北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

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

Stock Code: 1599

DESIGN THE CITY

BUILD THE FUTURE

2024
Annual Report

CONTENTS

DEFINITIONS

In this Annual 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
"Beijing Investment Company"	Beijing Infrastructure Investment Co., Ltd. (北京市基礎設施投資有限公司)
"Board" or "Board of Directors"	the board of directors of the Company
"Board of Supervisors"	the board of supervisors of the Company
"BUCG"	Beijing Urban Construction Group Co., Ltd. (北京城建集團有限責任公司) (the controlling shareholder 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)
"Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法), as may be amended, supplemented and otherwise modified from time to time
"Corporate Governance Code"	the corporate governance code as set out in Appendix C1 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 C3 to the Hong Kong Listing Rules
"MOF"	the Ministry of Finance of the PRC
"NDRC"	the National Development and Reform Commission of the PRC
"PRC" or "China"	the People's Republic of China
"Reporting Period" or "the Year"	for the year ended 31 December 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of the Company, including H Share(s) and Domestic Share(s)
"Supervisor(s)"	supervisor(s) of the Company
"%"	percent

CORPORATE INFORMATION

REGISTERED NAME:

Chinese:
北京城建設計發展集團股份有限公司

English:
Beijing Urban Construction Design & Development Group Co., Limited

LISTING PLACE OF H SHARES:

The Stock Exchange of Hong Kong Limited

TYPE OF STOCK:

H Shares

STOCK NAME:

UCD

STOCK CODE:

1599

H SHARE REGISTRAR:

Computershare Hong Kong Investor Services Limited

REGISTERED OFFICE:

5 Fuchengmen North Street, Xicheng District
Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG:

40th Floor, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wanchai, Hong Kong

LEGAL REPRESENTATIVE:

Mr. Pei Hongwei

SECRETARY OF THE BOARD:

Mr. Xuan Wenchang

COMPANY SECRETARY:

Mr. Xuan Wenchang

WEBSITE:

www.bjucd.com

AUDITOR:

Da Hua Moore International CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS:

As to Hong Kong Laws:
Clifford Chance

As to PRC Laws:
Beijing Ocean Law Firm

FINANCIAL SUMMARY

For the year ended 31 December 2024, the Group achieved revenue of RMB8,658 million, while the net profit for the Reporting Period amounted to RMB533 million.

The Group has two business segments, including principally the design, survey and consultancy segment as well as the construction contracting segment.

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

	For the year ended 31 December			
	2024 RMB'000	**Percentage of operating revenue (%)**	2023 RMB'000	Percentage of operating revenue (%)
Design, survey and consultancy	**4,382,894**	**50.62**	4,866,559	46.97
Construction contracting	**4,274,938**	**49.38**	5,495,140	53.03
Total	**8,657,832**	**100.00**	10,361,699	100.00

For the year ended 31 December 2024, the Group's revenue amounted to RMB8,658 million, representing a decrease of RMB1,704 million or 16.44% compared to the same period of last year.

The financial information for the years of 2020, 2021, 2022, 2023 and 2024 prepared by the Group in accordance with the IFRS Accounting Standards was summarized as follows:

	As at 31 December/For the year ended 31 December				
	2024 RMB'000	2023 RMB'000	2022 RMB'000 (Restated)	2021 RMB'000 (Restated)	2020 RMB'000 (Restated)
Total assets	**24,541,927**	24,849,539	23,861,833	24,655,780	21,345,713
Total liabilities	**16,608,520**	17,220,924	16,874,873	18,238,063	15,537,668
Non-controlling interests	**237,520**	227,429	199,911	266,682	297,963
Interests of the owners (excluding non-controlling interests)	**7,695,887**	7,401,186	6,787,049	6,151,035	5,510,082
Revenue	**8,657,832**	10,361,699	10,433,103	10,385,065	10,411,658
Gross profit	**1,559,346**	1,886,461	1,832,555	1,879,927	1,984,101
Profit before tax	**633,675**	1,017,802	1,013,091	987,773	926,390
Profit attributable to owners of the Company	**516,907**	872,852	959,159	914,040	797,571

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of the Group, I am pleased to present the annual results report for 2024.

The year of 2024 was a crucial year for the implementation of the 14th Five-Year Plan and also a pivotal year for the Group's transformation, upgrading, and high-quality development. In this year, the momentum of global macroeconomic recovery slowed down, and the infrastructure construction industry in mainland China entered a period of structural adjustment. Facing the complex and volatile market environment, the Group responded to cyclical fluctuations with strategic determination and achieved multiple breakthroughs in areas such as operational quality, business innovation, and sustainable development.

The Group continued to consolidate its leading position in the industry and continuously enhanced its brand influence. Focusing on the core business of survey, design, and consulting, we won the bid for the overall design of six rail transit projects throughout the year, maintaining our top position in the industry. By focusing on coordinated development, new breakthroughs were made in diversified business segments such as surveying, civil construction, municipal engineering, engineering general contracting, scientific and technological industrialization, and operation. New achievements were also obtained in niche areas such as high-end consulting, inspection, and assessment. During the Reporting Period, the Group achieved an annual revenue of RMB8.658 billion and a net profit of RMB533 million, taking solid steps on the path of high-quality development.

The year 2025 is a crucial year for the final sprint of the 14th Five-Year Plan and also a key year for laying a solid foundation for a good start of the 15th Five-Year Plan. In the new year, the Group will more proactively integrate into national strategies and serve the development of the capital in the new era. We will seize policy and industry opportunities, respond to cyclical challenges with business wisdom, decode the future direction with the gene of innovation, strengthen the foundation of development through solid risk control, fulfill social responsibilities through ESG governance, and comprehensively and continuously enhance the potential and value of the "Urban Construction Design" industry-leading brand.

Craftsmanship paves the way, and hard work creates the future. The Group will always uphold the spirit of "craftsmanship, responsibility, innovation, and hard work" in urban construction design. We will not fear challenges, stay united, take practical actions, pursue innovation, and strive for excellence, taking more firm and powerful steps towards high-quality development to satisfy our customers, shareholders, and society.

In conclusion, I would like to take this opportunity to express my sincere gratitude to the shareholders, customers, and partners who have long-term trust in and support for the Group, and to extend my highest respect to the Directors, Supervisors, management, and employees who have made unremitting efforts and selfless contributions to the Group!

Pei Hongwei
Chairman

Beijing, 26 March 2025

GENERAL MANAGER'S STATEMENT

2024 was an extraordinary year. In the face of an external environment with intensifying uncertainties and an increasingly involving industry ecosystem, we forged ahead in spite of difficulties, endeavored to cope with various external challenges, continued to improve operational quality, and persistently built up our strengths through the cycle in the competitive market, which had eventually landed us with outstanding performance.

We accurately grasped development trends and seized market opportunities. With our initiatives to adapt to the changes in the industry and the market and our continuous moves to optimize market layout, we had set up 10 marketing centers nationwide, which promoted the two-way empowerment and mutual support between traditional advantageous industries and emerging industries, and continued to reinforce the fundamentals for enterprise development. As a major force in the field of urban rail transport design in China, the Company won the bids for 6 overall design contracting projects and obtained the first existing line suspension and renovation project (Changchun Line 3), maintaining its No.1 ranking in the industry. Its survey business realized leapfrog growth, civil construction and municipal design exhibited a new atmosphere, technological industrialization achieved new breakthroughs, specialization in professional fields continued to improve, the construction general contracting business made steady development, the energy storage business accelerated its layout, and the international business extended to new markets. The suburban railway of Chongqing Bishan-Tongliang Line invested and constructed by the Company had been put into operation, boosting the quality development of the Chengdu-Chongqing Twin-city Economic Circle.

We took value creation as our focus and continued to improve the quality of enterprise development. Since its listing on the Hong Kong Stock Exchange in July 2014, the Company has attached great importance to information disclosure, investor relations, ESG and value management, and maintained a good enterprise credit rating, continued to improve its quality as a listed company, and endeavored to create good return for shareholders, by virtue of which it was honored with the "Outstanding Contribution Enterprise Award for the 75th Anniversary of the Founding of the People's Republic of China" for Chinese securities in 2024. We continued to strengthen corporate governance, focused on the whole industrial chain to enhance core functions, constantly promoted resource integration, implemented comprehensive and in-depth risk controls, which had continued to release the pressure on the scale of the "two funds (兩金)", practically enhanced cost reduction and efficiency, and continued to improve development quality.

We insisted on serving the development of the industry and continued to expand our brand influence. We undertook brand activities such as the Third Cross-Strait and Hong Kong-Macao Science and Technology Forum and the 32nd Metro Academic Forum (地鐵學術論壇), took the lead in compiling the "Outline of China's Urban Rail Transit Technology Development (《中國城市軌道交通技術發展綱要》)" and the design guidelines for the quality development of urban rails in Shenzhen and Xiamen. We took part in compiling 18 national standards and local standards, which had not only testified our fulfillment of liabilities to the industry but also helped the Company stand on a higher platform of development.

Looking ahead, as the uncertainties in the external environment will remain and the industry is undergoing profound changes and transformation, we may still face severe challenges and a very arduous task of reform and innovation. However, in the long term, since the Chinese economy still have good support for its long-term positive operation and its basic trend has not changed, a new considerable momentum is to be revealed for the industry. We need to be more proactive in adapting to situation changes and market variables, comprehensively stimulate institutional vitality, promote the implementation and effectiveness of fine management, continue to enhance the competitiveness of the whole industrial chain, and accelerate the refreshing of and conversion from the old kinetic energy to the new.

The year 2025 is not the culmination year for the "14th Five-Year Plan" but also the kick-off year for the "15th Five-Year Plan". We will stick to the focus of "market expansion, reform and innovation, quality and efficiency improvement" and promote the enterprise to a new level with high morale, great enthusiasm, and solid action in a bid to create greater value for our customers, shareholders and society.

Xia Xiujiang
General Manager

Beijing, 26 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

In 2024, adhering to the general principle of seeking progress while maintaining stability, the Company continued to optimize market layout and established ten marketing centers nationwide. Focusing on "market expansion, reform and innovation, quality and efficiency improvement", the Company integrated resources across its entire industrial chain, actively seized market opportunities and explored emerging businesses while consolidating its advantages in traditional sectors.

For the year ended 31 December 2024, the Group's revenue amounted to RMB8,658 million, representing a decrease of RMB1,704 million or 16.44% compared to RMB10,362 million for last year. The Group's net profit amounted to RMB533 million, representing a decrease of RMB377 million or 41.43% compared to the net profit of RMB910 million for last year.

Summary of Operating Results

	Year ended 31 December	
	2024	2023
	(RMB'000)	(RMB'000)
	(Audited)	(Audited)
Revenue	**8,657,832**	10,361,699
Cost of sales	**(7,098,486)**	(8,475,238)
Gross profit	**1,559,346**	1,886,461
Other income	**405,289**	416,869
Other gains and losses, net	**11,889**	287,554
Selling and distribution expenses	**(63,199)**	(82,092)
Administrative expenses	**(866,192)**	(979,282)
Impairment losses on financial assets and contract assets, net	**(175,023)**	(286,213)
Finance costs	**(282,016)**	(290,799)
Share of profits of joint ventures	**5,589**	13,494
Share of profits of associates	**37,992**	51,810
Profit before tax	**633,675**	1,017,802
Income tax expense	**(100,208)**	(107,454)
Profit for the year	**533,467**	910,348

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 engineering construction. For the year ended 31 December 2024, the Group achieved a revenue of RMB8,658 million, representing a decrease of RMB1,704 million or 16.44% compared to RMB10,362 million for last year.

Revenue by business segment is as follows:

	Year ended 31 December	
Products by industry	**2024 (RMB'000) (Audited)**	2023 (RMB'000) (Audited)
Design, survey and consultancy	**4,382,894**	4,866,559
Construction contracting	**4,274,938**	5,495,140
Total	**8,657,832**	10,361,699

Design, Survey and Consultancy Business Segment

The design, survey and consultancy segment include design, survey and consultancy services for urban rail transit construction as well as industrial and civil construction and municipal engineering. In 2024, the Group remained focused on the rail transit market, deepening its presence in relevant sector. The Group won the bids for six overall rail transit design projects in Beijing and Shenzhen, maintaining its industry-leading position. It also undertook China's first existing line suspension and renovation project (Changchun Line 3), the Fuping-Xianyang Airport Railway Project in the Guanzhong Urban Cluster. Additionally, the Group secured its first order for the "urban simulation "big data platform and won the largest design contract of RMB65.97 million in Beijing autonomous driving sector. Leveraging these achievements, the Group continued to expand into early-stage projects, undertaking research and network planning for projects in Beijing, Hangzhou, and Jinhua, laying a solid foundation for future market expansion.

For the year ended 31 December 2024, revenue of the design, survey and consultancy business segment of the Group amounted to RMB4,383 million, representing a decrease of RMB484 million or 9.94% compared to RMB4,867 million for the corresponding period in 2023, mainly due to the slow implementation of existing contracts. Among which, the revenue of the urban rail transit construction segment amounted to RMB3,124 million, representing a decrease of RMB385 million or 10.97% compared to the RMB3,509 million for the corresponding period of last year. Revenue from the industrial and civil construction and municipal engineering was RMB1,259 million, representing a decrease of RMB99 million or 7.29% compared to RMB1,358 million in the corresponding period of last year.

Construction Contracting Business Segment

In the construction contracting business segment, the Group won the projects in 2024, including the Beijing Line 1 branch line, M101 Line, and the Hongmiao Station of Line 14, as well as maintenance and repair work for Nanjing Line 5. The Group also expanded its EPC project portfolio to include developments such as the Zhongguancun Dongpan Science and Technology Innovation Center, and the Lanzhou Agricultural Trade Market. The Group's construction contracting projects span multiple cities, including Beijing, Guangzhou, Chongqing, Lanzhou, and Qingdao.

For the year ended 31 December 2024, the Group's revenue from the construction contracting business segment was RMB4,275 million, representing a decrease of RMB1,220 million or 22.20% compared to RMB5,495 million for the corresponding period of last year, mainly due to the reduction in the number of project construction works.

Cost of Sales

For the year ended 31 December 2024, the cost of sales incurred by the Group was RMB7,098 million, representing a decrease of RMB1,377 million or 16.25% compared to RMB8,475 million for the corresponding period of last year. The decrease in cost of sales was lower than that in revenue.

For the year ended 31 December 2024, cost of sales of the Group's design, survey and consultancy segment decreased to RMB3,132 million for the year from RMB3,450 million for the corresponding period of last year, representing a decrease of 9.22%. Among that, the cost of sales of the urban rail transit construction business of the Group's design, survey and consultancy segment decreased to RMB2,150 million for the year from RMB2,356 million for the corresponding period of last year, representing a decrease of 8.74%. The cost of sales of the industrial and civil construction and municipal engineering business of the design, survey and consultancy segment decreased to RMB982 million for the year from RMB1,095 million for the corresponding period of last year, representing a decrease of 10.32%.

For the year ended 31 December 2024, the cost of sales of the Group's construction contracting segment decreased to RMB3,967 million for the year from RMB5,025 million for the corresponding period of last year, representing a decrease of 21.05%, which was primarily attributable to the year-on-year cost reduction as a result of the decrease in new construction projects.

Gross Profit and Gross Margin

For the year ended 31 December 2024, the gross profit of the Group was RMB1,559 million, representing a decrease of RMB327 million or 17.34% compared to RMB1,886 million for the corresponding period of last year, while the consolidated gross margin was 18.01%, basically in line with 18.21% of the corresponding period of last year.

Among that, the gross profit of design, survey and consultancy segment decreased to RMB1,251 million for the year from RMB1,416 million for the corresponding period of last year, representing a decrease of RMB165 million or 11.65%, and the gross margin was 28.55%, representing a slight decrease as compared to 29.10% for the corresponding period of last year. The gross profit of construction contracting segment decreased to RMB308 million for the year from RMB470 million for the corresponding period of last year, representing a decrease of RMB162 million or 34.47%, and the gross margin decreased to 7.21% for the period from 9.35% for the corresponding period of last year.

Other Income

For the year ended 31 December 2024, other income of the Group was RMB405 million, representing a decrease of RMB12 million or 2.88% compared to RMB417 million for the corresponding period of last year, which was mainly attributable to the decrease of interest income.

Other Gains and Losses

For the year ended 31 December 2024, other gains of the Group was RMB12 million, representing a decrease of RMB276 million or 95.83% compared to RMB288 million for the corresponding period of last year, which was mainly due to the absence of gain on disposal of equity interests in 2024 and the decrease in investment income accounted under the equity method.

Selling and Distribution Expenses

For the year ended 31 December 2024, selling and distribution expenses of the Group were RMB63 million, representing a decrease of RMB19 million or 23.17% compared to RMB82 million for the corresponding period of last year, which was mainly due to that the Group consolidated marketing resources to set up ten major marketing centres, and achieved cost reduction and efficiency gains in a degree.

Administrative Expenses

For the year ended 31 December 2024, administrative expenses of the Group were RMB866 million, representing a decrease of RMB113 million or 11.54% compared to RMB979 million for the corresponding period of last year, which was mainly due to lower costs as a result of depreciation and amortisation, rental and property costs, cost of services provided by intermediaries and remuneration of employees.

Impairment Losses on Financial Assets and Contract Assets, Net

For the year ended 31 December 2024, the impairment losses on financial assets and contract assets of the Group amounted to RMB175 million, representing a decrease of RMB111 million or 38.81% as compared to RMB286 million for the corresponding period of last year, which was mainly due to the fact that the capitalisation of the debt of Zunyi PPP project was completed during the year, the trade receivables were decreased accordingly, and the repayment of some of the long-aged trade receivables.

Finance Costs

For the year ended 31 December 2024, finance costs of the Group were RMB282 million, representing a decrease of RMB9 million or 3.09% compared to RMB291 million for the corresponding period of last year, which was mainly due to the decrease in interest expenses resulting from the Group's repayment of borrowings.

Income Tax Expense

For the year ended 31 December 2024, the income tax expense of the Group was RMB100 million, representing a decrease of RMB7 million or 6.54% as compared to RMB107 million for the corresponding period of last year, which was mainly due to the decrease in total profit.

Profit for the Year

For the year ended 31 December 2024, the profit of the Group for the year was RMB533 million, representing a decrease of RMB377 million or 41.43% compared to RMB910 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:

	Year ended 31 December	
	2024	2023
	(RMB'000)	(RMB'000)
	(Audited)	(Audited)
Net cash inflows from operating activities	**683,877**	328,601
Net cash outflows from investing activities	**(188,985)**	(616,251)
Net cash outflows from financing activities	**(763,872)**	(644,039)
Net decrease in cash and cash equivalents	**(268,980)**	(931,689)

The net cash inflows from operating activities in 2024 were RMB684 million, which was mainly attributable to the fact that the operating receipts were more than the operating payments during the year. The net cash outflows from investing activities were RMB189 million, which was mainly attributable to the increased investment of RMB212 million in joint ventures and associates, an expenditure of RMB116 million for purchase of fixed assets and intangible assets and the collection of RMB139 million for the disposal of associates. The net cash outflows from financing activities were RMB764 million, which was mainly due to a net decrease in the Company's bank borrowings of RMB180 million, interest paid on the borrowings of approximately RMB243 million during the year, and the payment of dividends to shareholders of approximately RMB233 million during the year.

PLEDGE OF ASSETS

For the year ended 31 December 2024, the contract assets and financial assets, trade receivables and intangible assets of the Group were pledged to secure the certain bank loans granted to the Group. As at 31 December 2024, the net pledged contract assets, trade receivables and intangible assets were RMB6,224 million (as at 31 December 2023: RMB6,516 million).

CONTINGENT LIABILITIES

For the year ended 31 December 2024, there were no other significant contingent liabilities of the Group.

CAPITAL COMMITMENTS

The Group had the following capital commitments as at 31 December 2024 and 31 December 2023:

	31 December 2024 (RMB'000) (Audited)	31 December 2023 (RMB'000) (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**150,149**	305,119
Equity investments	**1,083,871**	1,093,213

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 of 31 December 2024, the net current assets of the Group were RMB2,170 million, among which cash and cash equivalents amounted to RMB3,044 million. The liquidity of the Group was sound and healthy and the Group had adequate cash and available banking facilities to satisfy its operating needs.

For the year ended 31 December 2024, the Group's interest-bearing bank and other borrowings were RMB6,619 million while the gearing ratio (gearing ratio represents the total interest-bearing borrowings as of 31 December 2024 divided by the total equity as at 31 December 2024) was 83.44%.

INDEBTEDNESS

The table below sets forth the total borrowings of the Group as at 31 December 2024 and 31 December 2023. The Group generally settles the borrowings on time.

	As at 31 December 2024 (RMB'000) (Audited)	As at 31 December 2023 (RMB'000) (Audited)
Bank borrowings		
Pledged	**4,757,366**	4,930,517
Guaranteed	**–**	15,069
Non-pledged and non-guaranteed	**429,529**	421,250
Other borrowings		
Non-pledged and non-guaranteed	**1,164,314**	1,243,669
Lease liabilities		
Non-pledged and non-guaranteed	**267,628**	303,444
	6,618,837	6,913,949

As at 31 December 2024, the Group's borrowings were denominated in RMB with interest rates ranging from 1.81% to 4.90%.

The table below sets forth the maturity of the Group's debts as at 31 December 2024 and 31 December 2023:

	As at 31 December 2024 (RMB'000) (Audited)	As at 31 December 2023 (RMB'000) (Audited)
Within one year	**1,599,023**	2,206,129
In the second year	**450,593**	312,593
In the third to fifth years, inclusive	**2,464,499**	2,102,499
Over five years	**2,104,722**	2,292,728
Total	**6,618,837**	6,913,949

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 and transactions from operations of the Group 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.

EVENT AFTER THE BALANCE SHEET DATE

Save as disclosed in this report, the Group did not have any significant events after the balance sheet date.

COMPANY-WIDE MANAGEMENT MEASURES IN 2025

The Company's specific management measures in 2025 include the following four areas:

1. *Strengthening the foundation of design and consultancy business*

   The Company will continue to stabilize the position in the rail transit design industry, closely follow up on the progress of construction planning and approval in various cities, focus on tracking the overall design projects of cities such as Chengdu, Nanjing, Shaoxing, Xi'an, Fuzhou, Xiamen, and Suzhou, deeply plan the existing line renovation market, and seize the first mover advantage. The Company will expand the fields of civil construction and municipal business, and exploit market potential in new fields such as urban renewal, cultural tourism, geological disaster management, new energy, supercomputing centers, pressure pipelines, primary highways, and major highway bridges.

2. *Fully promoting EPC business*

   The Company will stick to the dual focus on both Beijing market and markets outside of Beijing, and strive to expand market share to explore new paths for scalable development. For Beijing market, the Company will closely monitor the Beijing Line S6, Line R4, Line R6, Line 11, the extension of Line 19, and the northeast loop of the suburban railway. For markets outside of Beijing, the Company will focus on key cities and closely track projects in Shenzhen and Guangzhou, and launch in-depth marketing efforts in regional markets such as the Yangtze River Delta, Sichuan, Chongqing, Hainan and Northwest China. While ensuring the safe and high-quality advancement of existing line renovation projects, the Company will actively explore EPC management models to develop an integrated service capability combining design consulting and engineering management.

3. *Accelerating the cultivation of new businesses*

The Company, keeping abreast of contemporary trends, will fully seize the market opportunities of urban renewal and focus on full industrial chain services for emerging businesses such as renovation of old residential areas, urban lifeline projects, new energy, municipal infrastructure and agricultural infrastructure to pursue new breakthroughs. The technology innovation business promotes market application of scientific and technological products, including energy storage products, the "Urban Simulation" platform, interior industrial products, AI-driven large-scale quality and safety models, and intelligent network operation mapping systems. Overseas operations will continue to expand into the Belt and Road and Southeast Asian markets in a steady manner.

4. *Comprehensively solidifying management foundation*

The Company will continue to strengthen its headquarter construction by accelerating to establish a headquarter featuring strategic guidance, value creation, resource allocation, risk control, and high-efficiency. The Company will continuously monitor and prevent operational risks, prioritize cash flow risks, and exert every effort to reduce receivables and inventory, take measures to control potential overdue risk of receivables of completed and pending for settlement projects, and settlement with subcontractors shall be made in a timely manner so as to lock project costs. The Company will also concentrate on reducing cost while improving efficiency, strictly manage procurement and workforce size and adhere to the principle of "determining expenditures based on revenue" to achieve effective cost control. Moreover, in a bid to continuously reinforce its brand influence and leadership in the industry, the Company will organize influential industry forum and participate in the formulation of industry guidelines and national/local standards.

BID WINNING

In 2024, facing sustained economic downturn, challenging situation in the whole industry and other challenges, the Company expanded the market across the entire rail transit industry chain by leveraging industry advantages and its technical strength. As of 31 December 2024, the Company has won bids of RMB7.824 billion. Among them, the design, survey and consultancy business segment won the bids of RMB2.989 billion, and the EPC business segment won the bids of RMB4.835 billion. As at the end of the Reporting Period, its contracts on hand amounted to RMB24.947 billion.

EMPLOYEES

As of 31 December 2024, the Group had approximately 4,739 employees, with employees at headquarters accounting for 53% and those at subsidiaries accounting for 47%, representing a decrease of 4% as compared with that at the end of the corresponding period of last year. The Company has 3 National Engineering Survey and Design Masters and 4 current experts enjoying the Special Allowance from the State Council. As of 31 December 2024, employees with bachelor's degree or above, employees with senior titles, employees with intermediate titles and employees with primary titles or below accounted for 93%, 42%, 37% and 21% of the total number of employees of the Group, respectively. Among which, the ratio of employees with senior titles has increased by 3% as compared with that at the end of the last year.

The size of the Company's staff has been effectively controlled, with the quality of staff increasingly improved. Specifically, the Company emphasized on introducing professional and sophisticated talents with qualifications and professional titles in great demand and outstanding fresh graduates in key and difficult majors; and the proportion of personnel with senior professional titles or above and various registered professional qualifications further increased.

In respect of building talent pool, the Company continued to carry out cross-segment exchanges, organized complex project management training for EPC and strengthened cultivation of versatile talents related to design, general contracting, technique and economic management. Additionally, the Company carried out financial trainings for middle and senior leaders and operational management trainings for young and middle-aged officers to conduct talent development in a diversified manner, thereby enhancing the professional ability of staff and promoting mutual learning and exchanges among various segments.

According to the national policies, the reform on gradually raising statutory retirement age will be implemented in 2025.

MARKET LANDSCAPE AND BUSINESS PROSPECT

The Government Work Report 2024 proposed that "To actively increase effective investment. To focus on supporting technological innovation, new-type infrastructure, energy conservation, emission reduction and carbon reduction, strengthen the supplementation of weak links in the economy and society such as people's wellbeing, promote the construction of flood control, drainage and disaster prevention infrastructure, drive the renewal and technological transformation of various production and service equipment, and accelerate the implementation of major projects in the 14th Five-Year Plan".

In March 2024, the State Council issued the "Action Plan for Promoting Large-Scale Equipment Renewal and the Trade-In of Consumer Goods" (《推動大規模設備更新和消費品以舊換新行動方案》), which focuses on seven major areas, namely industry, agriculture, construction, transportation, education, culture and tourism, and healthcare. The plan aims to advance the renewal and transformation of equipment in key industries towards directions of energy conservation, carbon reduction, ultra-low emissions, safe production, digital transformation and intelligent upgrading.

In August 2024, the Central Committee of the Communist Party of China (CCCPC) and the State Council issued the "Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development" (《關於加快經濟社會發展全面綠色轉型的意見》) to roll out systematic plans to accelerate the comprehensive green transformation of economic and social development for the first time. The opinions focus on building a green, low-carbon and high-quality development pattern, accelerating the green and low-carbon transformation of industrial structures, steadily advancing the green and low-carbon transformation in energy, promoting green transformation in transportation, and facilitating green transformation in urban and rural construction and development. Additionally, it also highlights the implementation of a comprehensive conservation strategy, promotion of the green transformation of consumption models, and playing the role of technological innovation in supporting the transition. These measures aim to accelerate the formation of a resource-saving and environmentally protective spatial pattern, industrial structure, production methods, and lifestyle.

In December 2024, to solidify urban safety resilience enhancement actions, promote the construction of new urban infrastructure featured with digitalization, network and intelligence, build resilient cities with strong resilience and fast recovery, and strengthen urban risk prevention, control and management capabilities, the General Office of CCCPC and the General Office of the State Council issued the "Opinions on Promoting the Construction of New Urban Infrastructure to Build Resilient Cities" (《關於推進新型城市基礎設施建設打造韌性城市的意見》). The opinions propose that by 2027, significant progress will be made in the construction of new urban infrastructure, which will continuously enhance its role in supporting resilient city development, and accumulate replicable and scalable experience and practices; by 2030, remarkable results will be achieved in new urban infrastructure construction, which will lead to the establishment of a batch of high-level resilient cities, with continuous improvements in urban safety resilience, making city operations safer, more orderly, smarter, and more efficient.

In January 2025, the National Energy Administration made amendments to the "Interim Measures for the Management of Distributed Photovoltaic Power Generation Projects" (Guoneng Xinneng [2013] No. 433) (《分佈式光伏發電項目管理暫行辦法》(國能新能[2013]433 號)), pursuant to which the "Measures for the Management of Distributed Photovoltaic Power Development and Construction" (《分佈式光伏發電開發建設管理辦法》) has been formed. By the end of 2024, the cumulative installed capacity of new-type energy storage projects nationwide that have been completed and under operation reached 73.76 million kW/168 million kWh, approximately 20 times the level at the end of the 13th Five-Year Plan, with a growth of over 130% compared to the end of 2023. In 2024, the issuance of Renewable Energy Green Power Certificate (Green Certificate) in China significantly increased, with a total of 4.734 billion Green Certificates issued throughout the year, a 28.4-fold increase compared to the previous year. A total of 446 million Green Certificates were traded, a 3.6-fold increase. The "Measures for the Management of Distributed Photovoltaic Power Development and Construction" will guide and support the combined development and regulation of distributed photovoltaics, which will promote both development and market regulation, and facilitate the growth in "quantity" and improvement in "quality" of distributed photovoltaic power generation.

URBAN RAIL TRANSIT

In 2024, a total of 953.04 kilometers of new urban rail transit lines were added, and there were 25 new lines as well as 26 new sections or extensions of existing lines in operation. Throughout the year, 25 cities launched new lines, sections or extensions of urban transit (Data source: statistics of China Association of Metros).

In 2024, the national urban rail transit sector completed the tenders for the overall design contracting of 14 lines (including overall design contracting, general engineering design contracting, and general contracting of survey and design). The Company secured the first position in the industry by winning the bid for the overall design contracting of 6 lines.

Looking ahead to 2025, it is anticipated that construction will commence on urban rail transit lines in 35 cities. Meanwhile, under the pressures of economic downturn and fiscal debt, the financial burden of urban rail transit construction and operation is increasing and the traditional rail transit construction market, primarily focused on new subway lines, is gradually evolving. Currently, there are over 30 urban rail transit lines in operation for more than 15 years and 50 lines operating for 10 to 15 years in China, predominantly located in first-tier cities such as Beijing, Shanghai, and Guangzhou. As time progresses, the demand for major renovations of urban rail transit systems is becoming increasingly urgent. In addition to new construction tasks for traditional urban rail transit, the rail transit segment will effectively explore future market opportunities in line with national strategies by focusing on business sectors related to rail transits such as existing line renovation projects, low-altitude + rail initiatives, international urban rail transit projects, railway engineering consulting and subway civil defense engineering, striving for a larger market share.

RAIL TRANSIT SYNERGIZING WITH INNOVATIVE CONSTRUCTION

In 2024, the Special Project of Risk Prevention and Control Technology for Deep Karst Collapse and Demonstration Application under the Prevention and Control of Major Natural Disasters and Public Safety (重大自然災害防控與公共安全專項課題深部岩溶塌陷風險防控技術及示範應用), a project of the Ministry of Science and Technology in 14th Five-Year Plan undertaken by the Company, successfully passed the mid-term inspection.

The scientific and technological achievements of the "Qingdao Metro Prefabricated and Assembled Construction Technology and Industrialization (青島地鐵預制裝配化建造技術及產業化)" project were highly praised as "generally reaching the international leading level"; the scientific and technological achievements of the "Intelligent Online Monitoring and Maintenance Technology for the Status of Urban Rail Transit Underground Infrastructure and Its Application (城市軌道交通地下基礎設施狀態智能在線監測與管養技術及應用)" project and the "Key Technologies for Efficient Construction and Safety Control of Large Shield Tunnels in Highly Developed Karst Strata (海域岩溶強發育地層大盾構隧道高效建造與安全管控關鍵技術)" project were highly praised as "generally reaching the international advanced level, with some achievements being internationally leading".

The "Underground Structures and Soil Integrated Seismic Design Theory, Standards, and Engineering Applications (地下結構與土體一體化抗震設計理論、標準及工程應用)" project won the first prize of Science and Technology Progress Award from the Beijing Municipal Government; the "Multidimensional Online Monitoring and Preventive Maintenance Key Technologies for Urban Rail Transit Infrastructure and Their Application (城市軌道交通線路基礎設施多維度在線監測與預防性維修關鍵技術及應用)" project and the "Intelligent Operation Safety Assurance Technologies for Rail Transit and Their Application (軌道交通數智化運營安全保障技術及應用)" project won the second prize of Science and Technology Award from China Intelligent Transportation Association in 2024.

The comprehensive technology for prefabricated construction of metro station service buildings has been successfully promoted and applied in Hong Kong, where a model room has been completed, showcasing excellent results and laying a solid foundation for future technology export initiatives.

SURVEY AND MEASUREMENT

Under the profound influence of national policies and regulations and with increasing emphasis attached by the state on geological work, the state has introduced a series of supportive policies, providing a favorable policy environment for the development of the industry. The state continues to increase its support for the geological survey and measurement industry, especially in resource development, environmental protection, and urban planning.

Currently, the industry is undergoing a digital transformation. With the integration of high-precision survey technologies and geographic information systems (GIS), data collection and analysis efficiency have been significantly enhanced. In 2025, the geological survey and measurement industry is expected to further embrace intelligent and digital technologies. The application of technologies such as drone aerial photography, 3D laser scanning, and building information modeling (BIM) will significantly improve data accuracy and design efficiency.

The adoption of cloud platforms and big data analytics provides strong supports for the storage, sharing, and in-depth analysis of survey and mapping data. Engineering surveying and mapping will increasingly rely on integrated solutions in the future. The introduction of cloud computing and big data technologies enables remote collaboration and real-time sharing of project information among design teams, enhancing project coordination and flexibility. Through the provision of high-quality services and solutions, the customer experience will be enhanced and high-quality sustainable development will be realized. Looking ahead, the industry's technological innovation will be designed to further explore the value of traditional surveying business and expanding into new areas by exploring the reuse of China Tower Corporation's base stations in the fields of ground subsidence, geological hazards, ecological red lines, the red line of farmland area, forest fire prevention, and protected area inspections. Additionally, leveraging joint venture platforms, the industry aims to promote technologies in tunnel disease inspection and maintenance, smart surveying platforms and other businesses, while accelerating the research on new technologies and equipment such as electronic sentinels, AI-powered drone inspections, machine vision, fiber-optic intrusion detection, and smart rail inspection vehicles. These efforts will lead to the development of comprehensive solutions for subway protection and integrated subway map.

In 2025, the survey and measurement industry is poised for continued growth and will embrace new development opportunities driven by technological advancements and policy support. However, it will also face challenges such as intense market competition and technological upgrades. Enterprises should enhance their technological capabilities and improve service quality through seizing opportunities generated from technological advance, and the focus should be put on leading the industry through technological innovation in order to realize a successful transformation and sustained high-quality development of enterprises.

INVESTMENT AND FINANCING

In order to further resolve local government debts, the General Office of the State Council issued the Notice on Further Integrating and Effectively Resolving and Preventing Local Debt Risks (Guo Ban Han [2024] No. 14) in February 2024. The key focus of this notice is the expansion of debt resolution measures. Specifically, in addition to the existing framework for 12 key provinces, certain areas of the remaining 19 provinces are allowed to apply the Guiding Opinions on Financial Support to Resolve Debt Risks of Financing Platforms (Guo Ban Fa [2023] No. 35) to tackle their debt challenges. Furthermore, the notice imposes stricter limitations on infrastructure investment and construction in prefecture-level cities with high levels of local debt. This move aims to curb excessive government spending on investment projects, creating opportunities for social capital to plan and promote the implementation of key government projects by leveraging their financial resources.

In March 2024, the NDRC, the MOF, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Water Resources and the People's Bank of China jointly issued the Administrative Measures for Infrastructure and Utility Franchised Operations《基礎設施和公用事業特許經營管理辦法》(Order No.17 of 2024), further standardizing the implementation principles of franchised operations based on user payment, and guiding social capital to invest in high-quality development projects.

In December 2024, the Central Economic Work Conference proposed to "vigorously implement urban renewal", which covers the renovation of old residential areas and the making up for the shortcomings of municipal infrastructure (pipe network renovation), and at the same time proposed to issue additional ultra-long-term special government bonds to continue to support the implementation of the "Major Strategies and Key Fields" and "Renewal and Trade-in" policies. The RMB1 trillion ultra-long-term special government bonds for the whole year of 2024 have been fully arranged, and the implementation of projects is being promoted. RMB700 billion for the construction under the "Major Strategies and Key Fields" policy has been arranged for projects in three batches, and RMB300 billion will be used to support the "Renewal and Trade-in" work. During the year, the RMB100 billion central government budgetary investment plan and the RMB100 billion "Major Strategies and Key Fields" construction project list for next year have been issued ahead of schedule, and it is expected that approximately RMB1 trillion of ultra-long-term special government bonds will be released in 2025. Key construction projects under the "Major Strategies and Key Fields" policy include: the construction of railways, trunk roads and airports along the Yangtze River, the construction of a new land-sea corridor in Western China, the construction of urban underground pipe networks, the construction of high-standard farmland in the black soil regions of Northeast China, the construction of the Three-North Shelterbelt Forest Program, the construction of a public service system for the urbanization of the agricultural transfer population, and the improvement and upgrading of higher education.

In December 2024, the General Office of the State Council issued the Opinions on Optimizing and Improving the Management Mechanism of Local Government Special Bonds《國務院辦公廳關於優化完善地方政府專項債券管理機制的意見》([2024] No. 52), the main contents of which include the implementation of the "negative list" management of special bonds in the field of investment, and the expansion of the scope of use as capital, etc., indicating the determination of the country to stimulate the economy.

From the perspective of promoting and boosting the economy, new infrastructure investment and construction is the main direction encouraged by the state, but traditional infrastructure construction is also one of the important means. According to the guidance of the state, the Company needs to further look for more opportunities in the directions of "Three Major Projects", the key areas of the "Major Strategies and Key Fields" and "Renewal and Trade-in" policies, and the key supporting areas of special bonds, especially making positive efforts in construction general contracting. At the same time, it will actively explore the implementation of the new franchise model in the direction of "cultural tourism + rail". In 2025, the Company will continue to promote the construction of intercity railways and urban (suburban) railways in urban agglomerations such as Beijing-Tianjin-Hebei, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, and Cheng-Yu District in accordance with national policy directions, and develop the investment market of rail transit and related industries through innovative investment and financing models, so as to further expand the scale of construction general contracting. The Company will further promote the development of rail transit and energy storage businesses, and actively look for breakthroughs to enter new fields, in a bid to achieve a breakthrough from zero to one.

PLANNING AND DESIGN

In order to implement the decisions and arrangements of the CPC Central Committee and the State Council on comprehensively promoting the construction of a Beautiful China and to build beautiful cities, the Ministry of Ecology and Environment, the Central Propaganda Department, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Finance, the Ministry of Natural Resources, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport, the Ministry of Culture and Tourism, the People's Bank of China, and the National Data Bureau jointly formulated the "Implementation Plan for the Construction of Beautiful Cities"《美麗城市建設實施方案》 on 14 January 2025. This plan proposed incentive policy measures for the construction of beautiful cities: firstly, to guide the construction of various projects such as communities, parks, streets, and courtyards; secondly, to explore financial support models for regional environmental protection construction projects using cities as carriers; thirdly, to implement public displays, aiming to achieve landmark results in the construction of approximately 50 beautiful cities by 2027, making them demonstration benchmarks for the construction of a Beautiful China, and to achieve full coverage of beautiful city construction by 2035.

In December 2024, the Ministry of Natural Resources issued the "Opinions on High-Level Protection and Efficient Utilization of Natural Resources to Promote the Realization of Ecological Product Value." (《關於高水平保護高效率利用自然資源推動生態產品價值實現的意見》). This document explored the formulation of asset allocation plans, categorized and delineated reserve areas and allocation units, and coordinated the planning of asset reserves, allocation, value realization, and revenue management of natural resources. It sought to explore methods such as acquisition, leasing, replacement, and equity participation to form clearly defined and boundary-specific natural resource asset portfolios and promote the combined supply of natural resource assets with multi-element, to optimize asset allocation efficiency, and maximize benefits.

The work conference of National Housing and Urban-Rural Development was convened in Beijing. The conference outlined the primary tasks for the national housing and urban-rural development sector in 2025, which include the coordinated advancement of the "Four Goods" construction: good houses, good neighborhoods, good communities, and good urban areas. It emphasized the need to stabilize the real estate market, accelerate the establishment of a new model for real estate development, vigorously promote urban renewal, facilitate the transformation and upgrading of the construction industry, and resolutely accomplish the goals and tasks set forth in the 14th Five-Year Plan, striving to propel the high-quality development of housing and urban-rural construction endeavors.

ARCHITECTURAL DESIGN

In December 2024, the Central Economic Work Conference proposed sustained efforts to halt the decline and stabilize the real estate market, intensify the renovation of urban villages and dilapidated housing, and fully unleash the potential of rigid and improved housing demand.

In December 2024, the National Housing and Urban-Rural Development Work Conference proposed sustained efforts to halt the decline and stabilize the real estate market. It called for increased implementation of urban village and dilapidated housing renovations, promotion of monetary resettlement, and expansion of urban village renovation scale except for the additional 1 million units. The conference also highlighted the vigorous implementation of urban renewal, planning and execution of a series of urban renewal projects, and the comprehensive completion of the renovation for old urban residential communities by the end of 2000. Additionally, it stressed the ongoing implementation of various livelihood and development projects, including the construction of complete communities, renovation and utilization of existing buildings, renewal of old urban blocks, construction and renovation of underground pipelines and utility tunnels, updating of municipal infrastructure and equipment, urban waste sorting, construction of pocket parks and urban greenways, open sharing of park green spaces, and the development of elderly care facilities and child-friendly spaces in urban residential areas.

In December 2024, the National Industry and Information Technology Work Conference underscored the importance of nurturing and expanding emerging and future industries, promoting the development of intelligent connected vehicles, and building low-altitude information infrastructure tailored to local conditions. The conference advocated for the green and low-carbon development of industry, optimizing the green manufacturing and service systems, and cultivating a new batch of green factories and green supply chains. It also emphasized the need to intensify efforts in industrial energy conservation and carbon reduction, and to explore the construction of zero-carbon factories and industrial parks.

CONSTRUCTION CONTRACTING

In recent years, the global economic environment has been volatile. Especially affected by factors such as international trade frictions and the global supply chain crisis, the domestic economic growth has slowed down. As a capital-intensive industry, rail transit construction is greatly influenced by economic fluctuations, which may cause investors to delay or reduce their investment in new projects.

In terms of rail transit construction, an increasing number of local governments are facing financial pressure, leading to the suspension or reduction of infrastructure investment, which affects the number of new rail transit projects. In Beijing, Shanghai, Guangzhou, Shenzhen and some super-large cities of good economic conditions, with the continuous advancement of urbanization, the market demand for new rail transit construction projects will maintain strong, and there is still much room for improvement in the density and coverage of the rail transit network. Apart from Beijing, Shanghai, Guangzhou and Shenzhen, only Chengdu obtained the approval of the NDRC for the new line construction plan in 2025.

In the domestic rail transit sector, the demand for the upgrading and renovation of existing lines has increased. The early-built lines have entered the major overhaul period, and the demands for the upgrading, renovation, and intelligent transformation of existing lines will increase significantly. In terms of the interconnection and interoperability of urban agglomeration rail transit, the development of inter-city rail transit will further promote the integration of urban agglomerations and drive the growth of the rail transit sector. At present, opportunities in overseas markets are increasing. With the strong demand for rail transit in countries along the Belt and Road, enterprises are expected to make more breakthroughs in overseas markets by virtue of their cost-effective advantage and rich experience. Overall, the growth rate of China's rail transit construction sector has slowed down to some extent in 2025. Industry competition will intensify further, and enterprises need to increase investment in technological innovation, intelligence, and green development to enhance their core competitiveness.

MUNICIPAL PUBLIC PROJECTS CONSTRUCTION

In December 2024, the NDRC and the Ministry of Housing and Urban-Rural Development issued the "Notice on Diligently Submitting the Implementation Plan for the Construction and Renovation of Urban Underground Pipe Networks, Utility Tunnels and Facilities"《關於抓緊報送城市地下管網管廊及設施建設改造實施方案的通知》. It is estimated that in the next five years, the total length of various urban pipe networks for, inter alia, gas, water supply and drainage, and heating that need to be renovated will be nearly 600,000 kilometers, with a total investment demand of approximately RMB4 trillion, which is about 2.75 times the expected investment during the "14th Five-Year Plan" period. In the context of continued strong policy support, it is of paramount importance to capitalize on the wave of urban underground pipeline network renovation. By integrating environmental protection measures, we can propel cities towards high-quality, intelligent, green, and safe development. Consequently, the municipal engineering is poised to enter another peak phase. Emphasis should be placed on reserving key technologies and capabilities in intelligent transportation, autonomous driving, lifeline projects, and trenchless techniques, so as to gear up for future innovation and advancement.

In accordance with the relevant requirements of "Opinions of the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council on Promoting the Construction of New Urban Infrastructure and Building Resilient Cities"《中共中央辦公廳國務院辦公廳關於推進新型城市基礎設施建設打造韌性城市的意見》, to seize the opportunity of new infrastructure construction, we will intensify efforts in researching key technologies such as lifeline monitoring, the Internet of Things (IoT), and AI algorithms, and develop core products such as flood control and drainage monitoring and early warning system platforms, underground IoT equipment, and the "one-map" system for underground pipe networks. Directed by design, we will continuously promote the implementation of lifeline-related core technologies and products, and continue to expand our market share in the field of new infrastructure construction.

DIRECTORS, SUPERVISORS AND OTHER SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Xia Xiujiang (夏秀江), aged 45, senior engineer, executive Director of the Company and the secretary of the Party Committee, general manager and the manager of the investment and construction management department (投資建設管理部) of the Company, and the chairman and the secretary of the Party Committee of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘測設計研究院有限責任公司). Mr. Xia was appointed as an executive Director of the Company with effect from November 2024. Mr. Xia worked in Beijing Urban Construction Road and Bridge Construction Group Co., Ltd. (北京城建道橋建設集團有限公司) from July 2001 to May 2006, served as the chief economist of Beijing Urban Construction Huasheng Transportation Construction Group Co., Ltd. (北京城建華晟交通建設集團有限公司) in Beijing Urban Construction Road and Bridge Construction Group Co., Ltd. from May 2006 to March 2011, and served as the deputy chief economist of Beijing Urban Construction Road and Bridge Construction Group Co., Ltd. and the chief economist of Beijing Urban Construction Huasheng Construction Group Co., Ltd. (北京城建華晟建設集團有限公司) from March 2011 to February 2014. Mr. Xia served as the general manager of the Fujian branch of the Company from February 2014 to May 2015, the general manager of Anhui Jingjian Capital Construction Investment Co., Ltd. (安徽京建投資建設有限公司) from May 2015 to December 2024. And he has served as the chairman of Guizhou Jingjian Capital Construction Investment Co., Ltd. (貴州京建投資建設有限公司), chairman of Yunnan Jingjian Capital Construction Investment Co., Ltd. (雲南京建投資建設有限公司), chairman of Beijing Jingjian Shuncheng Construction Investment Co., Ltd. (北京京建順城建設投資有限公司), chairman of Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. (雲南京建軌道交通投資建設有限公司), chairman of Huangshan Jingjian Capital Construction Investment Co., Ltd. (黃山京建投資建設有限公司), chairman of Hunan Jingjian Capital Construction Investment Co., Ltd. (湖南京建投資建設有限公司), and vice chairman of Chongqing Yuxi Expressway Construction and Operation Co., Ltd. (重慶市渝西快線建設運營有限公司) since May 2015, and he served as the general manager of Anhui Jingjian Capital Construction Investment Co., Ltd. (安徽京建投資建設有限公司) from May 2015 to December 2024, the general manager of Guizhou Jingjian Capital Construction Investment Co., Ltd. from June 2016 to July 2021. Mr. Xia has been the manager of the investment and construction management department of the Company since January 2017, the general manager of Huangshan Jingjian Capital Construction Investment Co., Ltd. from August 2018 to April 2022, and the secretary of the general party branch and the manager of the investment and construction management department of the Company from November 2019 to November 2024. And he also served as the assistant manager of the Company and the secretary of the general party branch and the manager of the investment and construction management department of the Company from July 2020 to January 2021. He served as the deputy general manager of the Company and the secretary of the general party branch and the manager of the investment and construction management department of the Company from January 2021 to July 2024. And he serves as the secretary of the Party Committee of the Company and the secretary of the general party branch and the manager of the investment and construction management department of the Company from July 2024 to October 2024, as the secretary of the Party Committee and the general manager of the Company and the manager of the investment and construction management department of the Company from October 2024 to present, and as the secretary of the Party Committee and the general manager and the manager of the investment and construction management department of the Company, the chairman and the secretary of the Party Committee of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘測設計研究院有限責任公司) from December 2024 to present. Mr. Xia obtained a bachelor's degree in construction engineering management from Harbin Institute of Technology in July 2001 and a master's degree in software engineering from Tianjin University in June 2014.

As at the date of this report, Mr. Xia holds 1,000,000 Domestic Shares in the Key Employee Stock Ownership Scheme.

Non-executive Directors

Mr. Pei Hongwei (裴宏偉), aged 58, senior economist, chairman of the Company and a non-executive Director, currently serves as the director, general manager, deputy secretary of Party committee of Beijing Urban Construction Group Co., Ltd. Mr. Pei was appointed as a non-executive Director and chairman of the Company since December 2019. Mr. Pei had successively served as the cadre of Beijing-Shijiazhuang Highway Administration Institute of Beijing Highway Bureau (北京市公路局京石公路管理所) and assistant to the head of mechanized line from August 1989 to November 1993. He worked successively as the deputy head of mechanized engineering line, assistant to the chief, assistant to the chief and head of management division and deputy chief (section level) of Beijing-Shijiazhuang Division of Beijing Highway Bureau (北京市公路局京石分局) from November 1993 to August 2000; successively served as the deputy director and director of preliminary work department of Beijing Gonglian Highway Connect Line Co., Ltd. (北京市公聯公路聯絡線有限責任公司) from August 2000 to April 2006; the assistant to the general manager of Beijing Road and Bridge Construction Corporation (北京市公路橋樑建設公司) from April 2006 to January 2007. He served as the director and general manager of Beijing Road and Bridge Construction Group Co., Ltd. (北京公路橋樑建設集團有限公司) from January 2007 to June 2007, and successively served as the director and general manager of Beijing Municipal Road and Bridge Construction Holding (Group) Co., Ltd. (北京市政路橋建設控股(集團)有限公司) from June 2007 to November 2011. He successively served as the general manager, vice chairman and chairman of Beijing Municipal Road and Bridge Group Co., Ltd. (北京市政路橋集團有限公司) from November 2011 to November 2019. He served as the director, general manager and deputy secretary of Party committee of Beijing Urban Construction Group Co., Ltd. since November 2019, and acted as the secretary of Party committee of the Company from November 2023 to July 2024. Mr. Pei graduated from the Department of Civil Engineering of Southeast University (東南大學) majoring in highway and urban roads engineering in August 1989, and graduated from the Faculty of Architecture Engineering at Beijing University of Technology (北京工業大學) with a master's degree of engineering in transportation planning and management in June 2002. Mr. Pei obtained the qualification of grade-one constructor from Beijing Municipal Bureau of Personnel (北京市人事局) in April 2006.

Mr. Li Guoqing (李國慶), aged 58, is a chief senior engineer, vice chairman and non-executive Director of the Company. Mr. Li has been working for the Company since July 1990. He held the position of the secretary of Youth League Committee (團委書記) of the Company from April 1993 to August 1998 and was the vice president of Metro and General Municipal Institute (地鐵市政院) of the Company from August 1998 to September 1999. He worked as the vice president of the Company from September 1999 to March 2001, and was the secretary of the Party Committee and vice president of the Company from March 2001 to November 2002. He acted as the party secretary, deputy general manager and Director of the Company from November 2002 to November 2023, during which he also held the position of general manager in China Metro Engineering Consulting Co., Ltd., which is primarily engaged in engineering consultancy, between September 2006 and May 2012. He has served as a Director of the Company and the deputy chief engineer of BUCG since November 2023. Mr. Li obtained a bachelor's degree in engineering majoring in heating, ventilation and air conditioning from Tsinghua University in July 1990. He obtained a master's degree and a doctor's degree of engineering both majoring in heating, gas, ventilation and air conditioning engineering from Tianjin University in March 2009 and June 2012, respectively. He obtained his certificate of PRC registered utility engineer (中國註冊公用設備工程師) from the Ministry of Housing and Urban-Rural Development in October 2010. Mr. Li was a representative of the 15th, 16th and 17th People's Congress of Xicheng District, Beijing.

As at the date of this report, Mr. Li holds 48,000 H Shares and 1,000,000 Domestic Shares in the Key Employee Stock Ownership Scheme.

Ms. Shi Huaxin (史樺鑫), aged 45, a chief senior economist, non-executive Director of the Company, currently serves as the head of the capital operation department of Beijing Urban Construction Group Co., Ltd. Ms. Shi was appointed as non-executive Director of the Company since May 2021. Ms. Shi was a staff member of the human resources department of the engineering general contracting department of Beijing Urban Construction Group Co., Ltd. from July 2004 to July 2006. From July 2006 to May 2017, she successively served as the deputy director, director, assistant to manager and deputy manager of the general office of the engineering general contracting department of Beijing Urban Construction Group Co., Ltd. From May 2017 to June 2020, she served as the director of the manager office of Beijing Urban Construction Group Co., Ltd. Since June 2020, she has been the head of the capital operation department of Beijing Urban Construction Group Co., Ltd. Ms. Shi studied labor economics at Henan University of Finance and Economics from September 1997 to June 2001 and obtained a bachelor's degree in economics. She studied labor economics at Nankai University from September 2001 to June 2004 and obtained a master's degree in economics.

Mr. Peng Dongdong (彭冬東), aged 48, a non-executive Director of the Company, currently serves as the general manager at the contract management department of Beijing Infrastructure Investment Co., Ltd. Mr. Peng was appointed as a non-executive Director of the Company since March 2022. From August 1999 to December 2002, Mr. Peng successively served as a construction worker, engineer and technical person in charge of the Beijing-Shijiazhuang Branch of the Beijing Highway Bureau (北京市公路局京石分局); from December 2002 to January 2004, he successively served as the technical project director and project manager of the Fifth Engineering Office of Beijing Highway and Bridge Construction Company (北京市公路橋樑建設公司第五工程處); from January 2004 to December 2006, he served as the manager of the Engineering Department of Beijing Highway and Bridge Construction Company; from December 2006 to March 2011, he served as the business director of the Engineering Management Department of Beijing Municipal Road and Bridge Construction Holdings (Group) Co., Ltd. (北京市政路橋建設控股(集團)有限公司); from March 2011 to September 2015, he served as the deputy director of the Engineering and Technology Management Department of Beijing Municipal Road and Bridge Construction Holdings (Group) Co., Ltd.; from September 2015 to July 2018, he served as the director of the Production and Operation Department of Beijing Municipal Road and Bridge Group Co., Ltd. (北京市政路橋集團有限公司); from July 2018 to April 2020, he served as the director of the Investment and Operation Department of Beijing Municipal Road and Bridge Group Co., Ltd. and the executive director of Beijing Municipal Road and Bridge Group Guangzhou Company; from April 2020 to April 2024, he has been the deputy general manager at the investment and development headquarters of Beijing Infrastructure Investment Co., Ltd. Mr. Peng concurrently served as a director of Xinjiang Urumqi-Beijing Railway Construction Rail Transit Co., Ltd. (新疆烏京鐵建軌道交通有限公司) in March 2021. Since April 2024, he has been the general manager at the contract management department of Beijing Infrastructure Investment Co., Ltd. Mr. Peng obtained a bachelor's degree in highway and urban roads from the Department of Road and Bridge Engineering of Changsha University of Science and Technology in July 1999; and obtained a master's degree in project management from the School of Economics and Management of Beijing University of Technology in July 2014; Mr. Peng was qualified as a grade-one constructor in November 2006.

Mr. Li Fei (李飛), aged 45, a non-executive Director of the Company, currently serves as the senior investment manager at the investment and development headquarter of Beijing Infrastructure Investment Co., Ltd. Mr. Li was appointed as a non-executive Director of the Company since March 2022. From September 2002 to December 2004, Mr. Li served as the investment and financing manager of Xinjie Investment Guarantee Co., Ltd. (信捷投資擔保有限公司); from December 2004 to June 2009, he was the investment director of Zhongxin Guolian Investment Co., Ltd. (中新國聯投資有限公司); from June 2009 to December 2011, he served as the investment director of Beijing Yingxinda Venture Capital Co., Ltd. (北京盈信達創業投資有限公司); since December 2011, he has successively served as the investment manager and senior investment manager at the investment and development headquarter of

Beijing Infrastructure Investment Co., Ltd. Mr. Li concurrently served as a director of Traffic Control Technology Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 688015) in April 2021, a director of Beijing Information Infrastructure Construction Co., Ltd. from December 2021 to October 2024. Mr. Li has served as a director of Sheenpower Technology Co., Ltd. (北京北交新能科技有限公司) since March 2022, a director of Beijing Municipal Road and Bridge Co., Ltd. (北京市政路橋集團有限公司) since August 2024 and a director of Beijing Jiuzhouyigui Environmental Technology Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 688485) since September 2024. Mr. Li obtained a bachelor's degree in economics from Changsha University of Science and Technology in July 2002 and a master's degree in finance from the Institute of Finance and Banking, Chinese Academy of Social Sciences in July 2011.

Mr. Wang Tao (汪濤), aged 48, a senior accountant, and a non-executive Director of the Company, currently serves as the head of the Finance Department of Beijing Gonglian Highway Connect Line Co., Ltd. (北京市公聯公路聯絡線有限責任公司). Mr. Wang was appointed as a non-executive Director of the Company since October 2020. Since July 1999, Mr. Wang has been working for Beijing Gonglian Highway Connect Line Co., Ltd. (北京市公聯公路聯絡線有限責任公司), which is principally engaged in the construction and management of urban roads and facilities. He has successively served as the chief financial officer of a wholly-owned subsidiary, Beijing Gonglian Anda Parking Management Co., Ltd. (北京公聯安達停車管理有限公司), the chief financial officer of a wholly-owned subsidiary, Beijing Gonglian Jieda Highway Maintenance Engineering Co., Ltd. (北京公聯潔達公路養護工程有限公司), the director of the fund settlement centre of Beijing Gonglian Highway Connect Line Co., Ltd. (北京市公聯公路聯絡線有限責任公司) and the head of the finance department of Beijing Gonglian Highway Connect Line Co., Ltd. (北京市公聯公路聯絡線有限責任公司). Mr. Wang graduated from Nanjing University of Economics, majoring in investment economics, with a bachelor's degree in economics in June 1999; and graduated from Xi'an University of Technology, majoring in business administration, with a master's degree in business administration in January 2013. Mr. Wang obtained the qualification of grade-one cost engineer in October 2018.

Ms. Tang Qimeng (唐其夢), aged 35, a non-executive Director of the Company, currently serves as the chairlady of Beijing Zhongcheng Hengxing Investment Management Co., Ltd. (北京忠誠恒興投資管理有限公司). Ms. Tang was appointed as a non-executive Director of the Company since March 2022. Ms. Tang served as the head of funds of CITIC Heye Investment Co., Ltd. (中信和業投資有限公司) from November 2012 to March 2016, and served as the senior manager of the bond financing department of Kaiyuan Securities Co., Ltd. (開源證券股份有限公司) from April 2016 to March 2017. From March 2017 to February 2021, she served as the deputy general manager of the Finance Department of Taitong Construction Co., Ltd. (太通建設有限公司), and since March 2021, she has served as the chairlady of Beijing Zhongcheng Hengxing Investment Management Co., Ltd. Ms. Tang obtained a bachelor's degree in management under the major of accounting (fully in English) from the business school of Beijing Technology and Business University in July 2011, and a master's degree in accounting under the major of international accounting and financial management in September 2012 from the University of Glasgow, UK. Ms. Tang is currently a member of the Youth Federation of Tongzhou District, Beijing.

Independent non-executive Directors

Mr. Wang Guofeng (王國鋒), aged 66, a professor-level senior engineer, is an independent non-executive Director of the Company. Mr. Wang worked in the aeronautical survey team and the aeronautical survey and computer office of the Second Highway Survey and Design Institute (第二公路勘察設計院航測隊、航測電算室) under the Ministry of Communications from 1982 to 1986; he served as the deputy section chief and section chief of the personnel division, director of the Organisation Department of the Party Committee, deputy secretary of the Party Committee and senior engineer of the Second Highway Survey and Design Institute (第二公路勘察設計院) under the Ministry of Communications from 1986 to 1997; deputy director of Wuhan Municipal Transportation Committee (武漢市交通委員會) from 1997 to 1999; secretary of the Party Committee, chairman and general manager of China Highway Consulting Group Co., Ltd. (中國公路諮詢集團有限公司), as well as director of the R&D Centre of Spatial Information Application and Disaster Prevention Technology for the Transportation Industry (交通運輸行業空間信息應用與防災技術研發中心) from 1999 to 2016; deputy chief engineer of China Communications Construction Company Limited, and secretary of the Party Committee and chairman of China Communications Railway Design and Research Institute Co., Ltd. (中交鐵道設計研究總院有限公司) from 2016 to January 2018; and consultant of China Highway Engineering Consulting Corporations (中國公路工程諮詢集團有限公司) from January 2018 to December 2018, and retired after leaving his position. Mr. Wang Guofeng was appointed as an independent non-executive Director of the Company since October 2020. Mr. Wang Guofeng received a bachelor's degree in engineering from Wuhan Technical University of Surveying and Mapping in 1982; a master's degree in economics from Huazhong University of Science and Technology in 1996; and a doctorate degree in management engineering from Beijing University of Technology in 2006. Mr. Wang Guofeng was recognized as a researcher by the Specialised Technique Qualification Evaluation Committee of the State Bureau of Surveying and Mapping in September 2004. He received a practising certificate as a registered consulting (investment) engineer from the Development and Reform Commission in August 2003, a practising certificate as a registered constructor (Class A) from the Ministry of Housing and Urban-Rural Development of the People's Republic of China in April 2008, a practising certificate as a registered surveyor from the National Administration of Surveying, Mapping & Geoinformation in March 2009, and a practising certificate as a national registered civil engineer from Ministry of Human Resources and Social Security in April 2011.

Mr. Ma Xufei (馬旭飛), aged 52, an independent non-executive Director of the Company, currently serves as a professor (tenure) and the associate dean of the College of Business of Chinese University of Hong Kong. Mr. Ma was appointed as an independent non-executive Director of the Company since December 2019. Mr. Ma obtained a bachelor's degree in engineering from the School of Management of Xi'an Jiaotong University in 1995 and then worked in Sinochem Corporation from August 1995 to December 2001. Mr. Ma obtained an MBA degree from the School of Business of University of Saskatchewan in Canada in 2003, and obtained a doctoral degree from the Department of Business Policy of the College of Business of National University of Singapore in 2007. Mr. Ma served as the Business Manager of the Corporate Management Department at Sinochem International Corporation from January 2003 to June 2003. He held the positions of Assistant Professor and Associate Professor at the College of Business of Chinese University of Hong Kong from August 2007 to June 2018 and served as a tenure-track faculty member, and acted as the director of the Entrepreneurship Research Center and International Business Research Center of Chinese University of Hong Kong. From July 2018 to August 2020, he taught at the Department of Management of the College of Business of City University of Hong Kong as a professor (tenure). From September 2020 to November 2022, he served as a long-term hired professor in the Department of Innovation, Entrepreneurship and Strategy of the School of Economics and Management of Tsinghua University and the Innovation Management Institute of the Tsinghua Shenzhen International Graduate School. Since December 2022, he has served as a professor at the College of Business of Chinese University of Hong Kong. Mr. Ma obtained his qualification approval from the China Banking Regulatory Commission Shaanxi Office in 2016, and acted as an independent director of Western Trust Co., Ltd. (西部信託有限公司) from July 2016 to August 2022, an independent director of Tubatu Group Co., Ltd. (土巴兔集團股份有限公司) from December 2020 to July 2022, and an independent non-executive director of CLSA Premium Limited (06877.HK) from April 2023 to March 2024. Mr. Ma obtained the "Certificate of Independent Director of Listed Companies" from Shenzhen Stock Exchange in August 2020. Mr. Ma has served as an independent director of BioRegen Biomedical (Changzhou) Co., Ltd. since June 2023, an independent director of Shanghai ZhuoyueRuixin Digital Technology Co., Ltd. (上海卓越睿新數碼科技股份有限公司) since April 2024 and an independent director of Sunshine Global Circuits Co., Ltd. (深圳明陽電路科技股份有限公司) since December 2024.

Mr. Qin Guisheng (覃桂生), aged 66, an independent non-executive Director of the Company, currently serves as a partner and lawyer of Zhongkai & Partners Attorneys at Law (北京市中凱律師事務所). Mr. Qin was appointed as an independent non-executive Director of the Company since August 2018. He worked in the General Office of the Ministry of Justice for a long period of time after July 1986, serving as a secretary at the deputy director level and at the director level, engaged in research and secretarial work. He has been working in Zhongkai & Partners Attorneys at Law since February 1996, where he has successively served as a lawyer, partner lawyer and principal lawyer (served as the principal lawyer of Zhongkai & Partners Attorneys at Law from 2010 to February 2019). He served as an independent director of Beijing Wangfujing Department Store (Group) Co., Ltd. (北京王府井百貨(集團)股份有限公司) from May 2010 to April 2013, and an independent director of Guizhou Tyre Co., Ltd. (貴州輪胎股份有限公司) from July 2015 to April 2022. Mr. Qin graduated from Northwest University of Political Science and Law in Shaanxi Province (陝西省西北政法學院) in 1983 with a bachelor's degree in law. He graduated from Graduate School of China University of Political Science and Law in Beijing (北京中國政法大學研究生院) in 1986 with a master's degree in law.

Mr. Xia Peng (夏鵬), aged 59, a chief senior accountant, an independent non-executive Director of the Company, currently serves as the chairman of Beijing Dahua Rongzhi Management Consulting Co., Ltd. (北京大華融智管理諮詢有限公司). Mr. Xia was appointed as an independent non-executive Director of the Company since March 2022. From July 1984 to September 1987, Mr. Xia taught at Hubei Provincial Institute of Education; from July 1990 to June 2003, he served as the vice-president and secretary-general of the Accounting Society For Foreign Economic Relations & Trade of China under the Ministry of Commerce, and the Editor-in-chief of the "Foreign Economics and Trade Accounting"《對外經貿財會》magazine; from June 2003 to November 2009, he served as the financial director and director of the financial center of Beijing Radio and Television Group; from November 2009 to December 2012, he served as the financial director and general manager of the investment and financing department of China Broadcasting Corporation; from December 2012 to August 2016, he served as the chairman and consultant of Beijing Shenhuaxin Co., Ltd. (北京深華新股份有限公司); since September 2016, he has been the chairman of Beijing Dahua Rongzhi Management Consulting Co., Ltd. Mr. Xia studied in Central China Normal College from September 1980 to July 1984 and obtained a bachelor's degree in science; from September 1987 to July 1990, he studied in Tianjin Institute of Finance and Economics and obtained a master's degree in economics; from September 2001 to January 2005, he studied at the Accounting Department of the Business School of Renmin University of China and obtained a doctorate degree in management. From December 2005 to October 2010, Mr. Xia studied in the first session of the National Accounting Leading Talent Enterprises (全國會計領軍人才企業一期班) of the Ministry of Finance and obtained the Certificate of National Accounting Leading Talent. Mr. Xia was qualified as a certified public accountant by the Ministry of Finance in May 1995. Mr. Xia served as an independent director of Inner Mongolia Dian Tou Energy Corporation Limited (內蒙古電投能源股份有限公司) from May 2018 to May 2024. Mr. Xia is currently an independent director of Youyan New Materials Co., Ltd. (有研新材料股份有限公司), Beijing Hisign Technology Co., Ltd. (北京海鑫科金高科技股份有限公司) and Global Infotech Co., Ltd. (高偉達軟體股份有限公司).

SUPERVISORS

Mr. Hu Shengjie (胡聖傑), aged 51, a senior administration engineer, Supervisor of the Company and the chairman of the Board of Supervisors, currently serves as the head of the Department of Board Secretary of Beijing Urban Construction Group Co., Ltd, the head of the Party Committee office. Mr. Hu was appointed as the Supervisor of the Company and the chairman of the Board of Supervisors since December 2019. Mr. Hu served as an employee in the publicity department of Beijing Urban Construction Road and Bridge Group Co., Ltd. (北京城建道橋公司) from July 1995 to December 1996, a newspaper reporter of Beijing Urban Construction Group Co., Ltd. from December 1996 to October 2003, and an office staff of the National Stadium project department of BUCG from October 2003 to September 2004. Mr. Hu has successively served as an employee in the publicity department, an employee and deputy director in the manager's office, the head of the Department of Board Secretary, and the head of the Party Committee office of BUCG since September 2004. Mr. Hu graduated from Renmin University of China (中國人民大學) in July 1995 with a bachelor degree, majoring in Chinese Linguistic Literature. Mr. Hu studied in the Law School of Renmin University of China for master's degree in law from September 1999 to July 2002, and obtained the national legal professional qualification certificate in 2002.

Ms. Nie Kun (聶崑), aged 54, a senior accountant, Supervisor of the Company, currently serves as the first chairman of the supervisory committee of Beijing Urban Construction Group Co., Ltd. Ms. Nie was appointed as the Supervisor of the Company since October 2013. Ms. Nie was engaged in accounting work in the Fifth Branch of the Second Beijing Urban Construction Engineering Company Limited (北京城建二建設工程有限公司) from July 1992 to March 1996. She was the chief officer of the Fifth Branch of the Second Beijing Urban Construction Engineering Company Limited from March 1996 to March 1997. She was a staff of the audit department of the Second Beijing Urban Construction Engineering Company Limited from March 1997 to October 1999; a staff of the finance department of BUCG Xinye Company from October 1999 to April 2000. Since May 2000, she has successively served as a staff of the first unit of the audit department, a deputy head of the audit and investigation department, the head of the finance department and the first chairman of the supervisory committee of BUCG. She obtained a bachelor's degree of economics in investment economic management from the Central Institute of Finance (中央財政金融學院) in June 1992. She obtained a professional accountant certification from the Beijing Municipal Bureau of Finance (北京市財政局) in September 1995, and was recognised as a qualified internal auditor by China Association of Internal Audit (中國內部審計協會) in December 2003. She was admitted a non-practicing member of Chinese Institute of Certified Public Accountants in September 2010.

Mr. Fang Binjia (方斌佳), aged 34, a Supervisor of the Company, currently serves as an employee of Beijing Jingguorui Equity Investment Fund Management Co., Ltd. (北京京國瑞股權投資基金管理有限公司). Mr. Fang was appointed as a Supervisor of the Company since March 2022. Mr. Fang worked in Beijing State-owned Capital Operation Management Co., Ltd. (北京國有資本運營管理有限公司) (formerly Beijing State-owned Capital Operation and Management Center (北京國有資本經營管理中心)) from July 2015 to November 2021, and successively served as the business assistant of the Fund Investment Department, the business assistant and business supervisor of the third investment management department, and the business supervisor and business manager of the second investment management department; since December 2021, he has worked in Beijing Jingguorui Equity Investment Fund Management Co., Ltd. Mr. Fang obtained a bachelor's degree in finance from Wuhan University in July 2013; and a master's degree in finance from Renmin University of China in July 2015.

Mr. Li Yan (李儼), aged 46, a Supervisor of the Company, currently serves as an employee of Beijing Jingguochuang Fund Management Co., Ltd. (北京京國創基金管理有限公司). Mr. Li was appointed as a Supervisor of the Company since March 2022. From October 2003 to May 2005, Mr. Li Yan served as the product manager of the 3G product department of UT Starcom; from June 2005 to December 2006, he served as the key account manager of the Siemens Integration Department in Siemens Communications Group; from January 2007 to September 2009, he served as the department manager of the business development department of Investment Beijing International Co., Ltd. (投資北京國際有限公司); from September 2009 to March 2018, he served as the investment director of the investment department of Zhongguancun Xingye Investment Management Co., Ltd. (中關村興業投資管理有限公司); from March 2018 to March 2019, he was the founder and general manager of Heguang Smart Energy Technology Co., Ltd. (和光智慧能源科技有限公司); from March 2019 to May 2021, he served as the managing director of Beijing Gaojie Asset Management Co., Ltd. (北京高捷資產管理有限公司); from May 2021 to June 2023, he has been the executive director of Beijing Rongyi Investment Management Co., Ltd., the holding subsidiary of Beijing Jingguochuang Fund Management Co., Ltd. (北京京國創基金管理有限公司); since June 2023, he has served as an employee of Beijing Jingguochuang Fund Management Co., Ltd. (北京京國創基金管理有限公司). Mr. Li graduated with a master's degree in electrical engineering from Western University in Canada and a bachelor's degree in electrical engineering and information science from the University of Science and Technology of China.

Mr. Liu Hao (劉皓), aged 44, a senior engineer, employee representative Supervisor of the Company and the chief engineer of the seventh design institute and the technical supervisor of Xiamen branch of the Company. Mr. Liu was appointed as an employee representative Supervisor of the Company since August 2017. Mr. Liu has worked successively as the designer, the director of driving station office, the technical supervisor of Xiamen branch and the chief engineer of the seventh design institute of the Company since July 2002. In July 2002, Mr. Liu graduated from Xi'an University of Architecture and Technology with a bachelor's degree in general plan design and transportation engineering. In July 2009, he obtained a master's degree in engineering through further education in the traffic engineering graduate class of Beijing Jiaotong University (北京交通大學).

Ms. Yang Huiju (楊卉菊), aged 55, a senior engineer, is an employee representative Supervisor of the Company and the technical supervisor of Xi'an branch of the Company. Ms. Yang was appointed as an employee representative Supervisor of the Company since August 2017. Ms. Yang has worked as the designer of the Company and the technical supervisor of Xi'an branch of the Company since July 1993. Ms. Yang obtained a bachelor's degree of environmental engineering from Beijing Institute of Light Industry (北京輕工業學院) in July 1993.

Mr. Ban Jianbo (班健波), aged 37, a senior economist, is an employee representative Supervisor of the Company and the specialist in legal affairs and internal audit of the legal audit department of the Company. Mr. Ban was appointed as an employee representative Supervisor of the Company since August 2017. Mr. Ban has worked successively as the legal specialist of the enterprise management division and the specialist in legal affairs and internal audit of the legal audit department of the Company since July 2012. Mr. Ban obtained a bachelor's degree of laws from Southwest University of Political Science and Law (西南政法大學) in July 2009, and then obtained a master's degree of economic law from Southwest University of Political Science and Law in June 2012. Mr. Ban was granted with legal professional qualification by the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) in March 2011.

OTHER SENIOR MANAGEMENT

Mr. Wang Liang (王良), aged 59, a senior engineer, is a deputy general manager of the Company and the general manager and deputy secretary of the Party Committee of the Construction Contracting Department of the Company. Mr. Wang acted as an assistant engineer, an engineer, the vice president, the president, the deputy director and the director of the Ministry of Railways Design Institute from July 1986 to March 2000. He also acted as the manager of the Shield Project Management Department of Shield Basis Branch and the assistant branch manager of BUCG from March 2000 to March 2004; the deputy chief engineer and the assistant manager of the construction contracting department of BUCG from March 2004 to June 2006; the deputy manager of construction contracting department of Civil Engineering of BUCG from July 2006 to October 2012; and the manager and deputy secretary of the Party Committee of the rail transit construction contracting department of BUCG in October 2012. In December 2012, the rail transit construction contracting department of BUCG was restructured and consolidated into the Company, and Mr. Wang remained in the same position. Since 16 December 2013, Mr. Wang has been serving as a deputy general manager of the Company and he has been the general manager and deputy secretary of the Party Committee of the Construction Contracting Department of the Company since 15 September 2015. Mr. Wang obtained a bachelor's degree of engineering majoring in tunnel and subway from Southwest Jiaotong University in July 1986 and an MBA degree from Xi'an Jiaotong University in December 2003. Mr. Wang was awarded the grade-one constructor certificate from the Ministry of Construction of the PRC in September 2007.

Mr. Ma Haizhi (馬海志), aged 57, a senior engineer, serves as the deputy general manager of the Company. Mr. Ma served as the project supervisor, squad leader, deputy captain and deputy director of the survey team of Beijing Urban Construction Surveying and Mapping Institute from July 1989 to March 2001; served as the director of the surveying engineering department, assistant to the dean, executive associate dean, dean, deputy secretary of the Party Committee, secretary of the Party Committee and chairman of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘測設計研究院有限責任公司) from April 2001 to May 2016. He has served as the chairman and secretary of the Party Committee of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘測設計研究院有限責任公司) from May 2016 to November 2024. Mr. Ma graduated from Beijing University of Civil Engineering and Architecture in July 1989 with a bachelor's degree in engineering survey and obtained an executive master of business administration (EMBA) from the Tsinghua University School of Economics and Management in July 2008. On 31 December 2021, Mr. Ma was awarded the title of National Engineering Survey and Design Master by the Ministry of Housing and Urban-Rural Development of the People's Republic of China.

Mr. Liu Li (劉立), aged 57, a senior administrator of business administration, is the chief economist of the Company. Mr. Liu was a designer of the structure department of the Beijing Urban Construction Design Institute (北京城建設計院) from July 1990 to October 1996; the deputy general manager of Beijing Chengrong Waterproof Material Co., Ltd. (北京城融防水材料有限公司) from October 1996 to October 1998; the head of operating department and the assistant to president of Beijing Urban Construction and Design Institute (北京城建建築設計院) from October 1998 to December 2002; the head of operating department and the assistant to president of Beijing Urban Construction Design & Research Institute from December 2002 to September 2007; the vice president of the municipal department of Beijing Urban Construction Design & Research Institute from September 2007 to September 2009. Mr. Liu has been the deputy chief economist and the chief economist of the Company since September 2009. Mr. Liu graduated from Beijing University of Technology (北京工業大學) majoring in industrial and civil architecture in July 1990.

Mr. Xu Chengyong (徐成永), aged 51, a senior engineer, serves as the chief planner of the Company. From July 1995 to December 2017, Mr. Xu successively served as the designer of the Company (formerly known as Beijing Urban Construction Design and Research Institute (北京城建設計研究總院)), director of Shenzhen Branch, director of the Seventh Design Institute, deputy chief engineer, and director of the general affair department of Beijing Metro, and vice president of the Rail Transit Institute; served as Secretary of the Party Committee and Vice President of the Rail Transit Institute of the Company since September 2012. Mr. Xu obtained a bachelor's degree in engineering from Shanghai Railway University (上海鐵道大學) majoring in railway engineering in July 1995, and a master's degree in engineering from Beijing Jiaotong University (北京交通大學) majoring in transportation in August 2007. Mr. Xu obtained the registered consulting engineer (investment) certificate from the Ministry of Human Resources and Social Security in January 2009; and obtained the certificate of registered urban and rural planner from the Ministry of Housing and Urban-Rural Development of the People's Republic of China in June 2019.

Mr. Lu Weidong (魯衛東), aged 53, a senior engineer, serves as the chief engineer of the Company. Mr. Lu started his career in July 1993, and served as the designer, director of the office, deputy chief engineer, deputy chief engineer and director of the Third Institute of Beijing Urban Construction Design and Research Institute (北京城建設計研究總院), deputy chief engineer and technical director of Design & Development Group (設計發展集團). He has been the chief engineer of Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) since September 2022. Mr. Lu graduated from the School of Architecture and Civil Engineering of Beijing Jiaotong University (北京交通大學), majoring in structure and obtaining a master's degree in engineering.

Ms. Qian Jiahong (錢嘉宏), aged 55, a senior engineer and national registered architect (Class A), serves as the chief architect of the Company, also acted as the general manager, director and chief architect of Beijing Institute of Residential Building Design & Research Co., Ltd. (北京市住宅建築設計研究院有限公司). Ms. Qian worked at Beijing Institute of Chemical and Rubber Design (北京市化工橡膠設計院) from July 1991 to April 1998. Since 1998, she successively served as the professional leader, director of the office, assistant to president, deputy general manager, deputy chief architect, general manager and chief architect of Beijing Institute of Residential Building Design & Research Co., Ltd. (北京市住宅建築設計研究院有限公司). She has served as the chief architect of Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) since August 2022. Ms. Qian graduated from Southeast University and obtained a bachelor's degree in engineering in July 1991. Ms. Qian is currently a member of the 14th Beijing Committee of The National Committee of the Chinese People's Political Consultative Conference (政協北京市第十四屆委員會).

Mr. Wang Chen (王臣), aged 46, a senior engineer, serves as the deputy general manager of the Company, and concurrently the deputy party secretary and president of the Rail Transit Design & Research Institute (軌道交通設計研究院) of the Company. Mr. Wang was engaged in design in the Third Design Institute under the Rail Transit Design & Research Institute of Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) (the predecessor of which is Beijing Urban Construction Design and Research Institute (北京城建設計研究總院)) from July 2003 to May 2010, and successively served as the deputy chief engineer, chief engineer and president of the Rail Transit Design & Research Institute Changchun Sub-institute of Beijing Urban Construction Design & Development Group Co., Limited from May 2010 to May 2014. He concurrently served as the party branch secretary of Changchun Sub-institute in March 2015, deputy president of the Rail Transit Design & Research Institute in August 2018, general manager of Beijing Urban Construction Design & Development Group Co., Limited North East Branch in July 2019. He has been the deputy party secretary and president of the Rail Transit Design & Research Institute of Beijing Urban Construction Design & Development Group Co., Limited since January 2021, and the deputy general manager of Beijing Urban Construction Design & Development Group Co., Limited since January 2024. Mr. Wang obtained a bachelor's degree in engineering majoring in structural engineering from Harbin Institute of Technology in July 2001 and a master's degree in structural engineering from Harbin Institute of Technology July 2003.

Ms. Shen Jia (沈佳), aged 49, a senior engineer, serves as the deputy general manager of the Company, and concurrently the president of the City Design Research Institute (城市設計研究院) of the Company. Ms. Shen worked for the China Southwest Architectural Design and Research Institute (中國建築西南設計研究院), which is primarily engaged architectural design business, engaging in architectural design from July 1996 to August 2003; worked for Beijing Urban Construction Design & Development Group Co., Limited engaging in architectural design from June 2005 to August 2013; and has successively served as the deputy chief architect of the First Design and Development Centre and the director of the Second Construction Office, the director of the Technological Quality Office of the City Design Research Institute, the deputy president of the City Design & Research Institute in Beijing Urban Construction Design & Development Group Co., Limited (the predecessor of which is Beijing Urban Construction Design & Research Institute) since 2013. She has been the deputy general manager of Beijing Urban Construction Design & Development Group Co., Limited since January 2024. Ms. Shen obtained a bachelor's degree in engineering majoring in landscape architecture from Wuhan Institute of Urban Construction in June 1996 and a master's degree in Architecture from Tsinghua University in June 2005. Ms. Shen was qualified as Grade-1 Certified Architects conferred by the National Administrative Committee of Certified Architects (全國註冊建築師管理委員會) in April 2009.

Ms. Yang Yongjie (楊永潔), aged 46, a senior accountant, serves as the chief accountant of the Company. Ms. Yang worked as an accountant in the financial department of Beijing Urban Construction North Construction Co., Ltd. from July 2002 to October 2004; served as the financial manager of Beijing City Science Real Estate Development Co., Ltd. from October 2004 to January 2007; acted as the head of financial department for Beijing urban construction Land Company from January 2007 to July 2010; acted as the chief accountant of Beijing Changqing International Senior Apartment Co., Ltd. from July 2010 to September 2013; acted as the chief accountant of Beiyuan Project Development Department of Beijing Urban Construction Group Co., Ltd. from September 2013 to May 2016; served as the chief accountant of Beiyuan Project Development Department of Beijing Urban Construction Group Co., Ltd., and as the director, deputy chief accountant as well as manager of financial management department of Beijing Shiyuan Investment Development Co., Ltd. from May 2016 to September 2018; successively acted as the director, chief accountant and member of the Party Committee of Beijing Shiyuan Investment and Development Co., Ltd., the supervisor and executive director under Beijing Shiyuan Asset Operation and Management Co., Ltd. from September 2018 to August 2021; has served as a deputy head of the financial management department of Beijing Urban Construction Group Co., Ltd. from August 2021 to November 2021. She acted as the chief accountant of Beijing Urban Construction Zhikong Technology Co., Ltd. from November 2021 to February 2024; served as chief accountant of the International Division of Beijing Urban Construction Group Co., Ltd. from February 2024 to December 2024; has served as the chief accountant of Beijing Urban Construction Design and Development Group Co., Ltd. since December 2024. Ms. Yang obtained a bachelor's degree in Accounting from Harbin University of Commerce in July 2002. She obtained a master's degree in finance from the University of International Business and Economics in January 2015.

Mr. Xuan Wenchang (玄文昌), aged 56, a senior accountant, serves as the secretary of the Board of the Company. Mr. Xuan worked with the 4th department of the No. 3 China Railway from July 1990 to December 1992; acted as the project financial manager for the Second Beijing Urban Construction Engineering Company Limited (北京城建二建設工程有限公司) from December 1992 to September 2000; acted as a manager under the finance department of Beiyuan Hotel of BUCG from September 2000 to September 2006; worked at Beijing Urban Construction Investment Management Company from September 2006 to April 2008 (during which acted as the chief financial officer for Beijing Haiya Jinyuan Environmental Protection Co., Ltd. from September 2006 to February 2008); has acted as the deputy chief accountant of the Company from June 2008 to December 2017; acted as the head of the Listing Preparation Office of the Company from August 2011 to October 2014; and has acted as the secretary of the Board and company secretary of the Company since December 2013. Mr. Xuan graduated in Finance and Accounting from Shanghai Institute of Railway Sciences, Shanghai in July 1990, and obtained an executive master of business administration from Renmin University of China. In June 2013, Mr. Xuan became a certified management accountant of the Institute of Certified Management Accountants in the U.S.

Mr. Yang Zhenyu (楊振宇), aged 51, is the General Counsel of the Company. Mr. Yang has successively served as the Deputy General Counsel and General Counsel of the Company since July 2019. Mr. Yang worked at the project management office of Beijing Urban Construction No. 1 Corporation (北京城建一公司) from July 1994 to June 2001; successively acted as the deputy director and director of the legal affairs department of Beijing Urban Construction No. 1 Construction & Engineering Corporation (北京城建一建設工程有限公司) from July 2001 to May 2006, and also acted as a general manager of Beijing Keyuan Real Estate Development Co., Ltd. (北京科源房地產開發有限公司) from October 2005 to May 2006. From June 2006 to September 2007, he served as the general counsel and director of the legal affairs department of Beijing Urban Construction Engineering Co., Ltd. (北京城建建設工程有限公司) and also the general manager of Beijing Keyuan Real Estate Development Co., Ltd. (北京科源房地產開發有限公司). From October 2007 to October 2009, he successively served as the leader of the Qingdao project team and the business manager under the project development department of Beijing Urban Construction Investment Development Co., Limited (北京城建投資發展股份有限公司). From November 2009 to June 2010, he acted as the deputy general manager of Beijing Urban Construction Xingda Investment Development Co., Ltd. (北京城建興達投資開發有限公司). He served as the assistant to general manager of Beijing Urban Construction Xinghua Real Estate Co., Ltd. (北京城建興華地產有限公司) from July 2010 to July 2019, and successively served as the deputy manager and manager of Qingdao Jingcheng Real Estate Development Co., Ltd. (青島京城房地產開發有限公司) from July 2010 to April 2012. Mr. Yang obtained a bachelor's degree in law from China University of Political Science and Law in July 2012. Mr. Yang obtained Enterprise Legal Adviser Qualification Certificate as approved and issued by Ministry of Human Resource and Social Security, State-owned Assets Supervision and Administration Commission and Ministry of Justice in October 2004, and was granted the qualification of second-level legal adviser to state-owned enterprises upon the evaluation of the State-owned Assets Supervision and Administration Commission of Beijing in December 2012.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents this report together with the audited financial statements of the Group for the year ended 31 December 2024.

BUSINESS REVIEW

Principal Business

The Group is principally engaged in the design, survey and consultancy businesses (mainly the provision of services for urban rail transit, industrial and civil construction and municipal engineering projects) and construction contracting business (mainly focusing on construction projects in the urban rail transit industry).

Operating Results and Financial Position

During the Reporting Period, the Company faced up to the complex internal and external situation, focused on development, and steadily promoted the high-quality development of the Company. For the year ended 31 December 2024, the Company recorded revenue of RMB8,658 million, a decrease of RMB1,704 million or 16.44% from the corresponding period of last year. In particular, revenue from the design, survey and consultancy business segment amounted to RMB4,383 million, and revenue from the construction general contracting business was RMB4,275 million.

In line with its own development strategic plan for the "14th Five-Year Plan" period, the Company will give full play to the synergetic advantages of the whole industrial chain, open up new models, new fields and new tracks to strengthen market expansion, transformation and upgrading, efficiency enhancement from operation and management improvement, which help accelerate the construction of a new development pattern. Also, we will adhere to the corporate vision of "becoming an integrated service provider of urban construction directed by design". We will continue to expand design consultancy business, strengthen construction general contracting and expand new businesses, so as to maintain reasonable growth in quantity, accelerate the effective improvement of quality and promote our steady and high-quality development.

Focusing on our main business and steadily promoting market expansion. In terms of rail transit, the Company remained at the top of the industry. We won the bids for 6 overall design contracting projects, including Beijing Line R4 Phase I (North Section), Line R6 Phase I, Line 11 Phase II, Line 19 Phase II, Line 25 Phase III and Shenzhen Line 27; undertook the project of Changchun Line 3, which is the first existing line in the country that has been suspended for renovation; and obtained the consultation project for the Fuping-Xianyang Airport Railway in the Guanzhong Urban Cluster. **In terms of survey business**, the Company recorded a substantial enhancement in business operations. Throughout the year, our new contracts amounted to RMB2.6 billion, doubling the number of the previous year. The Company won the bid for the survey task in respect of 4 metro lines in Shenzhen, and undertook the geological disaster control project in Fangshan District, which is the largest one in our history, with an amount of RMB1 billion. The contract amount from new sectors such as surface subsidence, ecological afforestation and hydrological monitoring closed to RMB1.5 billion. **In terms of civil construction and municipal businesses**, the Company made new progress. The performance of the residence business was strong against the trend. We maintained the largest market share in the Beijing market, and won the bid for the largest design contract in the field of autonomous driving in Beijing, with an amount of RMB60 million. While entering more than 10 new sectors such as photovoltaic power, airport, supercomputing center, pressure pipeline, first-grade highway, super-large bridge on the highway and long underground tunnel for the first time, we recorded faster growth in the businesses of evaluation and review, cost consultation, consultation in respect of customer flow increase and full-process consultation, with the amount of new contracts over RMB70 million. **In terms of construction contracting business**, the Company achieved steady development. We won the bids for the projects of Branch Line of Beijing Line 1, Line M101 and Hongmiao Station of Line 14, expanded the maintenance project of Nanjing Line 5, and undertook the EPC projects of Beijing Municipal Commission for Discipline Inspection, Zhongguancun Dongpan Science and Technology Innovation Center and fitting-out works for affordable housing in Lanzhou, the supporting project of Chongqing Bishan-Tonglian Line and the intermediate maintenance task of Kunming Metro Line 4. **In terms of science and technology industrialization**, the Company made new breakthroughs. We obtained the first order for energy storage products, and successfully launched the "urban simulation" big data platform in the online bus system of Yinchuan. Our digital products won the bid for the Chongqing Smart Health Industrial Park. We also achieved a breakthrough in the amount of tunnel segment supply contract, and continued to secure the orders for interior industrial products. **In terms of international business**, the Company tapped into new markets. It was the first time for the Company to enter the urban rail market in Africa. We obtained the railway supervising project in Egypt, and won the bids for the design of airport hangar in Ulaanbaatar, Mongolia, the BIM project of Singapore Cross Island Line (Phase II), road survey in Barbados and the design of airport office buildings and commercial complexes in the UAE.

Focusing on key projects and enhancing our contract performance services. In terms of survey, design and consultancy business, 8 overall rail transit design projects were put into operation, including Beijing Line 3 Phase I, the first phase of the south extension of Changping Line, Xi'an Line 10 Phase I, Xi'an tramcar line, the south extension of Hefei Line 4, the Branch Line of Shaoxing Line 1, Changchun Line 6 and Chengdu Line 27 Phase I. Besides, the bridge connecting the full light rail line in Kazakhstan was completed. Civil construction and municipal design projects, including Beijing Affordable Housing Center, old community renovation in Zhongguancun, the geological disaster control project in Fangshan District and Dongchi Road, Yizhuang, were steadily promoted. **In terms of engineering construction**, our projects were developed on a high standard. The project of Chongqing Bishan-Tonglian Line, a suburban railroad invested and constructed by the Company, commenced operation on schedule. Section 07 of Beijing Line 12 was successfully opened, and the delivery of three stations and all sections of Guangzhou Line 10 was completed. The main structure of the south extension station of Beijing Line 6 was completed, and the construction of Section 01 of the north extension of Beijing Daxing Airport Line, the Lize Terminal integrated project, 2 sections of Line 13 and 4 sections of Line 22 was advanced in an orderly manner. **In terms of operation and maintenance**, the projects were operated safely and steadily. All operating indicators of Kunming Metro Line 4 were sound, with the total number of passengers exceeding 200 million since its opening, ranking first among Kunming metros in evaluation over the years. The brand influence of East Mount Huangshan Cultural Tourism District was gradually enhanced, Zhuzhou Smart Rail was operated on a high standard, and municipal roads were under stable operation and maintenance.

Focusing on innovation and empowerment and injecting new impetus into comprehensive capabilities. The signing of the first "Urban Underground Space Geological Big Data" trading product in the country has taken place. Two items have been selected into the first batch of innovative application scenarios for intelligent construction in Beijing, and two items are original technologies of the State-owned Assets Supervision and Administration Commission of Beijing Municipality. It has won 57 scientific and technological awards, including the first prize of the Beijing Science and Technology Progress Award and national key science and technology demonstration projects, as well as 48 excellent survey and design awards and project excellence awards at the national and provincial levels. A total of 270 patents and computer software copyrights have been obtained. Eighteen national and local standards have been compiled, and 14 new standard formulation projects as the lead compiler have been approved. One more "specialized, refined, distinctive and innovative" small and medium-sized enterprise has been added. The leading talent team has been continuously expanding, with one additional expert enjoying the special allowance from the State Council and one young Beijing scholar being added.

Focusing on reform and innovation to promote the high-quality development of the Company. In terms of financing management, the Company has achieved remarkable results. The corporate entity maintains a good credit standing, and the total bank credit has increased to RMB25.5 billion. The financing structure has been continuously optimized, with the issuance of RMB500 million of medium-term notes and RMB700 million of ultra-short-term financing bonds. The interest-bearing liabilities have been continuously decreasing, and the comprehensive financing cost has decreased by 25 basis points compared with the previous year. **In terms of operation management**, the Company has been continuously strengthening its foundation. The bidding and procurement as well as contract management have been continuously standardized. The operation control system has been increasingly improved. The special settlement work has been solidly promoted. The pressure of the scale of "two funds" has been continuously relieved. The compliance management system has been effectively implemented, the work of legal construction has been continuously improved, and the credit construction has been continuously strengthened. The Company has obtained the Second Grade General Contracting Qualification for Electric Power Engineering Construction, the Second Grade Professional Contracting Qualification for Transmission and Transformation Engineering, and the Class A Credit Standing for Energy Conservation. It has also won the AAA-level credit evaluation from the China Engineering Consulting Association. The work in administration, maintaining social stability, property management, public opinion, and network information security has been carried out solidly.

Financial Highlights and Discussion and Analysis of Operating Results and Financial Position

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 5 of this report. Please refer to the section headed "Management Discussion and Analysis" of this report for the discussion and analysis of the operating results and financial position of the Company.

Major Risks and Uncertainties

Risks on Macro Policy

2024 was a crucial year for achieving the goals and tasks of the 14th Five-Year Plan. China's economic development faced a complex and severe situation with increased external pressures and more internal difficulties. The international environment was intricate and complex. The growth momentum of the world economy was weak, geopolitical conflicts were intensifying, and trade protectionism was becoming more rampant, affecting the stability of the global industrial chain and supply chain. However, there were still many favorable factors. Global trade still had strong resilience, and global scientific and technological innovation had entered a period of intensive and active development. Major frontier technologies such as artificial intelligence, quantum technology, biotechnology, and new energy technology were accelerating their iterative development, presenting new opportunities for cultivating new economic growth points and promoting in-depth transformation of the industrial structure. At the same time, there was insufficient effective domestic demand, and there were pains in the transformation of old and new drivers of growth. Affected by the superposition of domestic and foreign unfavorable factors, the construction industry and survey and design, after decades of high-speed development, were experiencing a period of low-speed growth. Facing the severe environment, the country coordinated the domestic and international situations, calmly responded to changes, and implemented comprehensive policies. Adhering to the general tone of seeking progress while maintaining stability, it fully, accurately, and comprehensively implemented the new development concept, accelerated the construction of a new development pattern, promptly deployed and introduced a package of incremental policies, effectively boosted social confidence, and significantly revived the economy. The main goals and tasks of economic and social development were successfully completed. The national economy operated generally stably and made progress while maintaining stability, and new progress was achieved in high-quality development. Global climate change poses severe challenges. China has put forward the goals of "carbon peaking and carbon neutrality". As an important pillar industry, the green and low-carbon development of the rail transit industry is of great significance for achieving national strategic goals. The industry will carry out technological innovation around clean energy and environmental protection standards to promote the construction of an ecological transportation network. At the same time, various emerging forms of rail transit, such as high-speed maglev railways, medium and low-speed maglev systems, and maglev bus systems, are under development. These forms not only enrich the application scenarios of rail transit but also better meet the needs of social and economic development in the new era.

Countermeasures: the Company shall keep a close eye on the new economic policies in China, actively communicate with relevant national authorities, monitor national political, economic, industrial, legal, environmental and other information, further maintain strategic focus, work harder under pressure, explore the market, promote reform and innovation to enhance quality and efficiency, strengthen risk management and control, respond to national strategies, and exert great efforts on the research and prediction of market trends. Moreover, the Company will think broadly, make dynamic adjustments to the Company's development plan, continuously consolidate the market position in the industry, develop and innovate in business models and business fields, make joint efforts to synergize the relationship between various industries, so as to continuously optimize the standards to improve product quality to cope with risks, thereby continuously enhancing the competitiveness of the entire industrial chain.

Exchange Rate Risks

In the continuous operation of the Company's overseas business, significant fluctuations in exchange rates may lead to various risks, such as the foreign exchange transaction risk from transactions denominated in foreign currencies due to the different exchange rates on the transaction date and the settlement date, and the risk of changes in the value of overseas business due to the fluctuations in exchange rates, etc.

Countermeasures: the Company shall enhance the awareness of risk prevention in relevant staff of the Company, transform the operation ideas, and take initiatives to respond to various exchange rate risks; meanwhile, the Company shall pay close attention to changes of domestic and overseas financial markets, and establish exchange rate risks prevention mechanism in each link.

Risks in Market Competitions

The overall rail transit market remains grim, with the industry competition landscape shaped by multiple factors including policy orientations, regional economic development, and urban planning. Government commitment to rail transit infrastructure investment, regional economic vitality, and urban spatial planning all exert significant influence on the industry. Central and large state-owned enterprises dominate the market with strong financial strength, advanced technological capabilities, and established competitive advantages, thereby maintaining their leading market share.

Countermeasures: The Company will establish ten marketing centers to intensify marketing efforts in urban rail transit while actively pursuing projects backed by national ultra-long-term government bonds, including the "Major National Strategies and Key Security Capacity Building and Large-scale Equipment Renewal and Consumer Goods Trade-in" initiatives, as well as projects supported by local government special bonds. By broadening its market scope and extending its industry chain, the Company seeks to unlock new business opportunities in emerging market. In response to the challenging market environment, the Company will foster a strong sense of urgency and accountability, strengthening crisis awareness and promoting proactive initiative. It will mobilize all employees to drive market expansion through concerted efforts. Meanwhile, the Company will conduct in-depth research on new industries and fields to identify entry opportunities precisely, refine its strategic direction, and implement forward-looking plans in a timely manner to gain a foothold in emerging businesses.

Future Development Prospects

2025 marks the final year of the "14th Five-Year Plan" and the first year of the "15th Five-Year Plan". The Company must seize policy opportunities, set clear strategic directions, and implement targeted measures with a pragmatic approach to ensure effective execution and drive sustainable growth. Therefore, the Company will make every effort to expand its market presence by supporting the establishment of the ten national marketing centres, thereby promoting coordinated growth throughout the industry chain. While maintaining its position in the railway design sector, the Company will intensify its efforts in the existing railway renovation market and leverage its strengths to promote breakthroughs in the EPC model. It will also make effective use of various resources to facilitate the steady growth of its overseas business. At the same time, the Company will accelerate the development of emerging businesses by capitalising on the major policy benefits of urban regeneration and exploring opportunities in the renovation of ageing housing estates, urban lifeline projects and environmental management. In addition, the Company will make every effort to achieve breakthroughs in railway energy storage and actively promote the commercialisation of technology products. In addition, the Company will adhere to a prudent investment strategy by continuing to explore new investment and financing models, while improving management practices by further strengthening internal controls. Finally, it will strengthen the management chain with a rigorous and pragmatic approach to promote high-quality development.

The Company will fully put into practice the national decisions and deployments, comply with the requirements of relevant policies such as "a powerhouse in transportation", "new infrastructure", "carbon neutrality" and "carbon peaking", etc., and accelerate the construction of a new development pattern; strengthen the leading role in the development of the rail transit industry chain, and promote the construction of new infrastructure such as national intercity railways and urban rail transit. Moreover, the Company will continuously strengthen the value management of the entire industry chain, enhance social influence in all aspects by focusing on promoting industry influence, and exert great efforts on the performance of project contracts to shape a brand image. For a discussion on the future business development of the Company, please refer to the section headed "Management Discussion and Analysis" in this report.

CORPORATE QUALITY, ENVIRONMENTAL AND OCCUPATIONAL HEALTH AND SAFETY POLICY AND PERFORMANCE

Based on GB/T19001-2016/ISO9001:2015 "Quality Management System Requirements", GB/T50430-2017 "Code for Quality Management of Engineering Construction Enterprises", GB/T24001-2016/ISO14001:2015 "Environmental Management System Requirements with Guidance for Use", GB/T45001-2020/ISO45001:2018 "Occupational Health and Safety Management System Requirements with Guidance for Use" standards, the Company established quality, environmental and occupational health and safety management systems, covering the Company's engineering consulting, engineering design, general contracting of municipal public projects construction, general contracting of architecture engineering and other businesses, and established quality management systems for engineering survey, geotechnical engineering (investigation, design, geophysical testing, detection and monitoring). The Company attached importance to the management construction work of the three systems to ensure that all projects within the scope of system certification were organized in strict accordance with the management system requirements and product quality met the requirements and would steadily improve. The Company accepted and successfully passed the audit of the third party Beijing ZhongShe Certification Service Co., Ltd. every year, which fully affirmed our management concept and management effectiveness.

In 2024, the Company continued to monitor and analyze the internal and external environment, identify risks and grasp opportunities in response to the changes in the external environment, and focus on innovation and leadership as well as system construction. There were no major quality and safety accidents, customers were satisfied with product quality, the Company conducted compliance evaluation in accordance with the compliance of environmental and occupational health and safety laws and regulations as required, and there were no violations of laws and regulations, or environmental pollution and occupational health accidents.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS OF MAJOR CONCERNS

The Company continues to adhere to the principle of compliance operation in accordance with laws and regulations, and it strictly complies with various relevant laws and regulations of China, industry rules and the Hong Kong Listing Rules for the regulation of its operations. During the Reporting Period, there was no material breach of laws and provisions, and no penalty was imposed.

The Company has always been committed to fulfilling its corporate and social responsibilities, attaches great importance to occupational health and safety production, deeply operates the Occupational Health and Safety Management System (GB/T45001-2020/ISO45001:2018), and continuously supervises and optimizes it to builds a solid foundation for the safety and health of its employees. The Company has been awarded the title of "Benchmark Enterprise for Safety Production Standardization" in Beijing.

The Company regularly conducts safety publicity, education and training. Through forms such as special business training and the promotion and implementation of laws and regulations, it improves employees' safety awareness and skill levels. The Company has established a comprehensive safety production responsibility system and safety production rules and regulations, reinforcing accountability at all levels. The Company has developed a dual prevention mechanism combining risk classification and control with hidden hazard identification, enabling precise risk mitigation and closed-loop rectification of hazards to enhance overall safety production standards.

During the "Safety Production Month" and "Fire Safety Awareness Month", the Company organized various activities such as safety information day, safety knowledge competitions, firefighting skills competitions, safety production inspections, and comprehensive emergency response drills, with an aim to enhance the Company's safety production capabilities, strengthen the implementation of its primary responsibility for safety production, and foster a safe, efficient, and sustainable production environment.

During the Reporting Period, the Company had no production safety accidents.

Material Relationships between Employees, Clients and Suppliers

As an intelligence-intensive enterprise, employees are the key to success for the Company. The Company takes efforts to provide a favorable working environment and has established a fair training and promotion system for its staff. It provides competitive remuneration and benefit package (including but not limited to salaries, allowances and benefits in kind, performance-related bonuses, pension schemes, etc.) as well as various training programmes to continuously attract talents to serve for the Company, and provides a platform for its employees to display their talents.

The Company focuses on serving its customers and provides its customers with urban rail transit design general contracting services in respect of design, survey and consultancy business segments. As for the construction contracting business segment, customers are offered with urban rail transit construction general contracting services and services regarding construction, operation and delivery of municipal roads. The five largest customers in each of the segments of the Company are state-owned construction management companies, which have long-term good business and cooperation relationships with the Company. The five largest suppliers have good cooperation relationships with the Company and primarily provide professional sub-contracting services and machinery equipment for the rail transit construction contracting business for the Company. For relationships between the Company and major customers and suppliers, please refer to the section headed "Major Customers and Suppliers" below.

RESULTS AND DIVIDEND

The results of the Group for the Year are set out in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Comprehensive Income on pages 122 to 123 of this report.

On 26 March 2025, the Board proposed the distribution of a final dividend of RMB0.1077 per share (before applicable tax) for the year, after the appropriations of the statutory surplus reserve according to the relevant regulations. The proposal for the payment of the final dividend is subject to the approval of shareholders of the Company at the 2024 annual general meeting to be held on 16 June 2025. If approved, it is expected that dividend will be paid to the shareholders whose names appear on the register of shareholders of the Company dated 27 June 2025 before 28 August 2025.

The register of members of the Company will be closed from Wednesday, 11 June 2025 to Monday, 16 June 2025 (both days inclusive), during which period no transfer of Shares will be registered. Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company as at Monday, 16 June 2025 shall be entitled to attend and vote at this annual general meeting. Holders of H Shares who wish to attend and vote at this annual general meeting shall lodge all transfer documents accompanied by the relevant H Share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 10 June 2025 for registration.

The H Shares register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both days inclusive). In order to be entitled to the final dividend, holders of H Shares of the Company must lodge all the transfer documents accompanied by the relevant H Share certificates with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Monday, 23 June 2025.

In accordance with Article 164 of the Articles of Association, the dividend will be declared in RMB to the shareholders of the Company. The dividend payable to holders of Domestic Shares will be paid in RMB within three months after the dividend declaration date. The dividend payable to holders of H Shares will be paid in Hong Kong dollars within three months after the dividend declaration date. The amount to be paid in Hong Kong dollars will be converted based on the average closing exchange rate between RMB and Hong Kong dollars issued by the People's Bank of China for the five business days prior to the date of approving the declaration of dividend at the 2024 annual general meeting to be held on 16 June 2025.

The Board is not aware of any shareholders who has waived or agreed to waive any dividend.

PROFIT DISTRIBUTION POLICY

The Company distributes dividends in cash, in shares or in a combination of both cash and shares in accordance with the requirement of Articles of Association every year, of which the profit distribution in cash shall be given priority. The Company maintains the continuity and stability of the Company's profit distribution policy. The Company evaluates its profit distribution policy and the distribution in any specific year in light of their financial circumstances after due consideration of the returns of all Shareholders, long-term interests and sustainable development of the Company.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Domestic Shares in Renminbi within three months after the date of declaration. The Company shall calculate, declare and pay dividends and other payments which are payable to holders of foreign shares in Renminbi, and shall pay such amounts in foreign currency within three months after the date of declaration. The exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China five working days prior to the announcement of payment of dividend and other amounts. The Company shall pay foreign currency to holders of foreign shares in accordance with the relevant foreign exchange control regulations of the State. The distribution of dividends should be implemented by the Board under the authorisation of the general meeting by ordinary resolutions.

If the operation of the Company is materially affected as a result of war, natural disasters and other force majeure and significant changes in regulatory policies, or any change in its external operating environment, or there are any significant changes in its own operating conditions, the Company may adjust its profit distribution policy.

The Company will adjust its profit distribution policy after monographic studies by the Board and submit its relevant resolutions to the Shareholders' general meeting for consideration and approval.

WITHHOLDING AND PAYMENT OF FINAL DIVIDEND INCOME TAX

Withholding and Payment of Enterprise Income tax on Behalf of Overseas Non-resident Enterprises

Pursuant to the Enterprise Income Tax Law of the PRC《(中華人民共和國企業所得稅法》and its implementing rules (hereinafter collectively referred to as the "**EIT Law**"), the tax rate of the enterprise income tax applicable to the income of non-resident enterprise deriving from the PRC is 10%. For this purpose, any H Shares registered under the name of non-individual enterprise, including the H Shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organizations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the final dividend to non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Withholding and Payment of Individual Income Tax on Behalf of Overseas Individual Shareholders

Pursuant to the Notice on Issues Relating to Individual Income Tax after the Abolishment of Guo Shui Fa [1993] No. 045《(關於國稅發[1993]045 號文件廢止後有關個人所得稅徵管問題的通知》published by the State Administration of Taxation, when overseas resident individual shareholders holding H Shares obtained dividend and/or bonus shares from the non-foreign invested enterprises incorporated in the PRC that issue H Shares in Hong Kong, the individual income tax is usually withheld at a uniform rate of 10%. The specific rate applied to overseas resident individual shareholders may be different according to his/her residential status and the tax treaties signed between the country of his/her residence and the PRC.

Should the holders of H Shares have any doubt as to the aforesaid arrangements, they are recommended to consult their own tax advisors on the relevant tax impact in China, Hong Kong and other countries (regions) on the possession and disposal of H Shares.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Details of the Directors, Supervisors and senior management of the Company are set out from pages 30 to 44 of this report.

CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes of Directors

At the Board meeting held on 8 March 2024, Mr. Li Guoqing was appointed as the vice chairman of the third session of the Board by the Board, and his role on the Board has been adjusted from an executive Director to a non-executive Director in accordance with the work arrangement.

Mr. Wang Hanjun has ceased to serve as an executive Director of the Company due to retirement, effective from 22 October 2024.

At the 2024 third extraordinary general meeting of shareholders held on 15 November 2024, Mr. Xia Xiujiang was appointed as an executive Director of the Company, with immediate effect. Mr. Xia Xiujiang has obtained the legal advice specified in Rule 3.09D of the Hong Kong Listing Rules on 15 November 2024, and confirmed that he understands his responsibilities as a director of the listed issuer.

Details of the above changes are set out in the Company's announcements dated 8 March 2024, 22 October 2024, 25 October 2024 and 15 November 2024, as well as the Company's circular dated 30 October 2024.

Changes of Supervisors

There were no changes in the members of the Board of Supervisors during the Reporting Period.

Change of the Chairman of the Board

The Board elected Mr. Li Guoqing as the vice chairman of the third session of the Board at the Board meeting held on 8 March 2024, with immediate effect.

Appointment of Members of Board Committees

Nomination Committee

Chairman: Pei Hongwei
Members: Wang Guofeng, Qin Guisheng

Audit Committee

Chairman: Xia Peng
Members: Qin Guisheng, Peng Dongdong

Remuneration Committee

Chairman: Wang Guofeng
Members: Ma Xufei, Wang Tao

Overseas Risk Control Committee

Chairman: Pei Hongwei
Members: Li Guoqing, Xia Xiujiang

Change of the Chairman of the Board of Supervisors

There was no change of the chairman of the Board of Supervisors during the Reporting Period.

Change of Senior Management

At the Board meeting held on 9 January 2024, Mr. Wang Cheng and Ms. Shen Jia were appointed as the deputy general managers of the Company, and Mr. Jin Huai ceased to hold such position, with immediate effect.

At the Board meeting held on 22 July 2024, Mr. Xia Xiujiang ceased to act as the deputy general manager of the Company due to a change in position. Mr. Yin Zhiguo ceased to serve as the deputy general manager of the Company due to work adjustment.

Mr. Wang Hanjun ceased to serve as the general manager of the Company due to retirement, effective from 22 October 2024.

At the Board meeting held on 25 October 2024, Mr. Xia Xiujiang was appointed as the general manager of the Company, with immediate effect.

At the Board meeting held on 19 December 2024, Ms. Yang Yongjie was appointed as the chief accountant of the Company, and Mr. Xiao Mujun ceased to hold the position, with immediate effect.

At the Board meeting held on 3 January 2025, Mr. Yu Songwei ceased to act as the deputy general manager of the Company due to work arrangement.

FINANCIAL, BUSINESS AND FAMILY RELATIONSHIPS AMONG DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Save as disclosed in this annual report, the Company is not aware of any other financial, business, family or other material or relevant relationships among the Directors, Supervisors and senior management of the Company.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company did not enter into any service contracts, which are not determined by the Company within one year without payment of compensation (other than statutory compensation), with the Directors and Supervisors.

PENALTIES OR INVESTIGATIONS OF DIRECTORS AND SUPERVISORS OF THE COMPANY

During the Reporting Period, no Directors or Supervisors of the Company has been subject to penalties or investigations by competent authorities causing a material impact on the operations of the Company.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS, AND CONTRACTS

For the year ended 31 December 2024, there was no transaction, arrangement and contract of significance to which the Company, its holding company, its subsidiary or a fellow subsidiary was a party and in which a Director, Supervisor or their connected entity has or had at any time during that period, in any way, whether directly or indirectly, a material interest.

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 31 December 2024, 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 Securities and Futures Ordinance) as notified to the Company and the Hong Kong Stock Exchange pursuant to 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 Securities and Futures Ordinance or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code, were as follows:

Name	Position	Capacity	Class of Shares	Number of Shares	Nature of interests	Approximate percentage of total issued Share capital of H Share (%)	Approximate percentage of total issued Share capital (%)
Li Guoqing	Vice chairman and non-executive Director	Personal interest	H Share	48,000	Long position	0.01	0.004

Notes:

1. Mr. Li Guoqing subscribed for 1,000,000 Domestic Shares under a key employee stock ownership scheme and Mr. Xia Xiujiang subscribed for 620,000 Domestic Shares under the employee stock ownership scheme on 29 December 2017. Mr. Xia Xiujiang increased his subscription to 1,000,000 Domestic Shares under the employee stock ownership scheme on 27 January 2025.

2. Mr. Wang Hanjun has ceased to be an executive Director and the general manager of the Company due to his retirement, with effect from 22 October 2024.

3. Mr. Xia Xiujiang was appointed as the general manager of the Company at the Board meeting held on 25 October 2024, with immediate effect.

4. Mr. Xia Xiujiang was appointed as an executive Director of the Company at the 2024 Third Extraordinary General Meeting of the Company held on 15 November 2024, with immediate effect.

Save as disclosed above, as at 31 December 2024, 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 Securities and Futures Ordinance) as notified to the Company and the Hong Kong Stock Exchange pursuant to 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 Securities and Futures Ordinance or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the requirements of the Model Code.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 December 2024, none of the Directors of the Company had interests in any business that competes or is likely to compete, either directly or indirectly, with the Company's business.

EQUITY-LINKED AGREEMENTS

In 2024, no equity-linked agreement was entered into by or subsisted in the Company, and there was no provision to enter into any agreements which will or may result in the Company issuing Shares.

PERMITTED INDEMNITY PROVISION

In 2024, no permitted indemnity provision (whether made by the Company or otherwise) was made or in force for the benefit of the Directors of the Company or any directors of the associated companies of the Company (if entered into by the Company).

The Company has purchased insurances for Directors in respect of the legal liabilities arising from their office, and the applicable laws of the relevant polices are PRC laws.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

During the Reporting Period, details of remuneration of the Directors, Supervisors and senior management for the Year are set out in notes 8 and 36 to the financial statements.

For the year ended 31 December 2024, the remuneration of other senior management members by bands is set out as follows:

Remuneration Band	Number of person
RMB500,001 – 1,000,000	7
RMB1,000,001 – 1,500,000	8

RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, no arrangements to which the Company, any of its subsidiaries, its holding company or subsidiaries of its holding company is or was a party enabling the Directors or Supervisors of the Company to acquire benefits by means of acquisition of Shares in or debentures of the Company or other body corporate.

STOCK OWNERSHIP PLAN OF CORE EMPLOYEES

The Company formulated the stock ownership plan of core employees in order to establish a long-acting incentive and restraint mechanism between employees and Shareholders for sharing revenue, risks and responsibilities and jointly operating business, maintaining the stability of core employee team and improving the cohesion of employees and the competitiveness of the Company, so as to further optimize the equity structure and improve the corporate governance mechanism to promote a long-term development of the Company.

On 1 February 2018, the Company completed the registration of the issue of 76,000,000 Domestic Shares in China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) under special mandate, with the nominal value of RMB1.00 per Share and the issue price of RMB3.43 per Share. Such 76,000,000 Domestic Shares correspond to the total number of unit of the Key Employee Stock Ownership Scheme, being 76,000,000 Shares, subscribed by the eligible participants. The Company's proceeds from the issuance price (i.e. net price from the issuance) totaled RMB260 million.

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

As at 31 December 2024, 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 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
BUCG[1]	Beneficial owner	571,031,118	Long position	59.44%	42.34%
Beijing Investment Company[2]	Beneficial owner	87,850,942	Long position	9.14%	6.51%
Beijing Chengtong Enterprise Management Center (General Partnership)	Beneficial owner	76,000,000[3]	Long position	7.91%	5.64%

Notes:

1. BUCG was incorporated by the Beijing Municipal Government.

2. Beijing Investment Company is a wholly state-owned enterprise funded and established by the State-owned Assets Supervision and Administration Commission of the Beijing Municipal People's Government. On 4 August 2020, Beijing Investment Company and Beijing MTR Construction Administration Corporation (北京市軌道交通建設管理有限公司) ("**MTR Construction**") implemented a merger and restructuring. After the merger and restructuring, Beijing Investment Company held, directly and indirectly, 199,998,412 Shares of the Company in aggregate, including 131,776,412 Domestic Shares and 68,222,000 H Shares of the Company, representing approximately 14.83% of the issued Shares of the Company. Please refer to the announcement of the Company dated 10 August 2020 for details.

3. Among which, 18,270,000 Domestic Shares were issued for connected subscriptions. For details, please refer to the circular published by the Company on 7 December 2017 and the announcement published by the Company on 5 February 2018.

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
Amundi Asset Management	Investment Manager	83,171,000	Long position	21.44%	6.17%
Amundi Ireland Ltd	Investment Manager	81,494,000	Long position	21.01%	6.04%
Beijing Investment Company[1]	Interest of controlled corporations	68,222,000	Long position	17.59%	5.06%
Beijing Infrastructure Investment (Hong Kong) Limited[1]	Beneficial owner	68,222,000	Long position	17.59%	5.06%
CRRC Group	Interest of controlled corporations[2]	23,722,000	Long position	6.11%	1.76%

Note:

1. Beijing Investment Company indirectly held interests in 68,222,000 H Shares of long position of the Company through its wholly-owned subsidiary, Beijing Infrastructure Investment (Hong Kong) Limited (京投(香港)有限公司).

2. CRRC Group (formerly known as CSR Group Limited) held interests in 23,722,000 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.).

Save as disclosed above, as at 31 December 2024, 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 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.

SHARE CAPITAL

The Company's share capital structure as at 31 December 2024 was as follows:

Class of Shares	Number of Shares as at 31 December 2024	Percentage of total number of Shares in issue as at 31 December 2024
Domestic Shares	960,733,000	71.24%
Foreign-invested Shares (H Shares)	387,937,000	28.76%
Total	1,348,670,000	100%

PURCHASE, SALES AND REDEMPTION OF SECURITIES

During the year ended 31 December 2024, the Company and its subsidiaries did not purchase, sell or redeem any securities of the Company (including sale of any treasury shares (as defined in the Hong Kong Listing Rules)).

As of 31 December 2024, the Company did not hold any treasury shares.

PRE-EMPTIVE RIGHTS

There are no provisions in respect of pre-emptive rights under the Articles of Association and the laws of the PRC.

TAX RELIEF OR EXEMPTION

The Company is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment are set out in note 12 to the financial statements.

RESERVES

Details of change in reserves of the Group for the Year are set out in the consolidated statement of changes in equity and note 32 to the financial statements. As at 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the provisions of the Company Law of the PRC, amounted to approximately RMB 4,146,209,000.

DISTRIBUTABLE RETAINED EARNINGS

As at 31 December 2024, the Company had distributable retained earnings of RMB4,146,209,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, sales to the five largest major customers of the design, survey and consultancy business of the Group accounted for 10.87% of the Group's total sales of the Year, of which, sales to the largest customer accounted for approximately 3.92% of the Group's total sales. Sales to the five largest major customers for the construction contracting business accounted for 32.12% of the Group's total sales of the Year, of which, sales to the largest customer accounted for approximately 11.13% of the Group's total sales. To the knowledge of the Directors of the Company, except Beijing Investment Company, a Shareholder holding more than 5% of the share capital of the Company, none of the Directors, Supervisors of the Company and their respective associates and other shareholders holding more than 5% of the share capital of the Company has any interest in the above major customers.

During the Reporting Period, the amount of purchases from the five largest major suppliers of the Group accounted for not more than 30% of the Group's total amount of purchases.

SUBSIDIARIES AND ASSOCIATES

No.	Name	Registered Capital (RMB'0000)	Form of Shareholding	Equity Structure	Date of Establishment	Scope of Business
1	Zhejiang Jinghang Green Energy Technology Co., Ltd. (浙江京杭綠能科技股份有限公司)	10,000	Partial equity	Beijing Urban Construction Design & Development Group Co., Limited: 45% Changxing Taihu Electric Co., Ltd. (長興太湖能谷科技有限公司): 40% Zhejiang Zheli Investment Management Co., Ltd. (浙江浙裡投資管理有限公司): 10% Beijing Dongfang Feidu Technology Development Co., Ltd. (北京東方飛度科技發展有限公司): 5%	29 January 2024	General businesses: technical service, technology development, technical consultation, technology exchange, technology transfer, technology promotion; contract energy management; energy conservation management service; business management consultation; research and development of high-efficiency energy saving technologies in the power industry; research and development of carbon emission reduction, carbon conversion, carbon capture, and carbon sequestration technologies; battery manufacturing; production of battery parts; sales of battery parts; battery sales; battery leasing; information system integration services; project management service; centralized fast-charging stations; energy storage technical service; maintenance of electronic and mechanical equipment (excluding special equipment); import and export of goods; import and export of technologies; manufacturing of transformers, rectifiers, and inductors. (Except for businesses subject to approval in accordance with the laws, business activities shall be conducted independently with the business licences in accordance with the laws.) Licensed businesses: design of engineering projects; engineering project construction; installation, repair, and testing of power transmission, power supply, and power receiving facilities; power generation business, power transmission business, power supply (distribution) business; electrical installation service.

No.	Name	Registered Capital (RMB'0000)	Form of Shareholding	Equity Structure	Date of Establishment	Scope of Business
2	Hunan Railway Planning, Design and Research Institute Co., Ltd. (湖南省鐵路規劃設計研究院有限公司)	3,000	Partial equity	Beijing Urban Construction Design & Development Group Co., Limited: 49% Hunan Rail Transit Holding Group Co., Ltd. (湖南軌道交通控股集團有限公司): 51%	29 March 2024	Licensed businesses: survey of engineering projects; design of engineering projects; engineering project quality inspection; surveying and mapping services. (Businesses that require approval in accordance with the laws can only carry out business activities after being approved by relevant departments. The specific business operations shall be subject to the approval documents or licenses issued by relevant departments.) General businesses: planning and design management; engineering management service; engineering technical services (excluding planning management, survey, design, and supervision); engineering cost consulting service; labor services (excluding labor dispatch); technical service, technology development, technical consultation, technical exchange, technology transfer, technology promotion; information consulting services (excluding licensed information consulting services); professional design service; environmental protection consulting service; engineering and technical research and experimental development; new material technology research and development; standardization services; development of rail transit operation management systems; development of rail transit communication and signaling systems; sales of green composite materials for rail transit.

SIGNIFICANT INVESTMENT

The main business of Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. is the investment, construction and operation & maintenance of construction projects. Holding the shares of Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. is conducive to promoting the need of the Company to enhance profitability, and is conducive to the Company's market expansion and industrial chain integration. As at 31 December 2024, the investment amount was RMB2.062 billion, accounting for 8.4% of the total asset value as at 31 December 2024, and the details of this significant investment by the Company are as follows:

Company name	Main business	Number of shares held by the Company	Shareholding of the Company	Cost of investment (RMB'000)	Income on investment for the year (RMB'000)
Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd.	Construction management of urban rail transit construction (section B), investment and financing related to operation, operation and management, mechanical and electrical equipment renovation, ticket management, commercial property development along the line, house lease along the line, advertising design, production, agency and release along the line, resource development of rail transit station and underground space, development, operation and management of import and export resources of Kunming Rail transit Line 4 (projects that must be approved legally can only be carried out after approval from relevant authorities).	78,280,000	78.28%	1,570,249	3,405

CONNECTED TRANSACTIONS

Pursuant to the Hong Kong Listing Rules, the transactions between the Company and its connected person (as defined under the Hong Kong Listing Rules) constitute connected transactions of the Company. The Company has monitored and managed its connected transactions in strict compliance with the Hong Kong Listing Rules and the Administrative Measures on Connected Transactions of the Company. The non-exempt connected transactions conducted by the Group during the Reporting Period are set out below.

Non-exempt Continuing Connected Transactions

The annual caps for the non-exempt continuing connected transactions of the Group in 2024 and the actual transaction amounts of such continuing connected transaction of the Group in 2024 are set out below:

	For the year ended 31 December 2024	
	Actual amount (RMB million)	Annual cap (RMB million)
1. Renewed Integrated Services Framework Agreement:		
(1) Revenue generated by the Group from providing services to BUCG, its subsidiaries and/or associates	207	803
(2) Expenditure incurred by BUCG, its subsidiaries and/or associates for provision of services to the Group	419	1,001
2. Property and Land Leasing Framework Agreement: Expenditure incurred by the Group for leasing the property and land from BUCG, its subsidiaries and/or associates	13	39
3. BI Integrated Services Framework Agreement:		
(1) Revenue generated by the Group for providing survey, design and consultancy services to Beijing Investment Company, its subsidiaries and/or associates	452	550
(2) Revenue generated by the Group for providing construction contracting services to Beijing Investment Company, its subsidiaries and/or associates	1,434	3,700
(3) Expenditure incurred by Beijing Investment Company, its subsidiaries and/or associates for providing survey, design and consultancy services to the Group	0.39	1.35
(4) Expenditure incurred by Beijing Investment Company, its subsidiaries and/or associates for providing construction contracting services to the Group	0	48.5
4. Property and Land Leasing Framework Agreement: Expenditure incurred by the Group for leasing the property and land from Beijing Investment Company, its subsidiaries and/or associates	6.9	7.6

Continuing Connected Transactions Contemplated between the Group and BUCG under the Renewed Integrated Services Framework Agreement

The renewed Integrated Services Framework Agreement between the Company and BUCG on 30 December 2019 has expired on 31 December 2022. Subject to the approval by the Company at the 2023 first extraordinary general meeting on 3 March 2023, the Company and BUCG renewed the Integrated Services Framework Agreement (the "**Renewed Integrated Services Framework Agreement**") on 3 March 2023 for a term of three years commencing from 1 January 2023 and ending on 31 December 2025, and set the annual caps for the continuing connected transactions, for both revenue and expenditure, contemplated thereunder for the next three years ending 31 December 2025. For details, please refer to the announcement of the Company dated 16 December 2022 and the circular dated 13 February 2023.

Pursuant to the Renewed Integrated Services Framework Agreement and the supplemental agreement to the Integrated Services Framework Agreement entered into between the Company and BUCG on 10 November 2021, it was agreed between BUCG and the Group that:

(a) The integrated services to be provided by BUCG, its subsidiaries and/or associates to the Group include but not limited to engineering construction related services, including but not limited to services such as the output of laborers engaged in basic physical work of engineering projects, the supply of engineering construction raw materials, and the leasing of engineering construction machinery and equipment; and training services and other services required by the Group to carry out its business; and the "Research and Development, Production, Sales and Integration Services Businesses of Products Related to the Rail Transit" provided by BUCZT, a subsidiary of BUCG, to the Company under the supplemental agreement III to the Non-competition Agreement (the "**Supplemental Agreement III to the Non-competition Agreement**") entered into between BUCG and the Company on 10 November 2021.

(b) The integrated services to be provided by the Group to BUCG, its subsidiaries and/or associates include but not limited to: (i) services relating to construction survey, design and consultancy, including but not limited to measurement, test, inspection of construction drawings, as well as training services and other services required by BUCG, its subsidiaries and/or associates to carry out their business; and (ii) project sub-contracting and/or specialized services, including but not limited to project management and equipment leasing services, etc., pursuant to Situations (2) and (3) of the Supplemental Agreement II to the Non-competition Agreement (the "**Supplemental Agreement II to the Non-competition Agreement**") entered into between BUCG and the Company on 29 October 2015. Pursuant to Article 3.9 of the Supplemental Agreement III to the Non-competition Agreement, when the Company is engaged in rail transit related businesses, if the inseparable part of the businesses involves "Research and Development, Production, Sales and Integration Services Businesses of Products Related to the Rail Transit", subject to not violating the relevant requirements of the construction unit and relevant laws and regulations such as bidding, the Company or its subsidiaries will give priority to subcontracting these businesses to BUCZT, a company owned by BUCG under the same conditions.

(c) The parties agree that the transaction shall be consummated in line with the applicable general market practice (if any) and on normal commercial terms.

(d) The parties are entitled to choose the counterparty of the transaction, i.e. to provide services to, or obtain services from, any third parties (other than in the circumstances specified in below paragraph (e)). Meanwhile, BUCG, its subsidiaries and/or associates shall provide services to the Group on terms and conditions no less favourable than those offered to independent third parties under similar circumstances and shall not request the Group to provide services on terms and conditions more favourable than those offered to the independent third parties by the Group; and

(e) Notwithstanding any other provisions of the agreement, in respect of the awarded projects cooperated with and/or bid by BUCG under the Situations (2) and (3) as set out in the Supplemental Agreement II to the Non-competition Agreement, BUCG shall, in accordance with the terms of the bidding documents and in compliance with the relevant laws and regulations, sub-contract part or parts of the awarded contract bid by BUCG for the Company to the Group and/or enter into such other ways of cooperation, including but not limited to project management services and/or equipment leasing services, etc., as permitted by the project owner on a no profit basis to BUCG. The Company may enjoy the full profit margin of the contract obtained by the BUCG and subcontracted to the Group.

According to the Renewed Integrated Services Framework Agreement, the price of integrated services (including but not limited to engineering construction-related services) provided by the BUCG, its subsidiaries and/or associates to the Group will be determined with reference to the government's guidance price and market factors, but in no way inferior to the conditions and prices provided by independent third parties to the Group for the same or similar services:

(a) The government-guided price refers to the pricing range or level provided by the central government, provincial government, local government, industry associations or other competent authorities for certain specific types of services, which price will be determined by the parties through negotiations with reference to the pricing range or level. The Company will keep track of related updates of government-guided prices. If any governmental documents are issued to regulate the services the Company being involved and provide certain pricing range or level, the price will fall within the range of the government-guided price as stated in such documents.

(b) Except for the government-guided price, the Company will compare the market price with specific project differences such as project scale, technical difficulties, construction period, and labour costs. (the "**Market Price**" refers to the following information collected by the Company through public channels such as China government procurement services information platform of China government procurement website (http://www.ccgp.gov.cn), the China Tender and Procurement website (www.zbytb.com) and the China Procurement and Tender website (http://www.chinabidding.com.cn/): (1) the prevailing bid price of an independent third party that provides similar services on general commercial terms in the place where such services are provided or nearby areas under normal commercial transactions, shall be based on the prices of at least two independent third parties providing the same or similar services under the same conditions; or (2) if (1) is not applicable, the then prevailing bid price of an independent third party supplying similar services in the PRC on general commercial terms under normal commercial transactions shall be based on the prices of at least two independent third parties providing the same or similar services under the same conditions.)

According to the Renewed Integrated Services Framework Agreement, the prices for the provision of integrated services (including but not limited to construction survey, design and consultancy services) by the Group to BUCG, its subsidiaries and/or associates, will be the prices determined through a tender process or the agreed prices:

(a) If the Company intends to bid for a project, the Sales & Marketing Department will first evaluate the cost and price of the project and then form a plan which will be submitted to responsible department heads for approval. If approved, the Company will prepare bidding documents as required by the project owner. According to relevant PRC rules and regulations in relation to the tender process of certain services, the project owner shall organise experts to evaluate the bidder and respective bidding documents. At last, the project owner will determine the bid winner by taking into account certain factors, including but not limited to the qualification of the bidders, the terms provided by the bidders and the total prices quoted, and with reference to the experts' opinions.

(b) The "agreed price" shall be calculated in accordance with the method of "reasonable cost + reasonable profit", and determined with reference to the "market price", but in no case is better than the conditions and prices provided to independent third parties for the same or similar services.

The "reasonable cost" means the cost confirmed by both parties after negotiations and as permitted by the relevant accounting principles of the PRC (inclusive of sales tax and surcharges); and "reasonable profit" means the profit calculated based on reasonable costs under market practice. (The Company will estimate the cost and price of the project with reference to the calculation method described in the relevant charging guidelines issued by the government or industry associations. In terms of construction consultancy services, the Charging Guidelines of Preliminary Consultancy Services of Urban Rail Transit (《城市軌道交通前期諮詢工作收費指導意見》) issued by China Association of Metros (中國城市軌道交通協會) would be taken as a reference. In terms of construction contracting services, reference would be made to the Project Cost Information (《工程造價信息》) published by local commissions of housing and urban-rural development regularly, which provides suggested prices of certain types of building materials.)

To ensure that the price is fair and reasonable and in no case is better than the conditions and prices offered to independent third parties for the same or similar services, the Company will compare the market price with specific project differences such as project scale, technical difficulties, construction period, and labour costs. (the "**Market Price**" refers to the following information collected by the Company through public channels such as China government procurement services information platform of China government procurement website (http://www.ccgp.gov.cn), the China Tender and Procurement website (www.zbytb.com) and the China Procurement and Tender website (http://www.chinabidding.com.cn/): (1) the prevailing bid price of an independent third party that provides similar services on general commercial terms in the place where such services are provided or nearby areas under normal commercial transactions, shall be based on the prices of at least two independent third parties providing the same or similar services under the same conditions; or (2) if (1) is not applicable, the then prevailing bid price of an independent third party supplying similar services in the PRC on general commercial terms under normal commercial transactions shall be based on the prices of at least two independent third parties providing the same or similar services under the same conditions.)

Based on the audited financial data of the Company in the past three years, the range of reasonable profit for construction survey, design and consultancy services and construction contracting services is approximately 28%-32% of the contracting amount and 8%-15% of the contracting amount respectively.

(c) The price of the relevant project subcontracting arrangements and/or specialized services, if required, to be provided by the Group to BUCG, pursuant to Situations (2) and (3) set out in the Supplemental Agreement II to the Non-competition Agreement, shall be determined as follows:

(i) The price of the sub-contracting arrangements shall be the contractual price attributable to part or parts of the awarded contract sub-contracted to the Group on a no profit basis to BUCG under the contract awarded to BUCG in Situations (2) and (3) as set out in the Supplemental Agreement II to the Non-competition Agreement; and/or

(ii) The price of the specialised services shall be the contractual price of the contract awarded to BUCG or, if applicable, the contractual price attributable to the remaining part of the awarded contract, after deducting the price of the part subcontracted to third parties and the above-mentioned price of the sub-contracting arrangements (on a no profit basis to BUCG).

As at the date of the abovementioned circular in relation to continuing connected transactions, BUCG directly and indirectly holds an aggregate of 42.34% interest in the Company and is the controlling Shareholder of the Company, therefore constituting a connected person under Chapter 14A of the Hong Kong Listing Rules. Accordingly, in accordance with Chapter 14A of the Hong Kong Listing Rules, the transactions contemplated between the Group and BUCG under the Renewed Integrated Services Framework Agreement constitute continuing connected transactions of the Company.

As at 31 December 2024, (1) in respect of the revenue generated by the provision of integrated services by the Group to BUCG, its subsidiaries and/or associates, the annual cap in 2024 for such transactions was RMB803 million, whereas the actual revenue generated was RMB207 million; (2) in respect of the expenditure incurred for the provision of integrated services by BUCG, its subsidiaries and/or associates to the Group, the annual cap in 2024 for such transactions was RMB1,001 million, whereas the actual expenditure incurred was RMB419 million.

Continuing Connected Transactions Contemplated between the Group and BUCG under the Property and Land Leasing Framework Agreement

In order to regulate the continuing connected transactions in respect of leasing of property and land between the parties, the Company and BUCG, its subsidiaries or associates entered into the Property and Land Leasing Framework Agreement dated 18 June 2014 for a term of ten years. As the annual caps for the abovementioned Property and Land Leasing Framework Agreement entered into by the Board on 8 December 2016 have expired on 31 December 2019, in accordance with the relevant requirements of the Hong Kong Listing Rules, the Board resolved on 8 November 2019 to set new annual caps for these continuing connected transactions for the next three years ending 31 December 2022. For details, please refer to the announcement of the Company dated 8 November 2019.

Due to the fact that the Company entered into an agreement in relation to the acquisition of the entire equity interest in the Residential Institute in 2022, which resulted in an increase in the continuing connected transactions relating to properties and lands between the Group and BUCG following the integration of the Residential Institute into the Group, the Company therefore has revised the annual cap for the year of 2022 under the Existing Property and Land Leasing Framework Agreement in light of the actual situation. On 16 December 2022, the Company and BUCG entered into the New Property and Land Leasing Framework Agreement for a term of three years from 1 January 2023 to 31 December 2025, and set the annual caps for the continuing connected transactions contemplated thereunder for the next three years ending 31 December 2025.

Pursuant to the Property and Land Leasing Framework Agreement: BUCG, its subsidiaries and/or associates agreed to lease the leased properties to the Group exclusively for office and operation uses. Details of the leased properties are as follows:

(a) Tower One, Building No. 6, Wu Qu, An Hui Lane, Chaoyang District, Beijing and the corresponding land with a GFA of approximately 4,200 sq.m. for the building and a site area of approximately 5,333 sq.m. for the land at a rental price of approximately RMB0.96 million per year;

(b) Office Building located at No. 7 Toutiao, Nan Lishi Road, Xicheng District, Beijing and the corresponding land with a GFA of approximately 8,000 sq.m. for the building and a site area of approximately 6,027 sq.m. for the land at a rental price of RMB11.00 million per year; and

(c) Rooms A606-608, A610-11 and B606-09, 6/F, Chengjian Mansion Office Tower, No. 18 North Taipingzhuang Road, Haidian District, Beijing with a GFA of approximately 1,156 sq.m. for the building at a rental price of approximately RMB1.65 million per year.

Pursuant to the Property and Land Leasing Framework Agreement, the rentals and other charges shall be determined and paid as follows:

(a) Both parties shall review and adjust the rentals every three years during the term of the Property and Land Leasing Framework Agreement by reference to prevailing market rate.

(b) Any downward adjustment in rentals for the leased properties may be discussed between the parties at any time during the term of the Property and Land Leasing Framework Agreement notwithstanding the normal three-year rental adjustment mechanism as described above.

(c) The Group shall also be responsible for all utility charges, property management fee (if applicable) and other miscellaneous expenses (including water, electricity, air conditioning, etc., but excluding property tax) incurred in using the leased properties.

(d) The Group shall pay rentals on a yearly or quarterly basis to BUCG, its subsidiaries and/or associates, details of which shall be specified in the individual lease agreement entered into between the parties under the Property and Land Leasing Framework Agreement.

(e) Payment of the utility charges, property management fee and other miscellaneous expenses shall be paid in accordance with provisions set out in the individual lease agreement entered into between the parties under the Property and Land Leasing Framework Agreement.

As at the date of the above continuing connected transactions circular, pursuant to the Hong Kong Listing Rules, BUCG is the controlling Shareholder of the Company, directly and indirectly holding an aggregate of 42.34% interest in the Company. Accordingly, BUCG, its subsidiaries and/or associates are connected persons of the Company. The transactions contemplated between the Group and BUCG, its subsidiaries and/or associates under the Property and Land Leasing Framework Agreement constitute continuing connected transactions of the Company.

As at 31 December 2024, in respect of the expenditure incurred for the lease of properties and land by the Group from BUCG, its subsidiaries and/or associates, the annual cap in 2024 for such transactions was RMB39 million, whereas the actual expenditure was RMB13 million.

Continuing Connected Transactions Contemplated under the New Integrated Services Framework Agreement between the Group and Beijing Investment Company

The Group entered into a continuing connected transaction with Beijing Investment Company, its subsidiaries and/or its associates in the ordinary and usual course of business, including the provision of services such as construction survey, design and consultancy as well as construction contracting services to Beijing Investment Company, its subsidiaries and/or its associates. In order to comply with the requirements of the Hong Kong Listing Rules, on 15 August 2018, the Company entered into the Integrated Services Framework Agreement with Beijing Investment Company for a term of three years, valid from 1 January 2019 to 31 December 2021. The Company has also set the annual caps for the continuing connected transactions under such agreement for the three financial years ending 31 December 2021. A merger and restructuring was conducted between Beijing Investment Company and MTR Construction on 4 August 2020. Following the merger and restructuring, Beijing Investment Company remains to be a connected person of the Company and the transaction between the former MTR Construction and the Company constitutes a connected transaction between the Company and Beijing Investment Company. The Company is required to adjust the cap of its continuing connected transaction with Beijing Investment Company pursuant to the Hong Kong Listing Rules. Accordingly, the Company entered into the New Integrated Services Framework Agreement (the "**New Integrated Services Framework Agreement**") with Beijing Investment Company for a term of three years from 1 January 2021 to 31 December 2023. The Company has also set the annual caps for the continuing connected transactions contemplated thereunder for each of three financial years ended 31 December 2023. Please refer to the announcements of the Company dated 15 August 2018 and 10 March 2021 and the circulars dated 25 October 2018 and 7 May 2021 for details.

The aforementioned New Integrated Services Framework Agreement has expired on 31 December 2023. Subject to the approval by the Company at the Board meeting on 19 December 2023 and at the 2024 first extraordinary general meeting on 8 March 2024, the Company and Beijing Investment Company renewed the Integrated Services Framework Agreement (the "**Renewed Integrated Services Framework Agreement**") on 19 December 2023 for a term of three years commencing from 1 January 2024 and ending on 31 December 2026, and set the annual caps for the continuing connected transactions thereunder for each year from 2024 to 2026. For details, please refer to the announcements of the Company dated 19 December 2023 and 8 March 2024 and the circular dated 22 February 2024.

Pursuant to the Renewed Integrated Services Framework Agreement, Beijing Investment Company and the Group agreed that:

(a) The Group will provide Beijing Investment Company, its subsidiaries and/or its associates with services such as construction survey, design and consultancy as well as construction contracting services; and Beijing Investment Company, its subsidiaries and/or its associates will provide the Group with services such as construction survey, design and consultancy as well as construction contracting services.

(b) Both parties are entitled to choose the counterparties of the transaction, and shall carry out the transaction in accordance with the applicable general market practice (if any) and on normal commercial terms.

Pursuant to the Renewed Integrated Services Framework Agreement, the terms of the agreement for the Group to provide construction survey, design and consultancy as well as construction contracting services to Beijing Investment, its subsidiaries and/or its associates shall not be better than the terms of the agreement for the Group to provide similar services to independent third parties, and the price for services provided by one party to the other party shall be determined at the following principles:

(a) Where there is government-prescribed price, the government-prescribed price shall be executed (the government-prescribed price refers to the price determined for certain type of services according to the laws, regulations, decisions or orders formulated by the Chinese central government, provincial government or other regulatory authorities. For further illustration purposes, there is no government-prescribed price for construction survey, design and consultancy services as well as construction contracting services);

(b) Where there is no government-prescribed price, but there is government-guided price, then the price would be determined upon considering market factors with reference to the government-guided price (the government-guided price refers to the price determined for a certain type of service or services according to the laws, regulations, decisions and orders formulated by the Chinese central government, provincial governments or other regulatory authorities, which within a certain range, can be adjusted through negotiations between both parties to the transaction (factors taken into consideration when determining prices by both parties including but not limited to material cost, scale and technological difficulties of projects). For further illustration purposes, there is no government-guided price for construction survey, design and consultancy services. In terms of construction contracting services, the Beijing Municipal Commission of Housing and Urban-Rural Development issued the "Beijing Construction Project Pricing Basis – Urban Rail Transit Project Budget Quota", while the commissions of housing and urban-rural development of local governments also published the Project Cost Information, which provides basis of calculation (including but not limited to how to calculate project cost in a comprehensive manner based on factors such as labor cost, material cost, scale of projects, etc.) for the construction projects as the reference for the bidding price);

(c) Where there is neither government-prescribed price nor government-guided price, then the price would be determined through tender process or other available market price.

The "market price" shall be determined in the following order: (1) the price charged by independent third parties who offer the same type of services under normal commercial terms in the ordinary and usual course of business at or near the area where such services are provided, in such case, reference shall be made to the prices quoted by at least two independent third parties who provide the same or similar type of services under same conditions; (2) or if inapplicable, the price charged by independent third party(ies) then who offer the same type of services under normal commercial terms in the ordinary and usual course of business in the PRC, in such case, reference shall be made to the prices quoted by at least two independent third parties who provide the same or similar type of services under same conditions.

As at the date of the abovementioned circular in relation to continuing connected transactions, the Domestic Shares and H Shares of the Company held by Beijing Investment Company in aggregate accounted for 14.83% of the total issued Shares of the Company. Beijing Investment Company is one of the substantial Shareholders of the Company and constitutes the connected person under Chapter 14A of the Hong Kong Listing Rules. The transactions under the New Integrated Services Framework Agreement and contemplated thereunder between the Group and Beijing Investment Company, its subsidiaries and/or associates constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As of 31 December 2024, (1) in respect of the revenue generated by the Group from providing construction survey, design and consultancy services to Beijing Investment Company, its subsidiaries and/or associates, the annual caps in 2024 for such transactions was RMB550 million, whereas the actual revenue occurred was RMB452 million; (2) in respect of revenue generated by the Group from providing construction contracting services to Beijing Investment Company, its subsidiaries and/or associates, the annual caps in 2024 for such transactions was RMB3,700 million, whereas the actual revenue occurred was RMB1,434 million; (3) in respect of the expenditure incurred by Beijing Investment Company, its subsidiaries and/or associates for providing construction survey, design and consultancy services to the Group, the annual caps in 2024 for such transactions was RMB1.35 million, whereas the actual expenditure was RMB0.39 million; and (4) in respect of the expenditure incurred by Beijing Investment Company, its subsidiaries and/or associates for providing construction contracting services to the Group, the annual caps in 2024 for such transactions was RMB48.5 million, whereas the actual expenditure was RMB0 million.

Continuing Connected Transactions Contemplated between the Group and Beijing Investment Company under the Property and Land Leasing Framework Agreement

In order to regulate the continuing connected transactions in respect of leasing of property and land between the parties, the Company and Beijing Investment Company, its subsidiaries and/or associates entered into the Property and Land Leasing Framework Agreement dated 19 December 2023 for a term of three years from 1 January 2024 to 31 December 2026. The Company has also set the annual caps for the continuing connected transactions contemplated thereunder for each year of 2024 to 2026. For details, please refer to the announcement of the Company dated 19 December 2023.

Pursuant to the Property and Land Leasing Framework Agreement: Beijing Investment Company, its subsidiaries and/or associates agreed to lease the leased properties to the Group exclusively for office and operation uses. Details of the leased properties are as follows:

(a) The leasing of office building of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. at an annual rental price of approximately RMB2.42 million;

(b) The leasing of office building of Beijing Rail Transit Design and Research Institute Co., Ltd. at an annual rental price of approximately RMB3.49 million; and

(c) The leasing of centralized office for the Company at an annual rental price of approximately RMB1.65 million.

Pursuant to the Property and Land Leasing Framework Agreement, the rentals and other charges shall be determined and paid as follows:

(a) Both parties may, by mutual agreement, review and adjust the rentals of the leased properties in a timely manner during the term of the Property and Land Leasing Framework Agreement with reference to the prevailing market rate.

(b) The parties may negotiate and adjust the rentals at any time during the term of the Property and Land Leasing Framework Agreement.

(c) Except for the rentals, miscellaneous expenses, utility expenses, property management fees (if applicable) and expenses that may be incurred as a result of the Group's breach of the Property and Land Leasing Framework Agreement, Beijing Investment Company has undertaken to the Group that it will not require the Group to bear and/or pay any other fees (including any taxes payable by Party A, such as property tax) in respect of the leased properties for any reasons whatsoever.

(d) The rentals in respect of the leased properties shall be paid by the Group to Beijing Investment Company, its subsidiaries and/or associates on an annual or quarterly basis. The relevant details will be specified in the individual lease agreement entered into between the parties under the Property and Land Leasing Framework Agreement.

(e) Payment of the utility expenses, property management fees and miscellaneous fees shall be specified in the individual lease agreement entered into between the parties under the Property and Land Leasing Framework Agreement.

As at the date of the above continuing connected transactions announcement, pursuant to the Hong Kong Listing Rules, the Domestic Shares and H Shares of the Group held by Beijing Investment Company in aggregate accounted for 14.83% of the total issued Shares of the Company. Beijing Investment Company is one of the substantial shareholders of the Group and constitutes a connected person under Chapter 14A of the Hong Kong Listing Rules. The Property and Land Leasing Framework Agreement and the transactions contemplated under such agreements between the Group and Beijing Investment Company, its subsidiaries and/or associates constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

As at 31 December 2024, in respect of the expenditure incurred for the lease of properties and land by the Group from Beijing Investment Company, its subsidiaries and/or associates, the annual cap in 2024 for such transactions was RMB7.6 million, whereas the actual expenditure was RMB6.9 million.

MATERIAL RELATED-PARTY TRANSACTIONS

Details of related-party transactions are set out in note 36 to the financial statements, in which certain transactions in such related-party transactions also constitute connected transactions as prescribed in Chapter 14A under the Hong Kong Listing Rules and are subject to reporting, annual review and announcement in accordance with the requirements of Chapter 14A under the Hong Kong Listing Rules, and the connected transactions have complied the provisions in Chapter 14A under the Hong Kong Listing Rules.

Save as disclosed in the above connected transactions in this report, there is no other related-party transaction or continuing related-party transaction set out in note 36 to the financial statements which constitutes discloseable connected transactions or continuing connected transactions under the Hong Kong Listing Rules. The Company confirmed that its connected transactions and continuing connected transactions have complied with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules.

Annual Review Conducted by the Independent Non-executive Directors on the Non-exempt Continuing Connected Transactions

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that they had been entered into in accordance with the following conditions:

(a) Such transactions were entered into in the ordinary and usual course of business of the Group;

(b) Such transactions were on normal commercial terms; and

(c) Such transactions were conducted in accordance with the terms under relevant transaction agreements which were fair and reasonable and in the interests of the Shareholders of the Company as a whole.

Annual Review Conducted by the Auditors on the Non-exempt Continuing Connected Transactions

The auditors of the Company have reviewed the continuing connected transactions mentioned above and confirmed to the Board of Directors that:

(a) Nothing has come to their attention that causes them to believe that the transactions have not been approved by the Board of Directors;

(b) For transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the pricing policies of the Group;

(c) Nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements; and

(d) Nothing has come to their attention that causes them to believe that the amount of each of the transactions has exceeded its annual cap mentioned above.

The Company confirms that the execution and performance of the specific agreements under above continuing connected transactions during the year ended 31 December 2024 were in compliance with the pricing principles of such continuing connected transactions.

PERFORMANCE OF THE NON-COMPETITION AGREEMENT

The Non-competition Agreement was entered into by the Company and BUCG on 24 January 2014 and was amended by the Supplemental Agreement I to the Non-competition Agreement signed by the Company and BUCG on 16 June 2014. On 28 January 2016, the 2016 first extraordinary general meeting of the Company considered and approved the Supplemental Agreement II to the Non-competition Agreement entered into between the Company and BUCG on 29 October 2015. On 29 December 2021, the first extraordinary general meeting of the Company in 2021 reviewed and approved the Supplemental Agreement III to the Non-competition Agreement entered into between the Company and BUCG on 10 November 2021. For details, please refer to the announcement dated 29 October 2015, the circular dated 11 December 2015, the announcements of the Company dated 10 November 2021 and 29 December 2021 and the circular of the Company dated 10 December 2021, respectively.

BUCG stated that for the year ended 31 December 2024, it was not in breach of its undertakings under the Non-competition Agreement. The independent non-executive Directors of the Company also reviewed the compliance of the Non-competition Agreement by BUCG during the year 2024, and was of the view that BUCG had not breached the requirements of the Non-competition Agreement.

PUBLIC FLOAT

Reference is made to the announcements of the Company dated 2 March 2018, 29 March 2018, 30 September 2022, 27 June 2024 and 22 July 2024 in relation to, among others, the insufficiency of public float of the Company and the proposal to restore the public float. As disclosed in the announcement of the Company dated 11 July 2017, Beijing Infrastructure Investment (Hong Kong) Limited ("**Beijing Investment HK**"), a wholly-owned subsidiary of Beijing Investment Company, a Shareholder of the Company, completed the acquisition of 68,222,000 H Shares of the Company indirectly held by Beijing Capital Group Ltd. ("**Beijing Capital**") through its controlled corporations (the "**Share Transfer**"). Before completion of the Share Transfer, Beijing Investment Company holds 87,850,942 Domestic Shares of the Company, accounting for 6.90% of the total issued Shares of the Company. Beijing Capital holds 73,493,000 H Shares of the Company, accounting for 5.77% of the total issued Shares of the Company. Each of Beijing Investment Company and Beijing Capital does not constitute the substantial Shareholder of the Company and the Shares of the Company held by them are deemed as public float. Upon completion of the Share Transfer, Beijing Investment Company increases its shareholding by acquiring 68,222,000 H Shares of the Company, and the total Domestic Shares and H Shares held by it account for 12.26% of the total issued Shares of the Company, and Beijing Investment Company therefore becomes one of the substantial Shareholders of the Company and constitutes a connected person under Chapter 14A of the Hong Kong Listing Rules. As such, 68,222,000 H Shares held by Beijing Investment Company would no longer be deemed as transferable Shares held by the public.

As of the date of this report, the public float of the Company was approximately 23.70%, which failed to meet the requirements on minimum public float under Rule 8.08(1)(a) of the Hong Kong Listing Rules. For further details on the insufficiency of public float, please refer to the announcement of the Company dated 2 March 2018. The Company is fully aware of the existence of the problem of insufficient public float at present. The Company is proactively taking practicable measures, including but not limited to the resumption of the A Share issuance plan at the appropriate time; negotiating with substantial Shareholders of the Company to sell the shares of the Company held by them, thereby returning the Shares held by them to public float; and/or the issuance of H Shares to independent third parties of the Company under a general mandate, to recover the public float level. However, the above methods could not be achieved for the time being due to factors such as the current audit policies of the capital market and the share price of the Company. The Company continues to pay attention to the problem of insufficient public float, including, but not limited to, plans to continuously communicate on the transfer of the Shares by substantial Shareholders and other practicable matters to restore the public float, and notify the Shareholders and potential investors in a timely manner when relevant plans that are realisable are achieved.

AUDITORS

Ernst & Young resigned as the auditor of the Company on 3 August 2023. Subject to the approval by the shareholders of the Company at the 2023 third extraordinary general meeting on 18 October 2023, Da Hua Moore International CPA Limited was appointed as the auditor of the Company. Apart from this, the Company has not changed its auditors over last three years.

The financial statements for the Year have been audited by Da Hua Moore International CPA Limited.

MANAGEMENT CONTRACTS

No contracts regarding the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year of 2024.

By order of the Board
Chairman
Pei Hongwei

Beijing, 26 March 2025

REPORT OF THE BOARD OF SUPERVISORS

Dear Shareholders,

In 2024, the Board of Supervisors earnestly fulfilled the requirements of the State-owned Assets Supervision and Administration Commission and securities regulatory requirements, and performed the supervisory duties in accordance with the Company Law, the Articles of Association and the Rules of Procedure for the Board of Supervisors. The Board of Supervisors performed its supervisory duties faithfully and diligently in accordance with the law through supervision over meetings and with a focus on supervision over financial matters, internal control and compliance, and gave full play to its supervisory role, faithfully protecting the interests of all Shareholders, the Company and its employees, and effectively promoting the standardized operation and healthy development of the Company.

MEETINGS OF THE BOARD OF SUPERVISORS

During the Year, the Board of Supervisors convened three meetings in total, namely the seventh to ninth meetings of the third session of the Board of Supervisors, at which five proposals were considered and approved, including the Proposal on the Review of the 2023 Annual Financial Report, the Proposal on the Review of the 2023 Profit Distribution Plan and Dividend Declaration Proposal and the Proposal on the Review of 2023 Report of the Board of Supervisors in March 2024, the Proposal on the Amendment of the existing Rules of Procedure for the Board of Supervisors of Beijing Urban Construction Design & Development Group Co., Limited in June 2024, and the Proposal on Approval of the 2024 Interim Results Announcement and Interim Report of the Company in August 2024.

WORK OF THE BOARD OF SUPERVISORS

The Board of Supervisors earnestly performed its supervisory duties and carried out relevant work in supervising the duty performance of the Directors and the Senior Management, fulfilling the financial supervisory duties, etc.

The duty performance of the Directors and the Senior Management was supervised in accordance with the law. In 2024, the Supervisors attended the meetings of the Board and the general meetings of the Company as stipulated to monitor the validity and compliance of convening procedures, decision-making procedures, proposals and resolutions made during the meetings of the Board and general meetings of the Company. Meanwhile, the Board of Supervisors supervised and reviewed the policies, systems, corporate governance, major operating activities, major reforms, financial audit, risk prevention and control, operation compliance, governance structure, as well as the duty performance of Directors and Senior Management of the Company, and provided suggestions to the Board, promoting the continuous enhancement of the corporate governance level.

Financial supervisory duties were earnestly performed. The Board of Supervisors exercised its rights and performed its duties in strict accordance with relevant laws and regulations, the Articles of Association and the rules of procedure, and carried out supervision and inspection of the Company's financial system and financial conditions. The Board of Supervisors audited the semi-annual financial reports and triennial financial reports of the Company, inspected and supervised the financial operation of the Company and the procedures of preparing, reviewing and disclosing the reports, which effectively guaranteed the truthfulness, accuracy and integrity of the accounting information. In addition, the employee representative Supervisors also fully reflected the appeals of employees during the supervision process and earnestly safeguarded the legitimate rights and interests of employees.

CHANGE OF MEMBERS OF THE BOARD OF SUPERVISORS

There were no changes in the members of the Board of Supervisors during the Reporting Period.

INDEPENDENT OPINIONS ISSUED BY THE BOARD OF SUPERVISORS

The Board of Supervisors issued the following opinions in relation to the supervision and inspection work of the Company during the Year:

The Company's corporate governance and business were conducted in compliance with laws and regulations. The Board of Directors made decisions in accordance with the Company Law, the Articles of Association, the Listing Rules and other relevant laws, rules and regulations. All the major operating decisions were reasonable with legal and effective procedures. In order to further standardize operations, the Company established and improved the internal control mechanism and internal management system. All Directors and Senior Management of the Company loyally performed their duties in accordance with national laws and rules, the Articles of Association and resolutions made at the general meetings of shareholders and meetings of the Board of Directors; no Director or member of the senior management was found to have committed any breach of laws, regulations or the Articles of Association or to have infringed upon any rights or interests of the Shareholders and the Company when performing their duties.

The performance reports during the period were authentic and complete. The reviewed financial statements for the interim period of 2024 and the audited annual financial statements for 2024 of the Company and its subsidiaries were prepared strictly in accordance with the relevant accounting standards. These financial statements have given a true, accurate and objective view of the financial conditions, operating results and cash flows of the Company and its subsidiaries. Accounting treatments were applied consistently in accordance with the latest accounting standards. The financial accounts were prepared regularly with clear records and complete information.

The Board of Directors remains optimistic towards the prospects of the Company. In 2025, the Board of Supervisors will continue with supervision and recommendations, earnestly perform supervision duties and supervise the standardized operation of the Company in strict accordance with relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for the Board of Supervisors and based on its work plan for the year. Meanwhile, the Board of Supervisors will also continue to strengthen synergy between internal and external supervision, and focus on communication with the Audit Committee of the Board of Directors of the Company, external law firms and accounting firms, to effectively realize supervisory synergy and resource sharing. The Board of Supervisors will strengthen its supervision with a focus on major operating activities, governance structure, investment management and control and financial audit to safeguard the Company's operation compliance; innovate working mechanisms and methods, continuously enhance the ability to perform duties and carry out various work steadily and effectively; safeguard the interests of Shareholders, the Company and employees, and promote the sustainable and healthy development of the Company together with the Board of Directors and all Shareholders.

Chairman of the Board of Supervisors
Hu Shengjie

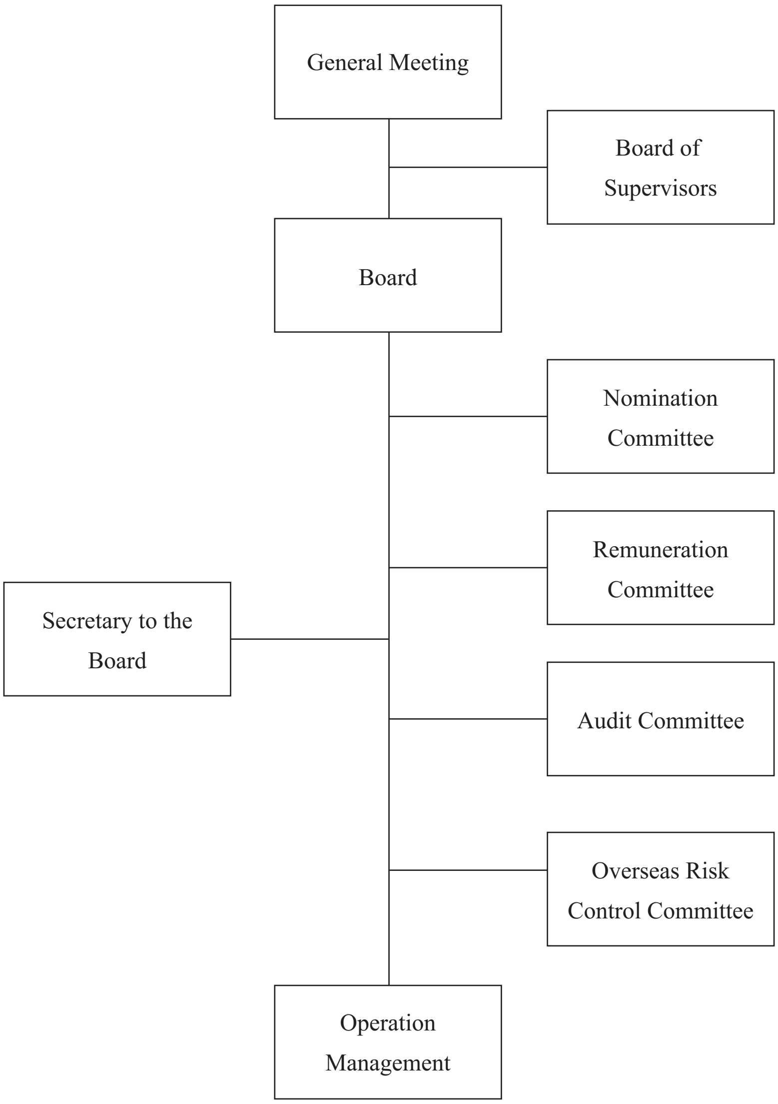
Beijing, 26 March 2025

CORPORATE GOVERNANCE REPORT

The Company strictly complies with various applicable regulatory laws and regulations as well as the Articles of Association to standardize its operation. During the Reporting Period, under the guidance of the regulatory documents such as 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 Remuneration 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 Overseas Risk Control Committee 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 Company continuously strengthened its internal control capability and supervision capability and enhanced its corporate governance standard through the coordination of general meetings, the Board and the specialized committees under the Board, the Board of Supervisors and the management.

The corporate governance structure of the Company is set out as follows:

Having reviewed the arrangements in relation to the corporate governance adopted by the Company during the Year, the Board considered the Company had complied with the principles and code provisions required under the Corporate Governance Code.



THE BOARD

Overview

During the Year, the Board convened four general meetings in total, and submitted 22 proposals to the general meeting. 13 Board meetings were convened, including one Board meeting conducted by the chairman of the Board and the independent non-executive Directors, at which 54 resolutions were considered and approved.

The Board convenes regular meetings at least four times a year, and convenes extraordinary meetings when necessary. Notices and meeting materials for regular meetings shall be served to all Directors, Supervisors and the general manager at least 14 days prior to the meetings. The requirement on the notice period is not applicable to extraordinary Board meetings, but a reasonable notice shall be served to all Directors, Supervisors and the general manager. All Directors are entitled to submit proposals to be included as part of the agenda of the Board meetings. Detailed minutes of each Board meeting are maintained. Four specialized committees are formed under the Board, namely the Nomination Committee, the Remuneration Committee, the Audit Committee and the Overseas Risk Control Committee. The duties and responsibilities of and operating procedures for each committee are clearly defined. Each committee submits opinions and proposals to the Board on matters within their respective scope of duties and responsibilities.

During the Year, the Board continued to regulate its operations and enhanced its corporate governance standard in accordance with the applicable principles and code provisions of the Corporate Governance Code, and the relevant provisions of the Company Law, the Articles of Association and the Rules of Procedure for the Board of Directors of Beijing Urban Construction Design & Development Group Co., Limited.

COMPOSITION

During the Year, the Board comprised the following Directors:

Name	Position	Date of commencement and termination of the current term of office
Mr. Wang Hanjun	Executive Director, General Manager *(retired on 22 October 2024)*	11 March 2022 to 10 March 2025
Mr. Xia Xiujiang	Executive Director, General Manager *(appointed as the general manager on 25 October 2024 and as an executive Director on 15 November 2024)*	11 March 2022 to 10 March 2025
Mr. Pei Hongwei	Non-executive Director, Chairman	11 March 2022 to 10 March 2025
Mr. Li Guoqing	Non-executive Director, Vice Chairman *(appointed on 8 March 2024)*	11 March 2022 to 10 March 2025
Ms. Shi Huaxin	Non-executive Director	11 March 2022 to 10 March 2025
Mr. Peng Dongdong	Non-executive Director	11 March 2022 to 10 March 2025
Mr. Li Fei	Non-executive Director	11 March 2022 to 10 March 2025
Mr. Wang Tao	Non-executive Director	11 March 2022 to 10 March 2025
Ms. Tang Qimeng	Non-executive Director	11 March 2022 to 10 March 2025
Mr. Wang Guofeng	Independent non-executive Director	11 March 2022 to 10 March 2025
Mr. Ma Xufei	Independent non-executive Director	11 March 2022 to 10 March 2025
Mr. Qin Guisheng	Independent non-executive Director	11 March 2022 to 10 March 2025
Mr. Xia Peng	Independent non-executive Director	11 March 2022 to 10 March 2025

Changes in the Board members during the period from 1 January 2024 to the date of this report are as follows:

The Board elected Mr. Li Guoqing as the vice chairman of the third session of the Board and his role was adjusted from an executive Director to a non-executive Director at the Board meeting held on 8 March 2024, with immediate effect.

Mr. Wang Hanjun has ceased to be an executive Director of the Company due to his retirement, with effect from 22 October 2024.

Mr. Xia Xiujiang was appointed as an executive Director of the Company at the 2024 third extraordinary general meeting held on 15 November 2024, with immediate effect.

Please refer to the announcements of the Company dated 8 March 2024, 22 October 2024, 25 October 2024 and 15 November 2024 and the circular of the Company dated 30 October 2024 for details of the above changes.

To the knowledge of the Company, there is no financial, business, family or other material/relevant relationship among members of the Board or between the Directors and the general manager.

The Company recognises that Board independence is pivotal in good corporate governance and board effectiveness. The Board has effective mechanisms in place to ensure independent views and input from any Directors of the Company are conveyed to the Board for enhancing an objective and effective decision making.

The governance framework and the mechanisms below are under annual review by the Board, through its Nomination Committee and Remuneration Committee, to ensure their effectiveness.

During the Reporting Period, the Company has complied with Rules 3.10(1) and 3.10(2) of the Hong Kong Listing Rules regarding the appointment of at least three independent non-executive Directors and one independent non-executive Director having appropriate professional qualifications or appropriate accounting or relevant financial management expertise. In addition, the Company complies with Rules 3.10A of the Hong Kong Listing Rules regarding the appointment of independent non-executive Directors representing at least one-third of the board of an issuer. The Board has achieved the measurable objectives during the Year.

The Company values gender diversity. As at the date of this report, female Directors represented 17% of the members of the Board (two female Directors out of 12 Directors). At the present stage, the composition of the Board meets the requirements for diversity. In the future, the Company will, in accordance with the requirements of the relevant policy on diversity of the Board, give due consideration to the composition of the Director candidates in the selection of Directors, with a view to further enhancing the diversity of the Board members.

The Company has arranged for appropriate insurance coverage in respect of any legal actions which may be instituted against its Directors and senior management in relation to their performance of duties during the Reporting Period.

GENDER DIVERSITY

The Company attaches great importance to the gender diversity of its employees. To strive for greater gender diversity, the Company further optimises programs and initiatives across the entire career lifecycle, from staff recruitment to staff development and retention. Such programs and initiatives include gender-inclusive recruitment and talent attraction policies, fully monitored promotion and succession planning, intensive inhouse multicultural training, unconscious bias training and inclusion programs, the expansion of new forms of work such as shared or part-time leadership positions, including expectation on the size of each of the department in the future in terms of possible growth and contractions, possible scenarios for restructuring, changes in the number of positions for female in the department, and the possible barriers which may be encountered. The Group attaches importance to the gender diversity of its staff. As of the end of the Reporting Period, the proportion of male staff and female staff (including senior management) of the Group was 68% and 32% respectively. The Group considers that during the Reporting Period, the gender diversity at the staff (including senior management) level has been achieved and does not have any other plans or measurable objectives for gender diversity for the time being.

Employees' turnover of the Group

Employee category		Employees turnover rate
By gender	Male	5%
	Female	5%

CORPORATE CULTURE

The corporate culture of the Company is:

Mission	Design cities to build the future
Vision	Become an integrated service provider of urban construction led by design
Values	Customer first, fighting will as the foundation, integrity and realism, pursuit of excellence
Spirit	Craftsmanship, responsibility, innovation and struggle
Quality Policy	Scientific management, excellent quality, continuous improvement and customer satisfaction

We believe that our corporate culture is closely related to our business development. Since its establishment, the Company has always taken "Design cities to build the future" as its corporate mission, and is committed to becoming an integrated service provider of urban construction led by design. The Company has completed a number of projects that have attracted the world's attention, winning the national award for technological inventions, the Luban award, the FIDIC award and many other honours, which has been unanimously recognised by the government, our customers and the society. Led by our corporate culture, we are committed to becoming an integrated service provider of urban construction led by design, promoting the organic integration and sustainable development of people, cities and environment.

DUTIES AND RESPONSIBILITIES

The Board is responsible for convening general meetings, reporting its work to the general meetings, implementing resolutions of the general meetings, determining the operation plans, investment plans and major assets disposal and restructuring plans of the Company, formulating the annual financial budgets plans and final accounts of the Company, formulating plans of profits distribution and recovery of losses of the Company, formulating proposals for the increase in or reduction of the registered capital of the Company, drawing up plans for the issuance of corporate bonds, drawing up plans for merger, division, dissolution or change of form of the Company, determining the establishment of internal administrative organizations of the Company and appointing or removing the general manager and secretary to the Board of the Company. It also appoints, according to the nomination of the general manager, or removes the vice general manager, chief accountant and other senior management of the Company and determines their remuneration matters. It is also responsible for formulating the fundamental management system of the Company, formulating proposals for any amendments to the Articles of Association, managing the information disclosure matters of the Company, proposing the appointment or change of the accounting firm performing auditing for the Company at the general meetings, formulating and reviewing the corporate governance policies and practices of the Company, reviewing and overseeing the training and continuous professional development of Directors and senior management, reviewing and monitoring the Company's policies and practices in relation to the compliance with laws and regulatory requirements, formulating, reviewing and supervising the code of conduct and compliance manual (if any) to employees and Directors, reviewing the Company's compliance with Corporate Governance Code and its disclosures in the Corporate Governance Report, and exercising other powers conferred by the laws, regulations, the requirements under the listing rules of the stock exchange where the Company's Shares are listed, the general meetings and the Articles of Association.

RESPONSIBILITIES OF THE MANAGEMENT

The management of the Company is mainly responsible for the operation and management of the Company. It performs its duties within the scope authorized by the Board and is responsible for its performance under the review and supervision of the Board and the Board of Supervisors.

CHAIRMAN AND GENERAL MANAGER

The roles of the chairman and the general manager have been clearly segregated to ensure a balance of power and authority. The current chairman of the Board of the Company, Mr. Pei Hongwei, is responsible for leading the Board to ensure its effective operation. Mr. Xia Xiujiang serves as the general manager and is responsible for the business operation of the Company.

DIRECTORS TRAINING

Each year, each Director will receive information in relation to guidelines on ethics and other major governance matters upon his/her appointment to the Board. Director training is a constant process to ensure the Directors are fully informed in making their contribution to the Board. During the Reporting Period, the Directors received regular updates and summaries on the changes and latest development of the business and operation of the Group and the relevant legal and regulatory environment. In addition, all Directors were encouraged to participate in relevant training courses at the expense of the Company.

During the Reporting Period, the Directors of the Company emphasized on updating their specialized knowledge and techniques to meet the requirement of the development of the Company. The Company also arranged trainings for Directors on information disclosure, Hong Kong Listing Rules and ESG Corporate Governance Code, etc.

DIRECTORS	Corporate governance	Laws and regulations	Business management
Executive Directors			
Mr. Wang Hanjun ***(retired on 22 October 2024)***	✓	✓	✓
Mr. Xia Xiujiang ***(appointed on 15 November 2024)***	✓	✓	✓
Non-executive Directors			
Mr. Pei Hongwei	✓	✓	✓
Mr. Li Guoqing	✓	✓	✓
Ms. Shi Huaxin	✓	✓	✓
Mr. Peng Dongdong	✓	✓	✓
Mr. Li Fei	✓	✓	✓
Mr. Wang Tao	✓	✓	✓
Ms. Tang Qimeng	✓	✓	✓
Independent non-executive Directors			
Mr. Wang Guofeng	✓	✓	✓
Mr. Ma Xufei	✓	✓	✓
Mr. Qin Guisheng	✓	✓	✓
Mr. Xia Peng	✓	✓	✓

SUMMARY OF WORK UNDERTAKEN

During the Year, the Board convened four general meetings in total, and submitted 22 proposals to the general meeting. 13 Board meetings were convened, including one Board meeting conducted by the chairman of the Board and the independent non-executive Directors, at which 54 resolutions were considered and approved.

The attendance record of the Board meetings of each Director is as follows:

Name	Number of meetings required to be attended	Number of meetings attended	Number of meetings attended by proxy
Mr. Wang Hanjun ***(retired on 22 October 2024)***	8	7	1
Mr. Xia Xiujiang ***(appointed on 15 November 2024)***	3	3	0
Mr. Pei Hongwei	13	12	1
Mr. Li Guoqing	12	12	0
Ms. Shi Huaxin	12	12	0
Mr. Peng Dongdong	12	10	2
Mr. Li Fei	12	12	0
Mr. Wang Tao	12	10	2
Ms. Tang Qimeng	12	11	1
Mr. Wang Guofeng	13	11	2
Mr. Ma Xufei	13	11	2
Mr. Qin Guisheng	13	13	0
Mr. Xia Peng	13	13	0

The main tasks accomplished by the Board during the Year included:

- the convening of four general meetings and submission of 22 resolutions to the general meeting, including the report of final financial accounts for 2023, the audited consolidated financial statements for 2023 and its summary, the Report of the Board of Directors for 2023, the investment plans for 2024, the profits distribution plan and the dividend declaration proposal for 2023, the re-appointment of auditors for 2024 and the payment of the audit fee for 2023, the proposed amendments to the Articles of Association, and the renewal of the cap of the continuing connected transaction and the framework agreement with Beijing Infrastructure Investment Co., Ltd. for 2024-2026, all of which were approved at the general meeting;

- the convening of 13 Board meetings and consideration and approval of 54 resolutions, including the completion of investments in 2023 and the investment plan for 2024, the operation plan for 2024, the annual results announcement and annual report of the Company for 2023, the interim results announcement and interim report of the Company for 2024, and the acquisition of the equity interest of Rail Transit Energy Conservation Beijing Engineering Research Center Co., Ltd. (軌道交通節能北京市工程研究中心有限公司).

NOMINATION COMMITTEE

The major duties and responsibilities of the Nomination Committee of the Company are: to review the size, structure and composition of the Board at least on an annual basis and make recommendations to the Board on any proposed changes, according to the conditions of operating activities, the scale of assets and shareholding structure of the Company, assess the independence of the independent non-executive Directors, and study the criteria and procedures for selecting Directors and senior management and make recommendations thereon to the Board. It is also responsible for conducting extensive searches for qualified candidates for Directors and senior management, conducting examination on the candidates for Directors and senior management and making recommendations on the appointment, reappointment and succession of Directors and senior management. It also needs to conduct examination on other senior management candidates that must be recommended to the Board for appointment and make recommendation and is in charge of other matters required by the laws, regulations, the Articles of Association, securities regulatory authorities at the places where the Company's Shares are listed and other matters authorised by the Board.

The Nomination Committee shall first discuss the nomination of candidates for new Directors, examine the qualification of these candidates, and then recommend such candidates to the Board. The Board shall determine whether the appointment of such candidates should be proposed for election at the general meetings. The major criteria considered by the Nomination Committee and the Board are the candidates' educational backgrounds, experience in the industry, their proposed commitment to the Company and achieving the goal of diversity of the Board. Regarding the nomination of independent non-executive Directors, the Nomination Committee will also particularly consider the independence of such candidates. To achieve diversity of the Board, the Board has strictly adhered to the Diversity Policy on Members of the Board of Directors, according to which, selection of the members of the Board are required to be conducted on the basis of a range of diversity perspectives by taking into account the consolidated factors including skills, experience, independence, knowledge on the business of the Company, the composition of various factors (including gender and age) and other factors relating to the operation efficiency of the Board. The Nomination Committee is responsible for supervising the implementation of such policy.

As at the date of the report, the implementation of the diversity policy of the Board is as follows:

1. The Board comprises 12 Directors, of which four are independent non-executive Directors. The composition is in compliance with the requirements of Rules 3.10(1) and 3.10A of the Hong Kong Listing Rules in relation to "at least one-third of the members of the Board shall be independent non-executive Directors".

2. At least one of the independent non-executive Directors has obtained financial professional qualifications, while other Directors possess legal, financial, business administration, public service and other professional experience, which are also in compliance with the requirements of Rule 3.10(2) of the Hong Kong Listing Rules.

3. Members of the Board have different education backgrounds, including a bachelor's degree in engineering and construction, doctoral degrees in heat supply, gas supply, ventilation and air-conditioning engineer, master's degrees in transportation planning and management, economics, project management, business administration, international accounting and financial management (accounting), laws, and a doctoral degree in management. Their ages are from 35 to 66, with two female members.

During the Year, the Nomination Committee held four meetings in total to consider and confirm the qualifications and profiles of the Directors and Supervisors, as well as nominate the candidates of the deputy general manager, director, general manager and the chief accountant of the Company. The attendance record of the meeting of the members of the Nomination Committee is as follows:

Name of member	Position	Number of meetings required to be attended	Number of meetings attended	Number of meetings attended by proxy
Mr. Pei Hongwei	Chairman of the Nomination Committee Non-executive Director	4	4	0
Mr. Wang Guofeng	Independent non-executive Director	4	4	0
Mr. Qin Guisheng	Independent non-executive Director	4	4	0

REMUNERATION COMMITTEE

The major duties and responsibilities of the Remuneration Committee of the Company are: to formulate the general plan or proposal for the remuneration of the Directors and senior management and individual remuneration packages according to the main scope, duties and responsibilities, and importance of the management positions of the Directors and senior management as well as the remuneration level of their counterparts in other related enterprises, and make recommendations to the Board; to review the performance of duties of the Directors (other than independent Directors) and senior management of the Company and conduct an annual appraisal on their performance; to be responsible for supervising the implementation of the remuneration policy of the Company; to ensure neither the Directors nor their associates would determine their individual remuneration on their own; and to be in charge of other matters required by the laws, regulations, the Articles of Association, securities regulatory authorities at the places where the Company's Shares are listed and other matters authorised by the Board.

The fixed salaries of the executive Directors and other senior management are determined in accordance with the market levels and their respective positions and duties, and their performance-related bonuses are subject to various considerations, including the operating results of the Company and the results of their performance appraisals. Directors' fees and Supervisors' fees are determined with reference to the market levels and the circumstances of the Company.

During the Year, the Remuneration Committee held one meeting in total to consider the performance of duties and responsibilities of the executive Directors and other senior management of the Company and their remuneration matters. The attendance record of the meeting of the members of the Remuneration Committee is as follows:

Name of member	Position	Number of meetings required to be attended	Number of meetings attended	Number of meetings attended by proxy
Mr. Wang Guofeng	Chairman of the Remuneration Committee Independent non-executive Director	1	1	0
Mr. Wang Tao	Non-executive Director	1	1	0
Mr. Ma Xufei	Independent non-executive Director	1	1	0

AUDIT COMMITTEE

The major duties and responsibilities of the Audit Committee of the Company are: to recommend the engagement or change of the external audit firm; to review the independence and objectivity of the external auditor and the effectiveness of the auditing procedures according to applicable standards; to approve the remuneration and terms of engagement of the external auditor; to develop and implement policy on engaging an external auditor to provide non-audit services; to supervise the Company's internal auditing system and its implementation in order to ensure sufficient resources are allocated for operating the internal audit function within the Company and monitor the effectiveness of the internal audit function; to ensure that the internal audit function will analyse and make independent evaluation on the sufficiency and effectiveness of risk management and internal control systems; to be responsible for the communication between the internal and external audit; to review the financial information of the Company and its disclosure and review the accounting affairs and policies of the Company; to review the internal control and risk management systems of the Company and express opinions and make recommendations in respect of the soundness and improvement of the internal control and risk management systems of the Company, and conduct risk analysis on the significant investment being undertaken by the Company; to oversee the internal control and risk management systems of the Company on an ongoing basis and review the effectiveness of the internal control and risk management systems of the Company and its subsidiaries at least annually; to study the important investigation results and responses from the management in respect of the matters of internal control and risk management; to discuss the risk management and internal control systems of the Company with the management, and ensure that the management has performed its duty to establish the effective risk management and internal control systems; to express opinions and make recommendations in respect of the evaluation and change of the principal of internal audit department of the Company; to review the letters for the management provided by external auditors; to review whether the mechanism allowing employees to report on or complain about, by way of whistleblowing, any misconduct in respect of the Company's financial reports, internal control or other matters is well established, and to ensure a proper arrangement of the Company which may enable fair and independent investigation and follow-up procedures for the case of whistleblowing; to set up relevant procedures for handling complaints; to keep in regular contact with the Board, senior management and external auditors; and to be in charge of other matters required by the laws, regulations, the Articles of Association, securities regulatory authorities at the places where the Company's Shares are listed and other relevant matters authorised by the Board.

During the Year, the Audit Committee held four meetings in total to consider and approve 6 proposals in respect of the result of audit on 2023 annual report, change of accounting firms performing listing audit services, the 2024 interim results report of the Company, the 2024 audit plan of the Company and the internal audit of the Company. The attendance record of the meetings of the members of the Audit Committee is as follows:

Name of member	Position	Number of meetings required to be attended	Number of meetings attended	Number of meetings attended by proxy
Mr. Xia Peng	Chairman of the Audit Committee Independent non-executive Director	4	4	0
Mr. Peng Dongdong	Non-executive Director	4	4	0
Mr. Qin Guisheng	Independent non-executive Director	4	4	0

The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2024.

EXTERNAL AUDITORS

In 2024, the Company should pay RMB1.90 million to external auditors in relation to auditing services, which included the payments on auditing the annual financial report of 2024.

OVERSEAS RISK CONTROL COMMITTEE

The major duties and responsibilities of the Overseas Risk Control Committee of the Company are: to judge on possible risks of sanctions borne by the Company if it intends to carry out any new overseas transactions or businesses in the sanctioned countries; to supervise and control the internal control procedures conducted and relevant undertakings made to the Hong Kong Stock Exchange by the Company in respect of carrying out businesses in the sanctioned countries in the past; to select and engage one or more external international law firms and other related experts with expertise in the laws of sanctioned areas so that they would be able to provide relevant legal and professional opinions to the Company and the Overseas Risk Control Committee; to provide guidelines on the factors or criteria to be considered whether the Company should conduct new businesses in the sanctioned countries and the controlling measures to be implemented when conducting businesses in the related sanctioned countries; to arrange appropriate trainings in respect of the relevant laws of the sanctioned countries for the Directors, senior management, related staff of the secretariat of the Board and persons in charge of the disclosure of overseas information; and to be in charge of other matters required by the applicable laws, regulations, securities regulatory authorities at the places where the Company's Shares are listed and other relevant matters authorised by the Board from time to time.

In 2024, with respect to the development of the Company's overseas operations, the Overseas Risk Control Committee held one meeting to consider the development of the Company's overseas operations and risk prevention and control. The attendance record of the meeting of the members of the Overseas Risk Control Committee is as follows:

Name of member	Position	Number of meetings required to be attended	Number of meetings attended	Number of meetings attended by proxy
Mr. Pei Hongwei	Chairman of the Overseas Risk Control Committee Non-executive Director	1	1	0
Mr. Xia Xiujiang	Executive Director	1	1	0
Mr. Li Guoqing	Non-executive Director	1	1	0
Mr. Wang Hanjun	Executive Director	0	0	0

Notes:

1. On 8 March 2024, Mr. Li Guoqing's role on the Board has been adjusted from an executive Director to a non-executive Director in accordance with the work arrangement.

2. At the 2024 Third Extraordinary General Meeting held on 15 November 2024, Mr. Xia Xiujiang was appointed as an executive Director of the Company, with immediate effect. At the 29th meeting of the third session of the Board held on 15 November 2024, Mr. Xia Xiujiang was appointed as a member of Overseas Risk Control Committee under the third session of the Board.

3. Mr. Wang Hanjun has ceased to serve as an executive Director of the Company due to retirement, effective from 22 October 2024.

INTERESTS HELD BY THE DIRECTORS AND SECURITIES TRANSACTIONS

All Directors shall declare to the Board whether they hold offices or positions in other companies or entities upon their appointments as Directors and they are required to update the Board annually in respect of their relevant interests. If the Board considers that a Director has conflict of interest in any resolution or transaction when discussed, the Director shall declare his interests and abstain from voting. If appropriate, the Director should be excused from the meeting.

The Company adopted the Model Code as the code for securities transactions conducted by the Directors and Supervisors. Each of the Directors and Supervisors has confirmed his/her compliance with the above code during the Year upon specific enquiries with all of them.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group actively implements environmental, social and governance (ESG) practices to strengthen its core competitiveness in sustainable development. The ESG construction case of "Beijing Urban Construction Design & Development Group Co., Limited: Accelerating the Construction of Green Urban Rail Transit and Promoting High-quality Development of the Industry" submitted by the Group was listed as an outstanding case in the *Blue Book on Environmental, Social and Governance (ESG) of Beijing State-owned Enterprises (2023-2024)* (《北京市屬國企環境、社會及治理(ESG)藍皮書(2023-2024)》) guided by the Beijing State-owned Assets Supervision and Administration Commission.

This case, based on Nanjing Metro Green Urban Rail Transit Development Plan (《南京地鐵綠色城軌發展行動方案》), demonstrates the Group's responsible actions in the aspects such as system construction, technological innovation, overall planning, and management services. It highlights the significant economic, environmental and social benefits achieved by the Group, reflecting the deep integration of ESG principles with the Group's development strategy. It has a certain demonstration effect in the urban rail transit industry and provides valuable reference for establishing a green urban rail transit development system. Moving forward, the Group will remain committed to fulfilling its state-owned enterprise responsibilities, strengthening ESG construction and contributing to the high-quality development of the urban rail transit industry.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors are responsible for monitoring the preparation of the financial statements for every financial year and ensuring those financial statements provide a true and fair view on the business conditions, operating results and cash flows of the Group in the relevant period. In preparing the financial statements for the year ended 31 December 2024, the Directors have selected appropriate accounting policies and applied them consistently, adopted all relevant standards in compliance with the International Financial Reporting Standards, and made a prudent and reasonable judgment and estimation and prepared the financial statements on a going concern basis.

In accordance with the requirements of the Hong Kong Listing Rules, the Company has timely announced its annual and interim results within three and two months, respectively, after the end of the relevant financial periods.

Risk Management and Internal Control

The Board should oversee the risk management and internal control systems of the Company, be responsible for the risk management and internal control systems and reviewing their effectiveness to safeguard state-owned assets against being lost. The risk management and internal control systems are primarily designed to prevent material outflow of the Company's economic benefits and reduce the impact of external environmental fluctuations on the Company. Such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable but not absolute assurance against material misstatement or loss. The Board and the Audit Committee will inspect the internal risk management and internal control systems of the Group annually to verify whether they meet the needs of the Company's current organization.

During the Reporting Period, the Board and the Audit Committee have reviewed the internal risk management and internal control systems of the Group. The review covered various risk points in the course of the Company's operation management, such as the internal control system of the financial system, and specific inspection on the Company's information in key areas such as basic accounting work, internal audits, and financial reports. The training of employees has been reviewed to further assess the rationality of the courses and the adequacy of the budget. No major internal control issues were found in this review. The Board considers that, in terms of current conditions, the Group's control of various risk points is rigorous and precise, and the implemented internal control measures are effective, thus the existing risk management and internal control systems are effective and adequate.

The Main Features of the Risk Management and Internal Control Systems

The management framework and contents of the Company's internal control are set out as follows:

The Company strives to develop a comprehensive internal control system on the basis of Guidelines on Internal Control of Beijing Urban Construction Design & Development Group Co., Limited and its supplementary guidelines with a focus on management and business processes covering five basic elements such as the internal environment, risk assessment, control activities, information and communication and internal supervision.

The internal environment is the framework of the Company's internal control system that fosters the staff awareness of internal control, laying a solid foundation for the Company to carry out various economic activities and management activities.

Risk assessment refers to the Company's assessment of critical process milestone that may bring uncertainties in the course of preservation and appreciation of the state-owned assets based on the current system to align with the Company's risk appetite.

Control activities refer to the application of related control measures to control risks within a tolerable level and avoid uncontrollable risk exposure based on the risk assessment. Control activities relate to strategic management control, overall budget control, management report control, performance evaluation control, internal audit control, control on the division of incompatible responsibilities, control on the authorisation and approval, control on "Three Importance and One Greatness", risk alert and emergency response mechanism, and the control on information system and accounting system.

Information and communication refers to the process to collect, process and compile internal control related information required by decisions-making and communicate it to the right person in a timely, accurate and complete manner. It serves as an integral part of the management activities.

Internal supervision refers to the Company's supervision and review on the establishment and implementation of the internal control, assessment of the effectiveness of internal control and improvement of the internal control system. The Company updates its Risk Database in a timely manner. This is done by analyzing the risks inherent in the industry in which the Company operates, based on an understanding of leadership's risk appetite and risk tolerance and prioritizing risks according to impact to avoid risk exposure, and predictable risks are covered by internal control measures as much as possible.

Internal Audit Function

As a daily operational office of the Audit Committee under the Board, the legal audit department of the Company is a major supervisory body of the Company's internal control system, being responsible for monitoring how the Company and its subsidiaries establish and improve their respective internal control systems, reviewing the implementation of each of the internal control systems and carrying out annual self-assessment on internal control. It is also responsible for organizing the internal audit function to perform audit responsibilities.

Procedure of Identifying, Evaluating and Managing Significant Risks and Reviewing the Effectiveness of Risk Management and Internal Control Systems

Based on the Company's Internal Audit Operation Manual, the Company's Internal Audit Management Regulations and the Company's Internal Audit Management Measures, the Company's internal control system conforms to the principles stipulated in the existing internal audit independence and objectivity principles and the relevant operations systems, with an emphasis on enhancing cooperation and collaboration between the internal audit organization and other internal supervision forces, such as internal discipline, organization personnel, and the supervisory committee. The internal audit results and rectification should be regarded as an important basis for assessment, appointment, dismissal, reward and punishment and relevant decision-making, and play a genuine supervisory and control role in the Company's economic operation system:

- Overseeing the implementation of systems and plans to provide the basis for the organization's management decisions.
- Identifying weak areas of operation and management and assisting the organization in improving its self–control mechanisms.
- Improving economic efficiency by encouraging organizational units to improve work or production.
- Overseeing the fulfillment of the economic responsibilities entrusted to the organization in order to safeguard the legitimate economic interests of the organization.
- Monitoring the safety of property and promoting the preservation and appreciation of the organization's property and assets.
- Performing traditional audit confirmation business and evaluating the conformity and compliance of the Company's operations with the management system.
- Expanding the consulting business of auditing, implementing a top-to-bottom ethical atmosphere in the Company, and monitoring the Company's compliance with the requirements of professional ethics.

Procedures of Addressing the Material Deficiencies in the Internal Control System

The internal control evaluation team shall perform preliminary identification of the defects in the internal control according to the evidences obtained in on-site testing, and classify them into significant, important and general defects based on their consequence rating. Timely measures should be adopted to address the identified significant defects, so as to effectively control the risks within a tolerable level. And the staff of related department involved shall be accountable for the issue according to the practical situation.

The internal control evaluation team shall prepare the summary report of identified defects in internal control, setting out the comprehensive analysis on the defects and reasons for, forms and degree of impacts of defects in internal control. The significant defects shall be determined by the Board.

For the defects identified in the course of evaluation of internal control, the legal audit department shall procure the accountable department to rectify them, and monitor, track and confirm the rectification. Internal control evaluation report shall be prepared by the legal audit department based on the evaluation result and shall be submitted according to the Group's requirements. The evaluation materials of internal control shall be properly kept by the legal audit department and shall be filed according to the administrative requirements of general documents of the technology and quality department.

The Procedures and Internal Control Measures for the Handling and Dissemination of Inside Information

The Company has established the Information Disclosure Management System which stipulates the procedures and internal control measures for the handling and dissemination of inside information. Prior to information disclosure, the scope of persons who have access to such information shall be minimised. They shall not leak the inside information of the Company, engage in inside trading or collude with other persons to manipulate the prices of the Company's securities. Unless the exceptions set out in regulatory laws and rules of Hong Kong, the Company shall disclose the inside information via publishing announcements on the Hong Kong Stock Exchange as far as reasonable and practical after such information has come to the knowledge of the Company.

Board of Supervisors

The Board of Supervisors of the Company is accountable to the general meetings and its duties and responsibilities mainly include: to review the financial affairs of the Company; to oversee the performance of the duties for the Company by the Directors and senior management and make proposals to dismiss the Directors and senior management who have violated the relevant laws, administrative regulations, the Articles of Association or resolutions passed at the general meetings; to request the Directors and senior management to rectify if their acts have jeopardized the Company's interests; to review financial information (including financial reports, business reports and any plans for profit distribution) to be proposed by the Board to the general meetings, and to retain, in the name of the Company, registered accountants and certified auditors to assist in the review of such information should any doubt arise; to propose to convene an extraordinary general meeting and in case the Board fails to perform the duty of convening and presiding over general meetings, to convene and preside over a general meeting; to put forward proposals at the general meetings; to represent the Company in negotiating with the Directors and senior management and initiate legal proceedings against the Directors and senior management; and to be in charge of other functions and powers as required under the Articles of Association.

As at the date of this report, the members of the Board of Supervisors of the Company comprise four Supervisors assumed by the Shareholder representatives and three Supervisors assumed by employee representatives, with a total of seven Supervisors. During the Year, the Board of Supervisors held three meetings in total and considered and approved five resolutions. It supervised, on behalf of the Shareholders, the financial position of the Group, the legitimacy and compliance of the performance of duties by the Directors and senior management, attended the Board meetings and general meetings, and fulfilled its duties diligently.

There were no changes in the members of the Board of Supervisors during the Reporting Period.

Directors' Responsibility for the Financial Statements

All the Directors of the Company acknowledge that they are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the disclosure provisions of the International Financial Reporting Standards and the Hong Kong Companies Ordinance. To the knowledge of the Directors, there is no event or condition that may have a material adverse effect on the continuing operation of the Company.

Independence of Independent Non-executive Directors

The Company has received the annual confirmation letters from all the independent non-executive Directors in relation to their independence. As at the date of this report, the Company is of the view that all the independent non-executive Directors are independent.

The Company has established mechanisms to ensure independent views and input are available to the Board, including without limitation by reviewing that the independent non-executive Directors have appropriate qualifications and expertise from time to time with sufficient time commitment to the Group, that the number of independent non-executive Directors is in line with the requirements of the Hong Kong Listing Rules, and that channels are established to assess and evaluate the independent non-executive Directors' contribution and views. The implementation and effectiveness of such mechanisms will be reviewed by the Board on an annual basis.

Company Secretary

Mr. Xuan Wenchang has independently served as the company secretary of the Company since 1 October 2020. In 2024, Mr. Xuan Wenchang has received relevant professional trainings for not less than 15 hours. Please refer to "Directors, Supervisors and Other Senior Management" for the biographical details of Mr. Xuan Wenchang. Each of the Directors could discuss with the company secretary for seeking opinions and obtaining information.

GENERAL MEETING

The general meeting is the supreme authority of the Company. It performs its functions according to law and makes decisions on major issues in relation to the Company. The annual general meetings or extraordinary general meetings provide a channel for the Shareholders of the Company to communicate directly with the Board. In 2024, the Company convened three extraordinary general meetings and one annual general meeting in total, at which 22 proposals were considered and approved. All the Directors, Supervisors and senior management members shall, as far as practicable, attend the general meeting of the Company. The following is the attendance record of the general meetings of the Directors:

Name	Number of meetings required to be attended	Number of meetings attended
Mr. Wang Hanjun ***(retired on 22 October 2024)***	3	2
Mr. Xia Xiujiang ***(appointed on 15 November 2024)***	0	0
Mr. Pei Hongwei	4	3
Mr. Li Guoqing	4	3
Ms. Shi Huaxin	4	3
Mr. Peng Dongdong	4	4
Mr. Li Fei	4	4
Mr. Wang Tao	4	4
Ms. Tang Qimeng	4	4
Mr. Wang Guofeng	4	3
Mr. Ma Xufei	4	4
Mr. Qin Guisheng	4	4
Mr. Xia Peng	4	4

SHAREHOLDER COMMUNICATION POLICY

The provisions set out in the Shareholder Communication Policy are designed to ensure that shareholders of the Company, including individual and institutional shareholders (collectively, "**Shareholders**") and, where appropriate, the general investing public, have timely access to comprehensive, identical and understandable information about the Company (including its financial performance, strategic objectives and plans, significant developments, governance risks), so that, on the one hand, Shareholders can exercise their rights in an informed manner and, on the other hand, Shareholders and the investing public can enhance their communication with the Company.

For the purposes of the Shareholder Communications Policy, "investment public" includes potential investors of the Company and analysts who conduct reports and analyses on the performance of the Company.

The Board shall maintain an on-going dialogue with Shareholders and investment public, and will regularly review the Shareholder Communications Policy to ensure its effectiveness.

Information shall be communicated to Shareholders and investment public mainly through the Company's financial reports (interim and annual reports), announcements, circulars and other corporate publications available on the Company's website at www.bjucd.com and HKExnews's website at www.hkexnews.hk as well as the direct communication platform provided at the annual general meetings held each year and any other general meetings that may be convened as and when required.

Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times, by means not limited to investor hotlines, mailboxes and regular results announcements, presentations, etc. During the Reporting Period, the Company maintained close communication with its shareholders and investors through the abovementioned channels and the Shareholder Communication Policy was effective.

Any question regarding the Shareholder Communications Policy shall be directed to company secretary of the Company.

RIGHTS OF SHAREHOLDERS

Methods of Convening Extraordinary General Meetings

According to the relevant requirements under the Company Law and the Articles of Association, any Shareholder(s), whether individually or collectively, holding more than 10% (including 10%) of the outstanding Shares of the Company with voting rights who request to convene an extraordinary meeting shall submit explicit agenda and proposals in writing to the Board. The Board shall convene an extraordinary general meeting within two months.

Procedures for Proposing Extraordinary Proposals at General Meetings

Under the Company Law and the Articles of Association, the shareholder(s) individually or jointly holding more than 1% of voting right of the shares of the Company may put forward interim proposals in writing to the convener 10 days prior to the shareholders' meeting. The interim proposals shall have clear topics and specific resolutions. The convener shall notify the other shareholders within 2 days after receiving the proposal and submit the same to the shareholders' meeting for consideration, provided that the interim proposal may not violate laws, administrative regulations or the provisions of the Articles of Association, or not fall within the scope of authority of the shareholders' meeting. The Company shall also comply with other requirements of the listing rules of the stock exchange where the Company has its shares listed.

Shareholders may at any time send their enquiries to the Board in writing through the secretariat of the Board of the Company, whose contact details are as follows:

Address:	5 Fuchengmen North Street, Xicheng District, Beijing, the PRC
Postal Code:	100037
Telephone:	86-10-88336868
Facsimile:	86-10-88336763
E-mail Address:	ir@bjucd.com

Information Disclosure and Investor Relations

The secretariat of the Board of the Company is responsible for information disclosure of the Company. The Company has formulated and enforced the Administrative Measures on Information Disclosure of Beijing Urban Construction Design & Development Group Co., Limited to ensure information disclosed is accurate, complete and made in a timely manner. During the Reporting Period, the Company published its annual and interim results announcements as well as its annual and interim reports and related temporary announcements in accordance with requirements under the Hong Kong Listing Rules and made detailed disclosure on material information and the progress of any significant matters relating to the Company.

During the Reporting Period, the Company continued to attach importance to network building in order to adapt to the changes of the means of information disclosure required by the Hong Kong Stock Exchange, to disclose every piece of information in a timely and accurate manner and to update and announce the operation dynamics and information in a timely manner. The Company also continued to modify the Chinese and English versions of the website pursuant to the latest requirements under the Hong Kong Listing Rules, enabling investors to have a clear picture of the recent development of the Company. Detailed information of each business activity of the Company and all published announcements are available for inquiry and downloading from the Company's website, www.bjucd.com.

The Company focuses on the maintenance of sound investors relations and maintains effective communication with investors through various means. The Company timely communicated its operating results and business development trends with investors after the announcements of the 2023 annual results and 2024 interim results by way of results briefings and roadshows in order to strengthen communication with investors and facilitate the understanding of the Company by investors. The Company also maintains sound communication with investors through acceptance of investors' visits, holding telephone conferences, attending major investment forums, by telephone and email, etc. and proactively provides investor relations information on the Company's website, with a view to establish and maintain a good relationship with investors.

Articles of Association

The latest version of the Articles of Association is set out on the websites of the Company and the Hong Kong Stock Exchange.

During the Reporting Period, in view of the need to further improve the corporate governance structure and in accordance with the relevant provisions of the Company Law and other requirements, the Company made corresponding amendments to the Articles of Association after the approval of the Board and the general meeting of the Company. For details of the amendments, please refer to the announcements of the Company dated 9 January 2024 and 27 June 2024 and the circulars of the Company dated 22 February 2024 and 15 July 2024.

Donation

To demonstrate our social responsibility, the Company donated more than RMB100,000 for social welfare in 2024.

INDEPENDENT AUDITOR'S REPORT

MOORE

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To the Shareholders of Beijing Urban Construction Design & Development Group Co., Limited
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Beijing Urban Construction Design & Development Group Co., Limited (the "Company") and its subsidiaries (the "Group") set out on pages 122 to 244, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on contracts for services and construction contracts	
The Group derived most of its revenues from contracts for services and construction contracts that were recognised over time, using the input method. The input method involved significant management judgement and estimates, including estimates of the progress towards completion, the scope of deliveries and services, total contract costs, remaining costs to completion and total contract revenues. In addition, revenue, cost and gross profit realised on such contracts could vary from the Group's original estimates because of changes in conditions. More details are set out in note 2.4 "Revenue recognition", note 3 "*Significant accounting judgements and estimates – Percentage of completion and estimation of total budgeted costs and costs to completion for construction contracting and contracts for services*", and note 5 "Revenue, other income, gains and losses" to the consolidated financial statements.	Our audit procedures included, but are not limited to, the following: We obtained an understanding of and assessed the relevant internal controls over revenue recognition of the Group. We obtained material contracts for services and construction, reviewed the key contract terms, and reviewed whether the revenue recognition policies were in line with IFRSs. We reconciled the total contract revenues to contracts. We reviewed the methods and assumptions in determining the total budgeted costs. We checked the relevant supporting documents for actual costs on a sample basis. We performed cut-off testing procedures to check whether material costs had been recognised in the appropriate accounting periods. We checked if there was any contract of which the estimated contract costs exceeded the estimated contract revenue and for which the provision was recognised. We tested the calculation of the percentage of completion and assessed whether the revenues and costs had been recognised under the input method. We performed analytical review procedures for the gross margin of material contracts.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables and contract assets	
As at 31 December 2024, the trade receivables and contract assets of the Group amounted to RMB14,053 million, which represented 57% of its total assets. According to the impairment requirements of IFRS 9 Financial Instruments, the Group established a provision matrix based on its historical credit loss experience and existence of disputes, and adjusted for forward-looking factors specific to the debtors and the economic environment. The Group considered the credit risk characteristics of different customers and calculated expected credit losses ("ECLs") on trade receivables and contract assets based on the combination of individual and collective assessment. The Group recognised a loss allowance based on lifetime ECLs. Making the allowance involved significant management judgement and estimates. More details are set out in note 2.4 "Impairment of financial assets", note 3 "Significant accounting judgements and estimates – Provision for expected credit losses on trade receivables and contract assets", note 22 "Contract assets" and note 23 "Trade and bills receivables" to the consolidated financial statements.	Our audit procedures included, but are not limited to, the following: We assessed the impairment allowance of trade receivables and contract assets by obtaining an understanding of and assessing the relevant internal controls over impairment of trade receivables and contract assets of the Group, reviewing the accounting policy for impairment of trade receivables and contract assets, assessing the provision matrix and the expected credit loss rate, assessing whether the assumptions considered the impact of the forward-looking information, and considering whether there were special impairment indications about long ageing receivables and overdue receivables. For impairment allowance determined on an individual assessment basis, we assessed the impairment allowance determined by management by reviewing the forward-looking information, reviewing the subsequent collection after the reporting period, and evaluating whether the respective debtors experienced significant financial difficulty, default or delinquency in interest or principal payments. For the recognition of impairment provision for receivables and contract assets by reference to the credit risk portfolio, we reviewed management's settings for the credit risk portfolio, evaluated the rationality of the impairment loss rate and forward-looking information, and selected samples to review the rationality of the credit risk, portfolio classification and impairment provision.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Accounting for service concession arrangements	
The Group engaged in certain service concession arrangements, pursuant to which the Group is required to build, operate and transfer the urban infrastructures and received in return rights to the income arising from operation of such infrastructures for certain concession periods after the completion of construction of such urban infrastructures. The measurement of revenue and cost for the service concession arrangements involved significant management judgement and estimates, including determination of the applicable accounting model, estimating future guaranteed receipts, and estimation of the prevailing market rate of construction gross margins, and the discount rate used. More details are set out in note 2.4 "Service concession arrangements", note 3 "Significant accounting judgements and estimates – Accounting for service concession arrangements", note 5 "Revenue, other income, gains and losses", note 15 "Intangible assets", note 22 "Contract assets" and note 23 "Trade and bills receivables" to the consolidated financial statements.	Our audit procedures included, but are not limited to, the following: We obtained an understanding of and assessed the relevant internal controls over accounting for service concession arrangements, assessed whether the accounting model adopted was in line with IFRSs by reviewing the contract terms of whether the Group had an unconditional contractual right under the service concession arrangement to receive a determinable amount of payments during the concession period, and reviewed the methods and assumptions in determining the future guaranteed receipts estimated. We involved our internal valuation specialist to assess the rate of construction gross margins and discount rate used. We tested the calculation of contract assets, trade receivables, intangible assets and revenue.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Da Hua Moore International CPA Limited
Certified Public Accountants

Leung Man Chung
Practising Certificate Number: P08074

Hong Kong,
26 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	*5*	**8,657,832**	10,361,699
Cost of sales	*7*	**(7,098,486)**	(8,475,238)
Gross profit		**1,559,346**	1,886,461
Other income	*5*	**405,289**	416,869
Other gains and losses, net	*5*	**11,889**	287,554
Selling and distribution expenses		**(63,199)**	(82,092)
Administrative expenses		**(866,192)**	(979,282)
Impairment losses on financial assets and contract assets, net	*7*	**(175,023)**	(286,213)
Finance costs	*6*	**(282,016)**	(290,799)
Share of profits of:			
Joint ventures		**5,589**	13,494
Associates		**37,992**	51,810
PROFIT BEFORE TAX	*7*	**633,675**	1,017,802
Income tax expense	*9*	**(100,208)**	(107,454)
PROFIT FOR THE YEAR		**533,467**	910,348
Profit attributable to:			
Owners of the Company	*11*	**516,907**	872,852
Non-controlling interests		**16,560**	37,496
		533,467	910,348
EARNINGS PER SHARE			
Basic and diluted (expressed in RMB per share)	*11*	**0.38**	0.65

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
PROFIT FOR THE YEAR		**533,467**	910,348
OTHER COMPREHENSIVE EXPENSE			
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		**(120)**	(86)
Other comprehensive income/(expense) that will not be reclassified to profit or loss in subsequent periods (net of tax):			
Changes in fair value of equity investments designated at fair value through other comprehensive income		**22,092**	3,869
Remeasurement losses on defined benefit plans	*29*	**(12,980)**	(6,520)
		9,112	(2,651)
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX		**8,992**	(2,737)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**542,459**	907,611
Attributable to:			
Owners of the Company		**525,899**	870,115
Non-controlling interests		**16,560**	37,496
		542,459	907,611

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**1,467,815**	1,436,905
Goodwill	13	**5,741**	5,741
Right-of-use assets	14(a)	**592,258**	511,308
Intangible assets	15	**513,376**	542,209
Investments in joint ventures	16	**2,121,178**	2,201,981
Investments in associates	17	**1,328,226**	1,077,672
Financial assets at fair value through profit or loss	18	**5,178**	8,388
Equity investments designated at fair value through other comprehensive income	19	**227,796**	202,357
Deferred tax assets	20	**392,977**	358,353
Contract assets	22	**4,523,909**	4,936,462
Prepayments, other receivables and other assets	24	**132,475**	163,369
Total non-current assets		**11,310,929**	11,444,745
CURRENT ASSETS			
Inventories	21	**94,924**	70,664
Trade and bills receivables	23	**4,049,811**	4,500,516
Prepayments, other receivables and other assets	24	**413,602**	444,651
Contract assets	22	**5,516,152**	4,979,326
Pledged deposits	25	**112,663**	99,941
Cash and bank balances	25	**3,043,846**	3,309,696
Total current assets		**13,230,998**	13,404,794
CURRENT LIABILITIES			
Trade and bills payables	26	**5,587,026**	5,913,938
Other payables and accruals	27	**3,828,066**	3,749,070
Interest-bearing bank and other borrowings	28	**1,599,023**	2,206,129
Provisions for supplementary retirement benefits	29	**3,910**	3,910
Tax payable		**36,300**	118,579
Provision	30	**6,682**	6,313
Total current liabilities		**11,061,007**	11,997,939

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NET CURRENT ASSETS		**2,169,991**	1,406,855
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,480,920**	12,851,600
NON-CURRENT LIABILITIES			
Deferred tax liabilities	*20*	**7,401**	7,584
Interest-bearing bank and other borrowings	*28*	**5,019,814**	4,707,820
Provisions for supplementary retirement benefits	*29*	**78,604**	74,470
Other payables and accruals	*27*	**353,665**	367,775
Provision	*30*	**88,029**	65,336
Total non-current liabilities		**5,547,513**	5,222,985
Net assets		**7,933,407**	7,628,615
EQUITY			
Equity attributable to owners of the Company			
Share capital	*31*	**1,348,670**	1,348,670
Reserves	*32*	**6,347,217**	6,052,516
		7,695,887	7,401,186
Non-controlling interests		**237,520**	227,429
Total equity		**7,933,407**	7,628,615

Xia Xiujiang
Director

Li Guoqing
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company								Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000		
As at 1 January 2024	1,348,670	647,706*	4,845*	206*	638,735*	(120)*	4,761,144*	7,401,186	227,429	7,628,615
Profit for the year	–	–	–	–	–	–	516,907	516,907	16,560	533,467
Other comprehensive income for the year:										
Remeasurement losses on defined benefit plans, net of tax	–	(12,980)	–	–	–	–	–	(12,980)	–	(12,980)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	22,092	–	–	–	–	22,092	–	22,092
Exchange differences on translation of foreign operations	–	–	–	–	–	(120)	–	(120)	–	(120)
Total comprehensive income for the year	–	(12,980)	22,092	–	–	(120)	516,907	525,899	16,560	542,459
Acquisition of additional interests of a subsidiary from non-controlling interest	–	(92)	–	–	–	–	–	(92)	(3,412)	(3,504)
Capital contribution from other shareholders of associates to respective associates	–	1,406	–	–	–	–	–	1,406	–	1,406
Final 2023 dividend declared	–	–	–	–	–	–	(232,512)	(232,512)	–	(232,512)
Dividend declared to non-controlling shareholders	–	–	–	–	–	–	–	–	(3,057)	(3,057)
Appropriation to statutory surplus reserve	–	–	–	–	28,406	–	(28,406)	–	–	–
Transfer to special reserve *(note 32(iii))*	–	–	–	116,014	–	–	(116,014)	–	–	–
Utilisation of special reserve *(note 32(iii))*	–	–	–	(110,830)	–	–	110,830	–	–	–
At 31 December 2024	1,348,670	636,040*	26,937*	5,390*	667,141*	(240)*	5,011,949*	7,695,887	237,520	7,933,407

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2024

	Attributable to owners of the Company									
	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2023	1,348,670	654,226*	1,267*	–*	555,449*	(34)*	4,227,471*	6,787,049	199,911	6,986,960
Profit for the year	–	–	–	–	–	–	872,852	872,852	37,496	910,348
Other comprehensive income for the year:										
Remeasurement losses on defined benefit plans, net of tax	–	(6,520)	–	–	–	–	–	(6,520)	–	(6,520)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	3,869	–	–	–	–	3,869	–	3,869
Exchange differences on translation of foreign operations	–	–	–	–	–	(86)	–	(86)	–	(86)
Total comprehensive income for the year	–	(6,520)	3,869	–	–	(86)	872,852	870,115	37,496	907,611
Final 2022 dividend declared	–	–	–	–	–	–	(255,978)	(255,978)	–	(255,978)
Dividend declared to non-controlling shareholders	–	–	–	–	–	–	–	–	(9,978)	(9,978)
Appropriation to statutory surplus reserve	–	–	–	–	83,286	–	(83,286)	–	–	–
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	–	–	(291)	–	–	–	291	–	–	–
Transfer to special reserve *(note 32(iii))*	–	–	–	117,997	–	–	(117,997)	–	–	–
Utilisation of special reserve *(note 32(iii))*	–	–	–	(117,791)	–	–	117,791	–	–	–
At 31 December 2023	1,348,670	647,706*	4,845*	206*	638,735*	(120)*	4,761,144*	7,401,186	227,429	7,628,615

The reserve accounts comprise the consolidated reserves of RMB6,347,217,000 (31 December 2023: RMB6,052,516,000) in the consolidated statement of financial position as at 31 December 2024.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**633,675**	1,017,802
Adjustments for:			
Finance costs	*6*	**282,016**	290,799
Foreign exchange differences, net	*5*	**(3,250)**	(1,268)
Interest income	*5*	**(390,648)**	(406,049)
Dividend income	*5*	**(5,521)**	–
Gain on disposal of an associate	*5*	**–**	(277,851)
Fair value losses of financial assets at fair value through profit or loss	*5*	**3,210**	406
Share of profits of associates and joint ventures		**(43,581)**	(65,304)
Depreciation of right-of-use assets	*14*	**105,855**	112,252
Depreciation of items of property, plant and equipment	*12*	**145,501**	89,547
Amortisation of intangible assets	*15*	**40,773**	40,626
Impairment of trade and bills receivables, net	*23*	**51,567**	225,868
Impairment/(reversal of impairment) of prepayments, other receivables, net	*24*	**6,489**	(3,427)
Impairment of contract assets, net	*22*	**116,967**	63,772
Provision for foreseeable losses on contracts, net	*7*	**6,461**	5,063
Gains on disposal of items of property, plant and equipment and right-of-use assets, net	*5*	**(2,239)**	(3,167)
Others		**–**	5,287
		947,275	1,094,356
Increase in inventories		**(24,260)**	(2,745)
Decrease in contract assets		**114,514**	53,933
Decrease/(increase) in trade and bills receivables		**162,898**	(811,973)
(Increase)/decrease in prepayments, other receivables and other assets		**(46,607)**	115,320
Increase in pledged deposits		**(12,722)**	(58,646)
(Decrease)/increase in trade and bills payables		**(330,564)**	303,487
Increase/(decrease) in other payables and accruals		**51,335**	(272,579)
Increase in provision		**16,601**	8,284
Decrease in provisions for supplementary retirement benefits		**(8,846)**	(73)
Cash flows from operations		**869,624**	429,364
Interest received		**34,894**	32,124
Income tax paid		**(220,641)**	(132,887)
Net cash flows from operating activities		**683,877**	328,601

	Note	2024 RMB'000	2023 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(99,409)**	(478,055)
Purchases of intangible assets		**(16,501)**	(14,282)
Purchases of right-of-use assets		**(3,967)**	–
Addition of investments in associates and joint ventures		**(211,666)**	(376,609)
Proceeds from disposal of associates		**139,214**	247,622
Proceeds from disposal of items of property, plant and equipment and intangible assets		**536**	346
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		**–**	4,262
Dividends received from associates and joint ventures		**1,500**	465
Dividends from equity investments designated at fair value through other comprehensive income		**1,308**	–
Net cash flows used in investing activities		**(188,985)**	(616,251)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(242,775)**	(257,977)
Dividend paid to shareholders		**(232,512)**	(259,917)
Dividend paid to non-controlling shareholders		**(6,824)**	(8,398)
Repayment of principal portion of lease liabilities		**(83,730)**	(109,217)
Payment of interest portion of lease liabilities		**(14,543)**	(11,272)
New bank and other borrowings		**1,648,451**	932,133
Repayment of bank and other borrowings		**(1,828,435)**	(929,391)
Acquisition of additional interests of a subsidiary from non-controlling interest		**(3,504)**	–
Net cash flows used in financing activities		**(763,872)**	(644,039)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(268,980)**	(931,689)
Cash and cash equivalents at beginning of year		**3,309,696**	4,240,203
Effect of exchange rate changes on cash and cash equivalents		**3,130**	1,182
CASH AND CASH EQUIVALENTS AT END OF YEAR	*25*	**3,043,846**	3,309,696

1. CORPORATE AND GROUP INFORMATION

Beijing Urban Construction Design & Development Group Co., Limited (the "Company") began its operations in 1958 in the People's Republic of China ("PRC") as a state-owned professional survey and design institute founded specifically for the survey and design of Beijing Subway Line 1. Subsequent to a series of reorganisations, the Company was then converted into a joint stock company with limited liability and renamed as Beijing Urban Construction Design & Development Group Co., Limited (北京城建設計發展集團股份有限公司) on 28 October 2013. The Company's H shares were issued and listed on the Main Board of The Stock Exchange of Hong Kong Limited ("Stock Exchange") in July 2014.

The registered office address of the Company is 5 Fuchengmen North Street, Xicheng District, Beijing, the PRC. The principal place of business of the Company in Hong Kong is 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

During the year, 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 the service concession arrangements under the build-operate-transfer ("BOT") arrangements.

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 and incorporated in Beijing, the PRC.

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Company name*	Place and date of registration and place of business	Registered capital	Percentage of equity interest attributable to the Company Direct	Indirect	Principal activities
Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. ("北京城建勘測設計研究院有限責任公司")	The PRC/Mainland China 3 May 1992	RMB30,000,000	100% (2023: 100%)	– (2023: –)	Surveying, designing and engineering exploration
Beijing Huan'an Engineering Inspection Co., Ltd. ("北京環安工程檢測有限責任公司")	The PRC/Mainland China 18 June 2008	RMB30,000,000	100% (2023: 100%)	– (2023: –)	Engineering consulting, monitoring and testing
China Metro Engineering Consulting Co., Ltd. ("中國地鐵工程諮詢有限責任公司")	The PRC/Mainland China 27 October 2006	RMB13,340,000	56.22% (2023: 56.22%)	– (2023: –)	Rail transit engineering consulting
Beijing Guancheng Technology Development Co., Ltd. ("北京冠城科技發展有限公司")	The PRC/Mainland China 21 November 2011	RMB30,000,000	100% (2023: 100%)	– (2023: –)	Property management
Beijing Urban Construction Xinjie Consulting Co., Ltd. ("北京城建信捷軌道交通工程諮詢有限公司")	The PRC/Mainland China 2 January 2004	RMB5,000,000	60% (2023: 60%)	40% (2023: 40%)	Rail transit engineering consulting
Beijing Urban Construction Design (Hong Kong) Co., Ltd. ("北京城建設計(香港)有限公司")	The PRC/Hong Kong 5 January 2015	HKD3,000,000	100% (2023: 100%)	– (2023: –)	Advisory services
Anhui Jingjian Capital Construction Investment Co., Ltd. ("安徽京建投資建設有限公司")	The PRC/Mainland China 12 May 2015	RMB500,000,000	88% (2023: 88%)	– (2023: –)	Construction project investment, construction and operation maintenance
Beijing Urban Rail Transit Construction Engineering Co., Ltd. ("北京城建軌道交通建設工程有限公司")	The PRC/Mainland China 21 September 2015	RMB300,000,000	100% (2023: 100%)	– (2023: –)	Construction contracting

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name*	Place and date of registration and place of business	Registered capital	Percentage of equity interest attributable to the Company Direct	Indirect	Principal activities
Rail Transit Energy Conservation Beijing Engineering Research Center Co., Ltd. ("軌道交通節能北京市工程研究中心有限公司")	The PRC/Mainland China 20 August 2015	RMB10,000,000	90% (2023: 60%)	– (2023: –)	Engineering services and development, consulting
Guizhou Jingjian Capital Construction Investment Co., Ltd. ("貴州京建投資建設有限公司")	The PRC/Mainland China 22 June 2016	RMB360,000,000	75% (2023: 75%)	– (2023: –)	Construction project investment, construction and operation maintenance
Yunnan Jingjian Capital Construction Investment Co., Ltd. ("雲南京建投資建設有限公司")	The PRC/Mainland China 28 July 2016	RMB386,980,000	90% (2023: 90%)	– (2023: –)	Construction project investment, construction and operation maintenance
Beijing Urban Infrastructure Construction Investment Management Co., Ltd. ("北京城建基礎設施投資管理有限公司")	The PRC/Mainland China 19 May 2016	RMB100,000,000	100% (2023: 100%)	– (2023: –)	Investment management and consultancy services
Beijing Urban Construction Transportation Design and Research Institute Co., Ltd. ("北京城建交通設計研究院有限公司")	The PRC/Mainland China 18 July 2016	RMB30,000,000	100% (2023: 100%)	– (2023: –)	Construction design
Beijing Jingjian Shuncheng Construction Investment Co., Ltd. ("北京京建順城建設投資有限公司")	The PRC/Mainland China 8 August 2017	RMB700,000,000	70% (2023: 70%)	– (2023: –)	Project investment and railway operation management

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name*	Note	Place and date of registration and place of business	Registered capital	Percentage of equity interest attributable to the Company Direct	Indirect	Principal activities
Beijing Anjie Engineering Consultants Co., Ltd. ("北京安捷工程諮詢有限公司")		The PRC/Mainland China 25 January 2007	RMB5,000,000	30% (2023: 30%)	21% (2023: 21%)	Engineering services and development, consultancy services
Huangshan Jingjian Capital Construction Investment Co., Ltd. ("黃山京建投資建設有限公司")		The PRC/Mainland China 8 August 2018	RMB100,000,000	90% (2023: 90%)	– (2023: –)	Construction project investment, construction and operation maintenance
Beijing Urban Construction Design & Development Group Guangzhou Construction Co., Ltd. ("北京城建設計發展集團廣州建設有限公司")		The PRC/Mainland China 22 November 2018	RMB10,000,000	100% (2023: 100%)	– (2023: –)	Construction contracting
Beijing Rail Transit Design and Research Institute Co., Ltd. ("Beijing Rail Transit Design") ("北京市軌道交通設計研究院有限公司")	*(i)*	The PRC/Mainland China 15 November 2012	RMB10,000,000	50% (2023: 50%)	– (2023: –)	Construction design
Hunan Jingjian Capital Construction Investment Co., Ltd. ("湖南京建投資建設有限公司")		The PRC/Mainland China 25 September 2020	RMB149,973,200	70% (2023: 70%)	– (2023: –)	Construction project investment, construction and operation maintenance
Beijing Yaocheng Cultural and Creative Technology Development Co., Ltd. ("北京耀城文創科技發展有限公司")		The PRC/Mainland China 26 September 2021	RMB10,000,000	100% (2023: 100%)	– (2023: –)	Technology development and consulting services
Beijing Institute of Residential Building Design & Research Co., Ltd. ("北京市住宅建築設計研究院有限公司")		The PRC/Mainland China 20 August 1984	RMB40,000,000	100% (2023: 100%)	– (2023: –)	Architectural design

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

* The English names of the companies registered in the PRC represent the best efforts of the management of the Company in directly translating the Chinese names of the companies as no English names have been registered.

Note:

(i) As at 31 December 2024 and 2023, the Group has controlled Beijing Rail Transit Design through an agreement entered into with the other shareholder of Beijing Rail Transit Design, who hold 50% equity interest in Beijing Rail Transit Design, pursuant to which the shareholder confirmed to act in accordance with the Group in decision on relevant activities of Beijing Rail Transit Design.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

2.1 BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on Stock Exchange. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company and its subsidiaries for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group has power over the investee is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following amendments to IFRSs for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and the impact of the amendment to IFRSs that are applicable to the Group are described below:

(a) Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments").

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- Specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- Clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) The Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements* add a disclosure objective to IAS 7 *Statement of Cash Flows* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 *Financial Instruments: Disclosures* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements;
- The carrying amount and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements, and the non-cash changes in the carrying amounts of these financial liabilities;
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and liquidity risk information.

The amendments did not have any impact on the Group's consolidated financial statements and accounting policy disclosures in the Group's consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSS

The Group has not applied the following new and amendments to IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependant Electricity[3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[3]
Amendments to IAS 21	Lack of Exchangeability[2]
IFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSS (CONTINUED)

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

The amendments to IFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in IFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSS (CONTINUED)

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSS (CONTINUED)

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability;
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate – including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations – and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and the consolidated statement of comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Except that the depreciation of certain items of machinery for shield tunnelling construction is calculated on the unit of production method, the depreciation of other property, plant and equipment is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.4% to 3.2%
Machinery	4.8% to 19.4%
Production equipment	6.5% to 32.3%
Motor vehicles	7.9% to 19.4%
Measurement and experimental equipment	9.5% to 19.4%
Office equipment and others	9.5% to 31.7%
Decoration	20.0%
Leasehold improvements	5.0% to 33.3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment and depreciation (continued)

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

	Estimated useful life
Purchased software	3 to 10 years
Operating concession	20 years
Backlog	5 years

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets with the principal annual rates used for this purpose are as follows:

Buildings	4.8% to 96.0%
Motor vehicles	25.0% to 92.3%
Measurement and experimental equipment	25.0% to 80.0%
Leasehold land	5.0% to 5.0%

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

(b) *Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in interest-bearing bank and other borrowings.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Service concession arrangements

The Group has entered into certain service concession arrangements with certain governmental authorities (the "Grantor"). The service concession arrangements are Build-Operate-Transfer (the "BOT") arrangements. Under the BOT arrangements, the Group carries out construction work of the urban infrastructures for the Grantor and receives in return a right to operate the urban infrastructures concerned for a specified period of time (the "Operation Period") in accordance with the pre-established conditions set by the Grantor, the urban infrastructures should be transferred to the Grantor with nil consideration at the end of the Operation Period.

Consideration given by the Grantors

A financial asset is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from or at the direction of the Grantor for the construction service rendered and the Grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the Grantors contractually guarantee to pay the Group specified or determinable amounts even if the payment is contingent on the Group, ensuring that the infrastructure meets specified quality or efficiency requirements. The financial asset is accounted for in accordance with the policy set out for loans and receivables under "Investments and other financial assets" below.

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses and service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for "intangible assets (other than goodwill)" above, which is amortised on a straight-line basis over the service concession period.

Construction or upgrade services

Revenue and costs relating to construction or upgrade services are accounted for in accordance with the policy set out for "Construction contracts" below.

Operating services

Revenue relating to operating services is accounted for in accordance with the policy for "Revenue recognition" below. Costs for operating services are expensed in the period in which they are incurred.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of financial assets (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables and other payables, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and bills payables, other payables and bank and other borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and costs necessary to make the sale.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash bank balances comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (continued)

Construction services, design, survey and consultancy services

Revenue from the provision of construction and design, survey and consultancy services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

Claims to customers are amounts that the Group seeks to collect from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. Claims are accounted for as variable consideration and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group uses the expected value method to estimate the amounts of claims because this method best predicts the amount of variable consideration to which the Group will be entitled.

Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of The Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transaction with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share-based payments (continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

The financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currencies (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of a certain overseas subsidiary is a currency other than RMB. As at the end of the reporting period, the assets and liabilities of the entity are translated into RMB at the exchange rate prevailing at the end of the reporting period and the income and expenses items are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Employee benefits

Retirement benefits

(a) *Social pension plans*

The Group has the social pension plans for its employees arranged by local government labour and security authorities. The Group makes contributions on a monthly basis to the social pension plans. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social pension plans. Under the plans, the Group has no further obligation beyond the contributions made.

(b) *Annuity plan*

The Group provides an annuity plan to the voluntary or eligible employees. Contributions are made based on a percentage of the voluntary or eligible employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the plan. Under the plan, the Group has no further obligations beyond the contributions made.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits (continued)

Retirement benefits (continued)

(c) Supplementary retirement benefits

The Group also provides the following supplementary retirement benefits: (1) the retirement pension subsidies, medical benefits and other supplementary benefits to retirees who retired before 31 December 2012; (2) the supplementary allowances to the beneficiaries and dependents of retirees who retired before 31 December 2012; and (3) the heating allowances to its employees upon their retirements. These supplementary retirement benefits are considered to be defined benefit plans as the Group is obligated to the above retirees and employees. The obligations recognised in the consolidated statement of financial position in respect of these defined benefit plans are the present value of the defined benefit obligations at the end of each reporting period. The defined benefit obligation is calculated by independent qualified actuaries using the projected unit credit method annually, or when any material changes in the plans and key assumptions will occur. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government securities which have maturity approximating to the terms of the related pension liability. Re-measurements arising from experience adjustments and changes in actuarial assumptions are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and

- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under "administrative expenses" in the consolidated statement of profit or loss by analysis by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements

- net interest expense or income

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Employee benefits (continued)

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group has no further obligations beyond the contributions made.

Apart from those described above, the Group does not have any legal or constructive obligations over employee benefits.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Accounting for service concession arrangements

The Group engages in certain service concession arrangements in which the Group carries out construction work of the urban infrastructures for the grantor and receives in return a right to operate the urban infrastructures concerned in accordance with the pre-established conditions set by the grantor. In accordance with IFRIC 12 Service Concession Arrangements, the urban infrastructures under the service concession arrangement are classified as financial assets or intangible assets. The Group recognises a financial asset if it has an unconditional contractual right under the service concession arrangement to receive a determinable amount of payments during the concession period irrespective of the usage of the urban infrastructures. Whenever only part of the investment by the Group under these service concession arrangements is covered by a payment commitment from the grantors, it is recognised as a financial asset up to the amount guaranteed by the grantors, and as an intangible asset for the balance.

Subsequent to initial recognition, the financial asset is measured at amortised cost using the effective interest method.

Judgement is also exercised in determining the fair value of the financial asset. Discount rates, estimates of future cash flows and other factors are used in the valuation process.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (continued)

Revenue from contracts with customers

The Group seeks to collect claims from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract, which give rise to variable consideration. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for claims in construction services, given there is a wide range of possible outcomes which are subject to negotiations with third parties.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, current negotiations with customers, profitability of the head contracts of the customers and the current economic conditions.

Joint control over Yunnan Jingjian Rail Transit Investment and Construction Co., Ltd. ("Yunnan Jingjian Rail Transit")

As set out in note 16, the Group held 78.28% (2023: 78.28%) of equity interests in Yunnan Jingjian Rail Transit as at 31 December 2024. Pursuant to the article of associate of Yunnan Jingjian Rail Transit, it required amomums consensus from all the shareholders of Yunnan Jingjian Rail Transit to pass the shareholders' resolution. As a result, the Group has joint control over Yunnan Jingjian Rail Transit and Yunnan Jingjian Rail Transit is classified as a joint venture of the Group.

Significant influence over Shaoxing Jingyue Metro Co., Ltd.

As set out in note 17, the Group held 7.65% (2023: 7.65%) of equity interests in Shaoxing Jingyue as at 31 December 2024. In accordance with the articles of association of Shaoxing Jingyue, the board of directors of Shaoxing Jingyue shall have 7 directors, with 3 directors recommended by the shareholders of the Private Consortium, 3 directors by the investment representative of government and 1 employee director. As to the 3 directors recommended by the shareholders of the Private Consortium, each of Beijing Investment Company, Municipal Road and Bridge and Urban Infrastructure Construction Investment Company shall nominee one. Urban Infrastructure Construction Investment Company had appointed 1 director upon the establishment of Shaoxing Jingyue. The cooperation agreement entered into by the Private Consortium stipulates that the parties thereof shall act in concert in terms of any event that needs to be resolved at the general meeting or the meeting of the board of the project company. The parties thereof shall make discussion relating to the Event Acting in Concert in advance and reach an unanimous decision at their best effort. In case of failing to reach an agreement by such parties, the decision of Beijing Investment Company shall be deemed as the final and be complied by all such parties. As the director appointed by Urban Infrastructure Construction Investment Company has the power to participate in the discussion of operating decisions, making it have a significant influence on the investee, such equity investment is classified as an associate of the Group.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group periodically reviews the changes in market conditions, expected physical wear and tear, and the maintenance of the asset. The estimation of the useful life of the asset is based on the historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed at the end of the reporting period based on changes in circumstances. As at 31 December 2024, the carrying amount of property, plant and equipment is RMB1,467,815,000 (2023: RMB1,436,905,000).

Depreciation of certain items of machinery for shield tunnelling construction on the unit of production method

Cost of shield machinery is depreciated using the unit of production ("UOP") method. The calculation of the UOP rates of depreciation can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating the useful shield tunnelling production, notably changes in the assumptions used in determining the economic feasibility of the useful shield tunnelling production. The estimation of the useful shield tunnelling production of the asset is based on recent production, technical information and authoritative guidelines regarding the engineering criteria. Assessment of the UOP rates against the estimated useful shield tunnelling production is performed regularly. As at 31 December 2024, the carrying amount of machinery for shield tunnelling construction is RMB88,980,000 (2023: RMB143,923,000).

Percentage of completion and estimation of total budgeted costs and costs to completion for construction contracting and contracts for services

The Group recognises revenue according to the percentage of completion of individual contracts of construction contracting and contracts for services, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs. Due to the nature of the activity undertaken in construction contracting and contracts for services, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the percentage of completion of construction and service works. Where the actual contract revenue is less than expected or actual contract costs are more than expected, a foreseeable loss may arise.

Total budgeted costs for construction contracting and contracts for services comprise (i) direct material costs and direct labour, (ii) costs of subcontracting, and (iii) an appropriation of variable and fixed construction and services overheads. In estimating the total budgeted costs for construction contracting and contracts for services, management refers to information such as (i) current offers from sub-contractors and suppliers, (ii) recent offers agreed with sub-contractors and suppliers, and (iii) professional estimation on material costs, labour costs and other costs.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Current income tax and deferred income tax

The Group is subject to income taxes in numerous jurisdictions in the PRC. Estimation is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current income tax and deferred income tax in the periods in which the differences arise.

Deferred tax assets

Deferred tax assets relating to certain deductible temporary differences are recognised as management considers it is probable that future taxable profits will be available against which the unused temporary differences or unused tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future taxable profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less than expected, a material reversal of deferred tax assets may arise, which will be recognised in profit or loss in the period in which such a reversal takes place.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's contract assets and trade receivables is disclosed in note 22 and note 23 to the consolidated financial statements, respectively.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was RMB5,741,000 (2023: RMB5,741,000). Further details are given in note 13.

Determination of fair value of financial instruments

The fair value of financial instruments in which there is no active market is recognised by valuation methods. The Group chooses various methods based on its judgements, and makes assumptions on unobservable inputs mainly based on the current market conditions at each reporting date.

Pension benefits

The present value of the defined benefit pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. The key assumptions for pension obligations and sensitivity analysis of the discount rate are disclosed in note 29.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. 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 the service concession arrangements under the BOT arrangements.

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 finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets, unallocated cash and bank balances, unallocated pledged deposits as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and dividends payable 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.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024

	Design, survey and consultancy RMB'000	Construction contracting RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue (note 5)				
Sales to external customers	4,382,894	4,274,938	–	8,657,832
Intersegment sales	–	328,134	(328,134)	–
Total revenue	4,382,894	4,603,072	(328,134)	8,657,832
Segment results	479,868	55,706	(10,531)	525,043
Interest income	89,673	300,975	–	390,648
Finance costs	(61,952)	(220,064)	–	(282,016)
Profit of segments for the year	507,589	136,617	(10,531)	633,675
Income tax expense				(100,208)
Profit for the year				533,467
Segment assets	13,126,025	12,264,353	(1,241,430)	24,148,948
Corporate and other unallocated assets				392,979
Total assets				24,541,927
Segment liabilities	9,170,469	8,705,318	(1,274,668)	16,601,119
Corporate and other unallocated liabilities				7,401
Total liabilities				16,608,520
Other segment information				
Share of profits and losses of:				
Joint ventures	5,589	–	–	5,589
Associates	37,992	–	–	37,992
Depreciation	185,542	65,814	–	251,356
Amortisation	11,461	29,312	–	40,773
Provision for				
– foreseeable losses on contracts	6,461	–	–	6,461
– impairment of trade and bills receivables, contract assets and other receivables, net	88,759	86,264	–	175,023
Investments in joint ventures	2,121,178	–	–	2,121,178
Investments in associates	1,328,226	–	–	1,328,226
Capital expenditure*	375,483	13,557	–	389,040

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2023

	Design, survey and consultancy RMB'000	Construction contracting RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue (note 5)				
Sales to external customers	4,866,559	5,495,140	–	10,361,699
Intersegment sales	3,548	–	(3,548)	–
Total revenue	4,870,107	5,495,140	(3,548)	10,361,699
Segment results	830,773	74,167	(2,388)	902,552
Interest income	40,182	365,867	–	406,049
Finance costs	(48,312)	(242,487)	–	(290,799)
Profit of segments for the year	822,643	197,547	(2,388)	1,017,802
Income tax expense				(107,454)
Profit for the year				910,348
Segment assets	10,900,338	15,024,074	(1,418,717)	24,505,695
Corporate and other unallocated assets				343,844
Total assets				24,849,539
Segment liabilities	8,891,738	9,726,924	(1,404,692)	17,213,970
Corporate and other unallocated liabilities				6,954
Total liabilities				17,220,924
Other segment information				
Share of profits and losses of:				
Joint ventures	13,494	–	–	13,494
Associates	51,810	–	–	51,810
Depreciation	176,333	25,466	–	201,799
Amortisation	11,061	29,565	–	40,626
Provision for				
– foreseeable losses on contracts	5,013	50	–	5,063
– impairment of trade and bills receivables, contract assets and other receivables, net	186,328	99,885	–	286,213
Investments in joint ventures	2,201,981	–	–	2,201,981
Investments in associates	1,077,672	–	–	1,077,672
Capital expenditure*	643,381	58,162	–	701,543

* Capital expenditure consists of additions to property, plant and equipment, intangible assets and right-of-use assets.

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	2024 RMB'000	2023 RMB'000
China	**8,586,787**	10,342,325
Other countries	**71,045**	19,374
	8,657,832	10,361,699

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

(b) Non-current assets

	2024 RMB'000	2023 RMB'000
China	**10,676,354**	10,947,829

The non-current exclude financial assets and deferred tax assets.

Information about major customers

During the year ended 31 December 2024, there were one (2023: one) customers of the Group from which the revenue accounted for over 10% of the Group's total revenue.

Year ended 31 December 2024

	Design, survey and consultancy RMB'000	Construction contracting RMB'000	Total RMB'000
Customer A	**813**	**965,050**	**965,863**

Year ended 31 December 2023

	Design, survey and consultancy RMB'000	Construction contracting RMB'000	Total RMB'000
Customer A	42,513	1,307,898	1,350,411

5. REVENUE, OTHER INCOME, GAINS AND LOSSES

An analysis of the Group's revenue from continuing operations is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers	8,621,594	10,350,313
Revenue from other sources		
Gross rental income from property and equipment under operating leases:		
Variable lease payments that do not depend on an index or a rate	1,085	8,139
Other lease payments, including fixed payments	35,153	3,247
	36,238	11,386
	8,657,832	10,361,699

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024 RMB'000	2023 RMB'000
Types of goods or services		
Design, survey and consultancy	4,381,809	4,855,173
Construction contracting and others	4,239,785	5,495,140
	8,621,594	10,350,313
Timing of revenue recognition		
Services transferred over time	8,491,996	10,110,019
Services transferred at a point in time	129,598	240,294
	8,621,594	10,350,313
Geographical markets		
China	8,550,549	10,330,939
Other countries	71,045	19,374
	8,621,594	10,350,313

5. REVENUE, OTHER INCOME, GAINS AND LOSSES (CONTINUED)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

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

For the year ended 31 December 2024

Segments	Design, survey and consultancy RMB'000	Construction contracting RMB'000	Total RMB'000
Revenue from contracts with customers			
External customers	4,381,809	4,239,785	8,621,594
Intersegment sales	–	328,134	328,134
	4,381,809	4,567,919	8,949,728
Intersegment adjustments and eliminations	–	(328,134)	(328,134)
Total revenue from contracts with customers	4,381,809	4,239,785	8,621,594

For the year ended 31 December 2023

Segments	Design, survey and consultancy RMB'000	Construction contracting RMB'000	Total RMB'000
Revenue from contracts with customers			
External customers	4,855,173	5,495,140	10,350,313
Intersegment sales	3,548	–	3,548
	4,858,721	5,495,140	10,353,861
Intersegment adjustments and eliminations	(3,548)	–	(3,548)
Total revenue from contracts with customers	4,855,173	5,495,140	10,350,313

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Design, survey and consultancy services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon the progress of services and customer acceptance, except for new customers, where payment in advance is normally required.

Construction services

The performance obligations are satisfied over time in accordance with the progress of construction. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

Others – Sales of components of rail

The performance obligations are satisfied at a point in time when the goods are delivered and accepted by the customers.

	Note	2024 RMB'000	2023 RMB'000
Other income			
Interest income		**390,648**	406,049
Dividend income from equity investments designated at fair value through other comprehensive income		**5,521**	–
Government grants *(note)*		**5,064**	4,524
Additional tax deduction for input VAT		**–**	3,791
Others		**4,056**	2,505
		405,289	416,869
Other gains and losses, net			
Gain on disposal of an associate	*19(ii)*	**–**	277,851
Fair value losses of financial assets at fair value through profit or loss		**(3,210)**	(406)
Foreign exchange gains		**3,250**	1,268
Gain on disposal of items of property, plant and equipment and right-of-use assets, net		**2,239**	3,167
Others		**9,610**	5,674
		11,889	287,554

Note: There are no unfulfilled conditions relating to such government grants recognised.

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

The following table sets out the amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 31 December 2024 and when the Group expected to recognise the amount as revenue.

	2024 RMB'000	2023 RMB'000
The expected time of the amount recognised as revenue		
Within a year	**6,862,560**	7,334,584
Over a year	**18,083,991**	19,327,854
	24,946,551	26,662,438

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Note	2024 RMB'000	2023 RMB'000
Interest on bank and other borrowings		**267,473**	279,527
Interest on lease liabilities	*14(b),14(c)*	**14,543**	11,272
		282,016	290,799

7. PROFIT BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of design, survey and consultancy services		**3,131,763**	3,450,377
Cost of construction contracting services and others		**3,966,723**	5,024,861
Total cost of sales		**7,098,486**	8,475,238
Depreciation of property, plant and equipment	*(a)*	**145,501**	89,547
Depreciation of right-of-use assets	*(a)*	**105,855**	112,252
Amortisation of intangible assets	*(a)*	**40,773**	40,626
Total depreciation and amortisation		**292,129**	242,425
Research and development costs (included in administrative expense)		**325,156**	400,661
Impairment of trade and bills receivables, net		**51,567**	225,868
Impairment of contract assets, net		**116,967**	63,772
Impairment/(reversal of impairment) of other receivables, net		**6,489**	(3,427)
		175,023	286,213
Provision for foreseeable losses on contracts, net	*30*	**6,461**	5,063
Provision for warranty			
Additional provision	*30*	**21,216**	23,216
Lease payments not included in the measurement of lease liabilities	*(b)*	**346,050**	423,644
Auditor's remuneration			
– Audit services		**1,900**	1,900
– Non-audit services		**1,789**	5,480
		3,689	7,380
Employee benefit expenses (excluding directors' and supervisors' remuneration *(note 8)*):	*(c)*		
Wages, salaries and allowances		**1,248,373**	1,552,311
Retirement benefit costs			
– Defined contribution retirement schemes		**241,301**	216,588
– Defined benefit retirement schemes	*29(c)*	**(2,350)**	4,210
Total retirement benefit costs		**238,951**	220,798
Welfare and other expenses		**387,072**	349,329
Total employee benefit expenses		**1,874,396**	2,122,438

7. PROFIT BEFORE TAX (CONTINUED)

Notes:

(a) Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets of approximately RMB180,068,000 (2023: RMB129,683,000) was included in cost of sales in the consolidated statement of profit or loss for the year ended 31 December 2024.

(b) Short terms and variable lease payments not included in the measurement of lease liabilities of approximately RMB331,733,000 (2023: RMB404,970,000) were included in cost of sales in the consolidated statement of profit or loss for the year ended 31 December 2024.

(c) Employee benefit expenses of approximately RMB1,340,952,000 (2023: RMB1,566,826,000) were included in cost of sales in the consolidated statement of profit or loss for the year ended 31 December 2024.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' and supervisors' remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 RMB'000	2023 RMB'000
Fees	552	536
Other emoluments:		
– Salaries, allowances and benefits in kind	1,446	1,196
– Performance-related bonuses	2,916	2,815
– Pension schemes	616	481
	5,530	5,028

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' and supervisors' remuneration (continued)

Year ended 31 December 2024

		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-related bonuses RMB'000	Pension schemes RMB'000	Total remuneration RMB'000
Executive directors						
Mr. Xia Xiujiang (夏秀江) (Chief executive)	*(i)*	–	297	565	110	972
Mr. Wang Hanjun (王漢軍)	*(ii)*	–	267	829	91	1,187
		–	564	1,394	201	2,159
Non-executive directors						
Mr. Pei Hongwei (裴宏偉)		–	–	–	–	–
Mr. Wang Tao (汪濤)		–	–	–	–	–
Ms. Shi Huaxin (史樺鑫)		–	–	–	–	–
Mr. Peng Dongdong (彭冬東)		–	–	–	–	–
Ms. Tang Qimeng (唐其夢)		–	–	–	–	–
Mr. Li Guoqing (李國慶)	*(iii)*	–	321	853	110	1,284
Mr. Li Fei (李飛)		–	–	–	–	–
		–	321	853	110	1,284

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' and supervisors' remuneration (continued)

Year ended 31 December 2024 (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-related bonuses RMB'000	Pension schemes RMB'000	Total remuneration RMB'000
Independent non-executive directors					
Mr. Wang Guofeng (王國鋒)	138	–	–	–	138
Mr. Ma Xufei (馬旭飛)	138	–	–	–	138
Mr. Qin Guisheng (覃桂生)	138	–	–	–	138
Mr. Xia Peng (夏鵬)	138	–	–	–	138
	552	–	–	–	552
Supervisors					
Ms. Nie Kun (聶菎)	–	–	–	–	–
Ms. Yang Huiju (楊卉菊)	–	86	392	110	588
Mr. Liu Hao (劉皓)	–	196	99	85	380
Mr. Ban Jianbo (班健波)	–	279	178	110	567
Mr. Hu Shengjie (胡聖傑)	–	–	–	–	–
Mr. Fang Binjia (方斌佳)	–	–	–	–	–
Mr. Li Yan (李儼)	–	–	–	–	–
	–	561	669	305	1,535
	552	1,446	2,916	616	5,530

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' and supervisors' remuneration (continued)

Year ended 31 December 2023

		Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-related bonuses RMB'000	Pension schemes RMB'000	Total remuneration RMB'000
Executive directors						
Mr. Wang Hanjun (王漢軍) (Chief executive)		–	320	914	105	1,339
Mr. Li Guoqing (李國慶)	*(iii)*	–	320	914	105	1,339
		–	640	1,828	210	2,678
Non-executive directors						
Mr. Pei Hongwei (裴宏偉)		–	–	–	–	–
Mr. Wang Tao (汪濤)		–	–	–	–	–
Ms. Shi Huaxin (史樺鑫)		–	–	–	–	–
Mr. Peng Dongdong (彭冬東)		–	–	–	–	–
Ms. Tang Qimeng (唐其夢)		–	–	–	–	–
Mr. Li Fei (李飛)		–	–	–	–	–
		–	–	–	–	–

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(a) Directors' and supervisors' remuneration (continued)

Year ended 31 December 2023 (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance-related bonuses RMB'000	Pension schemes RMB'000	Total remuneration RMB'000
Independent non-executive directors					
Mr. Wang Guofeng (王國鋒)	134	–	–	–	134
Mr. Ma Xufei (馬旭飛)	134	–	–	–	134
Mr. Qin Guisheng (覃桂生)	134	–	–	–	134
Mr. Xia Peng (夏鵬)	134	–	–	–	134
	536	–	–	–	536
Supervisors					
Ms. Nie Kun (聶菎)	–	–	–	–	–
Ms. Yang Huiju (楊卉菊)	–	201	254	93	548
Mr. Liu Hao (劉皓)	–	182	564	105	851
Mr. Ban Jianbo (班健波)	–	173	169	73	415
Mr. Hu Shengjie (胡聖傑)	–	–	–	–	–
Mr. Fang Binjia (方斌佳)	–	–	–	–	–
Mr. Li Yan (李儼)	–	–	–	–	–
	–	556	987	271	1,814
	536	1,196	2,815	481	5,028

Notes:

(i) Mr. Xia Xiujiang was appointed as a deputy general manager of the Company with effect from 25 October 2024.

(ii) Mr. Wang Hanjun ceased to act as the deputy general manager of the Company due to work adjustment with effect from 22 October 2024.

(iii) Mr. Li Guoqing ceased to act as the deputy general manager of the Company due to work adjustment with effect from 19 December 2023. He resigned as executive director and was appointed as a non-executive director due to work adjustment with effect from 8 March 2024.

The executive directors' and the non-executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

(b) Five highest paid employees

An analysis of the headcount of the five highest paid employees within the Group for the years ended 31 December 2024 and 2023 is as follows:

	2024 RMB'000	2023 RMB'000
Non-director and non-supervisor employees	5	5

Details of the remuneration of the above non-director and non-supervisor highest paid employees are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	1,361	1,303
Performance-related bonuses	7,839	8,994
Pension schemes	534	524
	9,734	10,821

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands is as follows:

	2024 RMB'000	2023 RMB'000
HK$2,000,001 to HK$2,500,000 (Equivalent to RMB1,786,541 to RMB2,233,175)	5	4
HK$2,500,001 to HK$3,000,000 (Equivalent to RMB2,233,176 to RMB2,679,810)	–	1

During the years ended 31 December 2024 and 2023, no directors, supervisors, and none of the non-director and non-supervisor highest paid individuals waived or agreed to waive any emoluments, and no emoluments were paid by the Group to the directors and supervisors or any of the non-director and non-supervisor, highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 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 years ended 31 December 2024 and 2023 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 years ended 31 December 2024 and 2023.

	Note	**2024** **RMB'000**	2023 RMB'000
Current income tax – Mainland China			
Provision for the year		**131,910**	175,010
Under provision in respect of prior years		**6,452**	8,213
		138,362	183,223
Deferred income tax	*20*	**(38,154)**	(75,769)
Total income tax expense for the year		**100,208**	107,454

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 years ended 31 December 2024 and 2023 is as follows:

	2024 **RMB'000**	2023 RMB'000
Profit before tax	**633,675**	1,017,802
Income tax at the statutory income tax rate	**158,419**	254,451
Effect of different income tax rate for some entities	**(26,564)**	(94,295)
Tax effect of share of profits and losses of joint ventures and associates	**(10,895)**	(16,326)
Additional tax deduction for research and development expenditure	**(36,552)**	(33,385)
Expenses not deductible for tax purposes	**6,510**	4,706
Under provision in respect of prior years	**6,452**	8,213
Tax losses utilised from previous periods	**(3,266)**	(31,219)
Effect of tax losses not recognised	**6,104**	15,309
Income tax expense for the year at the effective rate	**100,208**	107,454

10. DIVIDENDS

The dividends during the years ended 31 December 2024 and 2023 are set out below:

	Notes	2024 RMB'000	2023 RMB'000
Declared:			
Final dividend – RMB0.1724 (2023: RMB0.1898) per ordinary share	*(i)*	**232,512**	255,978
Proposed:			
Final dividend – RMB0.1077 (2023: RMB0.1724) per ordinary share	*(ii)*	**145,252**	232,512

Notes:

(i) At the annual general meeting held on 23 May 2024, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2023 of RMB0.1724 per share which amounted to RMB232,512,000 in total.

At the annual general meeting held on 25 May 2023, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2022 of RMB0.1898 per share which amounted to RMB255,978,000 in total.

(ii) On 28 March 2024, the board of directors proposed the payment of a final dividend of RMB0.1724 per ordinary share in respect of the year ended 31 December 2023, based on the issued share capital of the Company of 1,348,670,000 shares.

On 26 March 2025, the board of directors proposed the payment of a final dividend of RMB0.1077 per ordinary share in respect of the year ended 31 December 2024, based on the issued share capital of the Company of 1,348,670,000 shares. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming general meeting.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the Company and the weighted average numbers of ordinary shares in issue during the year.

	2024 RMB'000	2023 RMB'000
Earnings:		
Profit attributable to owners of the Company	**516,907**	872,852

	2024 '000	2023 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	**1,348,670**	1,348,670

The Group had no potential dilutive ordinary shares in issue during the years ended 31 December 2024 and 2023 and, therefore, the diluted earnings per share are the same as basic earnings per share.

12. PROPERTY, PLANT AND EQUIPMENT

31 December 2024

	Buildings RMB'000	Machinery RMB'000	Production equipment RMB'000	Motor vehicles RMB'000	Measurement and experimental equipment RMB'000	Office equipment and others RMB'000	Decoration RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2024										
Cost	796,428	630,233	43,394	48,844	180,507	235,421	14,675	327,137	19,069	2,295,708
Accumulated depreciation	(67,805)	(359,268)	(21,154)	(34,415)	(95,871)	(113,467)	(5,879)	(160,944)	–	(858,803)
Net carrying amount	728,623	270,965	22,240	14,429	84,636	121,954	8,796	166,193	19,069	1,436,905
At 1 January 2024, net of accumulated depreciation	728,623	270,965	22,240	14,429	84,636	121,954	8,796	166,193	19,069	1,436,905
Additions *(note i)*	132,994	–	1,687	666	13,609	7,959	–	15,930	4,557	177,402
Transfer from construction in progress	–	–	–	–	1,836	–	–	19,153	(20,989)	–
Transfer to construction in progress	–	(26,751)	–	–	–	–	–	–	26,751	–
Disposals	–	(30)	(297)	(307)	–	(357)	–	–	–	(991)
Depreciation provided during the year	(20,997)	(40,170)	(2,633)	(2,948)	(16,565)	(32,181)	(2,935)	(27,072)	–	(145,501)
At 31 December 2024, net of accumulated depreciation	840,620	204,014	20,997	11,840	83,516	97,375	5,861	174,204	29,388	1,467,815
At 31 December 2024:										
Cost	929,422	588,942	43,207	45,511	195,952	238,417	14,675	362,220	29,388	2,447,734
Accumulated depreciation	(88,802)	(384,928)	(22,210)	(33,671)	(112,436)	(141,042)	(8,814)	(188,016)	–	(979,919)
Net carrying amount	840,620	204,014	20,997	11,840	83,516	97,375	5,861	174,204	29,388	1,467,815

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

31 December 2023

	Buildings RMB'000	Machinery RMB'000	Production equipment RMB'000	Motor vehicles RMB'000	Measurement and experimental equipment RMB'000	Office equipment and others RMB'000	Decoration RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
At 1 January 2023										
Cost	489,838	629,750	40,844	51,352	164,772	172,315	14,675	204,853	–	1,768,399
Accumulated depreciation	(55,152)	(353,787)	(18,417)	(36,399)	(81,105)	(95,502)	(2,935)	(143,436)	–	(786,733)
Net carrying amount	434,686	275,963	22,427	14,953	83,667	76,813	11,740	61,417	–	981,666
At 1 January 2023, net of accumulated depreciation	434,686	275,963	22,427	14,953	83,667	76,813	11,740	61,417	–	981,666
Additions *(note i)*	306,975	482	2,550	3,259	17,743	75,438	–	122,284	19,069	547,800
Disposals	(385)	–	–	(231)	(1,706)	(692)	–	–	–	(3,014)
Depreciation provided during the year	(12,653)	(5,480)	(2,737)	(3,552)	(15,068)	(29,605)	(2,944)	(17,508)	–	(89,547)
At 31 December 2023, net of accumulated depreciation	728,623	270,965	22,240	14,429	84,636	121,954	8,796	166,193	19,069	1,436,905
At 31 December 2023:										
Cost	796,428	630,233	43,394	48,844	180,507	235,421	14,675	327,137	19,069	2,295,708
Accumulated depreciation	(67,805)	(359,268)	(21,154)	(34,415)	(95,871)	(113,467)	(5,879)	(160,944)	–	(858,803)
Net carrying amount	728,623	270,965	22,240	14,429	84,636	121,954	8,796	166,193	19,069	1,436,905

Note i: During the year ended 31 December 2024 and 2023, the amount of addition in buildings included the land portion as the lease payments cannot be allocated reliably between the land and building elements, and the entire properties are classified as property, plant and equipment.

The Group was in the process of applying for the title certificates of certain of its buildings with an aggregate net carrying amount of approximately RMB1,629,000 as at 31 December 2024 (2023: RMB305,286,000). The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Directors are also of the opinion that the aforesaid matter will not have any significant impact on the Group's financial position as at 31 December 2024.

13. GOODWILL

	2024 RMB'000	2023 RMB'000
Cost and net carrying amount at beginning and at end of year	**5,741**	5,741

Impairment testing of goodwill

The goodwill arose from the business combination of Beijing Rail Transit Design and Research Institute Co., Ltd. ("Rail Transit Institute"). The recoverable amount of Rail Transit Institute has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 11% (2023: 12%). The growth rate used to extrapolate the cash flow of Rail Transit Institute beyond the five-year period is 2% (2023: 2%).

A reasonably possible change in a key assumption would not cause the recoverable amount to fall below the carrying amount of the goodwill.

Assumptions were used in the value in use calculation of relevant units for 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development and the discount rates are consistent with external information sources.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, motor vehicles and other equipment in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods from 2 years to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 13 months and 13 years, while motor vehicles generally have lease terms between 13 months and 3 years. Other equipment generally has lease terms of 12 months or less and/or is individually of low value. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Buildings RMB'000	Motor vehicles RMB'000	Measurement and experimental equipment RMB'000	Total RMB'000
As at 1 January 2024	**208,660**	**299,668**	**2,980**	**–**	**511,308**
Additions	**136,799**	**61,464**	**1,008**	**427**	**199,698**
Early termination of leases	**–**	**(12,855)**	**–**	**(38)**	**(12,893)**
Depreciation charge	**(12,658)**	**(91,595)**	**(1,213)**	**(389)**	**(105,855)**
As at 31 December 2024	**332,801**	**256,682**	**2,775**	**–**	**592,258**

	Leasehold land RMB'000	Buildings RMB'000	Motor vehicles RMB'000	Measurement and experimental equipment RMB'000	Total RMB'000
As at 1 January 2023	215,851	314,595	2,645	157	533,248
Additions	3,230	128,950	1,557	–	133,737
Early termination of leases	–	(43,403)	–	(22)	(43,425)
Depreciation charge	(10,421)	(100,474)	(1,222)	(135)	(112,252)
As at 31 December 2023	208,660	299,668	2,980	–	511,308

14. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	Note	**2024** **RMB'000**	2023 RMB'000
Carrying amount at 1 January		**303,444**	317,545
New leases		**63,501**	133,254
Early termination of leases		**(15,587)**	(38,138)
Accretion of interest recognised	*6*	**14,543**	11,272
Payments		**(98,273)**	(120,489)
Carrying amount at 31 December		**267,628**	303,444
Portion classified as current liabilities		**(81,838)**	(89,392)
Non-current portion		**185,790**	214,052

The maturity analysis of lease liabilities is disclosed in note 28 to the consolidated financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 **RMB'000**	2023 RMB'000
Interest on lease liabilities (note 6)	**14,543**	11,272
Depreciation of right-of-use assets	**105,855**	112,252
Expense relating to short-term leases and other leases	**45,442**	43,702
Variable lease payments not included in the measurement of lease liabilities (included in cost of sales)	**300,608**	379,942
Total amount recognised in profit or loss	**466,448**	547,168

14. LEASES (CONTINUED)

The Group as a lessor

The Group leases its equipment under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB36,238,000 (2023: RMB11,386,000), details of which are included in note 5 to the financial statements.

At 31 December 2024 and 2023, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	4,716	4,716

15. INTANGIBLE ASSETS

31 December 2024

	Note	Purchased software RMB'000	Operating concession RMB'000	Backlog RMB'000	Total RMB'000
At 1 January 2024					
Cost		64,420	583,122	21,000	668,542
Accumulated amortisation for the year		(48,077)	(61,456)	(16,800)	(126,333)
Net carrying amount		16,343	521,666	4,200	542,209
Cost at beginning of the year, net of accumulated amortisation		16,343	521,666	4,200	542,209
Additions		2,633	7,823	1,484	11,940
Amortisation provided during the year	*7*	(7,527)	(29,046)	(4,200)	(40,773)
At 31 December 2024		11,449	500,443	1,484	513,376
At 31 December 2024					
Cost		67,053	590,945	22,484	680,482
Accumulated amortisation for the year		(55,604)	(90,502)	(21,000)	(167,106)
Net carrying amount		11,449	500,443	1,484	513,376

15. INTANGIBLE ASSETS (CONTINUED)

31 December 2023

	Note	Purchased software RMB'000	Operating concession RMB'000	Backlog RMB'000	Total RMB'000
At 1 January 2023					
Cost		54,902	573,571	21,000	649,473
Accumulated amortisation for the year		(40,914)	(33,130)	(12,600)	(86,644)
Net carrying amount		13,988	540,441	8,400	562,829
Cost at beginning of the year, net of accumulated amortisation		13,988	540,441	8,400	562,829
Additions		10,454	9,552	–	20,006
Amortisation provided during the year	*7*	(8,099)	(28,327)	(4,200)	(40,626)
At 31 December 2023		16,343	521,666	4,200	542,209
At 31 December 2023					
Cost		64,420	583,122	21,000	668,542
Accumulated amortisation for the year		(48,077)	(61,456)	(16,800)	(126,333)
Net carrying amount		16,343	521,666	4,200	542,209

As at 31 December 2024, the Group's intangible assets of RMB500,443,000 (2023: RMB521,666,000) were pledged to secure certain of the Group' s bank loans amounting to RMB4,757,366,000 (2023: RMB4,930,517,000) (note 28).

16. INVESTMENTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Share of net assets under equity method	2,121,178	2,201,981

The Group's receivable and payable balances with the joint ventures are disclosed in notes 22, 23, 26 and 27 to the financial statements, respectively.

The investments in joint ventures are all directly held by the Company.

Particulars of the material joint venture are as follows:

Name of entity	Place of business/country of incorporation	Percentage of ownership interest as at 31 December	
		2024	2023
Yunnan Jingjian Rail Transit (“雲南京建軌道交通投資建設有限公司”)	PRC	78.28%	78.28%

16. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of Yunnan Jingjian Rail Transit reconciled to the carrying amount in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Cash and cash equivalents	1,669	3,721
Other current assets	4,279,944	4,072,685
Current assets	4,281,613	4,076,406
Non-current assets	5,694,874	4,966,067
Total assets	9,976,487	9,042,473
Current financial liabilities, excluding trade and other payables	391,186	270,085
Other current liabilities	2,377,105	1,801,819
Current liabilities	2,768,291	2,071,904
Non-current liabilities	4,675,932	4,347,889
Total liabilities	7,444,223	6,419,793
Net assets	2,532,264	2,622,680
Revenue	720,696	920,012
Interest income	323,170	313,695
Depreciation and amortization	1,099	1,460
Tax	55,817	44,024
Profit for the year	3,732	14,170
Total comprehensive income	3,732	14,170
Dividend	94,148	–
Proportion of the Group's ownership	78.28%	78.28%
Carrying amount of the proportion	1,982,256	2,053,034
Adjustment for capital reserves of the entity only attributable to the Group	79,457	91,175
Carrying amount of the investment	2,061,713	2,144,209

16. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The aggregate financial information of the Group's joint ventures that are not individually material is set out below:

	2024 RMB'000	2023 RMB'000
Share of the joint ventures' profit/(loss) for the year	**2,184**	(2,402)
Share of the joint ventures' other comprehensive income	**–**	–
Share of the joint ventures' total comprehensive income/(expense)	**2,184**	(2,402)
Aggregate carrying amount of the Group's investments in the joint ventures	**59,465**	57,772

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2024 and 2023.

17. INVESTMENTS IN ASSOCIATES

	2024 RMB'000	2023 RMB'000
Share of net assets under equity method	**1,328,226**	1,077,672

The Group's receivable and payable balances with the associates are disclosed in notes 22, 23, 24, 26 and 27 to the financial statements.

The Group's shareholdings in all of its associates comprise equity shares held by the Company, except for Zhongkan Sanjia Engineering Consulting (Beijing) Co., Ltd., the shareholding in which is held through a wholly-owned subsidiary of the Company.

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

Particulars of the material associates are as follows:

Name of entity	Place of business/ country of incorporation	Percentage of ownership interest as at 31 December	
		2024	2023
Chongqing West Express Line Construction Operation Co., LTD ("重慶市渝西快線建設運營有限公司")	PRC	30.60%	30.60%
Shaoxing Jingyue ("紹興京越地鐵有限公司")	PRC	7.65%	7.65%

The following table illustrates the summarised financial information in respect of Chongqing West Express Line Construction Operation Co., LTD reconciled to the carrying amount in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Non-current assets	8,336,169	6,383,400
Current assets	389,903	36,361
Total assets	8,726,072	6,419,761
Current liabilities	464,179	449,238
Non-current liabilities	5,712,441	4,228,998
Total liabilities	6,176,620	4,678,236
Net assets	2,549,452	1,741,525
Revenue	1,539,350	2,470,659
Profit for the year	56,970	44,204
Total comprehensive income	56,970	44,204
Proportion of the Group's ownership	30.60%	30.60%
Carrying amount of the proportion of the investment	780,132	532,907
Adjustment for additional share of retained profits of the entity by the Group	29,620	54,197
Carrying amount of the investment	809,752	587,104

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of Shaoxing Jingyue reconciled to the carrying amount in the consolidated financial statements:

	2024 RMB'000	2023 RMB'000
Non-current assets	16,862,348	16,537,535
Current assets	1,714,583	1,606,628
Total assets	18,576,931	18,144,163
Current liabilities	3,963,953	4,049,893
Non-current liabilities	8,479,570	8,044,154
Total liabilities	12,443,523	12,094,047
Net assets	6,133,408	6,050,116
Revenue	301,603	219,773
Profit for the year	17,973	39,847
Total comprehensive income	17,973	39,847
Proportion of the Group's ownership	7.65%	7.65%
Carrying amount of the proportion of the investment	469,206	462,834
Adjustment for additional share of retained profits of the entity by the Group	1,910	2,626
Carrying amount of the investment	471,116	465,460

The aggregate financial information of the Group's associates that are not individually material is set out below:

	2024 RMB'000	2023 RMB'000
Share of the associates' loss for the year	(1,847)	(35,235)
Share of the associates' other comprehensive income	–	–
Share of the associates' total comprehensive expense	(1,847)	(35,235)

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of the Group's investments in the associates	**47,358**	25,108

The Group provided design, survey and consultancy services to Shaoxing Jingyue amounting to RMB10,538,000 (2023: nil) for the year ended 31 December 2024.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Listed equity investment, at fair value – non current		
Beijing Jiuzhou First Rail Environmental Technology Co., Ltd. ("Beijing Jiuzhou") ("北京九州一軌環境科技股份有限公司")	**5,178**	8,388

The above equity investment was classified as financial assets at fair value through profit or loss ("FVTPL") as the Group has not elected to recognise the fair value profit or loss through other comprehensive income.

19. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Equity investments designated at fair value through other comprehensive income		
Unlisted equity investments, at fair value		
Zhongdixin Geographic Information Equity Investment Fund Limited ("中地信地理信息股權投資基金")	1,900	3,613
Zhongshan Deep Water Environmental Water Co., Ltd. ("中山市深水環境水務有限公司")	1	1
China Communications Fourth Airlines (Zhongshan) Environmental Protection Engineering Co., Ltd. ("中交四航(中山)環保工程有限公司")	20	20
Beijing Jingxi Ecological Cultural Tourism Investment Co., Ltd. ("北京京西生態文旅投資有限公司")	3,300	7,000
Beijing Urban Construction Intelligent Control Co., Ltd. ("BUCZT") ("北京城建智控科技股份有限公司") *(note (ii))*	222,575	191,723
	227,796	202,357

Notes:

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

(ii) The Company entered into an agreement with BUCG on 21 November 2023 in relation to the transfer of 20% equity interest in BUCZT by the Company to BUCG at a consideration of RMB348,037,000. Upon completion of the disposal, the Company's shareholding in BUCZT decreases from 30.83% to 10.83% and investment in BUCZT was transferred from investments in associates to equity investments designated at fair value through other comprehensive income since the Company ceases to have significant influence over BUCZT. A gain on disposal of investments in associates amounting to RMB277,851,000 was recognised in profit or loss during the year ended 31 December 2023.

20. DEFERRED TAX

The movements in deferred tax assets and liabilities during the years ended 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Deferred tax assets:		
At beginning of the year	358,353	276,163
Deferred tax credited to profit or loss	33,898	82,190
Deferred tax credited to other comprehensive income	726	–
At end of the year	392,977	358,353
Deferred tax liabilities:		
At beginning of the year	7,584	1,808
Deferred tax (credited)/charged to profit or loss	(4,256)	6,421
Deferred tax charged/(credited) to other comprehensive income	4,073	(645)
At end of the year	7,401	7,584

20. DEFERRED TAX (CONTINUED)

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Impairment of assets RMB'000	Expected credit losses RMB'000	Provision RMB'000	Accrued expenses RMB'000	Lease liabilities RMB'000	Unrealised profit from intercompany transactions RMB'000	Tax losses RMB'000	Unrealised finance costs RMB'000	Right-of-use assets RMB'000	Accelerated tax depreciation RMB'000	Fair value adjustments of equity investments designated at FVTOCI RMB'000	Fair value adjustments of financial assets at FVTPL RMB'000	Fair value adjustments of intangible assets RMB'000	Total RMB'000
Deferred tax arising from:														
At 1 January 2023	1,471	236,501	13,948	18,131	48,788	14,137	16,565	172	(50,080)	(19,327)	(422)	(4,269)	(1,260)	274,355
(Charged)/credited to profit or loss	(301)	37,142	1,152	7,210	(29,416)	374	37,707	25	24,706	(6,648)	(1,081)	4,269	630	75,769
Deferred tax credited to other comprehensive income	–	–	–	–	–	–	–	–	–	–	645	–	–	645
At 31 December 2023	1,170	273,643	15,100	25,341	19,372	14,511	54,272	197	(25,374)	(25,975)	(858)	–	(630)	350,769
At 1 January 2024	1,170	273,643	15,100	25,341	19,372	14,511	54,272	197	(25,374)	(25,975)	(858)	–	(630)	350,769
(Charged)/credited to profit or loss	(190)	37,163	5,645	(4,967)	19,979	(4,144)	(4,736)	31	(13,143)	1,083	45	758	630	38,154
Deferred tax charged to other comprehensive income	–	–	–	–	–	–	–	–	–	–	(3,347)	–	–	(3,347)
At 31 December 2024	980	310,806	20,745	20,374	39,351	10,367	49,536	228	(38,517)	(24,892)	(4,160)	758	–	385,576

20. DEFERRED TAX (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 RMB'000	2023 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**392,977**	358,353
Net deferred tax liabilities recognised in the consolidated statement of financial position	**7,401**	7,584

As at 31 December 2024, the Group has unused tax losses of RMB220,389,000 (2023: RMB234,350,000), available for offset against future profits.

A deferred tax asset has been recognised in respect of such tax losses of RMB198,144,000 (2023: RMB218,539,000) as at 31 December 2024.

The Group has tax losses not recognised for deferred tax arising in Hong Kong of HK$8,323,000 (2023: HK$8,598,000) equivalent to RMB7,707,000 (2023: RMB7,792,000) that are available indefinitely for offsetting against future taxable profits of the Company in which the losses arose.

The Group has tax losses not recognised for deferred tax arising in Mainland China of RMB14,538,000 (2023: RMB8,019,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

21. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	**63,880**	58,580
Spare parts and consumables	**31,044**	12,084
	94,924	70,664

22. CONTRACT ASSETS

	Note	2024 RMB'000	2023 RMB'000
Contract assets arising from:			
Design, survey and consultancy services		**3,490,285**	3,783,360
Construction contracting services		**6,946,171**	6,411,856
		10,436,456	10,195,216
Impairment		**(396,395)**	(279,428)
		10,040,061	9,915,788
Portion classified as non-current contract assets	*(i)*	**(4,523,909)**	(4,936,462)
Current portion		**5,516,152**	4,979,326

Notes:

(i) The non-current portion of contract assets mainly represented the contract assets arising from service concession arrangements and retention money as at 31 December 2024 and 2023.

(ii) As at 1 January 2023, the contract assets of the Group amounted to RMB9,659,568,000.

As at 31 December 2024 and 2023, the amounts of retentions held by customers for contract works included in contract assets were approximately as follows:

	2024 RMB'000	2023 RMB'000
Amounts of retentions in contract assets	**112,830**	208,145

22. CONTRACT ASSETS (CONTINUED)

Contract assets are initially recognised for revenue earned from the provision of design, survey and consultancy services and construction services as the receipt of consideration is conditional on successful progress of completion of design, survey and consultancy and construction, respectively. Upon the progress of completion of design, survey and consultancy or construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

During the year ended 31 December 2024, RMB396,395,000 (2023: RMB279,428,000) was recognised as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 23.

The expected timing of recovery or settlement for contract assets as at 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Within one year	5,516,152	4,979,326
After one year	4,523,909	4,936,462
Total contract assets	10,040,061	9,915,788

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

	2024 RMB'000	2023 RMB'000
At beginning of the year	279,428	215,656
Impairment losses recognised	119,275	69,122
Impairment losses reversed	(2,308)	(5,350)
At end of the year	396,395	279,428

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the probabilities of default rates of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

22. CONTRACT ASSETS (CONTINUED)

Details of the written off in impairment losses of contract assets are disclosed in note 5 to the financial statements.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2024	2023
Expected credit loss rate	3.80%	2.74%
Gross carrying amount (RMB'000)	10,436,456	10,195,216
Expected credit losses (RMB'000)	396,395	279,428

As at 31 December 2024, the Group's contract assets of RMB5,365,548,000 (2023: RMB5,704,644,000) were pledged to secure certain of the Group's bank loans amounting to RMB4,757,366,000 (31 December 2023: RMB4,930,517,000) (note 28).

The amounts due from associates, the beneficial shareholders of the Company (the "Beneficial Shareholders"*) and their affiliates, BUCG and other related parties included in the contract assets are as follows:

	2024 RMB'000	2023 RMB'000
Associates	163,129	255,586
Beneficial Shareholders and their affiliates	326,147	564,906
BUCG	52,958	30,252
Fellow subsidiaries	45,031	28,617
Associates of BUCG	6,343	6,519
A joint venture of BUCG	627	120
Joint ventures	1,494	145
A non-controlling shareholder	6,871	130
	602,600	886,275

* 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 of the Company.

23. TRADE AND BILLS RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	**5,192,265**	5,573,085
Bills receivable	**37,151**	55,469
	5,229,416	5,628,554
Impairment	**(1,179,605)**	(1,128,038)
	4,049,811	4,500,516

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 recognise 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.

As at 1 January 2023, the trade and bills receivables (net of impairment) of the Group amounted to RMB3,688,543,000.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 RMB'000	2023 RMB'000
Within 6 months	**1,732,757**	2,287,973
6 months to 1 year	**714,694**	560,051
1 to 2 years	**774,757**	649,804
2 to 3 years	**379,458**	350,389
3 to 4 years	**236,414**	229,283
4 to 5 years	**188,788**	163,410
Over 5 years	**22,943**	259,606
	4,049,811	4,500,516

23. TRADE AND BILLS RECEIVABLES (CONTINUED)

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

	2024 RMB'000	2023 RMB'000
At beginning of the year	**1,128,038**	902,170
Impairment losses recognised	**88,969**	227,631
Impairment losses reversed	**(37,402)**	(1,763)
At end of the year	**1,179,605**	1,128,038

An impairment analysis is performed at each reporting date using a provision matrix of trade and bills receivables (past due dates) to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at 31 December 2024, the net carrying amount of trade receivables of approximately RMB2,317,054,000 (2023: RMB2,212,543,000) were past due. Out of the past due balances, those has been past due 90 days or more is not considered as in default based on the Group's assessment of historical credit loss experience of the existing debtors and all available forward-looking information, including but not limited to the expected economic conditions in the PRC and expected subsequent settlements. The Group does not hold any collateral over these balances.

As at 31 December 2024, total bills receivables, net of impairment, amounting to RMB37,077,000 (2023: RMB55,323,000) are held by the Group for future settlement of trade receivables. The Group continues to recognise their full carrying amounts at the end of the reporting period. All bills received by the Group are with a maturity period of less than one year.

23. TRADE AND BILLS RECEIVABLES (CONTINUED)

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix of trade and bills receivables (past due dates):

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Individually impaired	57.78%	195,333	112,865
Collectively impaired			
Within 6 months	0.34%	1,741,454	5,901
6 months to 1 year	4.00%	744,453	29,759
1 to 2 years	9.30%	853,960	79,451
2 to 3 years	16.50%	452,640	74,676
3 to 4 years	30.00%	307,563	92,269
4 to 5 years	50.00%	255,206	127,603
5 to 6 years	90.00%	217,203	195,477
Over 6 years	100.00%	461,604	461,604
	21.19%	5,034,083	1,066,740
Total	22.56%	5,229,416	1,179,605

23. TRADE AND BILLS RECEIVABLES (CONTINUED)

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Individually impaired	41.73%	396,215	165,357
Collectively impaired			
Within 6 months	0.41%	2,353,058	9,763
6 months to 1 year	4.00%	525,758	21,030
1 to 2 years	9.30%	716,432	66,628
2 to 3 years	16.50%	419,627	69,239
3 to 4 years	30.00%	327,548	98,264
4 to 5 years	50.00%	326,821	163,410
5 to 6 years	90.00%	287,477	258,729
Over 6 years	100.00%	275,618	275,618
	18.40%	5,232,339	962,681
Total	20.04%	5,628,554	1,128,038

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

	2024 RMB'000	2023 RMB'000
Beneficial Shareholders and their affiliates	592,336	698,693
Associates	239,802	45,356
BUCG	208,892	60,903
Fellow subsidiaries	68,604	13,590
Joint ventures	14,611	15,419
Associates of BUCG	815	2,569
Joint venture of BUCG	410	–
Non-controlling shareholder of beneficial shareholders	9,032	–
Non-controlling shareholder of a subsidiary	1,048	–
	1,135,550	836,530

The above amounts are unsecured, non-interest-bearing and repayable on similar credit terms to those offered to other major customers of the Group, except for trade receivables of RMB357,736,000 (2023: RMB289,895,000) which were pledged to secure certain of the Group's bank loans amounting to RMB4,757,366,000 (2023: RMB4,930,517,000) of 31 December 2024 (note 28).

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2024 RMB'000	2023 RMB'000
Deductible value-added tax		**223,078**	273,537
Prepayments		**81,011**	81,036
Deposits and other receivables	*(i)*	**281,683**	286,653
		585,772	641,226
Impairment		**(39,695)**	(33,206)
		546,077	608,020
Portion classified as non-current assets	*(ii)*	**(132,475)**	(163,369)
Current portion		**413,602**	444,651

Notes:

(i) As at 31 December 2024, included in deposits and other receivables is RMB89 million dividend income of an associate and equity instrument designated as fair value through other comprehensive income. As at 31 December 2023, included in deposits and other receivables is RMB139 million consideration receivable of disposal of an associate.

(ii) The non-current portion of deposits and other receivables mainly represents deductible value-added tax and prepayment for property, plant and equipment at 31 December 2024 and 2023.

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

	2024 RMB'000	2023 RMB'000
At beginning of the year	**33,206**	36,633
Impairment losses recognised	**7,093**	2,913
Impairment losses reversed	**(604)**	(6,340)
At end of the year	**39,695**	33,206

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

As at 31 December 2024 and 2023, the expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rates applied as at 31 December 2024 and 2023 were as follows:

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Stage 1	7.25%	255,094	18,489
Stage 2	63.20%	14,629	9,246
Stage 3	100.00%	11,960	11,960
Total	14.09%	281,683	39,695

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (CONTINUED)

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount RMB'000	Expected credit losses RMB'000
Stage 1	7.14%	243,673	17,409
Stage 2	11.87%	27,626	3,280
Stage 3	81.52%	15,354	12,517
Total	11.58%	286,653	33,206

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

	2024 RMB'000	2023 RMB'000
BUCG	**13,812**	139,214
Associates of BUCG	**14**	84
An associate	**84**	–
Beneficial Shareholders and their affiliates	**1,323**	382
Fellow subsidiaries	**9,065**	4,698
Joint venture	**858**	–
A non-controlling shareholder	**–**	20
	25,156	144,398

Prepayments, other receivables and other assets are trade in nature, unsecured, non interest-bearing and have no fixed terms of settlement.

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2024 RMB'000	2023 RMB'000
Cash and bank balances	**3,126,281**	3,385,019
Time deposits	**30,228**	24,618
	3,156,509	3,409,637
Less: Pledged bank balances for bidding guarantees and performance guarantees	**(112,663)**	(99,941)
Cash and bank balances in the consolidated statement of financial position and in the consolidated statement of cash flows	**3,043,846**	3,309,696
Cash and bank balances and time deposits denominated in:		
– RMB	**2,871,198**	3,141,322
– USD	**278,722**	262,403
– HKD	**6,589**	5,910
– KZT	**–**	2
	3,156,509	3,409,637

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks recognised to conduct foreign exchange business.

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

26. TRADE AND BILLS PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	**5,539,927**	5,816,233
Bills payable	**47,099**	97,705
	5,587,026	5,913,938

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

	2024 RMB'000	2023 RMB'000
Within 6 months	**1,972,881**	2,464,957
6 months to 1 year	**641,927**	602,454
1 to 2 years	**1,334,999**	1,137,897
2 to 3 years	**602,581**	639,562
Over 3 years	**1,034,638**	1,069,068
	5,587,026	5,913,938

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

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

	2024 RMB'000	2023 RMB'000
Associates of BUCG	**54,844**	121,211
Fellow subsidiaries	**334,872**	59,826
Beneficial Shareholders and their affiliates	**3,539**	24,095
An associate	**11,260**	3,581
Joint ventures	**15,291**	15,114
BUCG	**864**	15,205
A non-controlling shareholder	**11,632**	7,090
	432,302	246,122

27. OTHER PAYABLES AND ACCRUALS

	Notes	**2024** **RMB'000**	2023 RMB'000
Contract liabilities	*(i)*	**2,731,408**	2,546,434
Accrued salaries, wages and benefits		**387,751**	444,005
Other taxes payable		**736,918**	787,805
Retention payables		**104,195**	97,835
Dividend payables		**13,908**	17,675
Deferred income		**7,352**	8,906
Other payables	*(ii)*	**200,199**	214,185
		4,181,731	4,116,845
Portion classified as non-current liabilities	*(iii)*	**(353,665)**	(367,775)
Current portion		**3,828,066**	3,749,070

Notes:

(i) Contract liabilities include short-term advances received from customers and amounts due to contract customers. The increase in contract liabilities in 2024 was mainly due to the increase in short-term advances received from customers and amounts due to contract customers in relation to the provision of design, survey and consultancy services and construction services at the end of the years.

	2024 **RMB'000**	2023 RMB'000
Short-term advances received from customers:		
Design, survey and consultancy services	**324,785**	300,996
Construction services	**181,824**	172,809
	506,609	473,805
Amounts due to contract customers:		
Design, survey and consultancy services	**1,429,236**	1,317,254
Construction services	**795,563**	755,375
	2,224,799	2,072,629
Total contract liabilities	**2,731,408**	2,546,434

27. OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes: (continued)

As at 1 January 2023, the contract liabilities of the Group amounted to RMB2,896,665,000. The amount of revenue recognised for the year ended 31 December 2024 and 2023 that were included in the contract liability balance as at 1 January 2024 and 2023 were RMB1,147,000,000 and RMB1,495,900,000, respectively.

(ii) Included in other payables of RMB64 million (2023: RMB63 million) for acquisition of property, plant and equipment at 31 December 2024.

(iii) The non-current portion mainly represented output value-added tax and government grants at 31 December 2024 and 2023.

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

	2024 **RMB'000**	2023 RMB'000
Beneficial Shareholders and their affiliates	**114,872**	529,180
Fellow subsidiaries	**53,749**	34,312
Associates of BUCG	**4,556**	41,177
BUCG	**22,943**	15,851
Associates	**988**	938
A joint venture	**307**	2,919
A non-controlling shareholder	**11,890**	2,449
	209,305	626,826

The other payables and accruals are trade in nature, unsecured, non-interest-bearing and have no fixed terms of settlement.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
			RMB'000			RMB'000
Non-current						
Long term bank loans:						
– Secured (i)	2.90%-4.45%	2028-2044	4,186,024	3.00%-5.11%	2025-2044	4,340,160
– Unsecured and Unguaranteed	1.99%	2027	10,000	1.81%	2025	15,608
Long term other borrowings:						
– Unsecured and Unguaranteed	2.52%-4.90%	2026-2027	638,000	3.53%-4.90%	2025-2026	138,000
Lease liabilities (note 14(b))	4.75%-4.90%	2026-2041	185,790	4.75%-4.90%	2025-2032	214,052
			5,019,814			4,707,820
Current						
Current portion of long term bank loans						
– Secured (i)	3.36%-4.45%	2025	190,814	3.00%-5.11%	2024	199,822
Short term bank loans:						
– Secured (i)	4.45%	2025	380,528	4.90%	2024	390,535
– Guaranteed (ii)	–	–	–	3.80%	2024	15,069
– Unsecured and Unguaranteed	2.28%-2.80%	2025	419,529	3.50%-4.235%	2024	405,642
Current portion of lease liabilities (note 14(b))	4.75%-4.90%	2025	81,838	4.75%-4.90%	2024	89,392
Current portion of long term other borrowings:						
– Unsecured and Unguaranteed	1.81%-4.90%	2025	526,314	2.95%-4.90%	2024	1,105,669
			1,599,023			2,206,129
			6,618,837			6,913,949
Denominated in:						
– RMB			6,618,837			6,913,949

Notes:

(i) As at 31 December 2024, the bank loans of RMB4,757,366,000 (2023: RMB4,639,981,000) were secured by the right of future contract assets, trade receivables and intangible assets for certain service concession arrangements.

(ii) As at 31 December 2023, the bank loans of RMB15,069,000 were guaranteed by the Company.

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

The exposure of the Group's borrowings are as follows:

	2024 RMB'000	2023 RMB'000
Fixed-rate borrowings	**2,241,698**	2,375,238
Variable-rate borrowings	**4,377,139**	4,538,711
	6,618,837	6,913,949

The maturity profile of the interest-bearing bank and other borrowings as at 31 December 2024 and 2023 is as follows:

	2024 RMB'000	2023 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	**990,871**	1,011,068
In the second year	**238,500**	238,500
In the third to fifth years, inclusive	**1,872,100**	1,872,100
Over five years	**2,085,424**	2,245,168
	5,186,895	5,366,836
Other borrowings repayable:		
Within one year	**526,314**	1,105,669
In the second year	**138,000**	–
In the third to fifth years, inclusive	**500,000**	138,000
	1,164,314	1,243,669
Lease liabilities repayable:		
Within one year	**81,838**	89,392
In the second year	**74,093**	74,093
In the third to fifth years, inclusive	**92,399**	92,399
Over five years	**19,298**	47,560
	267,628	303,444
	6,618,837	6,913,949

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

The interest-bearing borrowings from shareholders included in the above are as follows:

	2024 RMB'000	2023 RMB'000
A non-controlling shareholder	154,976	262,471
BUCG	30,926	15,610
	185,902	278,081

29. PROVISIONS FOR SUPPLEMENTARY RETIREMENT BENEFITS

The Group has the following supplementary retirement benefits: (1) the retirement pension subsidies, medical benefits and other supplementary benefits to retirees who retired before 31 December 2012; (2) the supplementary allowances to the beneficiaries and dependents of retirees who retired before 31 December 2012; and (3) the heating allowances to its employees upon their retirement. These supplementary retirement benefits are considered to be defined benefit plans as the Group is obligated to provide retirement benefits to those retirees and employees mentioned above.

The Group's obligations in respect of the above supplementary retirement benefits at 31 December 2024 and 2023 were computed by an independent qualified actuarial firm, Towers Watson Consulting Company Limited (韜睿惠悅諮詢公司), using the projected unit credit actuarial valuation method.

The components of net benefit expenses recognised in profit or loss and the amounts recognised in the consolidated statement of financial position are recognised below:

(a) The provisions for supplementary retirement benefits recognised in the consolidated statement of financial position are shown as follows:

	2024 RMB'000	2023 RMB'000
At end of the year	82,514	78,380
Portion classified as current liabilities	(3,910)	(3,910)
Non-current portion	78,604	74,470

29. PROVISIONS FOR SUPPLEMENTARY RETIREMENT BENEFITS (CONTINUED)

(b) The movements of the provisions for supplementary retirement benefits are as follows:

	2024 RMB'000	2023 RMB'000
At beginning of the year	78,380	71,933
Interest costs on benefit obligations	2,100	2,050
Current service costs	2,240	2,160
Past service costs	(6,690)	–
Benefits paid during the year	(6,496)	(4,283)
Remeasurement losses recognised in other comprehensive income	12,980	6,520
At end of the year	82,514	78,380

The details of remeasurement losses recognised in other comprehensive income of the Group during the years ended 31 December 2024 and 2023 are as follows:

	2024 RMB'000	2023 RMB'000
Actuarial changes arising from changes in financial assumptions	9,600	2,620
Liability experience adjustments	3,380	3,900
Re-measurement losses recognised in other comprehensive income	12,980	6,520

(c) The net expenses recognised in profit or loss in respect of the provisions for supplementary retirement benefits of the Group are as follows:

	2024 RMB'000	2023 RMB'000
Interest costs on benefit obligations	2,100	2,050
Current service costs	2,240	2,160
Past service costs	(6,690)	–
	(2,350)	4,210

29. PROVISIONS FOR SUPPLEMENTARY RETIREMENT BENEFITS (CONTINUED)

(d) The principal actuarial assumptions used in valuing the provisions for supplementary retirement benefits as at 31 December 2024 and 2023 are as follows:

	2024	2023
Discount rates	**2.00%**	2.75%
Mortality rate	**Average life expectancy of residents in Mainland China**	
Average annual benefit increase:		
– Cost of living adjustment for internal retirees	**4.00%**	4.00%
– Medical expenses	**6.00%**	6.00%
– Withdrawal rate for actives	**3.00%**	3.00%

The average duration of the provision for supplementary retirement benefits and early retirement benefits at 31 December 2024 and 2023 is as follows:

	2024	2023
Average life expectancy	**42.9 years**	43.7 years

29. PROVISIONS FOR SUPPLEMENTARY RETIREMENT BENEFITS (CONTINUED)

(e) The quantitative sensitivity analysis of the provisions for supplementary retirement benefits as at 31 December 2024 and 2023 is as follows:

	Increase in rate %	Increase/ (decrease) in provisions for supplementary retirement benefits RMB'000	Decrease in rate %	Increase/ (decrease) in provisions for supplementary retirement benefits RMB'000
As at 31 December 2024				
Discount rate	**0.25**	**(3,050)**	**0.25**	**3,250**
Future medical expense	**0.25**	**680**	**0.25**	**(650)**
As at 31 December 2023				
Discount rate	0.25	(2,770)	0.25	2,940
Future medical expense	0.25	610	0.25	(580)

The sensitivity analysis above has been made based on a method that extrapolates the impact on the provisions for supplementary retirement benefits as a result of reasonable changes in key assumptions occurring at 31 December 2024 and 2023.

30. PROVISION

Provision of the Group for the current year contains provision for warranty and provision for foreseeable losses on contracts.

The Group provides regular maintenance ranging to its customers for construction products for general repairs of defects occurring during the warranty period under which faulty parts are repaired or replaced. The amount of the provision for the maintenance is estimated based on urban road technical maintenance norms and experience. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

30. PROVISION (CONTINUED)

As at 31 December 2024 and 2023, the provision for foreseeable losses on contracts was estimated using the percentage to be completed multiplied by foreseeable losses of the contract. The foreseeable losses are the differences between expenditure estimated fulfilling the contract and cash inflows when finishing the contract. The estimated expenditure and foreseeable cash inflows are adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

		2024	
	Provision for warranty RMB'000	**Provision for foreseeable losses on contracts RMB'000**	**Total RMB'000**
At beginning of the year	**62,399**	**9,250**	**71,649**
Additional provision	**21,216**	**6,461**	**27,677**
Amounts utilised during the year	**(1,565)**	**(3,050)**	**(4,615)**
At end of the year	**82,050**	**12,661**	**94,711**
Portion classified as current liabilities	**–**	**(6,682)**	**(6,682)**
Non-current portion	**82,050**	**5,979**	**88,029**

		2023	
	Provision for warranty RMB'000	Provision for foreseeable losses on contracts RMB'000	Total RMB'000
At beginning of the year	50,443	7,859	58,302
Additional provision	23,216	5,063	28,279
Amounts utilised during the year	(11,260)	(3,672)	(14,932)
At end of the year	62,399	9,250	71,649
Portion classified as current liabilities	–	(6,313)	(6,313)
Non-current portion	62,399	2,937	65,336

31. SHARE CAPITAL

Shares

	2024 '000	2023 '000
Registered, issued and fully paid:		
1,348,670,000 (2023: 1,348,670,000) ordinary shares	**1,348,670**	1,348,670

32. RESERVES

The amounts of the Group's reserves and the movements therein for the years ended 31 December 2024 and 2023 are presented in the consolidated statement of changes in equity.

(i) Capital reserve

The difference between the nominal value of the share capital of the Company and the actual raised fund of the share capital and the difference between the considerations of acquisition or disposal of equity interests from/to non-controlling equity owners and the carrying amount of the proportionate net assets.

(ii) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVTOCI held at the end of the reporting period.

(iii) Special reserve

In the preparation of these consolidated financial statements, the Group has appropriated certain amounts of retained profits to a special reserve fund for each of the years ended 31 December 2023 and 2024 respectively, for safety production expense purposes as required by directives issued by the relevant PRC government authorities. The Group charged the safety production expenses to profit or loss when such expenses were incurred, and at the same time, the corresponding amounts of special reserve fund were utilised and transferred back to retained profits.

(iv) Statutory reserve

In accordance with relevant rules and regulations in the PRC, except for sino-foreign equity joint venture enterprises, all PRC companies are required to transfer 10% of their profit after taxation calculated under PRC accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used, upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

(v) Exchange reserve

The translation reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB199,698,000 (2023: RMB133,737,000) (included additions of leasehold land amounted to RMB132,230,000 which was settled by the trade receivables of the counter party) and RMB63,501,000 (2023: RMB133,254,000), respectively, in respect of lease arrangements for plant and equipment, and settlement of other borrowings of RMB104,010,000 by trade receivables amounting to RMB104,010,000.

(b) Changes in liabilities arising from financing activities

	Bank loans and other borrowings RMB'000	Lease liabilities RMB'000	Dividends payables RMB'000	Interest payable RMB'000
At 1 January 2024	6,610,505	303,444	17,675	–
Changes from financing cash flows	(179,984)	(98,273)	(239,336)	(242,775)
New leases	–	63,501	–	–
Early termination of leases	–	(15,587)	–	–
Interest expense	–	14,543	–	267,473
Final 2023 dividend declared	–	–	232,512	–
Dividend declared to non-controlling shareholders	–	–	3,057	–
Others	(104,010)	–	–	–
Reclassification	24,698	–	–	(24,698)
At 31 December 2024	6,351,209	267,628	13,908	–

	Bank loans and other borrowings RMB'000	Lease liabilities RMB'000	Dividends payables RMB'000	Interest payable RMB'000
At 1 January 2023	6,586,213	317,545	20,034	–
Changes from financing cash flows	2,742	(120,489)	(268,315)	(257,977)
New leases	–	133,254	–	–
Cancellation of leases	–	(38,138)	–	–
Interest expense	–	11,272	–	279,527
Final 2022 dividend declared	–	–	255,978	–
Dividend declared to non-controlling shareholders	–	–	9,978	–
Reclassification	21,550	–	–	(21,550)
At 31 December 2023	6,610,505	303,444	17,675	–

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 RMB'000	2023 RMB'000
Within operating activities	**(346,050)**	(423,644)
Within financing activities	**(98,273)**	(120,489)
	(444,323)	(544,133)

34. PLEDGE OF ASSETS

Details of the Group's assets pledged for bidding guarantees and performance guarantees and interest-bearing bank loans are disclosed in notes 15, 22, 23, 25 and 28 to the financial statements.

35. COMMITMENTS

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

	2024 RMB'000	2023 RMB'000
Contracted, but not provided for:		
Equity investments	**1,083,871**	1,093,213
Property, plant and equipment	**150,149**	305,119
	1,234,020	1,398,332

36. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions and balances which are disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023:

	2024 RMB'000	2023 RMB'000
Design, survey and consultancy services provided to:		
Beneficial Shareholders and their affiliates	441,933	429,921
Fellow subsidiaries	68,964	81,896
BUCG	60,022	56,183
Associates of BUCG	13,917	29,048
Associates	3,583	24,277
Joint ventures of BUCG	698	–
Joint ventures	159	1,665
A non-controlling shareholder	10,242	1,016
	599,518	624,006
Construction contracting services provided to:		
An associate	965,050	2,191,454
Beneficial Shareholders and their affiliates	1,438,188	1,792,768
BUCG	26,548	125,020
A joint venture	2,497	37,391
Fellow subsidiaries	36,734	1,622
An associate of BUCG	513	–
	2,469,530	4,148,255

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions and balances which are disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: (continued)

	2024 RMB'000	2023 RMB'000
Construction contracting services provided by:		
Associates of BUCG	38,631	37,293
Fellow subsidiaries	374,891	74,698
A non-controlling shareholder	3,683	2,002
An associate	18	123,990
	417,223	237,983
Design, survey and consultancy services provided by:		
Associates	17,211	11,586
A Joint venture	3,854	2,851
Fellow subsidiaries	5,297	1,902
Beneficial Shareholders and their affiliates	393	46
Joint ventures of BUCG	193	–
	26,948	16,385

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions and balances which are disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: (continued)

	2024 RMB'000	2023 RMB'000
Rental expenses and property management fees paid or payable to:		
Fellow subsidiaries	10,946	14,704
BUCG	2,440	5,408
A beneficial shareholder	6,926	1,800
	20,312	21,912
Rental income from:		
An associate	1,085	–
Fellow subsidiaries	–	4,716
	1,085	4,716
Finance costs paid or payable to:		
A non-controlling shareholder	6,762	9,800
BUCG	384	278
	7,146	10,078

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

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions and balances which are disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: (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 year ended 31 December 2024 and 2023, the Group entered into extensive transactions with SOEs other than those transactions disclosed elsewhere in these consolidated 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.

The Company issued domestic shares of the scheme to several executive directors, non-executive directors, supervisors and key management personnel on 29 December 2017. The details are as follows:

		Employee stock ownership scheme Number of Shares	
	Notes	**2024**	2023
Executive directors			
Mr. Xia Xiujiang (夏秀江) (Chief executive)	*8(a)(i),(i)*	**620**	620
Mr. Li Guoqing (李國慶)	*8(a)(iii)*	**–**	1,000
Mr. Wang Hanjun (王漢軍)	*8(a)(ii)*	**1,000**	1,000
		1,620	2,620
Non-executive directors			
Mr. Li Guoqing (李國慶)	*8(a)(iii)*	**1,000**	–
Key management personnel			
Mr. Jin Huai (金淮)	*(ii)*	**750**	750
Mr. Wang Liang (王良)		**750**	750
Mr. Yu Songwei (于松偉)		**750**	750
Mr. Xiao Mujun (肖木軍)	*(iii)*	**750**	750
Mr. Liu Li (劉立)		**750**	750
Mr. Xuan Wenchang (玄文昌)		**750**	750
Mr. Ma Haizhi (馬海志)		**660**	660
Mr. Xu Chengyong (徐成永)		**660**	660
Mr. Yin Zhiguo (尹志國)	*(iv)*	**620**	620
Mr. Lu Weidong (魯衛東)		**550**	550

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) In addition to the transactions and balances which are disclosed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023: (continued)

		Employee stock ownership scheme Number of Shares	
	Notes	**2024**	2023
Mr. Qian Jiawei (錢嘉宏)	*(v)*	**450**	450
Mr. Yang Zhenyu (楊振宇)	*(vi)*	**550**	550
Ms. Yang Yongjie (楊永潔)	*(vii)*	**750**	-
Mr. Wang Chen (王臣)	*(viii)*	**550**	-
Ms. Shen Jia (沈佳)	*(ix)*	**400**	-
		9,690	7,990

Notes:

(i) Mr. Xia Xiujiang was appointed as a chief executive director of the Company in October 2024.

(ii) Mr. Jin Huai was ceased as a key management of the Company in January 2024.

(iii) Mr. Xiao Mujun was ceased as a key management of the Company in December 2024.

(iv) Mr. Yin Zhiguo was ceased as a key management of the Company in July 2024.

(v) Mr. Qian Jiawei was appointed as a key management of the Company in March 2023.

(vi) Mr. Yang Zhenyu was appointed as a key management of the Company in March 2023.

(vii) Ms. Yang Yongjie was appointed as a key management of the Company in December 2024.

(viii) Mr. Wang Chen was appointed as a key management of the Company in January 2024.

(ix) Ms. Shen Jia was appointed as a key management of the Company in January 2024.

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) In the opinion of the Directors, the related party transactions below shall also constitute continuing connected transactions under Chapter 14A of the Listing Rules:

	2024 RMB'000	2023 RMB'000
Design, survey and consultancy services provided to:		
Beneficial Shareholders and their affiliates	452,112	379,877
Fellow subsidiaries	68,964	76,449
BUCG	60,022	56,183
Associates of BUCG	13,917	28,996
Joint ventures of BUCG	698	455
	595,713	541,960
Construction contracting services provided to:		
Beneficial Shareholders and their affiliates	1,434,369	1,793,326
BUCG	26,548	125,020
Joint ventures of BUCG	513	–
Fellow subsidiaries	36,734	1,064
	1,498,164	1,919,410
Construction contracting services provided by:		
Fellow subsidiaries	374,891	75,284
Beneficial Shareholders and their affiliates	–	29,277
	374,891	104,561
Design, survey and consultancy services provided by:		
Fellow subsidiaries	5,297	783
Beneficial Shareholders and their affiliates	393	1,808
	5,690	2,591
Rental expenses and property management fees paid or payable to:		
Fellow subsidiaries	10,946	14,704
BUCG	2,440	5,408
Beneficial shareholders	6,926	1,800
	20,312	21,912

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 22, 23, 24, 26, 27 and 28 to the financial statements.

(d) Compensation of key management personnel of the Group

Details of the directors' and the supervisors' emoluments are included in note 8 to the financial statements. Compensation of key management personnel of the Group excluded directors and the supervisors are set out as follows:

	2024 RMB'000	2023 RMB'000
Short term employee benefits	12,136	12,208
Pension scheme	1,475	1,303
	13,611	13,511

(e) Commitments with related parties

As at 31 December 2024, 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 Beneficial Shareholders and their affiliates, fellow subsidiaries, BUCG and a joint venture, the Company was engaged in the building of certain subways and the backlog as at 31 December 2024 amounting to RMB5,550 million (2023: RMB5,295 million).

Pursuant to certain design service contracts signed by the Company and certain Beneficial Shareholders and their affiliates, fellow subsidiaries, associates of BUCG, BUCG and a joint venture, the Company was engaged in the design of certain subways and industrial and civil construction and municipal engineering, and the backlog as at 31 December 2024 amounting to RMB2,520 million (2023: RMB2,796 million).

Pursuant to certain construction contracts signed by the Company and fellow subsidiaries and associates of BUCG, the Company was engaged in the purchase of construction contracting services, and the backlog as at 31 December 2024 amounting to RMB151 million (2023: RMB150 million).

37. 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:

	2024 RMB'000
Financial assets	
Financial assets at fair value through profit or loss:	
Financial assets at fair value through profit or loss	5,178
Financial assets at fair value through other comprehensive income:	
Equity investments designated at fair value through other comprehensive income	227,796
Financial assets at amortised cost:	
Trade and bills receivables	4,049,811
Financial assets included in prepayments, other receivables and other assets	241,988
Pledged deposits	112,663
Cash and bank balances	3,043,846
	7,681,282
Financial liabilities	
Financial liabilities at amortised cost:	
Interest-bearing bank and other borrowings	6,618,837
Trade and bills payables	5,587,026
Financial liabilities included in other payables and accruals	318,302
	12,524,165

37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	2023 RMB'000
Financial assets	
Financial assets at fair value through profit or loss:	
Financial assets at fair value through profit or loss	8,388
Financial assets at fair value through other comprehensive income:	
Equity investments designated at fair value through other comprehensive income	202,357
Financial assets at amortised cost:	
Trade and bills receivables	4,500,516
Financial assets included in prepayments, other receivables and other assets	253,447
Pledged deposits	99,941
Cash and bank balances	3,309,696
	8,374,345
Financial liabilities	
Financial liabilities at amortised cost:	
Interest-bearing bank and other borrowings	6,913,949
Trade and bills payables	5,913,938
Financial liabilities included in other payables and accruals	329,695
	13,157,582

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(i) Financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

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

(i) Financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy (continued)

The Group has a team headed by the finance manager performing valuations for the financial instruments, including financial assets at FVTPL and equity investments designated at FVTOCI which are categorized into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held to coincide with the reporting dates twice a year.

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorized into Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Financial assets at FVTPL				
– listed equity investment	5,178	5,178	–	–
Equity investments designated at FVTOCI				
– unlisted equity investment	227,796	–	–	227,796
Total	232,974	5,178	–	227,796

	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorized into Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Financial assets at FVTPL				
– listed equity investment	8,388	8,388	–	–
Equity investments designated at FVTOCI				
– unlisted equity investment	202,357	–	–	202,357
Total	210,745	8,388	–	202,357

During the year ended 31 December 2023, except for RMB8,794,000 of the equity security were transfer from Level 3 to Level 1, there were no other transfers between Level 1 and Level 2, or transfers into or out of Level 3. During the year ended 31 December 2024, there were no other transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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

(i) Financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Information about Level 3 fair value measurements

Description	Fair value As at 31 December 2024 RMB'000	2023 RMB'000	Valuation techniques	Significant unobservable input As at 31 December 2024	2023	Relationship of unobservable inputs to fair value
Unlisted equity securities						
BUCZT	222,575	191,723	Market comparison	Price-to-book value ("P/B") 3.05	Price-to-book value ("P/B") 3.42	5% increase/decrease in P/B would result in decrease/increase in fair value of RMB11,948,000 (2023: RMB9,584,000)
Others	5,221	10,634	Adjusted net assets	Fair value of assets and liabilities of the investee	Fair value of assets and liabilities of the investee	An increase in the fair value of assets of the investee would result in an increase in the fair value measurement of the unlisted equity security, and vice versa. An increase in the fair value of liability of the investee would result in a decrease in the fair value measurement of the unlisted equity security, and vice versa.
	227,796	202,357				

As at 31 December 2024 and 2023, the fair value of equity investment in BUCZT has been arrived with reference to a valuation carried out on 31 December 2024 and 2023 by 北京中天華資產評估有限責任公司, an independent professional valuer not connected with the Group, using market comparison method with adjustments. The fair value of the remaining equity investments designated at FVTOCI were determined by management with reference to the net assets of the investee.

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

(i) Financial assets and financial liabilities that are measured at fair value on a recurring basis (continued)

Information about Level 3 fair value measurements (continued)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

	2024 RMB'000	2023 RMB'000
Equity investments designated at FVTPL		
– unlisted equity investment		
At 1 January	–	8,794
Transferred from level 3 to level 1	–	(8,794)
At 31 December	–	–
Equity investments designated at FVTOCI		
– unlisted equity investment		
At 1 January	202,357	15,121
Additions	–	188,461
Disposals	–	(5,094)
Change in fair value recognised in other comprehensive income for the year	25,439	3,869
At 31 December	227,796	202,357
	227,796	202,357

(ii) Financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, pledged deposits and interest – bearing bank and other borrowings. The main purpose of these financial instruments is to support the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Generally, the senior management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. In addition, the board of directors of the Company holds meetings regularly to analyses and approve the proposals made by the senior management of the Company. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group regularly reviews and monitors the floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank and other borrowings, pledged deposits and cash and cash equivalents are stated at amortised cost and not revalued on a periodic basis. Floating rate interest expenses are charged to profit or loss as incurred.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on variable-rate borrowings).

	Increase/ (decrease) in basis points	Increase/(decrease) in profit before tax	
		2024	2023
		RMB'000	RMB'000
Market interest rates	1%	**(45,539)**	(47,328)
Market interest rates	(1%)	**45,539**	47,328

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. With the majority of the Group's business transacted in RMB, which is defined as the Group's functional currency. RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 99% of the financial assets and liabilities in 2024 and 2023 are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group has not entered into any hedging transactions in order to reduce the Group's exposure to foreign currency risk in this regard.

Details of the Group's cash and bank balances and pledged deposits at the end of the reporting period are disclosed in note 25 to the financial statements.

	Exposure to foreign currencies (expressed in Renminbi)			
	2024		2023	
	US$	**HK$**	US$	HK$
	RMB'000	**RMB'000**	RMB'000	RMB'000
Trade and bills receivables	**–**	**526**	–	1,193
Cash and cash equivalents	**278,722**	**6,589**	262,403	5,910
	278,722	**7,115**	262,403	7,103

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollars, Hong Kong dollars and RMB exchange rate, with all other variables held constant, of the Group's profit before tax.

	Increase/ (decrease) in foreign exchange rate	**Increase/(decrease) in profit before tax**	
		2024	2023
		RMB'000	RMB'000
If RMB weakens against the United States dollar	5%	**13,936**	13,120
If RMB strengthens against the United States dollar	(5%)	**(13,936)**	(13,120)
If RMB weakens against the Hong Kong dollar	5%	**356**	361
If RMB strengthens against the Hong Kong dollar	(5%)	**(356)**	(361)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk (continued)

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and has applied the exposure to foreign currency risk to bank deposits denominated in United States dollars and Hong Kong dollars in existence at that date.

(c) Credit risk

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets	–	–	–	10,436,456	10,436,456
Trade and bills receivables*	–	–	–	5,229,416	5,229,416
Financial assets included in prepayments, other receivables and other assets					
– Normal**	255,094	14,629	11,960	–	281,683
Pledged deposits					
– Not yet past due	112,663	–	–	–	112,663
Cash and bank balances					
– Not yet past due	3,043,846	–	–	–	3,043,846
	3,411,603	14,629	11,960	15,665,872	19,104,064

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Contract assets	–	–	–	10,195,216	10,195,216
Trade and bills receivables*	–	–	–	5,628,554	5,628,554
Financial assets included in prepayments, other receivables and other assets					
– Normal**	243,673	27,626	15,354	–	286,653
Pledged deposits					
– Not yet past due	99,941	–	–	–	99,941
Cash and bank balances					
– Not yet past due	3,309,696	–	–	–	3,309,696
	3,653,310	27,626	15,354	15,823,770	19,520,060

* For contract assets and trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 22 and 23 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

*** The credit risks on pledged deposits and bank balances are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

As at 31 December 2024, the financial assets classified to stage 3 of lifetime ECLs are other receivables with a gross carrying amount of approximately RMB11,960,000 (2023: RMB15,354,000). As the financial assets were fully impaired, the net carrying amount is nil.

As the Group's major customers are either PRC government agencies at the national, provincial and local levels or other State-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. The senior management of the Company keeps reviewing and assessing the creditworthiness of the Group's existing customers on an ongoing basis.

Concentrations of credit risk are managed by customer and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of Group's trade receivables are widely dispersed in different regions.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual undiscounted cash flow RMB'000	Total carrying amount RMB'000
31 December 2024						
Interest-bearing bank and other borrowings	**1,599,023**	**450,593**	**2,464,499**	**2,104,722**	**6,618,837**	**6,618,837**
Interest payments on bank and other borrowings	**198,396**	**186,176**	**463,597**	**920,498**	**1,768,667**	**–**
Trade and bills payables	**5,587,026**	**–**	**–**	**–**	**5,587,026**	**5,587,026**
Financial liabilities included in other payables and accruals	**314,148**	**4,154**	**–**	**–**	**318,302**	**318,302**
	7,698,593	**640,923**	**2,928,096**	**3,025,220**	**14,292,832**	**12,524,165**
31 December 2023						
Interest-bearing bank and other borrowings	2,206,129	312,593	2,102,499	2,292,728	6,913,949	6,913,949
Interest payments on bank and other borrowings	217,104	231,650	552,415	1,325,184	2,326,353	–
Trade and bills payables	5,913,938	–	–	–	5,913,938	5,913,938
Financial liabilities included in other payables and accruals	321,413	8,282	–	–	329,695	329,695
	8,658,584	552,525	2,654,914	3,617,912	15,483,935	13,157,582

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Capital management

The Group's primary objective for managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debts. No change was made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, financial liabilities included in other payables and accruals, less cash and bank balances and pledged deposits. Capital includes the equity attributable to owners of the parent and non-controlling interests stated in the consolidated statement of financial position.

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its businesses. The gearing ratios as at the end of reporting periods are as follows:

	2024 RMB'000	2023 RMB'000
Interest-bearing bank and other borrowings	**6,618,837**	6,913,949
Trade and bills payables	**5,587,026**	5,913,938
Financial liabilities included in other payables and accruals	**318,302**	329,695
Cash and bank balances	**(3,043,846)**	(3,309,696)
Pledged deposits	**(112,663)**	(99,941)
Net debt	**9,367,656**	9,747,945
Total equity	**7,933,407**	7,628,615
Capital and net debt	**17,301,063**	17,376,560
Gearing ratio	**54%**	56%

40. EVENTS AFTER THE REPORTING PERIOD

As disclosed in note 10 to the consolidated financial statements, the directors proposed on 26 March 2025 a final dividend of RMB0.1077 per share in respect of the year ended 31 December 2024. The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,298,036	1,114,546
Right-of-use assets	365,632	409,726
Intangible assets	4,474	6,647
Investments in subsidiaries	2,168,120	2,160,838
Investments in joint ventures	2,121,178	2,201,981
Investments in associates	847,951	606,281
Equity investments designated at fair value through other comprehensive income	225,886	198,733
Deferred tax assets	210,277	182,709
Prepayments, other receivables and other assets	3,557	42,513
Total non-current assets	7,245,111	6,923,974
CURRENT ASSETS		
Inventories	48,576	38,783
Trade and bills receivables	2,111,122	2,514,160
Prepayments, other receivables and other assets	676,849	843,780
Contract assets	3,077,552	2,933,568
Pledged deposits	34,170	23,801
Cash and bank balances	1,543,309	2,071,210
Total current assets	7,491,578	8,425,302

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (continued)

	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES		
Trade and bills payables	3,281,694	3,853,084
Other payables and accruals	2,988,804	3,017,569
Interest-bearing bank and other borrowings	865,150	1,348,275
Provisions for supplementary retirement benefits	3,040	3,100
Tax payable	17,616	70,306
Provision	6,541	5,115
Total current liabilities	7,162,845	8,297,449
NET CURRENT ASSETS	328,733	127,853
TOTAL ASSETS LESS CURRENT LIABILITIES	7,573,844	7,051,827
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	634,155	180,190
Provisions for supplementary retirement benefits	57,075	54,631
Other payables and accruals	3,664	4,726
Total non-current liabilities	694,894	239,547
Net assets	6,878,950	6,812,280
EQUITY		
Share capital	1,348,670	1,348,670
Reserves *(note)*	5,530,280	5,463,610
Total equity	6,878,950	6,812,280

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Special reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 January 2023	703,496	555,449	–	3,629,461	4,888,406
Profit for the year	–	–	–	832,863	832,863
Other comprehensive income	(1,681)	–	–	–	(1,681)
Total comprehensive income for the year	(1,681)	–	–	832,863	831,182
Final 2022 dividend declared	–	–	–	(255,978)	(255,978)
Appropriation to statutory surplus reserve	–	83,286	–	(83,286)	–
Transfer to special reserve	–	–	76,105	(76,105)	–
Utilisation of special reserve	–	–	(76,105)	76,105	–
At 31 December 2023	701,815	638,735	–	4,123,060	5,463,610
Profit for the year	**–**	**–**	**–**	**284,067**	**284,067**
Other comprehensive income	**15,115**	**–**	**–**	**–**	**15,115**
Total comprehensive income for the year	**15,115**	**–**	**–**	**284,067**	**299,182**
Final 2023 dividend declared	**–**	**–**	**–**	**(232,512)**	**(232,512)**
Appropriation to statutory surplus reserve	**–**	**28,406**		**(28,406)**	**–**
Transfer to special reserve	**–**	**–**	**61,189**	**(61,189)**	**–**
Utilisation of special reserve	**–**	**–**	**(61,189)**	**61,189**	**–**
At 31 December 2024	**716,930**	**667,141**	**–**	**4,146,209**	**5,530,280**

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2025.