in revenue scale.

For the six-month period ended 30 June 2016, cost of sales of the Group's design, survey and consultancy segment increased to RMB695 million for the current period from RMB579 million for the corresponding period last year, representing an increase of 20.0%. Among that, the cost of sales of the urban rail transit construction business of the Group's design, survey and consultancy segment increased to RMB552 million for the current period from RMB451 million for the corresponding period last year, representing an increase of 22.4%. The cost of sales of the industrial and civil construction and municipal engineering business of the design, survey and consultancy segment increased to RMB143 million for the current period from RMB128 million for the corresponding period last year, representing an increase of 11.7%.

For the six-month period ended 30 June 2016, the cost of sales of the Group's construction contracting segment increased to RMB843 million for the current period from RMB689 million for the corresponding period last year, representing an increase of 22.4%.

Gross profit and gross margin

For the six-month period ended 30 June 2016, the gross profit of the Group was RMB436 million, representing an increase of RMB122 million or 38.9% compared with that of RMB314 million for the corresponding period last year, while the consolidated gross margin increased from 19.8% to 22.1%, which was mainly attributable to the relatively fast growth in profit from the construction contracting segment.

The gross profit of design, survey and consultancy segment increased to RMB329 million for the current period from RMB276 million for the corresponding period last year, representing an increase of RMB53 million or 19.2%. The gross margin was 32.1%, which was similar to the corresponding period last year. The gross profit of the construction contracting segment increased from RMB37 million for the corresponding period last year to RMB107 million for the current period, representing an increase of RMB70 million or 189.2%. The gross margin increased from 5.1% for the corresponding period last year to 11.3% for the current period, which was mainly attributable to the adoption of prudent principle when undertaking engineering projects by the Group and commitment to promoting synergetic operation for design and general contracting projects and projects with relatively high economic benefits including EPC and PPP. The commencement of work of the Outer Ring North Road project in Anqing in the second half year of 2015, which bid was recently won by the Group in 2015, and large-scale construction makes a relatively fast growth in gross profit for the current period.

Other income and gains

For the six-month period ended 30 June 2016, other income and gains of the Group were RMB64.89 million, representing an increase of RMB28.98 million or 80.7% compared with that of RMB35.91 million for the corresponding period last year, which was mainly attributable to the increase in the financial gains from PPP project.

Selling and distribution expenses

For the six-month period ended 30 June 2016, selling and distribution expenses of the Group were RMB38.95 million, representing an increase of RMB11.93 million or 44.2% compared with that of RMB27.02 million for the corresponding period last year. The increase in selling and distribution expenses was mainly attributable to the Company's adherence to the expansion of both design, survey and consultancy segment and the construction contracting segment, resulting in an increase in bidding costs and relevant costs arising from bidding.

Administrative expenses

For the six-month period ended 30 June 2016, administrative expenses of the Group were RMB194 million, representing an increase of RMB76 million or 64.4% compared with that of RMB118 million for the corresponding period last year. Such increase was mainly attributable to the increase in the number of management staff due to the expansion of the business scale, resulting in an increase in the respective administrative and management costs as well as the R&D expenditure.

Other expenses

For the six-month period ended 30 June 2016, other expenses of the Group were RMB32.64 million, representing an increase of RMB23.11 million or 242.5% compared with that of RMB9.53 million for the corresponding period last year. The increase in other expenses was mainly attributable to the increase in provision for the bad debts of trade and other receivables in the current period.

Finance costs

For the six-month period ended 30 June 2016, finance costs of the Group were RMB17.78 million, representing an increase of RMB12.10 million or 213.0% compared with that of RMB5.68 million for the corresponding period last year, which was attributable to the increase in interest expenses due to the long-term loan for the PPP project of Anhui Jingjian Capital Construction Investment Co., Ltd., the Group's subsidiary.

Income tax expenses

For the six-month period ended 30 June 2016, the income tax expense of the Group was RMB30.88 million, representing a decrease of RMB2.46 million or 7.4% compared with that of RMB33.34 million for the corresponding period last year. Such decrease was mainly attributable to the slight increase of the deferred income tax in the current period compared to the corresponding period last year.

Net profit

For the six-month period ended 30 June 2016, the net profit of the Group was RMB188 million, representing an increase of RMB32 million or 20.5% compared with that of RMB156 million for the corresponding period last year.

Cash flows

The table below sets forth the cash flows of the Group for the relevant periods:

	For the six-month period ended 30 June	
	2016 (RMB'000) (Unaudited)	2015 (RMB'000) (Unaudited)
Net cash outflows from operating activities	**(637,343)**	(680,277)
Net cash inflows from investing activities	**106,445**	1,012,024
Net cash inflows from financing activities	**782,346**	28,500
Net increase in cash and cash equivalents	**251,448**	360,247

For the six-month period ended 30 June 2016, the net cash outflows from operating activities were RMB637 million, which were mainly attributable to the PPP project in Anqing. The PPP project in Anqing has entered into the main construction stage, resulting in the increase in construction expenses. The payment shall be settled by instalments by the owner upon commencement of operation under the agreement, resulting in net outflows of operating cash flows in the current period. The net cash inflows from investing activities were RMB106 million, which comprised mainly the acquisition expenses of financial products of RMB2,040 million and the financial products redemption of RMB2,146 million. The net cash inflows from financing activities were RMB782 million, which were mainly attributable to the contribution from the investment of RMB90 million from the minority shareholders of a newly established subsidiary and the additional loans for the PPP project of Anhui Jingjian Capital Construction Investment Co., Ltd. of RMB710 million during the current period.

Pledge of assets, contingent liabilities and capital commitments

For the six-month period ended 30 June 2016, the Group's financial receivables were pledged to secure a bank loan granted to the Group. As at 30 June 2016, the net pledged financial receivables were RMB1,164 million (as at 30 June 2015: no pledge of assets).

As at 30 June 2016, the Group's letters of guarantees for project performance undertaken by certain associates and the outstanding balances of such guarantee letters were RMB12 million. Save as disclosed above, the Group did not have other material contingent liabilities.

The capital commitments of the Group as at 30 June 2016 and 31 December 2015 were as follows:

	As at 30 June 2016 (RMB'000) (unaudited)	As at 31 December 2015 (RMB'000) (audited)
Contracted, but not provided: property, plant and equipment	**11,500**	4,550

Capital structure and financial resources

The equity capital of the Group mainly comprises Domestic Shares and H Shares. Indebtedness capital mainly consists of bank loans. In addition, ordinary business operation also provides the Group with source of fund. As at 30 June 2016, the net current asset value of the Group was RMB2,175 million, among which cash and cash equivalents accounted for RMB2,400 million. The liquidity of the Group was sound and healthy and it had adequate cash and available banking facilities to satisfy its operating needs.

As at 30 June 2016, the Group's interest-bearing borrowings were RMB1,120 million while the gearing ratio (representing the total interest-bearing borrowings as at 30 June 2016 divided by the total equity as at 30 June 2016) was 35.1%.

Indebtedness

The table below shows the total borrowings of the Group as at 30 June 2016 and 31 December 2015. The Group generally settles the borrowings on time.

	As at 30 June 2016 (RMB'000) (unaudited)	As at 31 December 2015 (RMB'000) (audited)
Bank borrowings		
Pledged	**1,120,000**	410,000
Long-term borrowings	**1,120,000**	410,000

All of the Group's borrowings are denominated in RMB. The bank borrowings are at a floating interest rate, being the benchmark interest rate to be charged for the same type of loans denominated in RMB for the same term as announced by the People's Bank of China. As at 30 June 2016, the interest rate for the borrowings was 4.9%.

The table below shows the maturity of the Group's debts as at 30 June 2016 and 31 December 2015:

	As at 30 June 2016 (RMB'000) (unaudited)	As at 31 December 2015 (RMB'000) (audited)
Between one to two years	**160,000**	80,000
Between two to three years	**160,000**	160,000
Between three to four years	**128,000**	144,000
Between four to five years	**128,000**	26,000
Over five years	**544,000**	–
Total	**1,120,000**	410,000

Exchange rate risk

The business operations of the Group are mainly based in China with most of its transactions settled in RMB. The assets and liabilities of the Group that involve exchange rate risk and transactions from operations that involve exchange rate risk are mainly in U.S. dollars and HK dollars. The directors of the Company believe that the exchange rate risk of the Group will not have a material and adverse impact on the financial position of the Group.

Employees

As at 30 June 2016, the Group had approximately 3,976 employees, representing an increase of 1.0% as compared with that of 3,937 employees as at the end of last year. For the six-month period ended 30 June 2016, the total employee costs of the Group were RMB499 million, representing an increase of RMB47 million or 10.4% compared with that of RMB452 million for the corresponding period last year.

Events after the balance sheet date

The Group did not have any significant events after the balance sheet date.

Profit distribution and interim dividends

The Group will not make any profit distributions for the interim period nor pay any interim dividends.

Winning bids

The Group actively seized the favourable opportunities arising from the urban rail transit development in the PRC. By making full use of its technical strengths in the industry, the Group benefited from the synergy of the full industry chain in rail transit in the active expansion of its market. As at 30 June 2016, the winning bids amounted to RMB6,813 million. Among that, the winning bids in design, survey and consultancy business amounted to RMB3,083 million, while that in the construction contracting business amounted to RMB3,730 million.

BUSINESS PROSPECTS

Although urban rail construction in China has achieved notable development in recent years, and as China's economic development has entered the New Normal, China is still lagging far behind from developed countries in terms of rail transit density. In May 2016, the National Development and Reform Commission and the Ministry of Transport of the PRC jointly published the 3-year Action Plan for Major Projects Construction of Transportation Infrastructure, which confirmed the importance of achieving the fullest extent of impacts of major transportation engineering construction in the promotion of investments, structural adjustments and steady growth. From 2016 to 2018, projects in railways, highways, waterways, airports and urban rail transit which are proposed to be prioritised totalled 303. The total investment in design projects amounted to approximately RMB4,700 billion, among which priority in implementation will be given to the preliminary works of 103 urban rail transit projects, with a total new urban rail transit mileage of over 2,000 km, involving investments of approximately RMB1,600 billion. This will bring opportunities to the development of the Group's business.

The Chinese government is actively promoting the market-oriented transformation of financing platform companies and cooperation between government and non-governmental capital. The increasing diversification and market-orientation of investee companies in rail transit will have deep influence on the market competitive landscape. The Group provides integrated services combining the traditional design services with the construction contracting services as well as providing a platform for financing through listing. The Outer Ring North Road PPP project in Anqing, the bid of which was won by the Group in May 2015, is a PPP project in the first batch of demonstrative projects in China. Its successful experience is progressively spreading and creating positive impacts, thereby facilitating the Group's successful winning of the PPP project of Zunyi-Fungxin Express Line (遵義鳳新快線) in the first half of 2016.

With the favourable development opportunities, the Group will continue to enhance the promotion of its client-oriented operating principles. By taking full advantage of its own sound technical strengths, the Group will seize the opportunities arising from the substantial developments of urban rail transit and to fully realize the whole industry chain synergetic strengths. Led by its design business and driven by investment, the Company will further strengthen its design and consultancy business and general contracting business and expand new businesses such as PPP. Through improving the management system of the business units, establishing the corporate ERP management platform and consolidating the operating and supervisory system, the Group will continually enhance its overall strengths and the level of returns to its shareholders with a view to becoming a leading comprehensive urban construction services provider in the industry with international influence.

Other Information

DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' INTERESTS IN SHARES

As at 30 June 2016, none of the Directors, chief executive and Supervisors of the Company held any interests or short positions in the shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (as defined in Part XV of the SFO), which were required to be notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or the Model Code, or required to be recorded in the register as required to be kept under Section 352 of the SFO.

During the reporting period, none of the Directors, chief executive and Supervisors of the Company (including their spouses or children under the age of 18) were authorized by the Company any rights to subscribe for the shares or debentures of the Company or any associated corporations.

CHANGES IN BOARD AND BOARD OF SUPERVISORS

Ms. Guo Yanhong was appointed as a non-executive director on 28 January 2016 to fill the vacancy following the resignation of Mr. Xu Jianyun. Resignation of Mr. Zhang Jie as a non-executive Director was effective on 28 January 2016. Mr. Guan Jifa was appointed as a non-executive director on 28 January 2016 to fill the vacancy following the resignation of Mr. Zhang Jie. Mr. Fu Yanbing was appointed as a Supervisor on 28 January 2016 to fill the vacancy following the resignation of Mr. Li Wenhong. Save for the above, there was no other change in members of the Board and the Board of Supervisors during the reporting period.

As at 30 June 2016, members of the Board include:

Mr. Wang Hanjun *(executive Director)*
Mr. Li Guoqing *(executive Director)*
Ms. Wang Liping *(Chairman and non-executive Director)*
Mr. Chen Daihua *(non-executive Director)*
Ms. Guo Yanhong *(non-executive Director)*

Mr. Wang Hao *(non-executive Director)*
Mr. Guan Jifa *(non-executive Director)*
Mr. Su Bin *(non-executive Director)*
Mr. Kong Lingbin *(non-executive Director)*
Mr. Tang Shuchang *(non-executive Director)*
Mr. Zhang Fengchao *(independent non-executive Director)*
Mr. Wang Dexing *(independent non-executive Director)*
Mr. Yim Fung *(independent non-executive Director)*
Mr. Sun Maozhu *(independent non-executive Director)*
Mr. Liang Qinghuai *(independent non-executive Director)*

As at 30 June 2016, members of the Board of Supervisors include:

Mr. Yao Guanghong *(chairman of the Board of Supervisors)*
Ms. Nie Kun *(Supervisor)*
Mr. Fu Yanbing *(Supervisor)*
Mr. Chen Rui *(Supervisor)*
Mr. Ren Chong *(Supervisor)*
Ms. Mi Jianzhou *(employee representative Supervisor)*
Mr. Zhang Wei *(employee representative Supervisor)*
Mr. Wang Jingang *(employee representative Supervisor)*
Mr. Wang Wenjiang *(employee representative Supervisor)*
Mr. Zhang Junming *(independent Supervisor)*
Mr. Zuo Chuanchang *(independent Supervisor)*

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as its code for securities transactions by its Directors and Supervisors. Having made specific enquiries with all of the Directors and Supervisors, all of them have confirmed that they had complied with the abovementioned code during the reporting period.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SECURITIES AND FUTURES ORDINANCE

As at 30 June 2016, to the knowledge of the Company, the following persons had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, were interested in 5% or more of the nominal value of any class of share capital of the Company:

Domestic Shares

Name of shareholder	Capacity	Number of Domestic Shares	Nature of interests	Approximate percentage of issued Domestic Share capital	Approximate percentage of total issued share capital
Beijing Urban Construction Group Co., Ltd.[1]	Beneficial owner	571,031,118	Long position	64.54%	44.87%
Beijing Infrastructure Investment Co., Ltd[2]	Beneficial owner	87,850,942	Long position	9.93%	6.90%
Beijing Jingguofa Equity Investment Fund (Limited Partnership)[3]	Beneficial owner	46,000,000	Long position	5.20%	3.61%
Tianjin Jun Rui Qi Equity Investment Partnership (LLP)[4]	Beneficial owner	46,000,000	Long position	5.20%	3.61%

Notes:

1. Beijing Urban Construction Group Co., Ltd., incorporated by the Beijing Municipal Government, is the sole substantial shareholder of the Company (within the meaning of the Hong Kong Listing Rules).

2. Beijing Infrastructure Investment Co., Ltd. is a wholly state-owned enterprise established and funded by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

3. The general partner of Beijing Jingguofa Equity Investment Fund (Limited Partnership) is Beijing Jingguofa Investment Management Co., Ltd. The 100% equity interest in Beijing Jingguofa Investment Management Co., Ltd. is held by Baoding Taihangheyi Cement Co., Ltd. In addition, Beijing State-owned Capital Operation and Management Center is a limited partner holding 64.99% interest in Beijing Jingguofa Equity Investment Fund (Limited Partnership). Each of the above entities was deemed to have interests in the same number of shares as Beijing Jingguofa Equity Investment Fund (Limited Partnership).

4. The general partner of Tianjin Jun Rui Qi Equity Investment Partnership (LLP) is Beijing Bodao Investment Advisory Center (Limited Partnership), while the general partner of Beijing Bodao Investment Advisory Center (Limited Partnership) is Beijing Legend Capital Co., Ltd. Beijing Junqijiarui Enterprise Management Co., Ltd. holds 45.00% equity interest in Beijing Legend Capital Co., Ltd. Each of the above entities was deemed to have interests in the same number of shares as Tianjin Jun Rui Qi Equity Investment Partnership (LLP).

H Shares

Name of shareholder	Capacity	Number of H Shares	Nature of interests	Approximate percentage of issued H Share capital	Approximate percentage of total issued share capital
Beijing Capital Group Ltd.	Interest of controlled corporations[1]	84,333,000	Long position	21.74%	6.63%
FMR LLC	Interest of controlled corporations[2]	30,156,000	Long position	7.77%	2.37%
CSR Group	Interest of controlled corporations[3]	26,222,000	Long position	6.76%	2.06%
Pioneer Investment Management Limited	Investment Manager	24,036,000	Long position	6.20%	1.89%
UBS Group AG	Interest of controlled corporations[4]	19,900,009	Long position	5.13%	1.56%
		150,000	Short position	0.04%	0.01%
Rays Capital Partners Limited[5]	Investment Manager	19,691,000	Long position	5.08%	1.55%

Notes:

1. Beijing Capital Group Ltd. held interests in 56,222,000 H Shares through a number of its controlled corporations, including Beijing Capital Land Ltd. and Capital Queen Limited, and also held interests in 28,111,000 H Shares through its controlled corporations, Beijing Capital Co., Ltd. and Beijing Capital (Hong Kong) Limited.

2. FMR LLC held interests in 22,972,000 H Shares, 440,000 H Shares, 2,874,000 H Shares and 3,870,000 H Shares through a number of its controlled corporations, including FIDELITY MANAGEMENT & RESEARCH (HONG KONG) LIMITED, FMR CO., INC, FIDELITY INSTITUTIONAL ASSET MANAGEMENT TRUST COMPANY (formerly known as PYRAMIS GLOBAL ADVISORS TRUST COMPANY) and FIAM LLC (formerly known as PYRAMIS GLOBAL ADVISORS, LLC), respectively.

3. CSR Group Limited held interests in 26,222,000 H Shares through its controlled corporations, CSR Corporation Limited and CSR (Hong Kong) Co. Ltd.

4. UBS Group AG held interests in 19,900,009 H Shares (long position) and 150,000 H Shares (short position) directly and through a number of its controlled corporations, including UBS AG and UBS Fund Management (Switzerland) AG respectively.

5. Each of Ruan David Ching-chi and Yip Yok Tak Amy held 50% of equity interest in Rays Capital Partners Limited. Each of the above individuals was deemed to have interests in the same number of Shares as Rays Capital Partners Limited.

6. According to the information relating to disclosure of interests available on the website of the Hong Kong Stock Exchange, Beijing Enterprises Group Company Limited was still shown as a substantial shareholder of the Company as at 30 June 2016. To the best of knowledge of the Directors, Beijing Enterprises Group Company Limited is no longer a substantial shareholder of the Company and accordingly it is not shown as a substantial shareholder in the table above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the reporting period, the Company and its subsidiaries did not purchase, sell or redeem any share of the Company.

CORPORATE GOVERNANCE

During the reporting period, the Company followed the relevant requirements under the Corporate Governance Code and established a sound corporate governance system operated and run in accordance with corporate governance documents, continuously enhanced and improved the corporate governance level of the Company. Currently, the corporate governance documents of the Company mainly include: the Articles of Association, the Rules of Procedure for the General Meeting, the Rules of Procedure for the Board, the Rules of Procedure for the Board of Supervisors, the Terms of Reference of the Audit Committee, the Terms of Reference of the Nomination Committee, the Terms of Reference of the Remuneration Committee, the Terms of Reference of the Overseas Risk Control Committee, the Administrative Measures on Connected Transactions and the Administrative Measures on Information Disclosure. The Board has adopted the Model Code as its rules for securities transactions by the Directors. In accordance with the latest requirement of the revised Appendix 14 of Hong Kong Listing Rule (as implemented on 1 January 2016), the Board considered and approved the amendments to the relevant content of "Terms of Reference of Audit Committee under the Board of Directors" of the Company on 24 March 2016. Save for the above, so far as the Board is aware, during the reporting period, the Company had complied with the requirements of the code provisions under the Corporate Governance Code and published the documents and information required to be disclosed on the websites of the Company and the Hong Kong Stock Exchange.

USE OF PROCEEDS

As at 30 June 2016, the Company utilised an aggregate of RMB658.21 million of the proceeds, among which, RMB371.21 million was used to supplement the invested funds for design, survey and consultancy projects and construction contracting projects in relation to urban rail transit business, RMB182.79 million was used to enhance, through self-development, cooperation or acquisition, the design and technology research capabilities in relation to the urban rail transit business and facilitate commercialisation of the technologies, RMB30.65 million was used to improve the construction capabilities in relation to urban rail transit business, RMB2.99 million was used to build the information systems, and RMB70.57 million was used to supplement the working capital.

MATERIAL LITIGATION AND ARBITRATION

During the reporting period, the Group was not engaged in any litigation or arbitration that would have a material effect on its operating activities.

REVIEW OF INTERIM RESULTS

Ernst & Young, the auditor of the Company, and the Audit Committee of the Company have reviewed the interim condensed consolidated financial statements of the Group for the six months period ended 30 June 2016.

Report on Review of Interim Condensed Consolidated Financial Statements

EY 安永

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To the shareholders of Beijing Urban Construction Design & Development Group Co., Limited
(A joint stock limited liability company established in the People's Republic of China)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Beijing Urban Construction Design & Development Group Co., Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2016 and the interim condensed consolidated statements of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") require the preparation of a report on interim condensed consolidated financial statements 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 these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 condensed consolidated financial statements 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 accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
30 August 2016

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six-month period ended 30 June 2016

	Notes	Six-month period ended 30 June 2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
REVENUE	4	**1,973,499**	1,581,079
Cost of sales	6	**(1,537,795)**	(1,267,546)
Gross profit		**435,704**	313,533
Other income and gains	4	**64,892**	35,912
Selling and distribution expenses		**(38,954)**	(27,016)
Administrative expenses		**(193,529)**	(118,352)
Other expenses		**(32,641)**	(9,530)
Finance costs	5	**(17,779)**	(5,679)
Share of profits and losses of:			
Joint ventures		**(100)**	(635)
Associates		**1,055**	882
PROFIT BEFORE TAX	6	**218,648**	189,115
Income tax expense	7	**(30,877)**	(33,340)
PROFIT FOR THE PERIOD		**187,771**	155,775
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of tax:			
Re-measurement gains/(losses) on defined benefit plans, net of tax		**2,150**	(10)

	Notes	Six-month period ended 30 June 2016 RMB'000 (Unaudited)	 2015 RMB'000 (Unaudited)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign statements		**(22)**	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**2,128**	(10)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**189,899**	155,765
Profit attributable to:			
Owners of the parent		**186,832**	156,452
Non-controlling interests		**939**	(677)
		187,771	155,775
Total comprehensive income attributable to:			
Owners of the parent		**188,960**	156,442
Non-controlling interests		**939**	(677)
		189,899	155,765
Earnings per share attributable to ordinary equity holders of the parent:			
Basic and diluted (expressed in RMB per share)	9	**0.15**	0.12

Interim Condensed Consolidated Statement of Financial Position

30 June 2016

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**351,701**	317,756
Prepaid land lease payments		**32,289**	32,646
Intangible assets		**7,407**	8,109
Investments in joint ventures		**981**	1,081
Investments in associates		**13,826**	12,771
Available-for-sale investments	12	**8,650**	8,650
Deferred tax assets		**80,621**	75,198
Financial receivables	13	**1,163,739**	585,566
Trade receivables	14	**67,540**	72,714
Prepayments, deposits and other receivables	15	**485,644**	482,540
Total non-current assets		**2,212,398**	1,597,031
CURRENT ASSETS			
Prepaid land lease payments		**710**	710
Inventories		**73,241**	49,099
Trade and bills receivables	14	**1,584,353**	1,513,015
Prepayments, deposits and other receivables	15	**302,830**	240,914
Amounts due from contract customers	11	**2,285,376**	1,950,383
Available-for-sale investments	12	**10,000**	110,000
Pledged deposits	16	**58,006**	50,333
Cash and bank balances	16	**2,462,912**	2,228,119
Total current assets		**6,777,428**	6,142,573

	Notes	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade payables	17	**1,470,597**	1,561,319
Amounts due to contract customers	11	**1,422,143**	1,254,628
Other payables, advances from customers and accruals	18	**1,668,455**	1,347,819
Provisions for supplementary retirement benefits		**2,810**	3,160
Tax payable		**37,995**	60,628
Total current liabilities		**4,602,000**	4,227,554
NET CURRENT ASSETS		**2,175,428**	1,915,019
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,387,826**	3,512,050
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	19	**1,120,000**	410,000
Provisions for supplementary retirement benefits		**49,480**	51,680
Other payables, advances from customers and accruals	18	**31,671**	36,632
Total non-current liabilities		**1,201,151**	498,312
Net assets		**3,186,675**	3,013,738

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
EQUITY		
Equity attributable to owners of the parent		
Share capital	1,272,670	1,272,670
Reserves	1,735,192	1,652,754
	3,007,862	2,925,424
Non-controlling interests	178,813	88,314
Total equity	3,186,675	3,013,738

Wang Hanjun
Director

Li Guoqing
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2016

	Attributable to owners of the parent								
	Share capital RMB'000 (Unaudited)	Capital reserve RMB'000 (Unaudited)	Special reserve RMB'000 (Unaudited)	Statutory surplus reserve RMB'000 (Unaudited)	Exchange fluctuation reserve RMB'000 (Unaudited)	Retained profits RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	Total equity RMB'000 (Unaudited)
At 1 January 2016	1,272,670	559,136	-	120,627	86	972,905	2,925,424	88,314	3,013,738
Profit for the period	-	-	-	-	-	186,832	186,832	939	187,771
Other comprehensive income/(loss) for the period:									
Re-measurement gains on defined benefit plans, net of tax	-	2,150	-	-	-	-	2,150	-	2,150
Exchange differences on translation of foreign statements	-	-	-	-	(22)	-	(22)	-	(22)
Total comprehensive income/(loss) for the period	-	2,150	-	-	(22)	186,832	188,960	939	189,899
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	90,000	90,000
Final 2015 dividend declared	-	-	-	-	-	(106,522)	(106,522)	-	(106,522)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	(440)	(440)
Appropriation to statutory surplus reserve	-	-	-	15,040	-	(15,040)	-	-	-
Transfer to special reserve (note (i))	-	-	19,447	-	-	(19,447)	-	-	-
Utilisation of special reserve (note (i))	-	-	(19,447)	-	-	19,447	-	-	-
At 30 June 2016	1,272,670	561,286*	-*	135,667*	64*	1,038,175*	3,007,862	178,813	3,186,675

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the six-month period ended 30 June 2016

	Attributable to owners of the parent							
	Share capital RMB'000 (Unaudited)	Capital reserve RMB'000 (Unaudited)	Special reserve RMB'000 (Unaudited)	Statutory surplus reserve RMB'000 (Unaudited)	Retained profits RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-controlling interests RMB'000 (Unaudited)	Total equity RMB'000 (Unaudited)
At 1 January 2015	1,272,670	537,586	–	83,573	706,126	2,599,955	22,735	2,622,690
Profit for the period	–	–	–	–	156,452	156,452	(677)	155,775
Other comprehensive income/(loss) for the period:								
Re-measurement losses on defined benefit plans, net of tax	–	(10)	–	–	–	(10)	–	(10)
Total comprehensive income/(loss) for the period	–	(10)	–	–	156,452	156,442	(677)	155,765
Capital contributions from non-controlling shareholders	–	–	–	–	–	–	31,500	31,500
Capital reductions from non-controlling shareholders	–	–	–	–	–	–	(3,000)	(3,000)
Final 2014 dividend declared	–	–	–	–	(93,796)	(93,796)	–	(93,796)
Appropriation to statutory surplus reserve	–	–	–	14,667	(14,667)	–	–	–
Transfer to special reserve (note (i))	–	–	15,771	–	(15,771)	–	–	–
Utilisation of special reserve (note (i))	–	–	(15,771)	–	15,771	–	–	–
At 30 June 2015	1,272,670	537,576*	–*	98,240*	754,115*	2,662,601	50,558	2,713,159

* These reserve accounts comprise the consolidated reserves of RMB1,735,192,000 (Unaudited) (30 June 2015: RMB1,389,931,000 (Unaudited))in the interim condensed consolidated statement of financial position as at 30 June 2016.

Note:

(i) In preparation of the interim condensed consolidated financial statements, the Group has appropriated a certain amounts of retained profits to a special reserve fund for each of the six months ended 30 June 2016 and 2015 respectively, for safety production expense purposes as required by directives issued by the relevant People's Republic of China ("PRC") government authorities. The Group charged the safety production expense to profit or loss when such expenses were incurred, and at the same time an equal amount of such special reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2016

	Notes	Six-month period ended 30 June 2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**218,648**	189,115
Adjustments for:			
Finance costs	5	**17,779**	5,679
Interest income	6	**(51,708)**	(13,286)
Depreciation of items of property, plant and equipment	6	**15,633**	11,945
Impairment of trade receivables	6	**17,433**	1,980
Provision for foreseeable losses on contracts	6	**10,824**	6,718
Gains on disposal of available-for-sale investments	6	**(6,002)**	(13,895)
Others		**(19)**	(4,354)
		222,588	183,902
Changes in amounts due from/(to) contract customers		**(178,301)**	(584,189)
(Increase)/decrease in trade and bills receivables		**(87,009)**	235,668
Increase in prepayments, deposits and other receivables		**(612,305)**	(200,779)
Decrease in trade payables		**(90,722)**	(169,053)
Increase in other payables, advances from customer and accruals		**182,881**	10,117
Others		**(24,541)**	(6,206)
Cash used in operations		**(587,409)**	(530,540)
Interest received		**8,999**	12,625
Income tax paid		**(58,933)**	(162,362)

	Notes	Six-month period ended 30 June 2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Net cash flows used in operating activities		**(637,343)**	(680,277)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of available-for-sale investments		**(2,040,000)**	(2,800,000)
Proceeds from disposal of available-for-sale investments		**2,146,002**	3,363,895
Decrease in non-pledged time deposits with original maturity of more than three months		**21,778**	475,122
Others		**(21,335)**	(26,993)
Net cash flows from investing activities		**106,445**	1,012,024
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling interests		**90,000**	31,500
New bank loans		**710,000**	–
Interest paid		**(17,214)**	–
Others		**(440)**	(3,000)
Net cash flows from financing activities		**782,346**	28,500
NET INCREASE IN CASH AND CASH EQUIVALENTS		**251,448**	360,247
Cash and cash equivalents at beginning of period		**2,143,141**	1,469,365
Effect of exchange rate changes on cash and cash equivalents		**5,123**	(425)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	**2,399,712**	1,829,187

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2016

1. CORPORATE INFORMATION

Beijing Urban Construction Design & Development Group Co., Limited (the "Company") began its operations in 1958 in the PRC as a state-owned professional survey and design institute founded specifically for the survey and design of Beijing Subway Line 1. Subsequent to a series of reorganisations, the Company was then converted into a joint stock company with limited liability and renamed as Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) on 28 October 2013.

The Company's H shares were issued and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in July 2014.

The registered office address of the Company is 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC.

During the period, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- Design, survey and consultancy services for urban rail transit and urban rail transit related industrial and civil construction and municipal engineering projects

- Construction contracting services for urban rail transit

In the opinion of the directors of the Company (the "Directors"), the Company's holding company and the ultimate holding company is Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司, "BUCG"), which is a state-owned enterprise.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by the International Accounting Standards Board("IASB") and in compliance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

The interim condensed consolidated financial statements have been prepared under the historical cost convention and are presented in Renminbi ("RMB") and all values are rounded to the nearest thousands, except when otherwise indicated.

2.2 Impact of new and revised International Financial Reporting Standards

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standard effective as of 1 January 2016. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

IFRS 14 *Regulatory Deferral Accounts*

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRSs. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 *Business Combinations* principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not have any bearer plants.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

Amendments to IAS 27 *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRSs and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRSs electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendments clarify that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendments must be applied prospectively.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

Annual Improvements 2012-2014 Cycle (Continued)

IFRS 7 *Financial Instruments: Disclosures*

(i) *Servicing contracts*

The amendments clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) *Applicability of the amendments to IFRS 7 to condensed interim financial statements*

The amendments clarify that the offsetting disclosure requirements do not apply to unaudited condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. The amendments must be applied retrospectively.

IAS 19 *Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

Annual Improvements 2012-2014 Cycle (Continued)

IAS 34 *Interim Financial Reporting*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments do not have any impact on the Group.

Amendments to IAS 1 *Disclosure Initiative*

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- the materiality requirements in IAS 1
- that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated
- that entities have flexibility as to the order in which they present the notes to financial statements
- that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.2 Impact of new and revised International Financial Reporting Standards (Continued)

Amendments to IAS 1 *Disclosure Initiative* (Continued)

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not apply the consolidation exception.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the interim condensed consolidated financial statements:

IFRS 9	*Financial Instruments*[2]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
IFRS 15	*Revenue from Contracts with Customers*[2]
IFRS 16	*Leases*[3]
Amendments to IFRS 2	*Share-based Payment*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IFRS 15	*Revenue from Contracts with Customers*[2]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable operating segments as follows:

(a) Design, survey and consultancy – this segment engages in the provision of services on designing, surveying and mapping, monitoring and consulting services in the engineering of urban rail transit, municipal management and construction; and

(b) Construction contracting – this segment engages in the provision of services relating to urban rail transit construction contracting.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that unallocated interest income and other gains are excluded from such measurement.

Segment assets exclude deferred tax assets, unallocated cash and bank balances, unallocated pledged deposits and financial products included in available-for-sale investments (current portion) as these assets are managed on a group basis.

Segment liabilities exclude tax payable and dividends payable to shareholders as they are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (Continued)

Six-month period ended 30 June 2016

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:				
Sales to external customers	1,023,538	949,961	–	1,973,499
Intersegment sales	11,274	–	(11,274)	–
Total revenue	1,034,812	949,961	(11,274)	1,973,499
Segment results	97,995	45,218	(54)	143,159
Finance costs	–	17,779	–	17,779
Interest income	217	45,770	–	45,987
Profit of segments for the period	98,212	108,767	(54)	206,925
Income tax expense				(30,877)
Unallocated interest income				5,721
Unallocated gains on disposal of available-for-sale investments				6,002
Profit for the period				187,771

3. OPERATING SEGMENT INFORMATION (Continued)

Six-month period ended 30 June 2016 (Continued)

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	3,533,403	3,911,536	(211,394)	7,233,545
Corporate and other unallocated assets				1,756,281
Total assets				8,989,826
Segment liabilities	3,275,847	2,594,181	(211,394)	5,658,634
Corporate and other unallocated liabilities				144,517
Total liabilities				5,803,151

3. OPERATING SEGMENT INFORMATION (Continued)

Six-month period ended 30 June 2016 (Continued)

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Other segment information:				
Share of profits and losses of:				
Joint ventures	(100)	–	–	(100)
Associates	1,055	–	–	1,055
Depreciation	9,641	5,992	–	15,633
Amortisation	1,696	–	–	1,696
Provision/(reversal of provision) for				
– foreseeable losses on contracts	9,867	957	–	10,824
– impairment/(reversal of impairment) of trade receivables, deposits and other receivables	22,347	(2,082)	–	20,265
Investments in joint ventures	981	–	–	981
Investments in associates	13,826	–	–	13,826
Capital expenditure*	11,541	40,872	–	52,413

3. OPERATING SEGMENT INFORMATION (Continued)

Six-month period ended 30 June 2015

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue:				
Sales to external customers	855,304	725,775	–	1,581,079
Total revenue	855,304	725,775	–	1,581,079
Segment results	146,620	20,497	496	167,613
Finance costs	(1)	(5,678)	–	(5,679)
Interest income	219	1,012	–	1,231
Profit of segments for the period	146,838	15,831	496	163,165
Income tax expense				(33,340)
Unallocated interest income				12,055
Unallocated gains on disposal of available-for-sale investments				13,895
Profit for the period				155,775

3. OPERATING SEGMENT INFORMATION (Continued)

Six-month period ended 30 June 2015 (Continued)

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	3,020,185	1,563,982	(74,636)	4,509,531
Corporate and other unallocated assets				1,923,909
Total assets				6,433,440
Segment liabilities	2,377,602	1,258,644	(70,513)	3,565,733
Corporate and other unallocated liabilities				154,548
Total liabilities				3,720,281

3. OPERATING SEGMENT INFORMATION (Continued)

Six-month period ended 30 June 2015 (Continued)

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Other segment information:				
Share of profits and losses of:				
Joint ventures	(635)	–	–	(635)
Associates	882	–	–	882
Depreciation	9,525	2,420	–	11,945
Amortisation	1,809	–	–	1,809
Provision/(reversal of provision) for				
– foreseeable losses contracts	3,965	2,753	–	6,718
– impairment/(reversal of impairment) of trade receivables, deposits and other receivables	5,070	(2,333)	–	2,737
Investments in joint ventures	968	–	–	968
Investments in associates	11,412	–	–	11,412
Capital expenditure*	6,716	44,105	–	50,821

* Capital expenditure mainly consists of additions to property, plant and equipment and intangible assets.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, represents: (1) the invoiced values of services rendered, and (2) an appropriate proportion from contract revenue of construction contracting.

An analysis of the Group's revenue, other income and gains is as follows:

	Six-month period ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue		
Design, survey and consultancy	**1,023,538**	855,304
Construction contracting	**949,961**	725,775
	1,973,499	1,581,079
Other income and gains		
Interest income	**51,708**	13,286
Gains on disposal of available-for-sale investments	**6,002**	13,895
Government grants	**1,033**	1,000
Foreign exchange gains	**5,145**	6,755
Others	**1,004**	976
	64,892	35,912

5. FINANCE COSTS

	Six-month period ended 30 June	
	2016 **RMB'000** **(Unaudited)**	2015 RMB'000 (Unaudited)
Interest on bank loans	**17,779**	–
Other finance costs	**–**	5,679
	17,779	5,679

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six-month period ended 30 June	
	2016 **RMB'000** **(Unaudited)**	2015 RMB'000 (Unaudited)
Cost of design, survey and consultancy	**695,002**	578,600
Cost of construction contracting	**842,793**	688,946
Total cost of sales	**1,537,795**	1,267,546
Depreciation of items of property, plant and equipment	**15,633**	11,945
Amortisation of prepaid land lease payments	**359**	359
Amortisation of intangible assets	**1,337**	1,450
Total depreciation and amortisation	**17,329**	13,754

6. PROFIT BEFORE TAX (Continued)

	Six-month period ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Impairment of trade receivables	**17,433**	1,980
Impairment of deposits and other receivables	**2,832**	757
Total impairment losses, net	**20,265**	2,737
Provision for foreseeable losses on contracts	**10,824**	6,718
Lease expenses under operating leases	**27,553**	20,595
Auditors' remuneration	**750**	750
Employee benefit expenses (including directors' and supervisors' remuneration):		
Wages, salaries and allowances	**397,566**	354,337
Retirement benefit costs		
– Defined contribution retirement schemes	**36,830**	33,645
– Defined benefit retirement schemes	**1,220**	1,640

6. PROFIT BEFORE TAX (Continued)

	Six-month period ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total retirement benefit costs	**38,050**	35,285
Welfare and other expenses	**63,342**	62,316
Total employee benefit expenses	**498,958**	451,938
Government grants	**(1,033)**	(1,000)
Interest income	**(51,708)**	(13,286)
Gains on disposal of available-for-sale investments	**(6,002)**	(13,895)
Loss on disposal of items of property, plant and equipment, net	**5**	74
Foreign exchange differences, net	**(5,145)**	(6,755)

7. INCOME TAX EXPENSE

The Company and a subsidiary of the Company have been identified as "high and new technology enterprises" and were entitled to a preferential income tax at a rate of 15% for the years ended 31 December 2013, 2014 and 2015 in accordance with the PRC Corporate Income Tax Law. As the expiry of preferential income tax rate is in November 2016 (the validity of the certificate of "high and new technology enterprise"), so the above companies were entitled to preferential income tax at a rate of 15% for the period ended 30 June 2016. Another subsidiary of the Company has also been identified as a "high new technology enterprise" in 2014 and was entitled to preferential income tax at a rate of 15% for the years ended 31 December 2014, 2015 and 2016. Other entities within the Group in Mainland China were subject to corporate income tax at a statutory rate of 25%.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the six-month periods ended 30 June 2016 and 2015.

	Six-month period ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Current income tax – Mainland China	**36,301**	48,943
Deferred income tax	**(5,424)**	(15,603)
Tax charge for the period	**30,877**	33,340

7. INCOME TAX EXPENSE (Continued)

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rate to the income tax expense at the Group's effective income tax rate for the six-month periods ended 30 June 2016 and 2015 is as follows:

	Six-month period ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Profit before tax	**218,648**	189,115
Income tax charge at the statutory income tax rate	**54,662**	47,279
Effect of different income tax rates for some entities	**(20,383)**	(20,706)
Tax effect of share of profits and losses of joint ventures and associates	**(239)**	(61)
Expenses not deductible for tax purposes	**3,560**	4,819
Adjustments in respect of current tax of previous periods	**(1,558)**	–
Effect on deferred tax of changes in rates	**(6,378)**	–
Tax losses not recognised	**1,213**	2,009
Tax charge for the period at the effective rate	**30,877**	33,340

8. DIVIDENDS

The dividends for the six-month periods ended 30 June 2016 and 2015 are set out below:

	Note	Six-month period ended 30 June	
		2016	2015
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Declared final dividend – RMB0.0837 (2014: RMB0.0737) per ordinary share	(i)	**106,522**	93,796

Note:

(i) At the annual general meeting held on 2 June 2016, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2015 of RMB0.0837 per share which amounted to RMB106,522,000 in total.

At the annual general meeting held on 8 June 2015, the Company's shareholders approved the payment on the final dividend for the year ended 31 December 2014 of RMB0.0737 per share which amounted to RMB93,796,000 in total.

The directors did not recommend the payment of an interim dividend for the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: Nil).

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

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the six-month periods ended 30 June 2016 and 2015.

	Six-month period ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings:		
Profit for the period attributable to ordinary equity holders of the parent	**186,832**	156,452

	Six-month period ended 30 June	
	2016	2015
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	**1,272,670**	1,272,670

The Group had no potential dilutive ordinary shares in issue during these periods.

10. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 30 June 2016, the Group acquired property, plant and equipment with an aggregate cost amounting to approximately RMB51,778,000 (Unaudited) (six-month period ended 30 June 2015: RMB50,031,000 (Unaudited)).

In addition, during the same period, property, plant and equipment with an aggregate net carrying value of approximately RMB57,000 (Unaudited) (six-month period ended 30 June 2015: RMB202,000 (Unaudited)) were disposed of, which resulted in a net loss on disposal of approximately RMB5,493 (Unaudited) (six-month period ended 30 June 2015: RMB74,000 (Unaudited)).

11. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

Construction contracts

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Amounts due from contract customers	**533,086**	451,052
Amounts due to contract customers	**(70,324)**	(41,053)
	462,762	409,999

11. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS (Continued)

Construction contracts (Continued)

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Contract costs incurred plus recognised profits less recognised losses to date	**18,085,004**	16,984,834
Less: Progress billings received and receivable	**(17,622,242)**	(16,574,835)
	462,762	409,999

Contracts for services

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Amounts due from contract customers	**1,752,290**	1,499,331
Amounts due to contract customers	**(1,351,819)**	(1,213,575)
	400,471	285,756

11. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS (Continued)

Contracts for services (Continued)

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Contract costs incurred plus recognised profits less recognised losses to date	**12,066,559**	11,225,573
Less: Progress billings received and receivable	**(11,666,088)**	(10,939,817)
	400,471	285,756

12. AVAILABLE-FOR-SALE INVESTMENTS

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Unlisted equity investments, at cost	(i)	**8,650**	8,650
Other financial assets		**10,000**	110,000
		18,650	118,650
Portion classified as non-current assets		**(8,650)**	(8,650)
Current portion		**10,000**	110,000

Note:

(i) The unlisted equity investments are equity securities issued by private entities established in the PRC. They are measured at cost less impairment at each reporting date because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of them in the near future.

13. FINANCIAL RECEIVABLES

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Receivables for service concession arrangements	**1,163,739**	585,566

Receivables for service concession arrangements arose from the service concession contracts to build and operate urban road and were recognised to the extent that the Group has an unconditional contractual right to receive cash from the Grantor.

Financial receivables were unbilled receivables, and were neither past due nor impaired. Financial receivables were mainly due from governmental authorities in Mainland China, as grantors in respect of the Group's service concession arrangements. The Group does not hold any collateral or other credit enhancements over these balances.

At 30 June 2016, the Group's financial receivables were pledged to secure certain bank loans granted to the Group (note 19).

14. TRADE AND BILLS RECEIVABLES

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

	Note	**As at 30 June 2016 RMB'000 (Unaudited)**	As at 31 December 2015 RMB'000 (Audited)
Trade receivables		**1,852,666**	1,769,719
Provision for impairment		**(201,773)**	(184,340)
Trade receivables, net		**1,650,893**	1,585,379
Bills receivable		**1,000**	350
		1,651,893	1,585,729
Portion classified as non-current assets	(i)	**(67,540)**	(72,714)
Current portion		**1,584,353**	1,513,015

Note:

(i) The non-current portion of trade receivables mainly represents the amounts of retention money held by customers as at the reporting date.

14. TRADE AND BILLS RECEIVABLES (Continued)

As at the reporting date, the amounts of retention money for contract works held by customers included in trade receivables are as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Amounts of retention money in trade receivables	**77,965**	68,456

An aging analysis of the trade and bills receivables, based on the billing date and net of provision, as at the reporting date is as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 3 months	**546,583**	537,583
3 to 6 months	**262,090**	155,319
6 months to 1 year	**268,413**	135,195
1 to 2 years	**309,051**	453,750
2 to 3 years	**172,285**	209,381
3 to 4 years	**59,286**	65,340
4 to 5 years	**27,459**	24,264
Over 5 years	**5,726**	4,547
	1,650,893	1,585,379

14. TRADE AND BILLS RECEIVABLES (Continued)

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

	Six-month period ended 30 June 2016 RMB'000 (Unaudited)	Year ended 31 December 2015 RMB'000 (Audited)
At beginning of the period	**184,340**	159,016
Impairment losses recognised	**17,433**	25,324
At end of the period	**201,773**	184,340

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of RMB82,011,000 (Unaudited) (31 December 2015: RMB64,778,000) with an aggregate carrying amount before provision of RMB606,470,000 (Unaudited) as at 30 June 2016 (31 December 2015: RMB715,606,000).

The individually impaired trade receivables relate to customers that were in default in principal payments or were in financial difficulties and only a portion of the receivables is expected to be recovered.

14. TRADE AND BILLS RECEIVABLES (Continued)

An aging analysis of the trade receivables, that are neither individually nor collectively considered to be impaired, is as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Neither past due nor impaired	**808,673**	692,902

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

14. TRADE AND BILLS RECEIVABLES (Continued)

The amounts due from BUCG, Beneficial Shareholders and their affiliates, fellow subsidiaries and other related parties included in the trade receivables are as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
BUCG	**6,871**	7,676
Beneficial Shareholders and their affiliates	**415,780**	543,292
Fellow subsidiaries	**2,546**	1,775
Associates of BUCG	**3,925**	–
A shareholder holding a 6.63% interest in the Company	**815**	901
Subsidiaries of an associate of BUCG	**–**	2,000
An associate	**500**	590
	430,437	556,234

The above amounts are unsecured, non-interest-bearing and repayable on credit terms similar to those offered to other major customers of the Group.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Deposits and other receivables		**686,012**	629,609
Provision for impairment of deposits and other receivables		**(12,446)**	(9,614)
		673,566	619,995
Prepayments		**114,908**	102,573
Interest receivables		**–**	704
Dividend receivables		**–**	182
		788,474	723,454
Portion classified as non-current assets	(i)	**(485,644)**	(482,540)
Current portion		**302,830**	240,914

Note:

(i) The non-current portion of deposits and other receivables mainly represents a receivable arising from expenses paid on behalf of a customer and performance guaranteed amounts held by customers as at the reporting date.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The movements in provision for impairment of deposits and other receivables are as follows:

	Six-month period ended 30 June 2016 RMB'000 (Unaudited)	Year ended 31 December 2015 RMB'000 (Audited)
At beginning of the period	**9,614**	9,730
Impairment losses recognised	**3,540**	1,790
Impairment losses reversed	**(708)**	(1,906)
At end of the period	**12,446**	9,614

Included in the above provision for impairment of deposits and other receivables are provisions for individually impaired other receivables of RMB5,603,000 (Unaudited) (31 December 2015: RMB5,563,000) with an aggregate carrying amount before provision of RMB5,711,000 (Unaudited) as at 30 June 2016 (31 December 2015: RMB5,711,000).

An aging analysis of the deposits and other receivables, that are neither individually nor collectively considered to be impaired, is as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Neither past due nor impaired	**627,382**	585,781

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

The amounts due from BUCG, fellow subsidiaries and other related parties included in the prepayments, deposits and other receivables are as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
BUCG	**4,090**	3,170
Fellow subsidiaries	**612**	1,572
Associates	**27,297**	23,921
Beneficial Shareholders and their affiliates	**511**	2,137
A joint venture	**1,691**	1,333
Subsidiaries of an associate of BUCG	**3,538**	2,500
	37,739	34,633

The above amounts are unsecured, non-interest-bearing and have no fixed terms of settlement.

16. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Cash and bank balances	**2,289,438**	2,021,015
Time deposits	**231,480**	257,437
	2,520,918	2,278,452
Less: Pledged bank balances for bidding guarantees and performance guarantees	**(58,006)**	(50,333)
Cash and cash equivalents in the consolidated statement of financial position	**2,462,912**	2,228,119
Less: Non-pledged time deposits with original maturity of more than three months when acquired	**(63,200)**	(84,978)
Cash and cash equivalents in the consolidated statement of cash flows	**2,399,712**	2,143,141
Cash and bank balances and time deposits denominated in:		
– RMB	**2,463,303**	1,976,932
– Other currencies	**57,615**	301,520
	2,520,918	2,278,452

17. TRADE PAYABLES

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

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within 6 months	516,328	629,237
6 months to 1 year	279,392	287,687
1 to 2 years	367,880	335,609
2 to 3 years	187,385	165,483
Over 3 years	119,612	143,303
	1,470,597	1,561,319

The amounts due to fellow subsidiaries, a joint venture, associates and associates of BUCG included in the trade payables are as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Fellow subsidiaries	76,496	94,243
A joint venture	3,640	812
Associates	3,922	2,308
Associates of BUCG	86,530	110,646
	170,588	208,009

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

18. OTHER PAYABLES, ADVANCES FROM CUSTOMERS AND ACCRUALS

	Note	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Advances from customers		**895,227**	754,238
Accrued salaries, wages and benefits		**314,751**	304,396
Other taxes payable		**159,342**	154,139
Retention payables		**98,231**	91,868
Dividends payable to shareholders		**106,522**	–
Other payables		**126,053**	79,810
		1,700,126	1,384,451
Portion classified as non-current liabilities	(i)	**(31,671)**	(36,632)
Current portion		**1,668,455**	1,347,819

Note:

(i) The non-current portion mainly represents the performance guaranteed amounts from subcontractors and suppliers of the Group as at the reporting date.

18. OTHER PAYABLES, ADVANCES FROM CUSTOMERS AND ACCRUALS (Continued)

The amounts due to BUCG, Beneficial Shareholders and their affiliates, fellow subsidiaries and other related parties included in other payables, advances from customers and accruals are as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
BUCG	**4,348**	3,640
Beneficial Shareholders and their affiliates	**308,609**	211,498
Fellow subsidiaries	**4,887**	6,909
Associates	**7,362**	8,415
A shareholder holding a 6.63% interest in the Company	**13**	–
Associates of BUCG	**10,416**	10,507
	335,635	240,969

The above amounts are unsecured, non-interest-bearing and have no fixed terms of settlement.

19. INTEREST-BEARING BANK LOANS

		As at 30 June 2016 (Unaudited)			As at 31 December 2015 (Audited)		
	Note	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Non-current:							
Secured	(i)	**4.9%**	**2017-2025**	**1,120,000**	4.9%	2017-2020	410,000
Denominated in:							
– RMB				**1,120,000**			410,000

The maturity profile of the interest-bearing bank loans as at 30 June 2016 and 31 December 2015 is as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
In the second year	**160,000**	80,000
In the third to fifth years, inclusive	**416,000**	330,000
After five years	**544,000**	–
	1,120,000	410,000

Note:

(i) The bank loan of RMB1,120,000,000 (Unaudited) (31 December 2015: RMB410,000) was secured by the right of future financial receivables for service concession arrangements.

20. OPERATING LEASE ARRANGEMENTS

As lessee

As at the reporting date, the Group had the following total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Within one year	**57,836**	42,096
In the second to fifth years, inclusive	**110,378**	99,083
After five years	**8,584**	10,633
	176,798	151,812

21. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**11,500**	4,550

22. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties for the six-month periods ended 30 June 2016 and 2015:

	Six-month period ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Design, survey and consultancy services provided to:		
BUCG	**8,302**	7,084
Fellow subsidiaries	**7,788**	3,756
Associates of BUCG	**311**	–
Beneficial Shareholders and their affiliates	**101,028**	111,310
Associates	**653**	–
A shareholder holding a 6.63% interest in the Company	**35**	–
	118,117	122,150
Construction contracting services provided to:		
Beneficial Shareholders and their affiliates	**210,746**	340,393
Construction contracting services provided by:		
Fellow subsidiaries	**45,471**	4,251
Associates of BUCG	**84,076**	49,162
Subsidiaries of associates of BUCG	**34,054**	–
	163,601	53,413

22. RELATED PARTY TRANSACTIONS (Continued)

(a) The Group had the following material transactions with related parties for the six-month periods ended 30 June 2016 and 2015: (Continued)

	Six-month period ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Design, survey and consultancy services provided by:		
Associates	**6,768**	7,543
A Joint venture	**1,995**	–
	8,763	7,543
Rental expenses and property management fees paid or payable to:		
BUCG	**1,082**	1,082
Fellow subsidiaries	**5,728**	5,728
	6,810	6,810

The above related party transactions were conducted in accordance with the terms mutually agreed between the parties.

BUCG guaranteed certain of the Group's letters of guarantee for bidding, performance and prepayment for projects undertaken and the outstanding balance of such letters of guarantee as at 30 June 2016 was RMB86 million (Unaudited) (31 December 2015: RMB149 million).

22. RELATED PARTY TRANSACTIONS (Continued)

(a) The Group had the following material transactions with related parties for the six-month periods ended 30 June 2016 and 2015: (Continued)

In addition, BUCG issued certain letters of guarantee to customers for contract bidding, performance and prepayment in respect of its operation of urban rail transit construction projects. As at 30 June 2016, the balance of the relevant letters of guarantee was RMB68 million (Unaudited) (31 December 2015: RMB37 million). Due to the Reorganisation, BUCG transferred the operation related to urban rail transit construction contracting services to the Company. The titles of such outstanding letters of guarantee are in the process of novation from BUCG to the Company.

The Group guaranteed certain of associates' letters of guarantee for performance for projects undertaken and the outstanding balance of such guarantee letters as at 30 June 2016 was RMB12 million (Unaudited) (31 December 2015: RMB11 million).

The Group is indirectly controlled by the PRC government and operates in an economic environment predominated by entities directly or indirectly owned or controlled by the government through its agencies, affiliates or other organisations (collectively "State-owned Enterprises" ("SOEs")). During the six-month periods ended 30 June 2016 and 2015, the Group entered into extensive transactions with other SOEs, such as bank deposits, rendering and receiving of design, survey and consultancy services and construction contracting services, and purchase of inventories and machinery. In the opinion of the directors of the Company, the transactions with SOEs are activities conducted in the ordinary course of business, and the dealings of the Group have not been significantly or unduly affected by the fact that the Group and those SOEs are ultimately controlled or owned by the PRC government. The Group has also established pricing policies for rendered services and such pricing policies do not depend on whether or not the customers are SOEs.

22. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 14, 15, 17 and 18.

(c) Compensation of key management personnel of the Group

	Six-month period ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	**2,974**	3,207
Pension scheme	**407**	363
	3,381	3,570

(d) Commitments with related parties

As at the reporting date, the Group entered into several construction contracts and service contracts with related parties. The material commitments are as follows:

Pursuant to certain construction contracts signed by the Company and a Beneficial Shareholder, the Company is engaged to build certain subways and the estimated value in the backlog as at 30 June 2016 was RMB2,718 million (Unaudited) (31 December 2015: RMB1,789 million).

Pursuant to certain design services contracts signed by the Company and certain Beneficial Shareholders, Beneficial Shareholder's affiliates, fellow subsidiaries and BUCG, the Company is engaged to design certain subways and industrial and civil construction and municipal engineering and the backlog as at 30 June 2016 was RMB937 million (31 December 2015: RMB1,099 million).

23. 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:

	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)
Financial assets		
Available-for-sale financial investments:		
Available-for-sale investments	**18,650**	118,650
Loans and receivables:		
Trade and bills receivables	**1,651,893**	1,585,729
Financial receivables	**1,163,739**	585,566
Financial assets included in prepayments, deposits and other receivables	**673,566**	620,881
Pledged deposits	**58,006**	50,333
Cash and bank balances	**2,462,912**	2,228,119
	6,028,766	5,189,278
Financial liabilities		
Financial liabilities at amortised cost:		
Interest-bearing bank loans	**1,120,000**	410,000
Trade payables	**1,470,597**	1,561,319
Financial liabilities included in other payables, advances from customers and accruals	**330,806**	171,678
	2,921,403	2,142,997

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying amount		Fair value	
	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)	**As at 30 June 2016 RMB'000 (Unaudited)**	As at 31 December 2015 RMB'000 (Audited)
Financial assets				
Available-for-sale financial investments:				
Available-for-sale investments, current portion	**10,000**	110,000	**10,678**	110,189
Loans and receivables:				
Trade receivables, non-current portion	**67,540**	72,714	**67,347**	72,507
Financial receivables	**1,163,739**	585,566	**1,163,003**	584,900
Financial assets included in prepayments, deposits and other receivables, non-current portion	**485,644**	470,540	**484,728**	470,468
	1,726,923	1,238,820	**1,725,756**	1,238,064

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values as at the end of the reporting period, are as follows: (Continued)

	Carrying amount		Fair value	
	As at 30 June 2016 RMB'000 (Unaudited)	As at 31 December 2015 RMB'000 (Audited)	**As at 30 June 2016 RMB'000 (Unaudited)**	As at 31 December 2015 RMB'000 (Audited)
Financial liabilities				
Financial liabilities at amortised cost:				
Interest-bearing bank loans	**1,120,000**	410,000	**1,120,000**	410,000
Financial liabilities included in other payables, advances from customers and accruals, non-current portion	**31,671**	36,632	**31,609**	35,655
	1,151,671	446,632	**1,151,609**	445,655

Management has assessed that the fair values of cash and bank balances, pledged deposits, the current portion of trade and bills receivables, trade payables, the current portion of financial assets included in prepayments, deposits and other receivables, and the current portion of financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief accountant. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief accountant. The valuation process and results are discussed with the senior management twice a year for annual financial reporting.

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 trade and bills receivables, financial receivables, the non-current portion of financial assets included in prepayments, deposits and other receivables and the non-current portion of financial liabilities included in other payables and accruals and interest-bearing bank loans 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 fair values of the current portion of available-for-sale investments are based on quoted market prices. The fair value of unlisted available-for-sale equity investments cannot be measured reliably because they do not have quoted market prices in an active market and the range of reasonable fair value estimate is so significant.

24. 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 for which fair values are disclosed:

30 June 2016

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Trade and bills receivables, non-current portion	–	67,347	–	67,347
Financial receivables	–	1,163,003	–	1,163,003
Available-for-sale investments, current portion	–	10,678	-	10,678
Financial assets included in prepayments, deposits and other receivables, non-current portion	–	484,728	–	484,728
	–	1,725,756	–	1,725,756

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy: (Continued)

Assets for which fair values are disclosed: (Continued)

31 December 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Trade and bills receivables, non-current portion	–	72,507	–	72,507
Financial receivables	–	584,900	–	584,900
Available-for-sale investments, current portion	–	110,189	–	110,189
Financial assets included in prepayments, deposits and other receivables, non-current portion	–	470,468	–	470,468
	–	1,238,064	–	1,238,064

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy: (Continued)

Liabilities for which fair values are disclosed:

30 June 2016

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Interest-bearing bank loans	–	1,120,000	–	1,120,000
Financial liabilities included in other payables, advances from customers and accruals, non-current portion	–	31,609	–	31,609
	–	1,151,609	–	1,151,609

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy: (Continued)

Liabilities for which fair values are disclosed: (Continued)

31 December 2015

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	Total RMB'000 (Audited)
Interest-bearing bank loans	–	410,000	–	410,000
Financial liabilities included in other payables, advances from customers and accruals, non-current portion	–	35,655	–	35,655
	–	445,655	–	445,655

25. EVENTS AFTER THE REPORTING PERIOD

As at the approval date of these financial statements, the Group had no material subsequent events.

26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 30 August 2016.