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)

2017 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 2017. This results announcement, containing the full text of the 2017 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 2017 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 2017.

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
"PPP"	a model of public-private partnerships jointly participating in the construction of public infrastructure
"Reporting Period"	the six months ended 30 June 2017
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of the Company, including H Shares and Domestic Shares
"Supervisor(s)"	supervisor(s) of the Company
"%"	per cent.

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 OFFICE:
5 Fuchengmen North Street,
Xicheng District,
Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:
18/F, Tesbury Centre,
28 Queen's Road East,
Wan Chai,
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: Clifford Chance
As to PRC Laws: Haiwen & Partners

Management Discussion and Analysis

SUMMARY

In the first half of 2017, the Group has made a preliminary layout in the entire rail transit industry chain to expand the market scale and accelerate the development of its various segments. Such a good momentum has laid a solid foundation for the entire year and ensures that the market position, capital resources, results of operations and comprehensive strength of the Group will be further consolidated, increased, improved and strengthened.

For the six-month period ended 30 June 2017, the Group's revenue amounted to RMB3,032 million, representing an increase of RMB1,059 million or 53.7% compared to RMB1,973 million for the corresponding period last year. The Group's net profit amounted to RMB226 million, representing an increase of RMB38 million or 20.2% compared to the net profit of RMB188 million for the corresponding period last year.

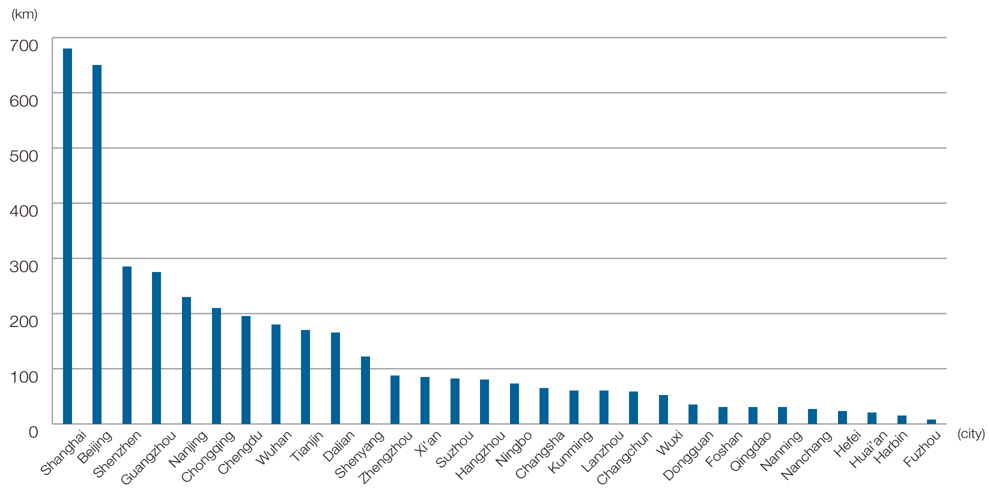
MARKET LANDSCAPE

In the first half of 2017, the economic development of China generally maintained a posture of stable improvement. Economic growth kept within an appropriate range and major indicators performed better than expected. Economic restructuring has been continuously deepened and industrial restructuring accelerated. The three strategies of "The Belt and Road Initiative" construction, synergetic development of Beijing, Tianjin and Hebei and the Yangtze River Economic Belt Development have been implemented thoroughly. The decision-making and deployment of new development concept and structural reform of supply side are becoming increasingly popular with people, government and corporate behavior is undergoing positive changes and market confidence is gradually improving. Benefiting from the steadily improved economic situation and favorable policy environment, urban rail transit industry remained its continuous popularity in the first half of 2017 and presented a hot development trend.

URBAN RAIL TRANSIT

Urban rail transit plays a vital important role in ensuring the intensive development and utilization of urban land, guiding and improving urban spatial structure, solving urban traffic congestion issue, boosting real estate appreciation and economic prosperity along the line as well as promoting the harmonious development of the urban society, economy and environment in China. To stabilize economy and speed up development, China has prioritized the construction of high-speed railways and new urbanization as the key areas of development in recent years and urban rail transit has become a key point for new urban infrastructure construction. The characteristics of rail transit, such as vast capacity, low carbon and environmental friendly, are in line with the human-centered development direction of new urbanization. Based on the foregoing, the urban rail transit market has the following features:

1) Continuously increasing operation scale of urban rail transit

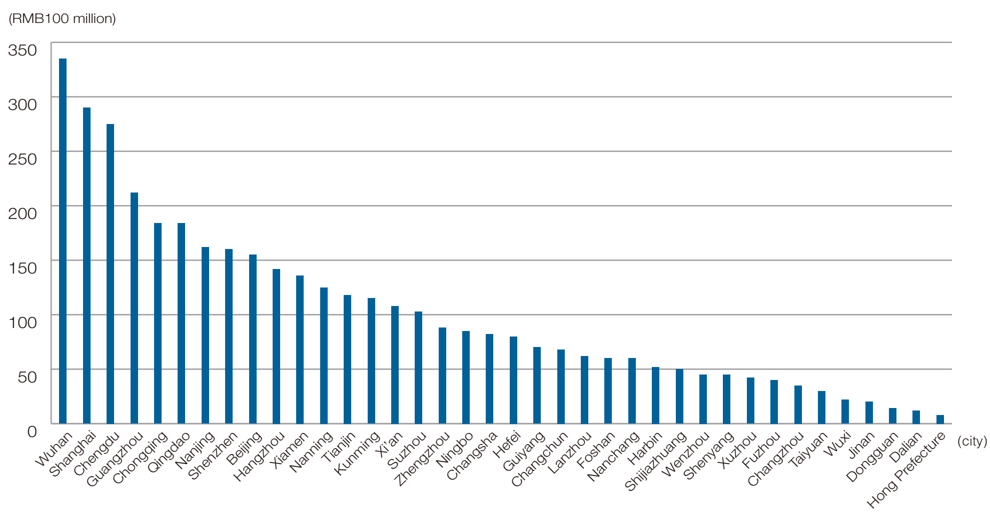


Graph 1. Operating urban rail transit distance of each city in 2016

According to the Statistics and Analysis Report on the Urban Railway Transit in 2016 (《城市軌道交通2016年度統計分析報告》) published by the China Association of Metros (中國城市軌道交通協會) on 28 March 2017, as at the end of 2016, a total of 30 cities in mainland China (four newly increased cities, namely Fuzhou, Dongguan, Nanning and Hefei) had urban rail transit lines under operation, with a total of 133 urban rail transit operating lines of an aggregate operating distance of 4,152.8km, of which, underground lines, ground lines and elevated lines accounted for 61.7%, 9.4% and 28.9% respectively. There were 2,671 stations under operation in total, including 457 transfer stations, representing 17.1%, and 168 car depots. There are 21 cities with two or more urban rail transit lines, accounting for 70% of those 30 cities with urban rail lines under operation.

Graph 1 demonstrates the length of operating lines of each city in 2016 (derived from the Statistics and Analysis Report on the Urban Railway Transit in 2016 (《城市軌道交通2016年度統計分析報告》) published by the China Association of Metros (中國城市軌道交通協會) on 28 March 2017), from which we can see that urban rail operation area is mainly concentrated in first-tier cities, such as Beijing, Shanghai, Guangzhou and Shenzhen. However, with the economic development and the facilitation of urban cluster planning and construction in China, there will be more economically developed second-tier cities getting involved in urban rail construction, and the gradually reasonable geographical distribution will accelerate the comprehensive urban rail construction.

2) Continuously increase in construction investment and stepping into a period of rapid construction



Graph 2. Completed investment amount for urban rail transit in each city in 2016

Graph 2 represents the completed investment amount for urban rail transit in each city in 2016 (derived from the Statistics and Analysis Report on the Urban Railway Transit in 2016 (《城市軌道交通2016年度統計分析報告》) published by the China Association of Metros (中國城市軌道交通協會) on 28 March 2017). By the end of 2016, transit lines were under construction in 48 cities of mainland China (excluding some projects approved by local government), with an aggregate length of 5,636.5km, representing a year-on-year growth of 26.7%. The accumulated investment amount in feasibility study report approval and preliminary design approval for the lines under construction was RMB3,499.54 billion and RMB2,845.86 billion, respectively. In 2016, a total investment of RMB384.7 billion was completed, representing a year-on-year growth of 4.5% and 11% of the investment in feasibility study report approval. There were 15 cities with a completed investment of over RMB10 billion, of which, each of the investment completed in Wuhan, Shanghai, Chengdu and Guangzhou exceeded RMB20 billion, and the total investment completed by the four cities amounted to RMB110.52 billion, accounting for 28.7% of the total national investment.

As at 30 June 2017, there are 23 cities whose lines under construction exceed 100km nationwide in total, of which, cities where the construction scale is more than 300km include Chengdu, Wuhan, Guangzhou, Qingdao and Beijing, cities with a construction scale between 150 to 300km are Shenzhen, Shanghai, Tianjin, Chongqing, Nanjing, Xiamen, Hangzhou, Xi'an, Suzhou and Changsha and eight cities, such as Kunming, Ningbo, Nanchang, Foshan, Wenzhou, Nanning, Shenyang and Fuzhou, have a construction scale between 100 to 150km.

In addition to cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Wuhan, Chongqing and Chengdu that started the construction of urban rail transit very early, the investment plan of Qingdao, Xiamen, Xi'an, Guiyang, Hangzhou, Hefei, Suzhou, Changsha and other emerging urban rail transit cities has noticeably quickened, and they will become the new vital force for urban rail transit development during the "13th Five-Year Plan" period. Urban rail transit development in metropolises and megalopolises will remain the trend of rapid growth.

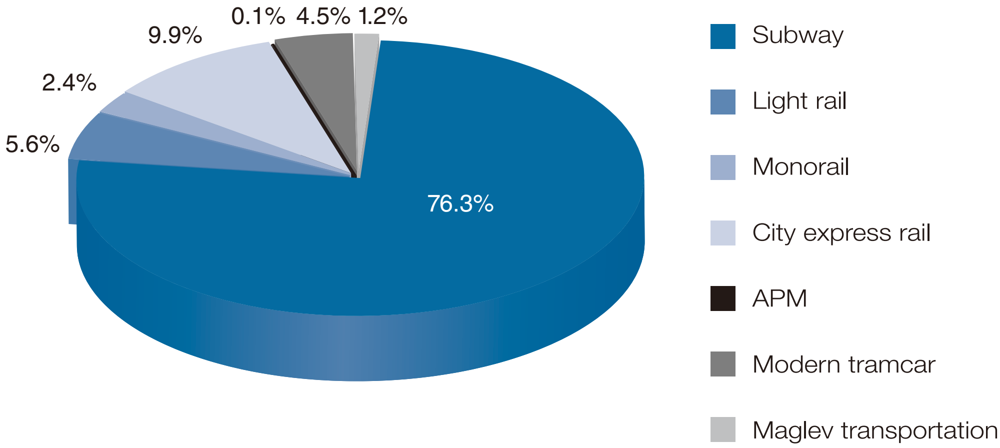
3) An era of intelligence with the application of various advanced technologies

The "13th Five-Year Plan" proposed clear regional requirements for urban rail development, that is, to improve and optimize urban rail transit network in megalopolises and megacities, expedite the construction of an urban rail transit network for cities with a population of more than 3 million and increase urban rail transit operating mileages by approximately 3,000km. In face of the new situation of large-scale development, we can only successively achieve the development objective of the "13th Five-Year Plan" by following the trend and making the best out of it to deepen reform and solve difficult problems. Starting from operational requirements, it is necessary to increase productivity by improving the intelligence and technical level of operation.

The establishment of a construction management platform through the development and application of digital technology can help to facilitate the coordination and cooperation among the links of planning, design, construction and putting into operation and achieve digital engineering construction. The establishment of the collection and analysis system of passenger flow behavior by applying big data, the Internet of Things and other technologies can further perfect train control and emergency disposal linkage system, thereby realizing dynamic and intelligent dispatch and command. By leveraging on technologies such as the Internet of Things and Mobile Internet, the online real-time information collection of vehicles, power supply, signals and other key equipment can be achieved, which can form a new model of equipment real-time perception, on-line monitoring, fault early warning and on-line repair and maintenance. The application of the Internet, big data and intelligent terminal can provide passengers with customized travel planning, real-time navigation and ticket services and improve service level. The exploration and application of a series of information technologies such as fully automatic operation technology and interconnected technology is pushing forward the urban rail transit stepping into a new phase of intelligent development.

Interconnection is an important development direction for urban rail transit. Such technology has been extensively used internationally and has promoted the springing up of automatic and intelligent technology. By virtue of the Internet to go after "Internet + urban rail transit" will boost the technological advance, efficiency improvement and organizational reform of urban rail transit, substantially elevate innovation and productivity and guide urban rail transit to step into a new era of intelligence.

4) The trend of development with diversified features



Graph 3. Structure of operating urban rail transit modes in mainland China in 2016

Graph 3 represents the structure of operating urban rail transit modes of Mainland China in 2016 (derived from the Statistics and Analysis Report on the Urban Railway Transit in 2016 (《城市軌道交通2016年度統計分析報告》) published by the China Association of Metros (中國城市軌道交通協會) on 28 March 2017). Operating urban rail transit lines include subway, light rail, monorail, city express rail, modern tramcar, maglev transportation, APM and other modes, of which, subway mode accounts for 76.3%, while other six modes take up 23.7%. In the newly opened 534.8km of operating lines, 95.5% is attributable to subway lines, while other modes, namely, the newly added monorail and tramcar lines account for 4.5% in total. It shows that the subway mode is the most important. However, seeing from the urban planning of around 100 cities, subway mode will account for approximately 65% and other modes will take up about 35% by 2020, which indicates that urban rail transit will usher in a new pattern of multi-mode coordinated development that subway, city express rail and tramcar take domination and other modes complement each other. Therefore, to improve the guiding concept and planning requirements for multi-mode development will promote healthy industrial development. The networking and multi-mode operation of urban rail transit has become a major trend.

China's urban rail transit has a history of more than 40 years of economic aid export and over 10 years of trade export, and good results have been achieved in project contracting. It includes a complete mode of subway, light rail, city express rail, tramcar and so on, a whole series of vehicles, signals and traction, a wide area of survey and design, construction, operation and equipment, and covers areas of Asia, Africa, Europe and America. The Addis Ababa (the capital of Ethiopia) Light Rail Project, jointly developed by China Railway Group Limited, CRRC Corporation Limited, China Railway Eryuan Engineering Group CO. LTD and Shenzhen Metro Group Co., Ltd. is a "one-stop" project from survey and design, engineering equipment to investment operation, and a "Chinese style" urban rail transit in possession of full independent intellectual property rights and complete Chinese standards. With the changing development environment, the urban rail transit will demonstrate a diversified development trend featuring scale expansion, structural networking, mode diversification, industrial standardization and market internationalization during the "13th Five-year Plan" period.

As at 30 June 2017, the Company continues to take the lead in the general contracting of survey and design services in the rail transit industry. By taking advantage of the good market opportunities in Changchun and pooling resources, the Company mainly focuses on the general contracting of survey and design for all the 8 subway lines in Changchun, with a contract value exceeding RMB2.2 billion. The lines and total contract amount have broken market records, which is both a successful review for the coordinated working capability of the Company's design force, and a powerful demonstration that the Company has the strength to lead the domestic rail transit design market in China.

At the same time, the Company also obtained 13 general contracting lines, including Line 5 in Harbin, the southern extension of Line S8 in Nanjing, the inter-city railway from Nanjing to Jurong, the Phase III of Line 1, Phase I of Line 3 and Phase II of Line 4 in Hangzhou, Phase II of Line 6 and Phase I of Line 16 in Wuhan, Line 10 in Xi'an, Line 3 in Taiyuan, the travel express of Confucius and Mencius in Jining, tramcar in Delingha and modern tramcar in Shunyi. The Company won a total of 13 general contracting lines in the first half of 2017, close to the sum in 2016, reaching a record high in its history.

According to the national and regional urban rail transit planning in China, the newly increased operating mileages from 2017 to 2022 will exceed 6,000km. The total actual investment amount during the "13th Five-year Plan" period will surpass RMB3.5 trillion. In accordance with the urban rail transit planning data of all local governments so far, the gross investment amount of urban rail transit will be around RMB5 trillion by 2022.

PPP BUSINESS

Currently, China's economic development has entered into a new normal where economy grows at a medium-to-high speed. The high-speed growth in fiscal revenue will be history and a medium-to-low growth of it will become a new normal. Compared with the rapid increase momentum of PPP project investment in 2016, PPP project implementation and investment growth rate slowed down considerably in the first half of 2017. The high peak of blind investment to PPP project in market competition has elapsed and PPP project investment is beginning to usher in a stable period of development. With the convening of the fifth session of the 12th National People's Congress on 5 March 2017, the news related to PPP development in the government work report has aroused wide concern and heated discussion. In respect of the discussion of expanding effective investment, the government work report explicitly mentioned "deepening the cooperation between the government and social capital (PPP model)" for three consecutive years. From the active promotion, improvement and deepening of PPP model, it reflects that the Chinese government attaches great importance to promoting PPP business in 2017. It was emphasized in the government work report that year of 2017 will witness an investment of RMB800 billion to railway construction and RMB1.8 trillion to highways and water ways, 15 newly constructed major water conservancy projects and continuous strengthening of rail transit, civil aviation, telecommunication infrastructure and other major project construction, and the central government budget will allocate RMB507.6 billion for these investments. It shows that municipal works, rail transit infrastructure and other project construction remain the major areas where China vigorously promotes PPP model and the Company sets main direction of PPP project investment. In addition, in 2017, apart from public service supply, the core of PPP should play its powerful role in establishing industrial platform to drive industrial development, focus on medical recuperation, culture, tourism, characteristic town, small town, district development and other industrial areas and adopt a four-wheel driving model of "infrastructure construction +industrial platform establishment +employment post development + industrial development". Hence, the Company will have to keep up with the new thoughts to expand into new areas for PPP investment.

In the first half of 2017, the Company completed two PPP projects financing and successively won the bid for a PPP project. The Company took the lead in completing the financing for the PPP project of Zunyi Fengxin Expressway in January 2017 and for the PPP project of Airport Avenue Mid-section (Wenlin Road to North Airport Highway) in New District of Central Yunnan in March 2017. Total project financing amounted to RMB2.733 billion, and it's assured that the finance cost will float at the benchmark rate and below. The overall situation of the project financing basically meets the development plan of the Company's investment and financing segment in the first half of 2017. In May 2017, the company stood out from the fierce market competition of tramcars in Beijing where masters converge, and successfully won the bid for the PPP project of Line T2 of modern tramcar in Shunyi District. This project is the first rail transit PPP project that adopts DBFOT (design-build-finance-operate-transfer) model in China, with a total investment amounting to approximately RMB3.3 billion. In the future, it will connect Line 15 of rail transit and Terminal T3 of Capital Airport, thus constructing a passenger corridor for the transportation between Beijing downtown and the airport and promoting the optimization of urban spatial structure. In addition, in order to better realize the main idea of integrated development, Beijing Urban Construction PPP Research Center was officially established on 6 April 2017. The center aims to promote the professional exchanges and cooperation among government, enterprises and financial institutions by means of intensifying PPP policy research, integrating shared project information source, reinforcing PPP learning and exchanging and regularly organizing affairs forum. The development and implementation of infrastructure PPP project will be promoted by establishing a PPP think tank with the participation of government, professional consultancy institutions, financial institutions and actual participating enterprises.

SPONGE CITY

It is expected that the development of sponge cities will make breakthrough achievements in China in the next few years. By 2020, the urban built-up area in China will reach around 61,000 square kilometers, and 12,200 square kilometers of the urban built-up area need to be reconstructed to meet the policy objective of the urban built-up area in sponge cities over 20% of the total urban built-up area in China. The construction cost of sponge cities is approximately RMB150 to 180 million per square kilometer, so the construction market scale of sponge cities is expected to be RMB1.8 to 2.2 trillion by 2020 (source from the Website of China Industrial Information). The announcement of the "Thirteenth Five-Year Plan for Construction of National Urban Municipal Infrastructure" in 2017 highlighted 12 major tasks for infrastructure construction during the "13th Five-Year Plan" period, which demonstrates Chinese government's substantial support for urban infrastructure construction under the new urbanization strategy. Urban short board infrastructure construction is expected to "skyrocket". At the same time, it may indicate that the infrastructure investment priority in China is gradually changing and the development of sponge cities will enter into a new phase.

Depending on policy environment and industrial background and by virtue of the resource superiority of the Company, remarkable results have been achieved in the planning and design area of sponge cities. The special planning for the sponge city project of Anqing undertaken by the Company has successively passed the expert review of the Housing Construction Department of Anhui Province. The Company has also successively undertaken the special planning for the sponge cities in Gao'an City and currently we are engaging in preliminary data collection. For the water logging governance works in Xia'aoqiao District, the downtown of Beijing, undertaken by the Company, acceptance of projects in 20 bridge areas has been completed. All of them have the function of flood prevention, with the exception of Great Red Gate bridge area. In the first half of 2017, the Company took up the design tasks of malodorous black water interception and village sewage treatment projects in Beijing, and won a bid to focus on tackling difficulties of rainwater and sewage confluence pipe works design task in water environment treatment. Currently, the Company is proactively following up the tasks on the design and consultancy of pilot sponge cities such as Beijing, Gui'an New District and Hebi.

On the whole, in the area of sponge city, the Company has accumulated rich experience and achieved fruitful results in special planning of sponge cities, special design of sponge cities, water logging governance and malodorous black water treatment and interception.

TECHNOLOGY INDUSTRIALISATION

As the leading industry of the "13th Five-Year Plan", rail transit is highly valued by the Central Committee of the Communist Party of China and the State Council. General Secretary Xi Jinping emphasized at the central city work conference that we should accelerate the construction of urban rail transit with large capacity, fast speed, high energy efficiency and low emission to make it become a backbone passenger transportation way for megacities and megalopolises. It was pointed out in the "Thirteenth Five-Year" Development Planning for Modern Comprehensive Transportation System approved by the State Council in February 2017, work should be done in improving the rail transit network in megalopolises and megacities and facilitating cities with more than 3 million urban permanent resident population to form a rail transit network. The plan also proposed the basic principle for industrial integration that equal importance be attached to construction, operation and maintenance to promote the integration of transportation with industry. Meanwhile, the three policies of loosening urban household registration conditions, economic transformation and upgrading boosting urban agglomeration development and the rapid increase of national-level new districts formulated in National New Urbanization Plan (《國家新型城鎮化規劃》) expedite the new pattern of the harmonious development of multi-mode urban rail transit.

The Company will keep breast of the development direction to establish an integrated industry-university-research technical achievement incubation model to accelerate the transformation of scientific and technological products into the market and keep promoting the application of new technologies such as automation and intelligence in the areas of urban rail transit and industrial automation. In the first half of 2017, four product systems of the rail product, industrial intelligent control, trolley bus charging system and integrated subway automation system based on cloud platform were established. Among which, the independently-developed rail product has been applied in the streetcar projects in Wuhan Donghu, Hainan Sanya, Shenzhen Longhua, Shimu Road, Chengdu and other places, and in particular, in Xi'an Subway Line 4, thereby entering into the subway market for the first time. The tramcar intelligent control system of the Company in the area of industrial intelligent control has achieved in-depth integrated application in respect of communication and signal system in the 61km long streetcar line in Honghe Prefecture, Yunnan. Fully-electronic microcomputer interlocking system of the Company that meets the highest SIL4 safety certification has been applied in Yannan Station, Shenhua Group, breaking through the zero in the transportation system of factories and mines.

Electronic monitoring and dynamic load weighing system of the Company has been fully applied in the road project in the New District of Central Yunnan after Anqing Outer Ring North Road project. Surveillance system of utility tunnel of the Company is about to be implemented and applied in the tunnel project in the New District of Central Yunnan.

In the second half of 2017, the Company will focus on the new product developments such as the surveillance system of utility tunnel, subway mode rail system and automatic track-laying equipment, automatic system of urban rail transit based on cloud platform and control system of straddle-type monorail. In addition, the Company will upgrade the existing products in rail lines, intelligent controlling, trolley buses and integrated automation system based on cloud platform and enhance their influence. By exploring the new mode combing industry, academy and research, we will develop market in Beijing, Zhengzhou, Anhui and Yunnan to enter into new contracts for subway and modern tram and complete the construction of the first products of straddle-type monorail and utility tunnel.

DEVELOPMENT OF INTEGRATED URBAN SPACE

The New Urbanisation Plan of China (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 method to solve problems arising from the current rapid urbanization and also the main direction of development of 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 expand, in particular, the development of car depot cover and underground space has grown significantly. These development projects are featured by diversified functions, large scale and many aspects involved, and the Company has expertise on the design and management of these projects.

At present, the Company has conducted this kind of design project in the following cities, including Beijing, Shanghai, Shenzhen, Wuxi, Nanjing, Nanning, Xiamen, Chengdu, Hangzhou, Chongqing, Shijiazhuang, Ningbo and Changchun. The multi-purpose projects of the Company carried out in Dongxiaoying depot, Beijing subway Line 6 in Tongzhou, the administrative sub-centre of Beijing, achieved the technological progress of non-transfinite development structure of car depots in 8-degree anti-seismic zone through fine structural design. At the same time, the first application of car depot cover housing industrialization combined with BIM technology in the project is a significant technological innovation for the development of car depot cover.

INTEGRATED TRANSPORTATION HUB

National Urban System Plan (2006–2020) (《全國城鎮體系規劃(2006–2020年)》) encourages the development of national integrated transportation hub system to facilitate the efficient linkage among various transportation methods and enhance the outreaching benefits of city centers to the surrounding areas. In the Summary of the 13th Five-Year Plan for the National Economy and Social Development (《國民經濟和社會發展第十三個五年規劃綱要》), it is stated that the government will construct a high-efficient integrated transportation system that connects domestic and international transportations and widely reaches various districts and cities with comprehensive functions as a hub as well as integrating transportation and services in accordance with the principle of networking layout, intelligent management, integrated service and green development. By 2020, China will create 100 stylish and three-dimensional integrated passenger terminals in important integrated transportation hub cities nationwide.

Under the context of vigorous construction of integrated transportation hub system in China, the Company conducts design work of integrated transportation hub projects in various cities, including Beijing, Hefei, Taiyuan, Zhengzhou, Changchun and Haikou. Integrated transportation hub design is developing and growing as a unique section and its design level maintains at advanced level in China.

The Company is going to capture TOD design market by driving integrated development projects through transportation hub with hub design as its basis. At present, the public transportation dominated TOD development mode has become the mainstream of urban development projects. The Company will drive the common growth of integrated development projects with the superiorities of transportation hub design. The Apple Orchard Transportation Hub TOD Project obtained by the Company is its first TOD Project integrating design, investment and development as a whole, with a total gross floor area of approximately 300,000 square meters, opening up a new chapter in the Company's TOD business.

In addition, the Company has also established a long-standing cooperative relationship with Beijing Public Transport Holding (Group) Co., Ltd. (北京公共交通控股(集團)有限公司) and opened up new design markets, such as three-dimensional bus parking structure and public transit hub transfer station projects.

FINANCIAL REVIEW

Summary of Operating Results

	For the six-month period ended 30 June	
	2017 (RMB'000) (unaudited)	2016 (RMB'000) (unaudited)
Revenue	**3,032,123**	1,973,499
Cost of sales	**(2,448,737)**	(1,537,795)
Gross profit	**583,386**	435,704
Other income and gains	**121,427**	64,892
Selling and distribution expenses	**(45,310)**	(38,954)
Administrative expenses	**(278,803)**	(193,529)
Other expenses	**(46,579)**	(32,641)
Finance costs	**(62,327)**	(17,779)
Share of losses of joint ventures	**(2,035)**	(100)
Share of profits of associates	**2,330**	1,055
Profit before tax	**272,089**	218,648
Income tax expense	**(45,847)**	(30,877)
Profit for the period	**226,242**	187,771

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 2017, the Group achieved a revenue of RMB3,032 million, representing an increase of RMB1,059 million or 53.7% compared to RMB1,973 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.

An analysis of revenue by segment is as follows:

	For the six-month period ended 30 June	
Bussiness segment	**2017 (RMB'000) (unaudited)**	2016 (RMB'000) (unaudited)
Design, survey and consultancy	**1,275,546**	1,023,538
Construction contracting	**1,756,577**	949,961
Total	**3,032,123**	1,973,499

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 2017, the Group seized the opportunities arising from the major engineering constructions projects relating to urban rail transit 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 2017, the design, survey and consultancy segment of the Group achieved a revenue of RMB1,276 million, representing an increase of RMB252 million or 24.6% compared to RMB1,024 million for the corresponding period in 2016. Among which, the revenue of the urban rail transit construction business amounted to RMB1,036 million, representing an increase of RMB207 million or 25.0% compared to RMB829 million for the corresponding period last year. The revenue of the industrial and civil construction and municipal engineering business amounted to RMB240 million, representing an increase of RMB45 million or 23.1% compared to RMB195 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 2017, the Group's revenue from the construction contracting segment was RMB1,757 million, representing an increase of RMB807 million or 84.9% compared to RMB950 million for the corresponding period last year. Such increase was mainly attributable to the commencement of the Feng-Xin Express Line project in Zun Yi, Guizhou and the Dianzhong New Area Air-port Avenue project in Kunming, Yunnan in the second half of 2016, the bid of which were won by the Group in 2016, making a relatively fast growth in revenue as compared with that at the corresponding period of last year.

Cost of Sales

For the six-month period ended 30 June 2017, the cost of sales incurred by the Group was RMB2,449 million, representing an increase of RMB911 million or 59.2%, against an increase of 53.7% in revenue, compared to RMB1,538 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 2017, cost of sales of the Group's design, survey and consultancy segment increased to RMB871 million for the current period from RMB695 million for the corresponding period last year, representing an increase of 25.3%. Among that, the cost of sales of the urban rail transit construction business of the Group's design, survey and consultancy segment increased to RMB685 million for the current period from RMB552 million for the corresponding period last year, representing an increase of 24.1%. The cost of sales of the industrial and civil construction and municipal engineering business of the design, survey and consultancy segment increased to RMB186 million for the current period from RMB143 million for the corresponding period last year, representing an increase of 30.1%.

For the six-month period ended 30 June 2017, the cost of sales of the Group's construction contracting segment increased to RMB1,578 million for the current period from RMB843 million for the corresponding period last year, representing an increase of 87.2%.

Gross profit and gross margin

For the six-month period ended 30 June 2017, the gross profit of the Group was RMB583 million, representing an increase of RMB147 million or 33.7% compared to RMB436 million for the corresponding period last year, while the consolidated gross margin decreased from 22.1% to 19.2%, which was mainly attributable to the the increased proportion of construction contructing business with lower gross profit.

The gross profit of design, survey and consultancy segment increased to RMB405 million for the current period from RMB329 million for the corresponding period last year, representing an increase of RMB76 million or 23.1%. The gross margin was 31.7%, which was similar to the corresponding period last year. The gross profit of the construction contracting segment increased from RMB107 million for the corresponding period last year to RMB178 million for the current period, representing an increase of RMB71 million or 66.4%. The gross margin decrease from 11.3% for the corresponding period last year to 10.2% for the current period, which was mainly attributable to the increase of the proportion of the revenue generating from traditional engineering project with lower gross profit margin as compared to corresponding period of last year, which results in the decrease of the gross profit margin of construction contracting segment during the current period.

Other income and gains

For the six-month period ended 30 June 2017, other income and gains of the Group were RMB121.43 million, representing an increase of RMB56.54 million or 87.1% compared to RMB64.89 million for the corresponding period last year, which was mainly attributable to the increase in the financial gains from long-term receivables.

Selling and distribution expenses

For the six-month period ended 30 June 2017, selling and distribution expenses of the Group were RMB45.31 million, representing an increase of RMB6.36 million or 16.3% compared to RMB38.95 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 the market for each business segment, resulting in an increase in bidding costs and relevant costs arising from bidding.

Administrative expenses

For the six-month period ended 30 June 2017, administrative expenses of the Group were RMB278.80 million, representing an increase of RMB85.27 million or 44.1% compared to RMB193.53 million for the corresponding period last year. Such increase was mainly attributable to the increase in the number of management staff and the administrative and management costs as a result of the expansion of the business scale, and the increase in R&D expenditures as a result of the increase of investment in R&D activities.

Other expenses

For the six-month period ended 30 June 2017, other expenses of the Group were RMB46.58 million, representing an increase of RMB13.94 million or 42.7% compared to RMB32.64 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 2017, finance costs of the Group were RMB62.33 million, representing an increase of RMB44.55 million or 250.6% compared to RMB17.78 million for the corresponding period last year, which was attributable to the increase in interest expenses due to the long-term loan of Anhui Jingjian, Guizhou Jingjian and Yunnan Jingjian Company, the Group's subsidiaries.

Income tax expenses

For the six-month period ended 30 June 2017, the income tax expense of the Group was RMB45.85 million, representing an increase of RM14.97 million or 48.5% compared to RMB30.88 million for the corresponding period last year. Such increase was mainly attributable to the increase of the profit before taxation.

NET PROFIT

For the six-month period ended 30 June 2017, the net profit of the Group was RMB226 million, representing an increase of RMB38 million or 20.2% compared to RMB188 million for the corresponding period of last year.

Cash flows

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

	For the six-month period ended 30 June	
	2017 (RMB'000) (unaudited)	2016 (RMB'000) (unaudited)
Net cash outflows from operating activities	**(897,332)**	(637,343)
Net cash (outflows)/inflows from investing activities	**(275,202)**	106,445
Net cash inflows from financing activities	**895,492**	782,346
Net (decrease)/increase in cash and cash equivalents	**(277,042)**	251,448

For the six-month period ended 30 June 2017, the net cash outflows from operating activities were RMB897 million, which were mainly attributable to the PPP project. The net cash outflows from investing activities were RMB275 million, which mainly comprised the acquisition of property, plant and equipment as well as prepaid land lease payments of RMB239 million. The net cash inflows from financing activities were RMB895 million, which were mainly attributable to the additional loans of Anhui Jingjian Company, Guizhou Jingjian Company and Yunnan Jingjian Company of RMB948 million and the related interest expenses paid of RMB52 million during the current period.

Pledge of assets, contingent liabilities and capital commitments

As at 30 June 2017, the receivables of the Group were pledged to secure the bank borrowings granted to the Group. As at 30 June 2017, the net pledged receivables was RMB3,954 million (as at 31 December 2016: RMB2,209 million).

As at 30 June 2017, the Group's letters of guarantees for project performance undertaken by certain associates and the outstanding balance of such guarantee letters was RMB19 million (as at 31 December 2016: RMB13 million). In addition, the Group did not have other material contingent liabilities.

The capital commitment of the Group as at 30 June 2017 and 31 December 2016 were as follows:

	As at 30 June 2017 (RMB'000) (unaudited)	As at 31 December 2016 (RMB'000) (audited)
Contracted, but not provided for:		
Property, plant and equipment	**294,453**	–
Equity investments	**3,001,040**	–
	3,295,493	–

CAPITAL STRUCTURE AND FINANCIAL RESOURCES

The equity capital of the Group mainly comprises Domestic Shares and H Shares. Indebtedness capital mainly consists of bank and other borrowings. In addition, ordinary business operation also provides the Group with source of funding. As at 30 June 2017, the net current asset of the Group was RMB2,011 million, among which cash and cash equivalents accounted for RMB2,283 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 2017, the Group's interest-bearing borrowings were RMB2,827 million while the gearing ratio (gearing ratio represents the total interest-bearing borrowings as at 30 June 2017 divided by the total equity as at 30 June 2017) was 78.2%.

INDEBTEDNESS

The table below shows the total borrowings of the Group as at 30 June 2017 and 31 December 2016. The Group generally settles the borrowings on time.

	30 June 2017 (RMB'000) (unaudited)	31 December 2016 (RMB'000) (audited)
Bank borrowings		
Pledged	**2,318,135**	1,370,000
Other borrowings		
Non-pledged	**508,400**	508,400
	2,826,535	1,878,400

The Group has four batches of borrowings which are all denominated in RMB. The first batch is subject to a floating interest rate which is based on 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 2017, the interest rate for the borrowings was 4.90%; the second batch is subject to the basic lending rate of the Agriculture Bank of China and is determined based on the base lending rate contracted for each period plus 11%, and varies from period to period. As at 30 June 2017, the interest rate for the borrowings was 4.41%; the third batch is subject to the floating rate on the date of drawdown of the first batch, 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 minus 5%. As at 30 June 2017, the interest rate for the borrowings was 4.66%; the last batch is at a fixed interest rate of 4.90%.

The table below shows the maturity of the Group's debts as at 30 June 2017 and 31 December 2016：

	30 June 2017 (RMB'000) (unaudited)	31 December 2016 (RMB'000) (audited)
Within one year	**160,000**	80,000
Between one to two years	**320,000**	160,000
Between two to three years	**488,400**	274,400
Between three to four years	**308,000**	128,000
Between four to five years	**338,000**	248,000
Over five years	**1,212,135**	988,000
Total	**2,826,535**	1,878,400

EXCHANGE RATE RISK

The business operations of the Group are mainly 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 related to U.S. dollars and HK dollars. The directors of the Company believe that the exchange rate risk of the Group is low and will not have a material and adverse impact on the financial position of the Group.

USE OF PROCEEDS

As of 30 June 2017, the Company utilized an aggregate of RMB701.06 million of the proceeds, among which RMB380.34 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, RMB58.65 million was used to improve the construction capabilities in relation to urban rail transit business, RMB8.71 million was used to build the information systems, RMB70.57 million was used to supplement the working capital. The remaining balance is placed at the banks as deposits.

EMPLOYEES

As at 30 June 2017, the Group had approximately 4,432 employees, representing an increase of 231 employees or 5.5% as compared to 4,201 employees at the end of last year. For the six-month period ended 30 June 2017, the employee cost of the Group amounted to RMB652 million, representing an increase of RMB153 million or 30.7% as compared to RMB499 million for the corresponding period of last year.

As at 30 June 2017, employees with senior titles or above, employees with intermediate titles and employees with or without primary titles accounted for 19.1 %, 29 % and 51.9 % of the total number of employees of the Group, respectively.

PROFIT DISTRIBUTION AND INTERIM DIVIDENDS

The Group currently proposes not to distribute interim profit or declare interim dividend.

WINNING BIDS

The Company 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 whole industry chain in rail transit in the active expansion of its market. As at 30 June 2017, the winning bids amounted to RMB13,317 million, representing an increase of RMB6,504 million or 95.5% compared to RMB6,813 million for the corresponding period last year. Among that, the winning bids in design, survey and consultancy business amounted to RMB3,557 million, representing an increase of RMB474 million or 15.4% compared to RMB3,083 million for the corresponding period last year, while that in the construction contracting business amounted to RMB9,760 million, representing an increase of RMB6,030 million or 161.7% compared to RMB3,730 million for the corresponding period last year.

WORKING GUIDANCE FOR THE SECOND HALF OF THE YEAR

In the second half of 2017, with the favourable development opportunities, the Company will continue to deepen and promote its client-oriented operating principles. The Company will continually raise its overall strength and the returns to its shareholders by employing its own solid technical strengths and giving full play to the synergies of the whole industry chain; and led by its design business and driven by investment, the Company will further strengthen its design and consultancy business and construction contracting business and expand new business with a view to becoming a leading comprehensive urban construction services provider in the industry with international influence.

In the second half of 2017, details of the Company's management measures are divided into four major aspects as follows:

1) Adhere to the principle of led by design business and driven by investment, achieving the incremental development of the Company

   We will promote the further scale enlargement of the design and consultancy products leveraging our leading advantages in the rail transit design industry and strengthen high-end sales centering on the overall general contracting; give full play to the leading advantage in design and seize the opportunity from the sources to greatly facilitate the landing of engineering construction projects, PPP, EPC, TOD and industrialization of scientific and technological achievements, and take the pioneering advantage in design and consultancy to usher in the further expansion of the market; progress with the incremental development of PPP business by bringing into full play the role of infrastructure investment and construction platform under the equal driving forces from the design leading and investment driving; give rein to the synergies of the industry chain of rail transit in full and, take the opportunity of the construction of the centralized tramcar platform, concentrate quality resources to explore market and develop the new general engineering contracting business.

2) Attach importance to safety while promoting production, accomplishing major engineering construction with high standards

   We will strengthen regional dynamic management and quality control, create boutique projects of design and consultancy, utilize social resources in a reasonable and orderly manner, coping with capacity conflicts and ensuring quality delivery of project on hand through production capacity improvement and costs control; practice "zero tolerance" in safety control and management, advancing engineering construction with high standards; Strictly define position responsibilities in an all-round way and always stick to the safety red line, put major accountability into practice and safety production mandatory provisions, persist in "zero tolerance" to safety hazard in inspection, and resolutely put an end to major safety accidents and unswervingly implementing civilized construction, standardization and delicacy management.

3) Strengthen scientific and technological innovation and technology control, taking the lead in the development of the industry

Strengthen the R & D and innovation system, proactively participate in the application of key national projects and solidly promote the scientific research project in hand in a practical way under the guidance of the national engineering laboratory, accelerating the cultivation and accumulation of core technology and research and development advantages of innovative products; comprehensively promote BIM application, establish the BIM multi-discipline three-dimensional synergetic working system and BIM common standard component library, launching in-depth BIM practice training; conduct document modification and preparation for the enterprise management system to meet the new national standards for the quality management system, the environmental management system and the occupational safety and health management system ("Three System"); carry out the working concepts of "information sharing, resource arrangement and service for enterprises", building up a sound synergetic working mechanism for the development of the industry.

4) Continuously reinforce the capacity of the headquarter, ensuring that services are in place and the control and management is strong

Consolidate the primary management of the Company and, based on the development requirements of the Company's business and strategy, optimize the organizational structure and improve the accounting unit performance assessment; standardize internal operation order, concentrate efforts on building the resources and risks sharing mechanism with segment synergy, enhance costs control and delicacy management; improve human resources construction to form a value management system; strengthen cultural and value transmission, put into practice talent introduction plan, standardize employee recruitment and selection, fostering and cultivation, as well as internal rotation to promote value creation; optimize financial management of the headquarters to further enhance its capital control and management; exert full efforts to prepare for the A-share listing and risk control and facilitate the implementation of the employee stock ownership plan in an orderly manner; speed up the informatisation, open up the internal communication channels and level up the collection, analysis and application of data at the company level; further deepen the brand image and carry out the 2017 corporate cultural concepts release.

CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes of Directors

Mr. Kong Lingbin tendered his resignation as a non-executive Director of the Company on 17 January 2017 due to change of job assignment, with effect from 9 March 2017. For details, please refer to the announcement issued by the Company on 17 January 2017.

At the 2017 first extraordinary general meeting held on 9 March 2017, Mr. Yan Lianyuan was appointed as a non-executive Director to fill the vacancy resulting from the resignation of Mr. Kong Lingbin, with a term commencing from 9 March 2017 until the expiry date of the terms of office of the members of the current session of the Board. For details, please refer to the announcement issued by the Company on 17 January 2017.

Due to the requirement that Party and political leaders and cadres over 70 years of age should not work part-time in enterprises as set out in the Opinions on Further Regulation on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises (《關於進一步規範黨政領導幹部在企業兼職(任職)問題的意見》), Mr. Zhang Fengchao tendered his resignation from his positions as an independent non-executive Director and the chairman of the Nomination Committee under the Board on 13 March 2017, with effect from the date of a new independent non-executive Director being elected at the shareholders' general meeting of the Company. For details, please refer to the announcement issued by the Company on 13 March 2017.

Changes of Supervisors

At the 2017 first extraordinary general meeting held on 9 March 2017, Mr. Yuan Guoyue and Ms. Zhao Hong were appointed as a shareholder representative supervisor respectively to fill the vacancy resulting from the resignations of Mr. Yao Guanghong and Mr. Fu Yanbing, with a term commencing from 9 March 2017 until the expiry date of the terms of office of the members of the current session of the Board of Supervisors. At the meeting held by the Board of Supervisors on 9 March 2017, Mr. Yuan Guoyue was elected as the chairman of the Board of Supervisors. For details, please refer to the announcement issued by the Company on 9 March 2017.

Due to the requirement that Party and political leaders and cadres over 70 years of age should not work part-time in enterprises as set out in the Opinions on Further Regulation on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises (《關於進一步規範黨政領導幹部在企業兼職(任職)問題的意見》), Mr. Zhang Junming tendered his resignation from his positions as an independent supervisor under the Board on 1 August 2017, with effect from the same date. For details, please refer to the announcement issued by the Company on 1 August 2017.

On 18 August 2017, the Company announced that Ms. Yang Huiju, Mr. Liu Hao and Mr. Ban Jianbo were elected as the employee representative supervisors of the Company at the second meeting of the first session workers congress held recently, with a term starting from 18 August 2017 to the expiry date of the terms of office of the members of this session of the board of supervisors. Ms. Mi Jianzhou, Mr. Zhang Wei and Mr. Wang Wenjiang retired as the employee representative supervisors of the Company on the same date. For further details, please refer to the announcement published by the Company on 18 August 2017.

Changes of Senior Management

Mr. Xu Xiaodong tendered his resignation as a deputy general manager on 31 March 2017 due to change of job assignment, which took effect on the same day.

Save as disclosed above, there was no other change in Directors, Supervisors and Senior Management of the Company during the Reporting Period.

At the date of this report, 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. Guan Jifa *(non-executive Director)*
Mr. Su Bin *(non-executive Director)*
Mr. Yan Lianyuan *(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)*

At the date of this report, members of the Board of Supervisors include:

Mr. Yuan Guoyue *(chairman of the Board of Supervisors)*
Ms. Nie Kun *(Supervisor)*
Ms. Zhao Hong *(Supervisor)*
Mr. Chen Rui *(Supervisor)*
Mr. Ren Chong *(Supervisor)*
Mr. Wang Jingang *(employee representative Supervisor)*
Ms. Yang Huiju *(employee representative Supervisor)*
Mr. Liu Hao *(employee representative Supervisor)*
Mr. Ban Jianbo *(employee representative 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 30 June 2017, so far as was known to the Directors, the interests or short positions of the following persons (other than the Directors, Supervisors or the chief executive of the Company) in the Shares and underlying shares of the Company as otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under section 336 of the SFO were as follows:

Domestic Shares

Name of shareholder	Capacity	Number of Domestic Shares	Nature of interests	Approximate percentage of total 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., is incorporated by the Beijing Municipal Government.

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 entities above 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 entities above 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 total issued H Share capital	Approximate percentage of total issued share capital
Beijing Capital Group Ltd.	Interest of controlled corporations[1]	73,493,000	Long position	18.94%	5.77%
Pioneer Investments Management Limited	Investment Manager	36,678,000	Long position	9.46%	2.88%
FMR LLC	Interest of controlled corporations[2]	34,906,000	Long position	9.00%	2.74%
Pioneer Asset Management S.A.	Investment Manager	27,729,000	Long position	7.15%	2.18%
CRRC Group	Interest of controlled corporations[3]	26,222,000	Long position	6.76%	2.06%
Fidelity Investment Trust	Beneficial Owner	25,291,000	Long position	6.52%	1.99%

Notes:

1. As of 30 June 2017, Beijing Capital Group Ltd. indirectly held interests in 56,222,000 H Shares of the Company through a number of its controlled corporations, including Beijing Capital Land Ltd. and its controlled corporation, and also held interests in 17,271,000 H Shares through Beijing Capital Co., Ltd. and Beijing Capital (Hong Kong) Limited. According to the information relating to disclosure of interests available on the website of the Hong Kong Stock Exchange, as of the date of this report, Beijing Capital Group Ltd. and its controlled corporations ceased to hold interests in H Shares of the Company. Pursuant to the notice of Beijing Infrastructure Investment Co., Ltd. dated 11 July 2017, its wholly-owned subsidiary, Beijing Infrastructure Investment (Hong Kong) Limited, has acquired 68,222,000 H shares of the Company indirectly held by Beijing Capital Group Ltd. through its controlled corporations. Please refer to the announcement published by the Company on 11 July 2017 for details. According to the information relating to disclosure of interests available on the website of the Hong Kong Stock Exchange, as of the date of this report, Beijing Infrastructure Investment Co., Ltd. held 68,222,000 H Shares through its controlled corporations, Beijing Infrastructure Investment (Hong Kong) Limited.

2. FMR LLC held interests in 24,098,000 H Shares, 519,000 H Shares, 5,169,000 H Shares and 5,120,000 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. CRRC Group (formerly known as CSR Group Limited) held interests in 26,222,000 H Shares through its controlled corporations, CRRC Corporation Limited (formerly known as CSR Corporation Limited) and CRRC (Hong Kong) Co., Ltd. (formerly known as CSR (Hong Kong) Co. Ltd).

4. 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 2017. 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.

Save as disclosed above, as at 30 June 2017, the Directors are not aware of any other person (other than the Directors, Supervisors or the chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept under Section 336 of the SFO.

THE INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2017, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements in the Model Code, were as follows:

Name	Position	Nature of interests	Class of Shares	Number of Shares (Share)	Approximate percentage of total issued H Share capital (%)	Approximate percentage of total issued share capital (%)
Wang Liping	Chairman and non-executive Director	Personal interest	H Shares	52,000	0.01	0.004
Wang Hanjun	Executive Director and the General Manager	Personal interest	H Shares	48,000	0.01	0.004
Li Guoqing	Executive Director	Personal interest	H Shares	48,000	0.01	0.004
Mi Jianzhou[1]	Employee representative Supervisor	Personal interest	H Shares	51,000	0.01	0.004

Name	Position	Nature of interests	Class of Shares	Number of Shares (Share)	Approximate percentage of total issued H Share capital (%)	Approximate percentage of total issued share capital (%)
Zhang Wei[1]	Employee representative Supervisor	Personal interest	H Shares	45,000	0.01	0.004
Wang Wenjiang[1]	Employee representative Supervisor	Personal interest	H Shares	51,000	0.01	0.004
Wang Jingang	Employee representative Supervisor	Personal interest	H Shares	40,000	0.01	0.003

Notes:

1. Ms. Mi Jianzhou, Mr. Zhang Wei and Mr.Wang Wenjiang have retired as the employee representative supervisors of the Company on 18 August 2017. Ms. Yang Huiju, Mr. Liu Hao and Mr. Ban Jianbo were elected as the employee representative supervisors of the Company at the second meeting of the first session workers congress held recently, with a term starting from 18 August 2017 to the expiry date of the terms of office of the members of this session of the board of supervisors. For further details, please refer to the announcement published by the Company on 18 August 2017. At the date of this report, none of Ms. Yang Huiju, Mr. Liu Hao and Mr. Ban Jianbo had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

Save as disclosed above, as at 30 June 2017, none of the other Directors and Supervisors had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as otherwise notified to the Company and the Hong Kong Stock Exchange under Divisions 7 and 8 of Part XV of the SFO or as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

During the Reporting Period, none of the Directors, Supervisors and chief executive 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.

PURCHASE, SALES AND REDEMPTION OF SECURITIES

During the Reporting Period, the Company and its subsidiaries did not purchase, sell or redeem any securities of the Company.

CORPORATE GOVERNANCE

The Company strictly complies with various applicable regulatory laws, rules and regulations as well as the Articles of Association to standardize its operation. 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 of Beijing Urban Construction Design & Development Group Co., Limited, the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Rules of Procedure for the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Audit Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Nomination Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Remuneration Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Terms of Reference of the Overseas Risk Control Committee under the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited, the Administrative Measures on Information Disclosure of Beijing Urban Construction Design & Development Group Co., Limited, the Administrative Measures on Connected Transactions of Beijing Urban Construction Design & Development Group Co., Limited. The Board has adopted the Model Code as its rules for securities transactions by the Directors and Supervisors. So far as the Board is aware, during the Reporting Period, the Company had complied with various applicable regulatory laws, rules and regulations, the Articles of Association and 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.

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 2017.

EVENTS AFTER THE REPORTING PERIOD

On 25 July 2017, the Company published an announcement that the Company proposed to implement the Key Employee Stock Ownership Scheme of the Company by way of the Non-public Issuance of no more than 76,000,000 domestic shares (the final number of shares to be issued is subject to the approval of the regulatory authorities) to key Employees who hold important positions in the Company and have direct or rather substantial influence on the operating results and sustainable development of the Company, including but not limited to the directors (excluding those who are not employed by the Company), senior management, researchers, operating management members and other business backbones of the Company. The Key Employee Stock Ownership Scheme shall be subject to the fulfillment of certain conditions, and accordingly, the Key Employee Stock Ownership Scheme may or may not proceed. Shareholders and potential investors of the Company are advised to pay attention to investment risks and exercise in caution when dealing in the shares of the Company. Please refer to the announcement of the Company dated 25 July 2017 for details.

Due to the requirement that Party and political leaders and cadres over 70 years of age should not work part-time in enterprises as set out in the Opinions on Further Regulation on Party and Political Leaders and Cadres Working Part-time (Holding Office) in Enterprises (《關於進一步規範黨政領導幹部在企業兼職任職問題的意見》), Mr. Zhang Junming resigned from his position as an independent Supervisor of the Company on 1 August 2017, with immediate effect. As a result of the designation of Mr. Zhang Junming, the personnel arrangement of supervisors of the company no longer fulfilled the relevant requirements as set out in Article 119 of the Articles of Association. The Company will take measures as soon as possible to ensure that the personnel arrangement of the Board of Supervisors fulfills the relevant requirements of the Articles of Association. For further details, please refer to the announcement published by the Company on 1 August 2017.

On 18 August 2017, the Company published an announcement that Ms. Yang Huiju, Mr. Liu Hao and Mr. Ban Jianbo were elected as the employee representative supervisors of the Company at the second meeting of the first session workers congress held recently, with a term starting from 18 August 2017 to the expiry date of the terms of office of the members of this session of the board of supervisors. Ms. Mi Jianzhou, Mr. Zhang Wei and Mr. Wang Wenjiang retired as the employee representative supervisors of the Company on the same date. For further details, please refer to the announcement published by the Company on 18 August 2017.

Report on Review of Interim Condensed Consolidated Financial Statements

Ernst & Young
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
Tel: +852 2846 9888
Fax: +852 2868 4432
ey.com

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 2017 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 2017

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

For the six-month period ended 30 June 2017

	Notes	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
REVENUE	4	**3,032,123**	1,973,499
Cost of sales	6	**(2,448,737)**	(1,537,795)
Gross profit		**583,386**	435,704
Other income and gains	4	**121,427**	64,892
Selling and distribution expenses		**(45,310)**	(38,954)
Administrative expenses		**(278,803)**	(193,529)
Other expenses		**(46,579)**	(32,641)
Finance costs	5	**(62,327)**	(17,779)
Share of profits and losses of:			
Joint ventures		**(2,035)**	(100)
Associates		**2,330**	1,055
PROFIT BEFORE TAX	6	**272,089**	218,648
Income tax expense	7	**(45,847)**	(30,877)
PROFIT FOR THE PERIOD		**226,242**	187,771
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		**(1,310)**	2,150
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments		**1,068**	–
Exchange differences on translation of foreign operations		**64**	(22)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		**(178)**	2,128
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**226,064**	189,899

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

For the six-month period ended 30 June 2017

	Notes	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
Profit attributable to:			
Owners of the parent		**220,361**	186,832
Non-controlling interests		**5,881**	939
		226,242	187,771
Total comprehensive income attributable to:			
Owners of the parent		**220,183**	188,960
Non-controlling interests		**5,881**	939
		226,064	189,899
Earnings per share attributable to ordinary equity holders of the parent:			
Basic and diluted (expressed in RMB per share)	9	**0.17**	0.15

Interim Condensed Consolidated Statement of Financial Position

30 June 2017

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	364,455	356,005
Prepaid land lease payments		228,886	31,936
Intangible assets		7,025	8,158
Investments in joint ventures		38,068	40,105
Investments in associates		47,338	15,037
Available-for-sale investments	12	19,718	18,650
Deferred tax assets		83,926	81,320
Financial receivables	13	3,163,807	2,223,132
Trade receivables	14	14,405	14,405
Prepayments, deposits and other receivables	15	422,678	505,308
Total non-current assets		4,390,306	3,294,056
CURRENT ASSETS			
Prepaid land lease payments		5,169	710
Inventories		84,228	67,075
Trade and bills receivables	14	2,671,661	1,850,625
Prepayments, deposits and other receivables	15	939,681	767,326
Amounts due from contract customers	11	2,768,528	2,392,085
Financial receivables	13	109,865	9,985
Pledged deposits	16	62,701	55,404
Cash and bank balances	16	2,283,321	2,565,852
Total current assets		8,925,154	7,709,062
CURRENT LIABILITIES			
Trade payables	17	2,123,618	2,004,916
Amounts due to contract customers	11	2,018,325	1,651,245
Other payables, advances from customers and accruals	18	2,578,079	1,813,869
Interest-bearing bank and other borrowings	19	160,000	80,000
Provisions for supplementary retirement benefits		3,380	3,160
Tax payable		30,265	60,816
Total current liabilities		6,913,667	5,614,006
NET CURRENT ASSETS		2,011,487	2,095,056
TOTAL ASSETS LESS CURRENT LIABILITIES		6,401,793	5,389,112

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**2,662**	1,077
Provisions		**4,312**	–
Interest-bearing bank and other borrowings	19	**2,666,535**	1,798,400
Provisions for supplementary retirement benefits		**54,810**	50,460
Other payables, advances from customers and accruals	18	**57,269**	21,703
Total non-current liabilities		**2,785,588**	1,871,640
Net assets		**3,616,205**	3,517,472
EQUITY			
Equity attributable to owners of the parent			
Share capital		**1,272,670**	1,272,670
Reserves		**2,114,923**	2,021,498
		3,387,593	3,294,168
Non-controlling interests		**228,612**	223,304
Total equity		**3,616,205**	3,517,472

Wang Hanjun
Director

Li Guoqing
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2017

	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 2017	1,272,670	562,506	-	159,384	32	1,299,576	3,294,168	223,304	3,517,472
Profit for the period	-	-	-	-	-	220,361	220,361	5,881	226,242
Other comprehensive income/(loss) for the period:									
Re-measurement gains on defined benefit plans, net of tax	-	(1,310)	-	-	-	-	(1,310)	-	(1,310)
Changes in fair value of available-for-sale investments	-	1,068	-	-	-	-	1,068	-	1,068
Exchange differences on translation of foreign operations	-	-	-	-	64	-	64	-	64
Total comprehensive income/(loss) for the period	-	(242)	-	-	64	220,361	220,183	5,881	226,064
Final 2016 dividend declared	-	-	-	-	-	(126,758)	(126,758)	-	(126,758)
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	(573)	(573)
Appropriation to statutory surplus reserve	-	-	-	15,095	-	(15,095)	-	-	-
Transfer to special reserve (note (i))	-	-	32,779	-	-	(32,779)	-	-	-
Utilisation of special reserve (note (i))	-	-	(32,779)	-	-	32,779	-	-	-
At 30 June 2017	1,272,670	562,264*	-*	174,479*	96*	1,378,084*	3,387,593	228,612	3,616,205

Interim Condensed Consolidated Statement of Changes in Equity (Continued)

For the six-month period ended 30 June 2017

	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 operations	–	–	–	–	(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

* These reserve accounts comprise the consolidated reserves of RMB2,114,923,000 (Unaudited) (30 June 2016: RMB1,735,192,000 (Unaudited)) in the interim condensed consolidated statement of financial position as at 30 June 2017.

Note:

(i) In preparation of the interim condensed consolidated financial statements, the Group has appropriated certain amounts of retained profits to a special reserve fund for each of the six months ended 30 June 2017 and 2016 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 2017

	Notes	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**272,089**	218,648
Adjustments for:			
Finance costs	5	**62,327**	17,779
Foreign exchange differences, net	6	**5,553**	(5,145)
Interest income	4	**(120,546)**	(51,708)
Gains on disposal of available-for-sale investments	4	**(91)**	(6,002)
Depreciation of items of property, plant and equipment	6	**17,443**	15,633
Impairment of trade receivables, net	6	**32,200**	17,433
Impairment of deposits and other receivables, net	6	**2,679**	2,832
Provision for foreseeable losses on contracts, net	6	**6,071**	10,824
Others		**2,762**	2,294
		280,487	222,588
Increase in inventories		**(17,153)**	(24,142)
Increase in amounts due from/to contract customers		**(15,434)**	(178,301)
Increase in trade and bills receivables		**(853,236)**	(87,009)
Decrease/(increase) in prepayments, deposits and other receivables		**24,366**	(484,132)
Increase in financial receivables		**(1,040,555)**	(128,173)
Increase/(decrease) in trade payables		**118,702**	(90,722)
Increase in other payables, advances from customers and accruals		**675,783**	182,881
Decrease in provisions for supplementary retirement benefits		**(3,260)**	(399)
Cash used in operations		**(830,300)**	(587,409)
Interest received		**10,386**	8,999
Income tax paid		**(77,418)**	(58,933)
Net cash flows used in operating activities		**(897,332)**	(637,343)

	Notes	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of items of property, plant and equipment		**(36,102)**	(13,231)
Payments for acquisition of intangible assets		**(378)**	(635)
Payments for prepaid land lease payments		**(202,880)**	–
Purchase of available-for-sale investments		**(90,000)**	(2,040,000)
Addition of an investment in an associate		**(30,000)**	–
Proceeds from disposal of items of property, plant and equipment		**1,336**	88
Proceeds from disposal of available-for-sale investments		**90,091**	2,146,002
Dividends received from associates and joint ventures		**28**	116
Decrease in non-pledged time deposits with original maturity of more than three months		**–**	21,778
Increase in pledged deposits		**(7,297)**	(7,673)
Net cash flows (used in)/from investing activities		**(275,202)**	106,445
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling shareholders		**–**	90,000
Interest paid		**(52,070)**	(17,214)
Dividends paid to non-controlling shareholders		**(573)**	(440)
New interest-bearing bank and other borrowings		**948,135**	710,000
Net cash flows from financing activities		**895,492**	782,346
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(277,042)**	251,448
Cash and cash equivalents at beginning of period		**2,565,652**	2,143,141
Effect of exchange rate changes on cash and cash equivalents		**(5,489)**	5,123
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	**2,283,121**	2,399,712

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 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 and other infrastructures

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 2017 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 2016.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for certain available-for-sale investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousands, except when otherwise indicated.

2.2 Impact of revised International Financial Reporting Standards ("IFRSs")

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 2016, except for the adoption of new standard effective as of 1 January 2017. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these amendments apply for the first time in 2017, they do not have a material impact on the interim condensed consolidated financial statements of the Group. The nature and the impact of each amendment is described below:

Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative*

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

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

2.2 Impact of revised International Financial Reporting Standards ("IFRSs") (Continued)

Amendments to IAS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

Amendments to IFRS 12 included in *Annual Improvements Cycle-2014-2016 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12*

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. The amendments are not expected to have any significant impact on the Group's interim condensed consolidated financial statements.

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, which have been issued but are not yet effective, in the interim condensed consolidated financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 40	*Transfers of Investment Property*[1]
IFRIC interpretation 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*[2]
Annual Improvements 2014–2016 Cycle	Amendments to IFRS 1 and Amendments to IAS 28[1]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2021
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 and other infrastructures construction contracting and a model of public-private partnerships jointly participating in the construction of public infrastructure.

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 or loss 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 as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities 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 2017

	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	1,275,546	1,756,577	–	3,032,123
Intersegment sales	8,069	–	(8,069)	–
Total revenue	1,283,615	1,756,577	(8,069)	3,032,123
Segment results	179,892	28,325	5,562	213,779
Finance costs	–	(62,327)	–	(62,327)
Interest income	220	114,356	–	114,576
Profit of segments for the period	180,112	80,354	5,562	266,028
Unallocated interest income				5,970
Unallocated gains on disposal of available-for-sale investments				91
Income tax expense				(45,847)
Profit for the period				226,242

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six-month period ended 30 June 2017 (Continued)

	Design, survey and consultancy RMB'000 (Unaudited)	Construction contracting RMB'000 (Unaudited)	Eliminations RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment assets	6,225,875	6,555,475	(582,135)	12,199,215
Corporate and other unallocated assets				1,116,245
Total assets				13,315,460
Segment liabilities	5,597,406	4,520,351	(578,187)	9,539,570
Corporate and other unallocated liabilities				159,685
Total liabilities				9,699,255
Other segment information:				
Share of profits and losses of:				
Joint ventures	(2,035)	–	–	(2,035)
Associates	2,330	–	–	2,330
Depreciation	14,042	3,401	–	17,443
Amortisation	671	2,311	–	2,982
Provision for				
– foreseeable losses on contracts	5,804	267	–	6,071
– impairment of trade receivables, deposits and other receivables	33,652	1,227	–	34,879
Investments in joint ventures	38,068	–	–	38,068
Investments in associates	47,338	–	–	47,338
Capital expenditure*	223,277	6,412	–	229,689

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	80,776	(54)	178,717
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
Unallocated interest income				5,721
Unallocated gains on disposal of available-for-sale investments				6,002
Income tax expense				(30,877)
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
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

* Capital expenditure mainly consists of additions to property, plant and equipment, prepaid land lease payments 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	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Design, survey and consultancy	**1,275,546**	1,023,538
Construction contracting	**1,756,577**	949,961
	3,032,123	1,973,499
Other income and gains		
Interest income	**120,546**	51,708
Gains on disposal of available-for-sale investments	**91**	6,002
Government grants	**242**	1,033
Foreign exchange gains	**–**	5,145
Others	**548**	1,004
	121,427	64,892

5. FINANCE COSTS

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**62,327**	17,779

6. PROFIT BEFORE TAX

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

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of design, survey and consultancy	**870,850**	695,002
Cost of construction contracting	**1,577,887**	842,793
Total cost of sales	**2,448,737**	1,537,795
Depreciation of items of property, plant and equipment	**17,443**	15,633
Amortisation of prepaid land lease payments	**1,471**	359
Amortisation of intangible assets	**1,511**	1,337
Total depreciation and amortisation	**20,425**	17,329
Impairment of trade receivables, net	**32,200**	17,433
Impairment of deposits and other receivables, net	**2,679**	2,832
Total impairment losses, net	**34,879**	20,265
Provision for foreseeable losses on contracts	**6,071**	10,824
Lease expenses under operating leases	**84,493**	27,553
Auditors' remuneration	**830**	750
Employee benefit expenses		
(including directors' and supervisors' remuneration):		
Wages, salaries and allowances	**492,751**	397,566
Retirement benefit costs		
– Defined contribution retirement schemes	**59,653**	36,830
– Defined benefit retirement schemes	**1,330**	1,220
Total retirement benefit costs	**60,983**	38,050
Welfare and other expenses	**97,937**	63,342
Total employee benefit expenses	**651,671**	498,958
Government grants	**(242)**	(1,033)
Interest income	**(120,546)**	(51,708)
Gains on disposal of available-for-sale investments	**(91)**	(6,002)
Loss on disposal of items of property, plant and equipment, net	**75**	5
Foreign exchange differences, net	**5,553**	(5,145)

7. INCOME TAX EXPENSE

The Company and certain subsidiaries 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 periods ended 30 June 2017 and 2016 in accordance with the PRC Corporate Income Tax Law. 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 2017 and 2016.

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax – Mainland China	**46,868**	36,301
Deferred income tax	**(1,021)**	(5,424)
Tax charge for the period	**45,847**	30,877

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 2017 and 2016 is as follows:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	**272,089**	218,648
Income tax charge at the statutory income tax rate	**68,022**	54,662
Effect of different income tax rates for some entities	**(22,567)**	(20,383)
Tax effect of share of profits and losses of joint ventures and associates	**(73)**	(239)
Expenses not deductible for tax purposes	**5,326**	3,560
Adjustments in respect of current tax of previous periods	**(2,202)**	(1,558)
Effect on deferred tax of changes in rates	**(3,645)**	(6,378)
Tax losses not recognised	**986**	1,213
Tax charge for the period at the effective rate	**45,847**	30,877

8. DIVIDENDS

The dividends for the six-month periods ended 30 June 2017 and 2016 are set out below:

	Note	Six-month period ended 30 June **2017** **RMB'000** **(Unaudited)**	 2016 RMB'000 (Unaudited)
Declared final dividend – RMB0.0996 (2015: RMB0.0837) per ordinary share	(i)	**126,758**	106,522

Note:

(i) At the annual general meeting held on 5 June 2017, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2016 of RMB0.0996 per share which amounted to RMB126,758,000 in total.

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.

The directors did not recommend the payment of an interim dividend for the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: 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 2017 and 2016.

	Six-month period ended 30 June **2017** **RMB'000** **(Unaudited)**	 2016 RMB'000 (Unaudited)
Earnings:		
Profit for the period attributable to ordinary equity holders of the parent	**220,361**	186,832

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

	Six-month period ended 30 June	
	2017	2016
	’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 2017, the Group acquired property, plant and equipment with an aggregate cost amounting to approximately RMB27,305,000 (Unaudited) (six-month period ended 30 June 2016: RMB51,778,000 (Unaudited)).

In addition, during the same period, property, plant and equipment with an aggregate net carrying value of approximately RMB1,410,000 (Unaudited) (six-month period ended 30 June 2016: RMB57,000 (Unaudited)) were disposed of, which resulted in a net loss on disposal of approximately RMB75,000 (Unaudited) (six-month period ended 30 June 2016: RMB5,000 (Unaudited)).

11. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

Construction contracts

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Amounts due from contract customers	**616,234**	555,341
Amounts due to contract customers	**(102,265)**	(126,528)
	513,969	428,813

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Contract costs incurred plus recognised profits less recognised losses to date	**21,592,235**	19,880,810
Less: Progress billings received and receivable	**(21,078,266)**	(19,451,997)
	513,969	428,813

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

Contracts for services

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Amounts due from contract customers	**2,152,294**	1,836,744
Amounts due to contract customers	**(1,916,060)**	(1,524,717)
	236,234	312,027

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Contract costs incurred plus recognised profits less recognised losses to date	**14,650,833**	13,392,668
Less: Progress billings received and receivable	**(14,414,599)**	(13,080,641)
	236,234	312,027

12. AVAILABLE-FOR-SALE INVESTMENTS

	Notes	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Unlisted equity investments, at cost	(i)	**8,650**	8,650
Other financial assets	(ii)	**11,068**	10,000
		19,718	18,650

Notes:

(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.

(ii) The other financial assets represented corporate wealth management products with principals guaranteed by banks.

13. FINANCIAL RECEIVABLES

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Receivables for service concession arrangements	**3,273,672**	2,233,117
Portion classified as non-current assets	**(3,163,807)**	(2,223,132)
Current portion	**109,865**	9,985

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.

At 30 June 2017, the Group's financial receivables were pledged to secure certain of the Group's bank loans (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 six months. 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 assess 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 2017 RMB'000 (Unaudited)**	As at 31 December 2016 RMB'000 (Audited)
Trade receivables		**2,941,981**	2,082,241
Provision for impairment		**(257,265)**	(225,065)
Trade receivables, net		**2,684,716**	1,857,176
Bills receivable		**1,350**	7,854
		2,686,066	1,865,030
Portion classified as non-current assets	(i)	**(14,405)**	(14,405)
Current portion		**2,671,661**	1,850,625

Note:

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

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Amounts of retention money in trade receivables	**85,616**	79,061

14. TRADE AND BILLS RECEIVABLES (CONTINUED)

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within 3 months	**1,165,043**	702,550
3 to 6 months	**395,355**	279,897
6 months to 1 year	**412,566**	408,517
1 to 2 years	**393,147**	182,321
2 to 3 years	**138,083**	164,719
3 to 4 years	**137,826**	78,174
4 to 5 years	**34,780**	32,440
Over 5 years	**7,916**	8,558
	2,684,716	1,857,176

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

	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	Year ended 31 December 2016 RMB'000 (Audited)
At beginning of the period	**225,065**	184,340
Impairment losses recognised	**41,526**	51,552
Impairment losses reversed	**(9,326)**	(10,827)
At end of the period	**257,265**	225,065

Included in the above provision for impairment of trade receivables are provisions for individually impaired trade receivables of RMB87,299,000 (Unaudited) (31 December 2016: RMB82,517,000) with an aggregate carrying amount before provision of RMB412,040,000 (Unaudited) as at 30 June 2017 (31 December 2016: RMB266,457,000).

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Neither past due nor impaired	**1,560,398**	982,447

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.

Pursuant to the capital injection agreement in May 2013, seven strategic investors contributed cash of RMB703 million to the Company. Thereafter, these strategic investors became the beneficial shareholders (the "Beneficial Shareholders") of the Company.

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Beneficial Shareholders and their affiliates	**617,744**	563,724
BUCG	**30,255**	23,342
Fellow subsidiaries	**1,983**	2,090
An associate	**1,310**	1,342
Affiliates of a shareholder	**1,849**	1,276
An associate of BUCG	**383**	403
	653,524	592,177

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Deposits and other receivables		**1,022,318**	1,104,857
Provision for impairment of deposits and other receivables		**(14,600)**	(11,921)
		1,007,718	1,092,936
Prepayments		**261,147**	132,024
Deductible input VAT		**93,494**	47,674
		1,362,359	1,272,634
Portion classified as non-current assets	(i)	**(422,678)**	(505,308)
Current portion		**939,681**	767,326

Note:

(i) The non-current portion of deposits and other receivables mainly represents reimbursed expenses on behalf of the customers and performance guarantee amounts held by customers as at the reporting date.

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

	Six-month period ended 30 June 2017 RMB'000 (Unaudited)	Year ended 31 December 2016 RMB'000 (Audited)
At beginning of the period	**11,921**	9,614
Impairment losses recognised	**2,908**	4,719
Impairment losses reversed	**(229)**	(2,412)
At end of the period	**14,600**	11,921

Included in the above provision for impairment of deposits and other receivables are provisions for individually impaired other receivables of RMB5,563,000 (Unaudited) (31 December 2016: RMB5,563,000) with an aggregate carrying amount before provision of RMB5,711,000 (Unaudited) as at 30 June 2017 (31 December 2016: RMB5,711,000).

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (CONTINUED)

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Neither past due nor impaired	**941,352**	1,066,481

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Associates	**31,100**	30,027
Fellow subsidiaries	**11,717**	1,523
Associates of BUCG	**10,014**	–
A joint venture	**1,449**	1,537
Beneficial Shareholders and their affiliates	**13**	64
	54,293	33,151

The above amounts are unsecured, non-interest-bearing and have no fixed terms of settlement, except for the other receivables of RMB679,969,000 (2016: RMB481,406,000) were pledged to secure certain of the Group's bank loans (note 19) and the amounts due from an associate of RMB13,000,000 (2016: RMB1,500,000) bear interest at 10% per annum.

16. CASH AND BANK BALANCES AND PLEDGED DEPOSITS

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Cash and bank balances	**2,335,480**	2,607,822
Time deposits	**10,542**	13,434
	2,346,022	2,621,256
Less: Pledged bank balances for bidding guarantees and performance guarantees	**(62,701)**	(55,404)
Cash and bank balances in the consolidated statement of financial position	**2,283,321**	2,565,852
Less: Non-pledged time deposits with original maturity of more than three months when acquired	**(200)**	(200)
Cash and cash equivalents in the consolidated statement of cash flows	**2,283,121**	2,565,652
Cash and bank balances and time deposits denominated in:		
– RMB	**2,107,334**	2,382,850
– Other currencies	**238,688**	238,406
	2,346,022	2,621,256

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within 6 months	893,131	863,787
6 months to 1 year	345,458	289,426
1 to 2 years	480,213	499,956
2 to 3 years	198,878	206,362
Over 3 years	205,938	145,385
	2,123,618	2,004,916

Trade payables are non-interest-bearing and are normally settled within one year.

The amounts due to associates of BUCG, fellow subsidiaries and other related parties included in the trade payables are as follows:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Associates of BUCG	120,848	146,969
Fellow subsidiaries	103,406	155,379
Associates	6,074	4,761
A joint venture	604	–
Beneficial Shareholders and their affiliates	180	7,582
	231,112	314,691

18. OTHER PAYABLES, ADVANCES FROM CUSTOMERS AND ACCRUALS

	Note	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Advances from customers		**1,473,715**	988,765
Accrued salaries, wages and benefits		**318,576**	347,490
Other taxes payable		**442,316**	296,302
Retention payables		**136,288**	76,015
Dividend payable to shareholders		**126,758**	–
Interest payable		**22,174**	11,918
Government grants		**20,000**	7,000
Other payables		**95,521**	108,082
		2,635,348	1,835,572
Portion classified as non-current liabilities	(i)	**(57,269)**	(21,703)
Current portion		**2,578,079**	1,813,869

Note:

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

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

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

The amounts due to Beneficial Shareholders and their affiliates, a non-controlling shareholder and other related parties included in other payables, advances from customers and accruals are as follows:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Beneficial Shareholders and their affiliates	**402,259**	277,348
A non-controlling shareholder	**19,176**	10,078
Fellow subsidiaries	**15,571**	6,617
Associates of BUCG	**10,240**	10,694
BUCG	**7,222**	5,578
An associate	**5,502**	8,558
A subsidiary of an associate of BUCG	**1,724**	–
	461,694	318,873

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2017 (Unaudited)			As at 31 December 2016 (Audited)		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Non-current						
Long term bank loans:						
– secured (i)	**4.41%–4.90%**	**2018–2028**	**2,158,135**	4.90%	2018–2027	1,290,000
Long term other borrowings:						
– unsecured	**4.90%**	**2019–2026**	**508,400**	4.90%	2019–2026	508,400
			2,666,535			1,798,400
Current						
Current portion of long term bank loans:						
– secured (i)	**4.90%**	**2018**	**160,000**	4.90%	2017	80,000
			2,826,535			1,878,400
Denominated in:						
– RMB			**2,826,535**			1,878,400

19. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

The maturity profile of the interest-bearing bank and other loans as at 30 June 2017 and 31 December 2016 is as follows:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Analysed into:		
Bank loans repayable:		
Within one year	**160,000**	80,000
In the second year	**320,000**	160,000
In the third to fifth years, inclusive	**884,000**	400,000
After five years	**954,135**	730,000
	2,318,135	1,370,000
Other borrowings repayable:		
In the third to fifth years, inclusive	**250,400**	250,400
Beyond fifth years	**258,000**	258,000
	508,400	508,400
	2,826,535	1,878,400

Note:

(i) The bank loan of RMB2,318,135,000 (Unaudited) (31 December 2016: RMB1,370,000,000) was secured by the right of future financial receivables for certain service concession arrangements.

The interest-bearing borrowings from a non-controlling shareholder included in the above are as follows:

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
A non-controlling shareholder	**508,400**	508,400

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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Within one year	58,313	95,355
In the second to fifth years, inclusive	103,452	123,628
After five years	4,499	3,436
	166,264	222,419

21. COMMITMENTS

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

	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment	294,453	–
Equity investments	3,001,040	–
	3,295,493	–

22. RELATED PARTY TRANSACTIONS

(a) The Group had the following material transactions with related parties for the six-month periods ended 30 June 2017 and 2016:

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Design, survey and consultancy services provided to:		
Beneficial Shareholders and their affiliates	**58,260**	101,028
BUCG	**20,475**	8,302
Fellow subsidiaries	**8,683**	7,788
Affiliates of a shareholder	**212**	35
Associates of BUCG	**111**	311
Associates	**27**	653
	87,768	118,117
Construction contracting services provided to:		
Beneficial Shareholders and their affiliates	**492,848**	210,746
Construction contracting services provided by:		
Subsidiaries of associates of BUCG	**71,018**	34,054
Associates of BUCG	**56,307**	84,076
Fellow subsidiaries	**52,742**	45,471
Affiliates of a shareholder	**370**	–
	180,437	163,601
Design, survey and consultancy services provided by:		
Associates	**3,860**	6,768
Associates of BUCG	**378**	–
A Joint venture	**291**	1,995
A fellow subsidiary	**160**	–
	4,689	8,763

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) The Group had the following material transactions with related parties for the six-month periods ended 30 June 2017 and 2016: (continued)

	Six-month period ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Rental expenses and property management fees paid or payable to:		
BUCG	**1,283**	1,082
Fellow subsidiaries	**5,984**	5,728
	7,627	6,810
Construction in progress services provided by：		
A fellow subsidiary	**756**	–
Finance costs paid or payable to:		
A non-controlling shareholder	**12,479**	–
Borrowings provided to:		
An associate	**11,500**	–
Interest income receivable from:		
An associate	**588**	–

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

BUCG issued certain letters of guarantee for performance and prepayment to customers in respect of its operation of urban rail transit construction. As at 30 June 2017, the balance of the relevant letters of guarantee was nil (Unaudited) (31 December 2016: RMB68 million).

The Group guaranteed certain associates' letters of guarantee for performance for projects undertaken and the outstanding balance of such guarantee letters as at 30 June 2017 was RMB19 million (Unaudited) (31 December 2016: RMB13 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 2017 and 2016: (continued)

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 2017 and 2016, the Group entered into extensive transactions with SOEs other than those transactions disclosed elsewhere in these financial statements, 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, such transactions 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.

(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	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short term employee benefits	**3,428**	2,974
Pension scheme	**476**	407
	3,904	3,381

22. RELATED PARTY TRANSACTIONS (CONTINUED)

(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 certain Beneficial Shareholder and a Beneficial Shareholder's affiliate, the Company was engaged to build certain subways and the backlog as at 30 June 2017 amounted to RMB3,651 million (Unaudited) (31 December 2016: RMB1,773 million).

Pursuant to certain design services contracts signed by the Company and certain Beneficial Shareholders and its affiliates and BUCG, the Company was engaged to design certain subways and industrial and civil construction and municipal engineering and the backlog as at 30 June 2017 amounted to RMB1,112 million (31 December 2016: RMB994 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 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)
Financial assets		
Available-for-sale financial investments:		
Available-for-sale investments	**19,718**	18,650
Loans and receivables:		
Trade and bills receivables	**2,686,066**	1,865,030
Financial receivables	**3,273,672**	2,233,117
Financial assets included in prepayments, deposits and other receivables	**1,007,718**	1,092,936
Pledged deposits	**62,701**	55,404
Cash and bank balances	**2,283,321**	2,565,852
	9,333,196	7,830,989
Financial liabilities		
Financial liabilities at amortised cost:		
Interest-bearing bank and other borrowings	**2,826,535**	1,878,400
Trade payables	**2,123,618**	2,004,916
Financial liabilities included in other payables, advances from customers and accruals	**380,741**	196,015
	5,330,894	4,079,331

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments as at the end of the reporting period, are as follows:

	Carrying amount		Fair value	
	As at 30 June 2017 RMB'000 (Unaudited)	As at 31 December 2016 RMB'000 (Audited)	**As at 30 June 2017 RMB'000 (Unaudited)**	As at 31 December 2016 RMB'000 (Audited)
Financial assets				
Available-for-sale financial investments:				
Available-for-sale investments	**11,068**	10,000	**11,068**	10,000
Loans and receivables:				
Trade receivables, non-current portion	**14,405**	14,405	**14,364**	14,364
Financial receivables	**3,273,672**	2,233,117	**3,279,342**	2,386,233
Financial assets included in prepayments, deposits and other receivables, non-current portion	**422,678**	505,308	**422,369**	504,696
	3,721,823	2,762,830	**3,727,143**	2,915,293
Financial liabilities				
Financial liabilities at amortised cost:				
Interest-bearing bank and other borrowings, non-current portion	**2,666,535**	1,798,400	**2,666,535**	1,798,400
Financial liabilities included in other payables, advances from customers and accruals, non-current portion	**37,269**	14,703	**37,180**	14,695
	2,703,804	1,813,103	**2,703,715**	1,813,095

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

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, the current portion of financial liabilities included in other payables and accruals and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

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 financial reporting purpose.

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 assets included in prepayments, deposits and other receivables, financial receivables and the non-current portion of financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings 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 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 measured at fair value:

30 June 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Available-for-sale investments:				
Wealth investment products	**–**	**11,068**	**–**	**11,068**

31 December 2016

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Available-for-sale investments:				
Wealth investment products	–	10,000	–	10,000

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

Fair value hierarchy: (Continued)

Assets for which fair values are disclosed:

30 June 2017

	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	**–**	**14,364**	**–**	**14,364**
Financial receivables	**–**	**3,279,342**	**–**	**3,279,342**
Financial assets included in prepayments, deposits and other receivables, non-current portion	**–**	**422,369**	**–**	**422,369**
	–	**3,716,075**	**–**	**3,716,075**

31 December 2016

	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	–	14,364	–	14,364
Financial receivables	–	2,386,233	–	2,386,233
Financial assets included in prepayments, deposits and other receivables, non-current portion	–	504,696	–	504,696
	–	2,905,293	–	2,905,293

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

Fair value hierarchy: (Continued)

Liabilities for which fair values are disclosed:

30 June 2017

	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 and other borrowings, non-current portion	**–**	**2,666,535**	**–**	**2,666,535**
Financial liabilities included in other payables, advances from customers and accruals, non-current portion	**–**	**37,180**	**–**	**37,180**
	–	**2,703,715**	**–**	**2,703,715**

31 December 2016

	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 and other borrowings, non-current portion	–	1,798,400	–	1,798,400
Financial liabilities included in other payables, advances from customers and accruals, non-current portion	–	14,695	–	14,695
	–	1,813,095	–	1,813,095

25. EVENTS AFTER THE REPORTING PERIOD

On 25 July 2017, the Company published an announcement that the Company proposed to implement the Key Employee Stock Ownership Scheme of the Company by way of the Non-public Issuance of no more than 76,000,000 domestic shares (the final number of shares to be issued is subject to the approval of the regulatory authorities) to key employees who hold important positions in the Company and have direct or rather substantial influence on the operating results and sustainable development of the Company, including but not limited to the directors (excluding those who are not employed by the Company), senior management, researchers, operating management members and other business backbones of the Company. The Key Employee Stock Ownership Scheme shall be subject to the fulfillment of certain conditions, and accordingly, the Key Employee Stock Ownership Scheme may or may not proceed. Further details are set out in the announcement of the Company dated 25 July 2017.

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 2017.

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

Beijing, 30 August 2017

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, Yan Lianyuan and Tang Shuchang; and the independent non-executive directors of the Company are Zhang Fengchao, Wang Dexing, Yim Fung, Sun Maozhu and Liang Qinghuai.