



河北建設集團股份有限公司

HEBEI CONSTRUCTION GROUP CORPORATION LIMITED

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

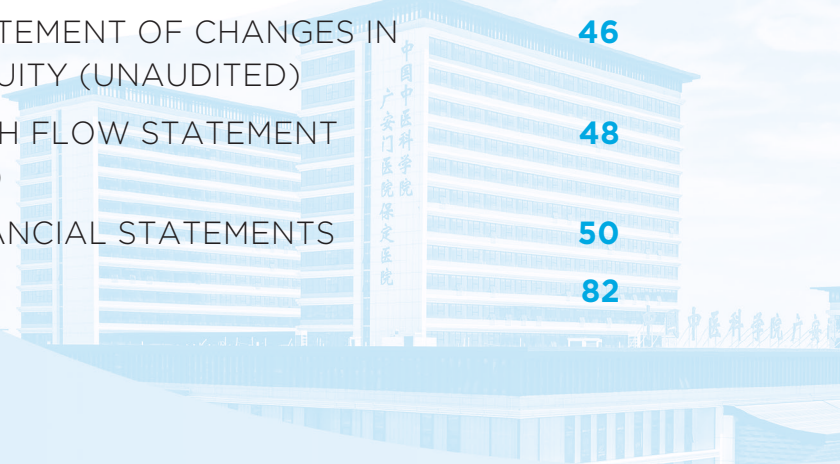
(Stock Code: 1727)

2025 INTERIM REPORT



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CORPORATE INFORMATION

Basic information of the Company is set out below:

LEGAL NAME OF THE COMPANY

河北建設集團股份有限公司

ENGLISH NAME OF THE COMPANY

Hebei Construction Group Corporation Limited

DIRECTORS

Executive Directors

Mr. Li Baozhong (*Chairman of the Board*)
Mr. Shang Jinfeng (*President*)
Mr. Zhao Wensheng
Mr. Tian Wei
(*employee representative Director*)¹
Mr. Zhang Wenzhong

Non-executive Director

Mr. Li Baoyuan (*Honorary Chairman*)

Independent Non-executive Directors

Ms. Shen Lifeng
Ms. Chen Xin
Mr. Chan Ngai Sang Kenny

SUPERVISORS²

Mr. Wang Feng
(*Chairman of the Board of Supervisors*)
Mr. Chen Qinghan
Mr. Zhang Pengyuan

Notes:

1. At the employee representative meeting of the Company held recently, Mr. Tian Wei was elected as the employee representative Director of the Company's third session of the Board and will continue to serve as an executive Director for a term consistent with that of the Company's third session of the Board.
2. Upon approval by the Shareholders at the 2024 annual general meeting, 2025 first Domestic Shareholders class meeting and 2025 first H Shareholders class meeting to abolish the Board of Supervisors, the Company ceased to have the Board of Supervisors effective from 30 June 2025 and each of the Supervisors retired from office as the Supervisors effective from 30 June 2025.

JOINT COMPANY SECRETARIES

Mr. Li Wutie
Ms. Wong Wai Ling (*ACG, HKACG*)

AUTHORISED REPRESENTATIVES

Ms. Shen Lifeng
Ms. Wong Wai Ling (*ACG, HKACG*)

BOARD COMMITTEES

Audit Committee

Ms. Shen Lifeng
(*Chairwoman of the committee*)
Mr. Li Baoyuan
Ms. Chen Xin
Mr. Chan Ngai Sang Kenny

Remuneration and Appraisal Committee

Ms. Chen Xin (*Chairwoman of the committee*)
Mr. Li Baozhong
Mr. Shang Jinfeng
Ms. Shen Lifeng
Mr. Chan Ngai Sang Kenny

Nomination Committee

Ms. Chen Xin (*Chairwoman of the committee*)
Mr. Li Baozhong
Mr. Shang Jinfeng
Ms. Shen Lifeng
Mr. Chan Ngai Sang Kenny

Strategic Committee

Mr. Li Baozhong (*Chairman of the committee*)
Mr. Shang Jinfeng
Mr. Zhao Wensheng

REGISTERED OFFICE

125 Lugang Road
Jingxiu District
Baoding, Hebei Province
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

125 Lugang Road
Jingxiu District
Baoding, Hebei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

STOCK SHORT NAME AND STOCK CODE

HEBEI CONS (01727)

H SHARE REGISTRAR

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

COMPANY WEBSITE

www.hebjs.com.cn

INVESTOR RELATIONS CONTACT

Tel: (86) 312 331 1000
Fax: (86) 312 301 9434
E-mail: hebeijianshe@hebjs.com.cn
Address: 125 Lugang Road
Jingxiu District
Baoding, Hebei Province, PRC
Postal code: 071000

LEGAL ADVISORS

As to Hong Kong law

Clifford Chance
27/F, Jardine House
One Connaught Place
Central, Hong Kong

As to PRC law

Jia Yuan Law Offices
F408, Ocean Plaza
158 Fuxing Men Nei Street
Xicheng District, Beijing
PRC

AUDITOR

Ernst & Young Hua Ming LLP
Certified Public Accountants
Level 16, Ernst & Young Tower, Oriental Plaza
No. 1 East Chang An Avenue
Dong Cheng District, Beijing
PRC

FINANCIAL HIGHLIGHTS

As of 30 June 2025, our revenue amounted to RMB7,908 million, representing a decrease of 28% as compared with the corresponding period of 2024.

As of 30 June 2025, our net profit amounted to RMB95 million, representing a decrease of 21% as compared with the corresponding period of 2024.

As of 30 June 2025, our earnings per Share amounted to RMB0.06, representing a decrease of 14% as compared with the corresponding period of 2024.

BUSINESS OVERVIEW

PART I OVERVIEW OF COMPANY'S BUSINESS

We are a leading non-state-owned construction group in China and are principally engaged in the following businesses:

- Construction contracting business. We provide construction project contracting services mainly as a general contractor for building construction projects and infrastructure construction projects.
- Other businesses. We are also engaged in service concession arrangements and other businesses.

A substantial majority of our revenue is generated from the construction contracting business, which mainly comprises of building construction business, infrastructure construction business and specialised and other construction contracting business. In the first half of 2025, our new contract value was RMB8,039 million, representing a decrease of 42.41% as compared with RMB13,960 million for the corresponding period of last year.

New contract value (by region):

	For the six months ended 30 June	
	2025	2024
(RMB100 million)	80.39	139.60
Share of Beijing-Tianjin-Hebei	79.71%	88.91%
Share of other regions	20.29%	11.09%

New contract value (by segment):

	For the six months ended 30 June	
	2025	2024
(RMB100 million)	80.39	139.60
Share of building construction	40.38%	55.98%
Share of infrastructure construction	39.05%	18.77%
Share of specialised and other construction	20.57%	25.25%

Building Construction Business

We provide construction contracting services for residential, public works, industrial and commercial construction projects. We undertake most of such construction projects as a general contractor. As a general contractor, we undertake all main aspects of construction projects, including building construction, foundation work, curtain wall construction, building decoration and fire engineering. We are also responsible for engaging subcontractors in providing construction services and the labor force for construction projects, coordinating the works of all parties, providing the major equipment and machinery, procuring raw materials and ensuring that construction projects are carried out on schedule. In the first half of 2025, the new contract value from the building construction business was RMB3,246 million, compared with RMB7,815 million for the corresponding period of last year.

New contract value of the building construction business (by segment):

	For the six months ended 30 June	
	2025	2024
(RMB100 million)	32.46	78.15
Share of residential construction	35.85%	34.54%
Share of public building construction	51.27%	46.87%
Share of industrial building construction	12.88%	18.59%
Share of commercial building construction	0.00%	0.00%

Infrastructure Construction Business

In addition to our core building construction business, we also provide construction contracting services for municipal and transportation infrastructure projects, including facilities for water supply and treatment, gas and heating, urban pipelines, landscaping, roads, bridges and airport runways. We undertake most of such construction projects as a general contractor. Our infrastructure construction customers are primarily local governments. In the first half of 2025, the new contract value from the infrastructure construction business was RMB3,139 million, compared with RMB2,620 million for the corresponding period of last year.

New contract value of the infrastructure construction business (by segment):

	For the six months ended 30 June	
	2025	2024
<i>(RMB100 million)</i>	31.39	26.20
Share of municipal infrastructure construction	77.22%	62.43%
Share of transportation infrastructure construction	22.78%	37.57%

Specialised and Other Construction Contracting Business

We also undertake construction contracting projects by leveraging our qualifications and experience in specialised areas such as electrical and mechanical installation, construction of steel structures and decoration. Our electrical and mechanical installation works generally cover the supply, installation and maintenance of equipment for power plants, pipelines for heating and natural gas, as well as air-conditioning, mechanical ventilation and exhaust air systems. The construction of steel structures generally refers to the building of the structural supporting elements comprising steel columns, girders and beams of a construction project. Decoration usually refers to the decoration and fixture handling after the completion of the major construction of the building. In the first half of 2025, the new contract value from the specialised and other construction contracting business was RMB1,654 million, compared with RMB3,525 million for the corresponding period of last year.

BUSINESS OVERVIEW

New contract value of the specialised and other construction contracting business (by segment):

	For the six months ended 30 June	
	2025	2024
(RMB100 million)	16.54	35.25
Share of electrical and mechanical installation	6.17%	25.20%
Share of steel structures	0.66%	0.17%
Share of decoration	12.52%	5.25%
Share of new energy	55.99%	/
Share of water conservancy and hydropower	12.33%	/
Share of other construction business	12.33%	69.38%

Representative projects of new contracts

Business segment	Name of project	Contract value (RMB100 million)	Region
Traffic infrastructure construction	General Contracting for Design and Construction of Anping Section Reconstruction Project of Provincial Highway S333 Haixing-shunping (省道S333海興至順平公路安平段改建工程設計施工總承包)	5.84	Hebei
Municipal infrastructure	Flood Control and Drainage Project - Bid Section II of General Contract of Baoding (Lianchi District) Pipe Network and Supporting Municipal Infrastructure Project (防洪排澇工程－保定市(蓮池區)管網及配套市政基礎設施項目工程總承包二標段)	5.84	Hebei
	General Contract (EPC) Bid Section III of Lanshan Hot Spring Rehabilitation Pastoral Complex Project (嵐山溫泉康養田園綜合體項目總承包(EPC)三標段)	5.00	Shandong

Business segment	Name of project	Contract value (RMB100 million)	Region
Residential building construction	Bid II of Resettlement House Project of Huangshanmudian Liangmachang in Pingfang Township, Chaoyang District (East Area) (30 Items Such as 01-1# Residential Building) (朝陽區平房鄉黃杉木店亮馬廠安置房項目(東區)(01-1#住宅樓等30項)二標段)	6.98	Beijing
New energy construction	EPC General Contract of New 100 MW/200 MWh Independent Energy Storage Power Station Project of Antai (Baoding) New Energy Technology Co., Ltd. (安鈦(保定)新能源科技有限公司新建100MW/200MWh獨立儲能電站項目EPC總承包)	3.57	Hebei
	EPC General Contract of Cixian 200 MW/400 MWh Shared Energy Storage Power Station Project (磁縣200兆瓦/400兆瓦時共享儲能電站項目EPC總承包)	5.70	Hebei

Representative projects of construction in progress

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Public building construction	General Contracting of Baoding Hospital of Guang'anmen Hospital of Chinese Academy of Traditional Chinese Medicine (中國中醫科學院廣安門醫院保定醫院工程總承包)	19.43	Hebei
	Design and Construction General Contracting (EPC) of the New Campus of Shunping County Hospital (順平縣醫院新院區建設項目設計、施工總承包(EPC))	6.07	Hebei
	Overall Relocation Project of Wenan County Hospital (文安縣醫院整體遷建工程)	6.57	Hebei
	EPC General Contract of the Second Phase Construction Project of Gu'an People's Hospital Xinxian Hospital (固安縣人民醫院新縣醫院二期建設項目EPC總承包)	4.33	Hebei
	General Contract for Design and Construction of Relocation Project of Dacheng County Hospital (大城縣醫院遷建項目設計施工總承包)	6.37	Hebei
	Construction of the Second Phase of Fuxing Campus of Affiliated Hospital of Hebei University of Engineering (河北工程大學附屬醫院復興院區二期工程施工)	7.03	Hebei

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Public building construction	Construction of 101 Medical Complex Building in Zhengding New Area Hospital (North Area Phase I) of the Second Hospital of Hebei Medical University (河北醫科大學第二醫院正定新區醫院(北區一期)101醫療綜合樓施工)	7.68	Hebei
	EPC General Contract of Survey-design-construction of Supporting Infrastructure Upgrading Project of Bianque Temple in Neiqiu County (內丘縣扁鵲廟配套基礎設施提升工程勘察—設計—施工EPC工程總承包)	6.88	Hebei
	Construction of Medical Complex Building, Scientific Research Building and Medical Isolation Building in the Relocation Project of Hohhot Second Hospital (呼和浩特市第二醫院遷建項目醫療綜合樓、科研樓、醫護隔離樓等工程施工)	7.11	Inner Mongolia Autonomous Region
	EPC Project General Contracting of Infrastructure and Related Supporting Facilities Construction and Upgrading Project in Beiqingshan Scenic Area (北青山景區基礎設施及相關配套設施建設提升項目EPC工程總承包)	7.42	Hebei

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Residential building construction	Shengtai Orchid Garden Project and Outdoor Supporting Facilities (晟泰蘭園項目及室外配套設施)	3.65	Hebei
	Bid II of Resettlement House Project of Huangshanmudian Liangmachang in Pingfang Township, Chaoyang District (East Area) (30 Items Such as 01-1# Residential Building) (朝陽區平房鄉黃杉木店亮馬廠安置房項目(東區)(01-1#住宅樓等30項)二標段)	6.98	Beijing
	Baoding Xidayuan Area Reconstruction Resettlement Housing Construction Project Construction Bid Section I (保定市西大園片區改造回遷安置房建設項目施工一標段)	3.35	Hebei
	Zizaifengjing Engineering General Contracting (自在峰璟工程總承包)	4.86	Hebei
	General Contracting Project for the Construction Project of Land A in South Zone in the West Side Area of Beihu Core Area in Tianqiao District, Jinan (濟南市天橋區北湖核心區西側片區地塊A南區建設項目施工總承包工程)	10.97	Shandong
	Langton Shangpin Yayuan Project (1#-19# Residential Building, 1#-4# Supporting Rooms, Kindergarten, Underground Garage) (蘭頓尚品雅園項目(1#-19#住宅樓、配套用房1#-4#、幼兒園、地下車庫))	4.52	Hebei
	Jian'an Project of Phase II, Bid Section C, Plot DK4 (BQ3-9-8), Gaoke Luwan International Community (高科麓灣國際社區DK4號(BQ3-9-8)地塊二期C標段建安工程)	3.40	Shaanxi
	General Contracting of Residential Project in Jinbinbao (Gua) 2022-17 Plot (津濱保(掛)2022-17號地住宅項目施工總承包)	3.03	Tianjin
	Reconstruction of Dongwangcaozhuang Shantytown in Gaoyang County and Supporting Infrastructure Construction Project (Bid II) (高陽縣東王草莊棚戶區改造及配套基礎設施建設項目(二標段))	5.61	Hebei
	General Contracting Project of Hengshui Yongjin Peninsula Project Phase III and Phase VI (衡水雍錦半島項目三期、六期總包工程)	7.45	Hebei
Commercial building construction	Hengbai International Plaza Construction Project (衡百國際廣場建設項目)	2.35	Hebei
	Zhangjiakou Rural Revitalisation Modern E-commerce Industrial Park Project (張家口鄉村振興現代電子商務產業園項目)	6.63	Hebei

Business segment	Name of project	Executive	Region
		contract value (RMB100 million)	
Industrial building construction	General Contracting Project of Hua'an Industry Baoding High-tech Digital Wisdom Valley Project (華安產業保定高新數智穀項目施工總承包工程)	3.04	Hebei
	Standardised Workshop Project (EPC) of Modern Equipment Manufacturing Industrial Park in Dangshan Economic Development Zone (礪山經濟開發區現代裝備製造產業園標準化廠房項目(EPC))	3.47	Anhui
	Construction of Standardisation Science and Technology Park Project in Laiyuan Economic Development Zone, Hebei (河北涞源經濟開發區標準化科創園項目施工)	4.36	Hebei
	EPC General Contract of Dezhou Emergency Material Reserve and Cold Chain Logistics Support Base Project (德州市應急物資儲備及冷鏈物流保障基地項目EPC總承包)	5.30	Shandong
	Civil Engineering and Steel Structure Engineering of Annual Production of 1GW Perovskite Solar Cell Module Project (Phase I) (年產1GW鈣鈦礦太陽能電池組件項目(一期)項目土建及鋼結構工程)	1.57	Jiangsu

BUSINESS OVERVIEW

Business segment	Name of project	Executive	Region
		contract value (RMB100 million)	
Transportation infrastructure construction	Yangzhou Taizhou International Airport Phase II Extension Project Flight Area Track Project Bid I (揚州泰州國際機場二期擴 建工程飛行區場道工程一標段)	2.01	Jiangsu
	Construction of Bid Section of Airport Track Project (FXQ-CD-03) of Hohhot New Airport (呼和浩特新機場飛行區場道工程 (FXQ-CD-03)標段施工)	4.88	Inner Mongolia Autonomous Region
	Construction of Track Engineering in the Flight Area of Panzhou Guanshan Civil Airport Project (Bid III) (盤州官山民用機場項 目飛行區場道工程施工(三標段))	2.69	Guizhou
	Track Engineering of Dongyang Hengdian General Airport Construction Project (東陽橫店通用機場建設項目場道工程)	2.67	Zhejiang
	Earthwork and Track Works of Newly-built Jindalai General Airport in Helong of Jilin Province (新建吉林省和龍金達萊通用機場土石 方及場道工程)	2.08	Jilin

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Municipal infrastructure construction	EPC General Contract for Infrastructure Construction Project of Innovative Manufacturing Industrial Park (創新製造產業園基礎設施建設項目EPC總承包)	13.62	Hebei
	Second Bid Section of Design and Construction General Contract for Reconstruction Project of Urban and Rural Integrated Pipe Network and Supporting Facilities in Jingxiu District of Baoding City (保定市競秀區城鄉一體化管網及配套設施改造工程設計施工總承包二標段)	3.02	Hebei
	EPC General Contract of Baoding South Second Ring Road Pipeline Network and Supporting Municipal Infrastructure Upgrading and Reconstruction Project (保定市南二環管網及配套市政基礎設施提升改造工程EPC工程總承包)	8.81	Hebei
	Flood Control and Drainage Project - General Contracting of Rainwater Pumping Station of Sunshine North Street, Rainwater Pumping Station of Baihua Road Underpass Bridge and Rainwater Storage Pool of Great Wall North Street (防洪排澇工程—陽光北大街雨水泵站、百花路地道橋雨水泵站、長城北大街雨水調蓄池建設工程工程總承包)	2.51	Hebei
	General Contracting of Infrastructure Upgrading and Reconstruction and New Supporting Road Network Project of Anguo Modern Chinese Medicine Industrial Park in Hebei Province (河北安國現代中藥工業園區基礎設施提升改造和新建配套路網項目工程總承包)	2.19	Hebei
	Lianghu Avenue Phase I (Liangjing Section) and Connecting Line Reconstruction Project (Connecting Line Section) (良湖大道一期(良井段)及連接線改建工程(連接線段))	1.70	Guangdong
	General Contracting of Infrastructure Project of Huanghuagou Rainwater Pumping Station in East Second Ring Road (東二環黃花溝雨水泵站基礎設施工程項目工程總承包)	1.72	Hebei
	Reconstruction Project of Zhenlong Avenue (Zhongkai Junction to Dalubei Section) in Huiyang District (惠陽區鎮隆大道(仲愷交界至大路背段)改造工程)	1.57	Guangdong

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Electrical and mechanical installation	PC General Contract of Runsong Ningjin Wind Power Generation and Storage Integration Project in Xingtai, Hebei Province (河北邢臺潤崧甯晉風電發儲一體化項目PC總承包)	6.19	Hebei
Decoration	Third Bid of the National Children's Regional Medical Center Construction Project of Shengjing Hospital affiliated to China Medical University: Non-purification and Decoration Project in Laboratory Area (中國醫科大學附屬盛京醫院國家兒童區域醫療中心建設項目非淨化、實驗室區域內裝飾工程三標段項目)	0.48	Liaoning
	Fifth Bid Section of Interior Decoration Project of EPC Project of Langfang People's Hospital Relocation Project (廊坊市人民醫院遷建項目EPC工程總承包室內裝飾工程五標段)	0.35	Hebei
Specialised and other construction business	Fuhe Regulation Project (府河治理工程)	8.04	Hebei
	Construction of New Surface Water Plant and Supporting Projects in Qingyuan District of Baoding City (Water Pipeline and Foundation Treatment Project of Water Plant) (保定市清苑區新建地表水廠及配套工程施工(輸水管線和水廠地基處理工程部分))	1.70	Hebei
	Baoding City Water System Construction Project - Water Network Protection and Water Quality Improvement Project (General Contract) (保定市大水系建設項目一水網防護及入澗水質提升工程(工程總承包))	11.60	Hebei
	Newly-built Surface Water Plant and Supporting Works in Qingyuan District, Baoding City (Surface Water Plant Section) (保定市清苑區新建地表水廠及配套工程(地表水廠部分))	1.29	Hebei

Representative projects of completed projects

Business segment	Name of project	Executive	Region
		contract value (RMB100 million)	
Public building construction	Knowledge City ZSCXN-B3-2 (Medical City) Project (知識城ZSCXN-B3-2(醫療城)項目)	12.60	Guangdong
	The Third People's Hospital of Xing'an League Relocation and Rebuild Construction Project (興安盟第三人民醫院遷址新建新增建設項目)	3.36	Inner Mongolia Autonomous Region
	Construction Project of Double Creation Incubation Center in South New District of Fuyang City (阜陽市城南新區雙創孵化中心建設項目)	2.77	Anhui
Residential building construction	Phase II Project of Urban Village Reconstruction in Longtun New City, Botou City (泊頭市龍屯新城城中村改造二期項目)	9.54	Hebei
	General Contracting of the Second Phase of Changlingju Commercial and Residential Project (長嶺居商住項目二期工程施工總承包)	4.23	Hebei
	General Contracting Project of Public Facilities and Residential Projects in Wolong Bay International Business District-A Zone, Phase 5A (臥龍灣國際商務區公共設施及住宅項目一A區5A期總承包工程)	3.87	Liaoning
	Ziruiyuan East Zone Construction Project Bid I (紫瑞園東區建設項目一標段)	1.80	Hebei
Commercial building construction	General Contracting (EPC) for Survey, Design and Construction of the First Phase Construction Project of Fortune Plaza in Knowledge City (知識城財富廣場一期建設工程勘察設計施工總承包(EPC))	2.46	Guangdong
Industrial building construction	Construction and Installation Works of 3#4#5# Factory Building, 6# Dining Room, 7# Dormitory Building, Diesel Generator Room, Boiler Room and Pool Pump Room (Phase I Project) of Hebei Yuanmeng Clothing Co., Ltd. (河北源夢服飾有限公司制帽工業智能4.0實施項目(一期工程)3#4#5#廠房、6#餐廳、7#宿舍樓、柴油發電機房、鍋爐房、水池泵房建築安裝工程)	0.61	Hebei
Transportation infrastructure construction	Bid 003 of T3B Terminal Building and the Fourth Runway Project of Chongqing Jiangbei International Airport (重慶江北國際機場T3B航站樓及第四跑道工程飛行區場道工程003標段)	6.16	Chongqing

PART II RESEARCH AND DEVELOPMENT ACHIEVEMENTS AND AWARDS

In the first half of 2025, the Company achieved remarkable results in various aspects of technology innovation, including implementation of technology research and development projects, construction and operation of technology platform and application and licensing of intellectual property.

1. Scientific and technological progress and awards: 19 provincial construction industry scientific and technological progress awards were granted, 12 new technology application demonstration projects, 2 green construction scientific and technological demonstration projects, 4 scientific and technological research and development projects passed the acceptance of the Housing and Construction Department, 9 achievements assessment reached the domestic leading level; 4 scientific and technological achievements passed the acceptance of the Provincial Construction Association, and 3 achievements reached the domestic leading level.
2. Establishment of science and technology projects: 4 science and technology planning projects of the Provincial Construction Association and 145 enterprise science and technology planning projects were established, and the research and development of each project was carried out in an orderly manner.
3. Research and development expenses: research and development expenses of 300 enterprise-level science and technology planning projects in 2024 were calculated amounting to RMB347 million.
4. Operation of science and technology platform: the construction and operation of the platform was further promoted, the relevant data of the National Enterprise Technology Center was filled in, the performance evaluation materials of the 2024 provincial technology innovation center were summarised and submitted, and the post-doctoral workstations carried out the inbound and outbound assessments in an orderly manner.
5. Intellectual property rights: we filed for intellectual property rights for key technologies in time. As of the end of June 2025, there were 35 newly authorised patents (including 8 invention patents) and 21 newly applied patents.

PART III OUTLOOK

In the first half of 2025, amid an increasingly complex internal and external landscape, the Company remained committed to its core principles of enhancing quality, boosting efficiency, and advancing with steady resilience. Embracing a bold spirit of exploration, an innovative mindset, and a down-to-earth work ethic, we delivered a robust performance, which, as the saying goes, proved “true strength is revealed in adversity”.

In the second half of the year, the Group must continue to focus on development as the ‘irrefutable priority’, with key efforts directed toward the following tasks.

Firstly, we will continuously build high-quality enterprise platforms. The Group’s 73 years of accumulated brand reputation, qualifications and track record, financial credit lines, and talent reserves represent our most valuable resources. We must further establish and operate Group-level platforms to unlock their full potential, safeguarding the sustainable and healthy development of the enterprise.

Secondly, we will continue to energise all levels of the organisation. Just as a towering tree thrives through its deep roots, our decentralised units serve as the vital root system penetrating regional markets and specialised sectors. The Company will introduce robust policies to empower each business unit and employee to leverage the Group’s expansive platform, encouraging differentiated innovation and entrepreneurship across industry value chains to cultivate new growth engines.

Thirdly, we will continuously improve project quality by intensifying targeted rectification of recurring quality issues, advancing standardised quality management systems, and consistently enhancing construction quality standards. We will actively develop high-quality projects at all levels, strengthen process control for national-level quality awards, implement excellence planning and detailed design execution for new projects, and rigorously supervise specialised construction plans for high-risk/high-complexity projects to ensure technical safety and regulatory compliance.

Fourthly, we will always maintain unwavering vigilance in production safety. We will intensify safety awareness campaigns to foster a strong safety culture. Through rigorous process control, we ensure stable safety performance year-round. By combining on-site and online inspections, inter-city joint checks with peer learning, targeted rectifications with unannounced audits, as well as resident supervision and designated responsibility systems, we develop customised engineering control strategies for each project type.

Looking ahead, the path forward is clear: success lies in simplicity and hard work. In the second half of the year, the Company will remain steadfast in confidence and march forward with determination, striving to deliver strong performance that serves society, rewards shareholders and benefits employees!

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue, Cost of Sales and Gross Profit

The revenue for the six months ended 30 June 2025 amounted to RMB7,908 million, representing a decrease of approximately RMB3,107 million as compared with the corresponding period of last year, which was mainly due to the decrease in segment revenue from construction contracting of RMB3,174 million.

Segment operating results of construction contracting business

	Six months ended 30 June 2025				Six months ended 30 June 2024			
	Revenue RMB100 million	Cost RMB100 million	Gross profit margin %	Percentage %	Revenue RMB100 million	Cost RMB100 million	Gross profit margin %	Percentage %
Building construction business	47.44	45.02	5.1	62.1	69.84	66.28	5.1	64.6
Infrastructure construction business	22.18	20.45	7.8	29.1	30.99	28.80	7.1	28.7
Specialised and other construction business	6.72	6.35	5.5	8.8	7.25	6.86	5.4	6.7
Total	76.34	71.82	5.9		108.08	101.94	5.7	

The revenue from construction contracting business for the six months ended 30 June 2025 decreased by RMB3,174 million, which was mainly due to completion of certain major projects of the Group during the current period on the one hand, and on the other, the decrease in the contract amount and quantity of newly undertaken projects of the Company as compared to the same period of last year.

Specific reasons are analysed below:

- (1) For building construction business, being the largest revenue contributor to construction contracting business, during the Reporting Period, affected by the macro-economic situation, the property market remained in the doldrums, with a decrease in new projects and a slowdown in construction progress, as a result, revenue from the building construction business decreased as compared to the same period of last year. Meanwhile, during the Reporting Period, certain major projects, including Baoding Lianchuang Education Development Industrial Park Section I, were completed, resulting in a year-on-year decrease in revenue from building construction business of RMB2,240 million. During the Reporting Period, the gross profit margin of building construction business remained relatively unchanged compared with the same period of last year.

- (2) The revenue from infrastructure construction business decreased by RMB881 million compared to the same period last year. During the Reporting Period, certain major infrastructure projects with higher gross profit newly contracted in the previous year, such as the Changchun Beihu Fine Chemical New Materials Industrial Demonstration Park Project (Phase I) EPC Municipal Engineering Project, had completed main structures by the end of the previous period and were finalised in the current period. This led to a year-on-year decline in revenue from infrastructure construction business but an improvement in gross profit margin compared to the same period last year.
- (3) The revenue from specialised and other construction business decreased by RMB53 million year-on-year in the first half of 2025. This segment primarily includes mechanical and electrical installation, steel structure works, and other construction services, which typically have shorter project durations. During the Reporting Period, the number of new projects secured in this segment decreased compared to the same period last year, leading to a year-on-year decline in revenue.

General and Administrative Expenses

In the first half of 2025, the Group's general and administrative expenses amounted to RMB122 million, representing a decrease of RMB89.77 million as compared to the same period in 2024, which was mainly attributable to the decrease in employee benefits, welfare and social insurance fees in the current period.

Research and Development Expenses

The research and development expenses of the Group for the first half of 2025 amounted to RMB27.97 million, representing a decrease of RMB5.25 million as compared to the corresponding period of 2024. The research and development expenses are mainly the costs incurred for research of special projects or production process by the Group. The decrease in research and development expenses was mainly due to fewer new research and development projects during the Reporting Period.

Credit Impairment Losses

The credit impairment losses for January to June 2025 amounted to RMB92 million, representing an increase of RMB15 million compared to the same period in 2024. This was primarily due to the Group's individual provision for bad debts on customers with significant default risks, based on their operating conditions. During the current period, contract assets were reclassified as accounts receivable but the related payments had not yet been collected. Out of prudent consideration, the Group continued to make provisions for bad debts, leading to the increase in credit impairment losses.

Impairment Losses on Assets

The reversal of asset impairment losses for January to June 2025 amounted to RMB68 million, compared to a reversal of RMB37 million during the same period in 2024. This was primarily due to the decline in revenue during the Reporting Period, which led to a reduction in the carrying value of contract assets and, consequently, lower bad debt provisions newly made for contract assets.

Investment Income

The investment income for January to June 2025 amounted to RMB0.69 million, compared to an investment loss of RMB1.9 million during the same period in 2024, which was primarily attributable to continued profitability from strategically invested associates and joint ventures.

Income Tax Expenses

The income tax expenses for January to June 2025 amounted to RMB28 million, representing a decrease of RMB7 million as compared to the same period of last year, which was mainly due to the decline in profit before tax during the current period as compared with the same period of last year, which consequently led to lower income tax expenses.

Net Profit

Based on the above factors, net profit for the first half of 2025 was RMB95 million, representing a decrease of approximately RMB26 million as compared with the same period of last year.

Liquidity, Financial Sources and Capital Structure

The Group finances operations primarily through cash generated from operating activities and interest-bearing borrowings. As at 30 June 2025 and 31 December 2024, the Group had cash and cash equivalents of approximately RMB3,896 million and approximately RMB5,000 million, respectively. For the liquidity and capital structure of the funds of the Group, please refer to the “Financial Ratios” below.

Currency Funds

As at 30 June 2025, the currency funds of the Group were RMB4,315 million, representing a decrease of RMB1,435 million as compared with that at the end of 2024, which was mainly due to the net cash outflows resulted from operating activities.

Financial Policy

The Group regularly monitors cash flow and cash balances. Furthermore, it is dedicated to maintaining the optimal liquidity level required for working capital and keeping its business and multiple growth strategies at a stable and healthy level during the Reporting Period. In the future, the Group intends to finance operations through cash generated from operating activities and interest-bearing borrowings.

Long-term Equity Investments

As at 30 June 2025, the long-term equity investments were RMB546 million, representing an increase of RMB0.91 million as compared with that at the end of 2024, remaining relatively stable.

Receivables Financing

As at 30 June 2025, the receivables financing of the Group was RMB29 million, representing a decrease of RMB77 million as compared with that at the end of 2024, which was mainly due to the fact that during the Reporting Period, the Group prefers to settle by bank deposits instead of accepting bank acceptance bills issued by real estate enterprises.

Accounts Receivable and Long-term Receivables

As at 30 June 2025, the net value of accounts receivable was RMB7,052 million, representing a decrease of approximately RMB275 million as compared with that at the end of 2024, and the overall change was insignificant.

The net value of long-term receivables (including the portion due within one year) was RMB209 million, remaining relatively stable from the end of 2024.

Other Receivables

As at 30 June 2025, the net value of other receivables was RMB2,262 million, remaining relatively stable from the end of 2024.

Contract Assets and Construction Services Contract Liabilities

The net value of contract assets as at 30 June 2025 was RMB39,467 million, representing a decrease of approximately RMB1,674 million as compared with that at the end of 2024, which was mainly due to the settlement of relevant construction contracts based on performance progress. Contract liabilities as at 30 June 2025 were RMB5,882 million, representing a decrease of approximately RMB219 million as compared with that at the end of 2024, and the overall change was insignificant.

Other Equity Instrument Investments

The carrying value of other equity instrument investments as at 30 June 2025 was RMB513 million, representing a decrease of approximately RMB18 million as compared with that at the end of 2024, and the overall change was insignificant.

Borrowings

The bank borrowings of the Group mainly include long-term and short-term borrowings from financial institutions.

As at 30 June 2025, the Group's interest-bearing borrowings were approximately RMB5,920 million (31 December 2024: approximately RMB6,056 million).

Bills and Accounts Payable

The balance of accounts payable as at 30 June 2025 was RMB29,464 million, representing a decrease of RMB2,883 million or 9% as compared with that at the end of 2024, which was mainly due to the decrease in project volume during the Reporting Period, resulting in lower procurement volume. The balance of bills payable increased by RMB432 million as compared with that at the end of last year, which was mainly due to the fact that the Group enriched payment methods, adjusted the payment structure, and increased the proportion of bill payments.

Capital Expenditures

Capital expenditures in the first half of 2025 were approximately RMB5.5 million, representing a decrease of RMB9.5 million as compared to the same period of 2024, with a slight change.

Capital Commitment

As at 30 June 2025, the Group did not have any material capital commitment.

Financial Ratios

	30 June 2025	31 December 2024
Current ratio (times) ⁽¹⁾	1.10	1.10
Quick ratio (times) ⁽²⁾	1.10	1.10
Gearing ratio ⁽³⁾	91.5%	94.8%
Return on assets ⁽⁴⁾ (not annualised)	0.2%	0.3%
Return on equity ⁽⁵⁾ (not annualised)	1.5%	2.5%

Notes:

- (1) Current ratio (times) represents total current assets divided by total current liabilities as at the relevant date.
- (2) Quick ratio (times) represents total current assets minus inventory divided by total current liabilities as at the relevant date.
- (3) Gearing ratio represents total interest-bearing liabilities divided by equity as at the relevant date and multiplied by 100%.
- (4) Return on assets represents profit for the period divided by the average of total assets at the beginning and end of the period and multiplied by 100%.
- (5) Return on equity represents profit for the period divided by the average balance of total equity at the beginning and end of the period and multiplied by 100%.

Significant Acquisition or Disposal

The Group did not have any significant acquisition and disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Significant Investments

As at 30 June 2025, the Group did not hold any significant investments.

Contingent Liabilities

As at 30 June 2025, contingent liabilities arising from pending litigation or arbitration of the Group amounted to RMB35 million.

RMB Exchange Rate Fluctuations and Exchange Risks

Most of the Group's businesses and all bank loans have been traded in RMB, therefore, there is no significant foreign exchange fluctuation risk. The Board does not expect that fluctuations in the RMB exchange rate and exchange fluctuations of other foreign currencies will have a significant impact on the Group's business or results. The Group currently has no relevant foreign exchange risk hedging policies and therefore it has not carried out any hedging transactions to manage the potential risks of foreign currency fluctuations.

Employee and Remuneration Policies

As of 30 June 2025, the Group had a total of 6,403 full-time employees (31 December 2024: 6,940). In alignment with its human resources strategy, the Group has established a performance- and competency-based compensation system across different job categories. This system references compensation levels of peer companies in the same region and industry, creating a salary structure that adapts to both market conditions and corporate development strategy. Regular adjustments are made in response to internal and external environmental changes to motivate employees and effectively support the Company's human capital strategy. The Group adheres to a people-oriented philosophy with an emphasis on education, having implemented a comprehensive "Three-Level, Four-Tier, Five-Phase" employee training and development system, which emphasises systematic talent development approach and establishes assessment platforms across different business units. Through initiatives including the "358 Talent Development Program" and "Key Position Advanced Training Program", the Group supports employees in achieving their career development goals while cultivating a pipeline of future leaders.

Pledges of Assets

For details of pledges of assets of the Group during the Reporting Period, please refer to note V.11 to the financial statements.

Future Plans for Material Investments or Capital Assets

As of 30 June 2025, the Group had no specific plan for material investments or capital assets.

ISSUED SHARE CAPITAL

As at 30 June 2025, the total share capital of the Company was RMB1,761,383,500, divided into 1,761,383,500 Shares with a nominal value of RMB1.00 each. During the Reporting Period, there was no change in the share capital of the Company.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining a high level of corporate governance to meet business needs and Shareholders' requirements.

To ensure that the Company is able to fully fulfill its obligations under the Listing Rules, the Company has established an effective corporate governance structure and is committed to continually improving its internal control and corporate governance mechanisms.

The Company also operates in strict accordance with the Articles of Association, the terms of reference of each of the committees under the Board, the Company Law, and the relevant laws, regulations and regulatory documents, as well as the relevant provisions of the Hong Kong Stock Exchange, and performs the information disclosure, investor relations management and service work of the Company in accordance with the law.

During the Reporting Period, the Company had complied with all the code provisions as set out in the Corporate Governance Code and had adopted most of the recommended best practices as set out therein.

SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) as set out in Appendix C3 to the Listing Rules as the code for all Directors and Supervisors to conduct transactions of the Company's securities. The Company has made specific inquiries to all Directors and Supervisors, and they all confirmed that they have complied with the standards specified in the Model Code during the Reporting Period.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 26 May 2025, the Board considered and approved, among other things, the resolution on proposed abolition of the Board of Supervisors and amendments to the Articles of Association, which has been adopted at the 2024 annual general meeting, 2025 first Domestic Shareholders class meeting and 2025 first H Shareholders class meeting held on 30 June 2025 by way of special resolution. The amended Articles of Association has become effective from 30 June 2025. The full text of the amended Articles of Association is available on the HKEXnews website of the Hong Kong Stock Exchange and the website of the Company. For details, please refer to the announcements of the Company dated 26 May 2025 and 30 June 2025, respectively, as well as the circular dated 2 June 2025.

Save as disclosed above, there were no other major changes on the Articles of Association by the Company during the Reporting Period.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS FOR 2026 TO 2027

As the Labor Subcontract Framework Agreement will expire on 31 December 2025, the Company has entered into the New Labor Subcontract Framework Agreement with Baoding Tianli on 13 May 2025, and proposed the annual caps for 2026 and 2027 thereunder to renew such continuing connected transactions. Accordingly, Baoding Tianli and its associates shall provide labor subcontract services to the Group in its ordinary course of business, including but not limited to contracting for building construction projects and infrastructure construction projects, for which Baoding Tianli will charge the Group gross subcontract fees (including subcontract service fees, labor wages and social insurance expenses, taxation, auxiliary materials and tools costs, and other fees). The annual caps governing the gross subcontract fees payable by the Group to Baoding Tianli and its associates for each of the two years ending 31 December 2026 and 2027 are RMB2,200.00 million. For details, please refer to the announcements of the Company dated 13 May 2025 and 30 June 2025, as well as the circular dated 2 June 2025.

As the Property Leasing Framework Agreement will expire on 31 December 2025, the Company has entered into the New Property Leasing Framework Agreement with Zhongming Zhiye on 13 May 2025, and proposed the annual caps for 2026 and 2027 thereunder to renew such continuing connected transactions. Accordingly, Zhongming Zhiye and its associates may lease properties as offices, workshops, warehouses and/or other work places to the Group, for which Zhongming Zhiye and its associates will charge the Group rental and other charges. The annual caps governing the rentals and other fees payable by the Group to Zhongming Zhiye and its associates for utilisation of relevant properties for each of the two years ending 31 December 2026 and 2027 are RMB5.60 million. For details, please refer to the announcement of the Company dated 13 May 2025.

As the Leased Property Framework Agreement will expire on 31 December 2025, the Company has entered into the New Leased Property Framework Agreement with Zhongming Zhiye on 13 May 2025, and proposed the annual caps for 2026 and 2027 thereunder to renew such continuing connected transactions. Accordingly, the Group may lease properties as offices, workshops, warehouses and/or other work places to Zhongming Zhiye and its associates, for which the Group will charge Zhongming Zhiye and its associates rental and other charges. The annual caps governing the rentals and other fees payable by Zhongming Zhiye and its associates to the Group for utilisation of relevant properties for each of the two years ending 31 December 2026 and 2027 are RMB3.00 million. For details, please refer to the announcement of the Company dated 13 May 2025.

As the Goods Procurement Framework Agreement will expire on 31 December 2025, the Company has entered into the New Goods Procurement Framework Agreement with Zhongming Zhiye on 13 May 2025, and proposed the annual caps for 2026 and 2027 thereunder to renew such continuing connected transactions. Accordingly, Zhongming Zhiye and its associates may sell goods to the Group, which include but are not limited to steel and processed products, cement and related products, concrete and mortar, timber and processed products, flooring materials, brick and tile, insulation materials, waterproofing materials, fittings and equipment for water heating and gas, hardware and electrical materials, doors and windows, paints and coatings, garden seedlings, lifts and road materials, and the Group will make relevant payment to Zhongming Zhiye and its associates for procurement of relevant goods. The annual caps governing the total purchase amount payable by the Group to Zhongming Zhiye and its associates for each of the two years ending 31 December 2026 and 2027 are RMB10.00 million. For details, please refer to the announcement of the Company dated 13 May 2025.

As the Property Services Framework Agreement will expire on 31 December 2025, the Company has entered into the New Property Services Framework Agreement with Zhongming Zhiye on 13 May 2025, and proposed the annual caps for 2026 and 2027 thereunder to renew such continuing connected transactions. Accordingly, Zhongming Zhiye and its associates may provide property services to the Group, which include but are not limited to management and maintenance services for property facilities and equipment, public place order and security services, public hygiene and cleaning services, maintenance and management services for public landscaping and gardening, management services for archives such as relevant engineering drawings and completion acceptance materials, public area maintenance and other property management related services, and the Group will pay total service fees to Zhongming Zhiye and its associates. The annual caps governing the total service fees payable by the Group to Zhongming Zhiye and its associates for property services for each of the two years ending 31 December 2026 and 2027 are RMB8.00 million. For details, please refer to the announcement of the Company dated 13 May 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company (including the sale or transfer of treasury Shares) during the Reporting Period. As at the end of the Reporting Period, neither the Company nor any of its subsidiaries held any treasury Shares.

DIVIDEND DISTRIBUTION

2024 Final Dividend

According to the “Profit Distribution Proposal for 2024” considered and approved by the Shareholders at the 2024 annual general meeting convened on 30 June 2025, in order to ensure the continuous and stable operation of the Company and to safeguard the long-term interests of all Shareholders, and taking into account the Company’s business plan and capital requirements for 2025, the Company did not distribute a final dividend to Shareholders for the year ended 31 December 2024. For details, please refer to the Company’s circular dated 2 June 2025 and the announcement dated 30 June 2025.

2025 Interim Dividend

The Board does not recommend the distribution of interim dividend for the six months ended 30 June 2025.

SIGNIFICANT SUBSEQUENT EVENTS

Save as disclosed in the interim report, there has been no significant subsequent event of the Group from 30 June 2025 to the Latest Practicable Date.

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The members of the Audit Committee of the Company are Ms. Shen Lifeng (Chairwoman of the committee), Mr. Li Baoyuan, Ms. Chen Xin and Mr. Chan Ngai Sang Kenny. The Audit Committee of the Company has reviewed and confirmed the Group’s interim results announcement for the six months ended 30 June 2025, the 2025 interim report and the unaudited interim financial statements for the six months ended 30 June 2025 prepared in accordance with CASBE.

CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

SHARE CAPITAL AND CHANGES IN SHARE CAPITAL

The overseas-listed foreign-invested Shares (H Shares) of the Company were listed on the Main Board of the Stock Exchange on 15 December 2017, with a total share capital of 1,733,334,000 Shares. As at 5 January 2018, the over-allotment option described in the Prospectus was partially exercised, and 28,049,500 H Shares were allotted, increasing the number of Shares to 1,761,383,500 Shares.

As at 30 June 2025, the total share capital in issue of the Company was RMB1,761,383,500, divided into 1,761,383,500 ordinary Shares with a nominal value of RMB1.00 each, including 1,300,000,000 Domestic Shares and 461,383,500 H Shares. During the Reporting Period, there was no change in the share capital of the Company.

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

As at 30 June 2025, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Interests and Short Positions of Directors and Chief Executives in the Shares of the Company

Name of the Directors and chief executives	Capacity	Number of Shares interested	Class of Shares	Nature of interest	Approximate percentage of shareholding in the relevant class of Shares as at 30 June 2025	Approximate percentage of shareholding in the total issued share capital of the Company as at 30 June 2025
Mr. Li Baoyuan ¹	Interest in controlled corporation	1,300,000,000	Domestic Shares	Long position	100%	73.80%

Note:

- As at 30 June 2025, Qianbao Investment directly holds 5.54% of the equity interests in the Company and 34.95% of the equity interests in Zhongru Investment. In addition, each of the remaining 136 individual shareholders of Zhongru Investment has respectively undertaken that they have followed since the establishment of Zhongru Investment or when each of them became a shareholder of Zhongru Investment, and will continue to follow Qianbao Investment in exercising their voting powers at shareholders' general meetings of Zhongru Investment and all other rights of shareholders of Zhongru Investment. Therefore, Qianbao Investment is deemed to be interested in 100% of the equity interests in Zhongru Investment and thus be interested in the 1,202,500,000 Shares held by Zhongru Investment for the purpose of Part XV of the SFO. As at 30 June 2025, Mr. Li Baoyuan directly holds 90% of the equity interests in Qianbao Investment, and Qianbao Investment directly or indirectly holds 100% of the equity interests in Zhongru Investment and directly holds 5.54% of the equity interests in the Company. Therefore, Mr. Li Baoyuan is deemed to be interested in 100% of the equity interests, or 289,500,000 shares, in Zhongru Investment and thus be interested in the 1,300,000,000 Shares directly or indirectly held by Qianbao Investment for the purpose of Part XV of the SFO.

CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Interests and Short Positions of Directors and Chief Executives in the Shares of Associated Corporations of the Company

Name of the Directors and chief executives	Name of associated corporation	Capacity	Number of ordinary shares interested in the associated corporation	Nature of interest	Approximate percentage of issued share capital of associated corporation as at 30 June 2025
Mr. Li Baoyuan ¹	Qianbao Investment ²	Beneficial owner	45,000,000	Long position	90.00%
	Zhongru Investment ³	Interest in controlled corporation	289,500,000	Long position	100.00%
Mr. Li Baozhong	Qianbao Investment ²	Beneficial owner	5,000,000	Long position	10.00%
Mr. Shang Jinfeng	Zhongru Investment ³	Beneficial owner	5,000,000	Long position	1.73%
Mr. Zhao Wensheng	Zhongru Investment ³	Beneficial owner	3,000,000	Long position	1.04%
Mr. Tian Wei	Zhongru Investment ³	Beneficial owner	3,000,000	Long position	1.04%
Mr. Zhang Wenzhong	Zhongru Investment ³	Beneficial owner	3,000,000	Long position	1.04%

Notes:

- As at 30 June 2025, Mr. Li Baoyuan directly holds 90% of the equity interests in Qianbao Investment, and Qianbao Investment directly holds 34.95% of the equity interests in Zhongru Investment. In addition, each of the remaining 136 individual shareholders of Zhongru Investment has respectively undertaken that they have followed since the establishment of Zhongru Investment or when each of them became a shareholder of Zhongru Investment, and will continue to follow Qianbao Investment in exercising their voting powers at shareholders' general meetings of Zhongru Investment and all other rights of shareholders of Zhongru Investment. Therefore, Mr. Li Baoyuan (through Qianbao Investment) is deemed to be interested in 100% of the equity interests, or 289,500,000 shares, in Zhongru Investment.
- As at 30 June 2025, the total share capital of Qianbao Investment is 50,000,000 shares.
- As at 30 June 2025, the total share capital of Zhongru Investment is 289,500,000 shares.

Save as disclosed above, so far as any Directors are aware, as at 30 June 2025, none of the Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register kept under Section 352 of the SFO; or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

RIGHTS OF DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

As of 30 June 2025, none of the Directors or their respective spouses or children under the age of 18 was granted any rights to acquire benefits by means of acquisition of Shares or debentures of the Company, nor exercised any such rights. The Company or any of its subsidiaries did not make any arrangement to enable the Directors or their respective spouses or children under the age of 18 to acquire such rights from any other body corporate.

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

As at 30 June 2025, the following persons (not being the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would be required to be recorded in the register kept under Section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares interested	Class of Shares	Nature of interest	Approximate percentage of shareholding in the relevant class of Shares as at 30 June 2025	Approximate percentage of shareholding in total issued share capital of the Company as at 30 June 2025
Zhongru Investment	Beneficial owner	1,202,500,000	Domestic Shares	Long position	92.50%	68.27%
Qianbao Investment ¹	Interest in controlled corporation	1,202,500,000	Domestic Shares	Long position	92.50%	68.27%
	Beneficial owner	97,500,000	Domestic Shares	Long position	7.50%	5.54%

Note:

- As at 30 June 2025, Qianbao Investment directly holds 5.54% of the equity interests in the Company and 34.95% of the equity interests in Zhongru Investment. In addition, each of the remaining 136 individual shareholders of Zhongru Investment has respectively undertaken that they have followed since the establishment of Zhongru Investment or when each of them became a shareholder of Zhongru Investment, and will continue to follow Qianbao Investment in exercising their voting powers at shareholders' general meetings of Zhongru Investment and all other rights of shareholders of Zhongru Investment. Therefore, Qianbao Investment is deemed to be interested in 100% of the equity interests in Zhongru Investment and thus be interested in the 1,202,500,000 Domestic Shares held by Zhongru Investment for the purpose of Part XV of the SFO.

INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

As of the Latest Practicable Date, the composition of the Board of Directors and senior management of the Company is as follows:

The Board of Directors of the Company has a total of 9 Directors, including: 5 executive Directors, namely Mr. Li Baozhong, Mr. Shang Jinfeng, Mr. Zhao Wensheng, Mr. Zhang Wenzhong and Mr. Tian Wei (employee representative Director); 1 non-executive Director, namely Mr. Li Baoyuan; and 3 independent non-executive Directors, namely Ms. Shen Lifeng, Ms. Chen Xin and Mr. Chan Ngai Sang Kenny.

The Company has a total of 7 members of senior management, namely Mr. Shang Jinfeng (executive Director and President), Mr. Zhao Wensheng (executive Director, Vice President, Chief Accountant and Director of Finance), Mr. Lü Qian (Vice President), Mr. Zhang Wenzhong (executive Director and Vice President), Mr. Chen Liewei (Vice President and Chief Economist), Mr. Tian Wei (executive Director, employee representative Director and Vice President) and Mr. Li Wutie (Board Secretary and Assistant to the President).

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes of Directors

At the employee representative meeting of the Company held recently, Mr. Tian Wei was elected as the employee representative Director of the Company's third session of the Board and will continue to serve as an executive Director for a term consistent with that of the Company's third session of the Board.

China South City Holdings Limited (In Liquidation) (stock code: 1668), where Ms. Shen Lifeng, an independent non-executive Director of the Company served as a non-executive director, was ordered to be wound up by the High Court of Hong Kong Special Administrative Region on 11 August 2025.

Changes of Supervisors

Upon approval by the Shareholders at the 2024 annual general meeting, 2025 first Domestic Shareholders class meeting and 2025 first H Shareholders class meeting to abolish the Board of Supervisors, the Company ceased to have the Board of Supervisors effective from 30 June 2025 and each of the Supervisors retired from office as the Supervisors effective from 30 June 2025.

Changes of Senior Management

During the Reporting Period, there was no change of the senior management of the Company.

Save as disclosed in this interim report, as of the Latest Practicable Date, there is no change in the information of Directors, Supervisors and chief executive of the Company that is required to be disclosed pursuant to the provisions of Rule 13.51B(1) of the Listing Rules.

INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

30 June 2025
RMB'000

Assets	Note V	30 June 2025 (Unaudited)	31 December 2024
Current assets			
Currency funds		4,315,232	5,750,362
Financial assets held for trading		2,560	16,499
Bills receivable		83,271	68,634
Accounts receivable	1	7,051,994	7,326,744
Receivables financing		28,822	106,202
Prepayments		676,606	699,026
Other receivables		2,262,187	2,299,267
Inventories		382,594	310,809
Contract assets		36,596,706	38,265,547
Current portion of non-current assets		48,192	43,128
Other current assets		526,368	508,747
Total current assets		51,974,532	55,394,965
Non-current assets			
Long-term receivables	1	161,061	170,007
Long-term equity investments	2	545,581	544,668
Contract assets		2,870,222	2,875,419
Other equity instrument investments		513,019	531,464
Investment property		199,400	201,300
Fixed assets	3	826,675	853,581
Construction in progress		80,553	76,892
Right-of-use assets		18,477	16,252
Intangible assets		89,279	91,918
Deferred income tax assets		1,100,427	1,078,569
Total non-current assets		6,404,694	6,440,070
Total assets		58,379,226	61,835,035

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

30 June 2025

RMB'000

Liabilities and owners' equity	Note V	30 June 2025 (Unaudited)	31 December 2024
Current liabilities			
Short-term borrowings		1,746,954	2,426,057
Bills payable		1,594,720	1,162,978
Accounts payable	4	29,463,558	32,346,648
Contract liabilities		5,882,100	6,101,267
Employee benefits payable		187,511	229,400
Taxes payable		798,805	882,346
Other payables		4,483,090	4,917,071
Current portion of non-current liabilities		1,199,588	462,277
Other current liabilities		3,560,298	3,732,706
Total current liabilities		48,916,624	52,260,750
Non-current liabilities			
Long-term borrowings		2,980,104	3,172,655
Lease liabilities		10,073	11,684
Total non-current liabilities		2,990,177	3,184,339
Total liabilities		51,906,801	55,445,089
Owners' equity			
Share capital		1,761,384	1,761,384
Capital reserve		1,662,063	1,662,063
Other comprehensive income		24,638	37,403
Surplus reserve		640,960	640,960
Retained profit		2,224,634	2,120,023
Total equity attributable to owners of the parent		6,313,679	6,221,833
Non-controlling interests		158,746	168,113
Total owners' equity		6,472,425	6,389,946
Total liabilities and owners' equity		58,379,226	61,835,035

The financial statements have been signed by:

Legal representative:

Financial controller:

Accounting supervisor:

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025
RMB'000

	Note V	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Revenue	5	7,908,202	11,015,171
Less: Cost of sales		7,403,489	10,365,625
Taxes and surcharges		21,560	26,481
Selling and distribution expenses		742	967
General and administrative expenses		122,270	212,043
Research and development costs		27,973	33,224
Finance costs		184,549	178,624
Including: Interest expenses		207,845	192,878
Interest income		12,185	14,235
Add: Other income		332	16
Investment income		692	(1,900)
Including: Share of profits of associates and joint ventures		704	(2,060)
Gains on derecognition of financial assets at amortised cost		(1,028)	(2,298)
Gains on fair value changes		(1,862)	675
Credit impairment losses	6	(91,884)	(76,763)
Impairment losses on assets	7	67,821	36,784
Gains from disposal of assets		(65)	63
Operating profit		122,653	157,082
Add: Non-operating income		2,041	2,135
Less: Non-operating expenses		1,506	3,244
Total profit		123,188	155,973
Less: Income tax expenses	8	27,944	35,094
Net profit		95,244	120,879

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025

RMB'000

	Note V	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Classified by the continuity of operation			
Net profit from continuing operations		95,244	120,879
Classified by the ownership			
Net profit attributable to owners of the parent		104,611	126,889
Net profit or loss attributable to non-controlling interests		(9,367)	(6,010)
Other comprehensive income, net of tax		(12,765)	9,748
Other comprehensive income, net of tax, attributable to owners of the parent		(12,765)	9,748
Other comprehensive income that cannot be reclassified to profit and loss			
Changes in fair value of other equity instrument investments		(13,678)	9,297
Other comprehensive income that will be reclassified to profit and loss			
Changes in fair value of receivables financing		913	451
Total comprehensive income		82,479	130,627
Including:			
Total comprehensive income attributable to owners of the parent		91,486	136,637
Total comprehensive income attributable to non-controlling interests		(9,367)	(6,010)
Earnings per share (RMB/share)			
Basic and diluted earnings per share	10	0.06	0.07

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025

RMB'000

		Attributable to shareholders of the parent						Non-controlling interests	Total shareholders' equity	
		Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit			Subtotal
I.	Opening balance of the period	1,761,384	1,662,063	37,403	-	640,960	2,120,023	6,221,833	168,113	6,389,946
II.	Changes for the period									
(I)	Total comprehensive income	-	-	(12,765)	-	-	104,611	91,846	(9,367)	82,479
(II)	Special reserve									
1.	Appropriation for the period	-	-	-	197,705	-	-	197,705	-	197,705
2.	Use in the period	-	-	-	(197,705)	-	-	(197,705)	-	(197,705)
III.	Closing balance of the period	1,761,384	1,662,063	24,638	-	640,960	2,224,634	6,313,679	158,746	6,472,425

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the period from 1 January 2024 to 30 June 2024

RMB'000

		Attributable to shareholders of the parent						Non-controlling interests	Total shareholders' equity	
		Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit			Subtotal
I.	Opening balance of the period	1,761,384	1,662,063	33,608	-	600,053	1,990,221	6,047,329	180,527	6,227,856
II.	Changes for the period									
(I)	Total comprehensive income	-	-	9,748	-	-	126,889	136,637	(6,010)	130,627
(II)	Special reserve									
1.	Appropriation for the period	-	-	-	275,379	-	-	275,379	-	275,379
2.	Use in the period	-	-	-	(275,379)	-	-	(275,379)	-	(275,379)
(III)	Transfer within owners' equity									
1.	Other comprehensive income transferred to retained earnings	-	-	(3,000)	-	-	3,000	-	-	-
(IV)	Others	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
III.	Closing balance of the period	1,761,384	1,662,063	40,356	-	600,053	2,117,110	6,180,966	174,517	6,355,483

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025
RMB'000

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales of goods or rendering of services	10,247,181	14,467,048
Other cash receipts related to operating activities	3,794,461	3,605,873
Subtotal of cash inflows from operating activities	14,041,642	18,072,921
Cash paid for goods and services	10,313,766	14,970,922
Cash paid to and for employees	206,783	452,527
Taxes paid	402,346	396,814
Other cash payments related to operating activities	3,879,417	3,981,800
Subtotal of cash outflows from operating activities	14,802,312	19,802,063
Net cash flows from operating activities	(760,670)	(1,729,142)
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from return of investment	14,133	44,922
Cash received from investment income	507	16,804
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,059	5,375
Subtotal of cash inflows from investing activities	17,699	67,101
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	5,494	14,808
Cash paid to acquire investments	221	15,247
Subtotal of cash outflows from investing activities	5,715	30,055
Net cash flows from investing activities	11,984	37,046

The accompanying notes to financial statements form an integral part of these financial statements

INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025

RMB'000

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from borrowings	<u>1,607,970</u>	<u>1,928,074</u>
Subtotal of cash inflows from financing activities	<u>1,607,970</u>	<u>1,928,074</u>
Cash paid for repayments of debts	<u>1,743,676</u>	<u>1,723,779</u>
Cash paid for distribution of dividends or interest	<u>207,845</u>	<u>188,426</u>
Other cash payments related to financing activities	<u>11,639</u>	<u>11,595</u>
Subtotal of cash outflows from financing activities	<u>1,963,160</u>	<u>1,923,800</u>
Net cash flows from financing activities	<u>(355,190)</u>	<u>4,274</u>
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>108</u>	<u>19</u>
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,103,768)</u>	<u>(1,687,803)</u>
Add: Opening balance of cash and cash equivalents	<u>4,999,705</u>	<u>6,527,686</u>
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>3,895,937</u>	<u>4,839,883</u>

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY BALANCE SHEET (UNAUDITED)

30 June 2025
RMB'000

	30 June 2025 (Unaudited)	31 December 2024
Assets		
Current assets		
Currency funds	2,832,254	3,643,132
Financial assets held for trading	2,485	15,964
Bills receivable	31,160	66,735
Accounts receivable	5,508,525	5,694,317
Receivables financing	18,064	56,315
Prepayments	490,204	510,667
Other receivables	838,341	1,714,729
Inventories	102,001	54,488
Contract assets	29,044,420	30,630,172
Other current assets	260,877	242,726
Total current assets	39,128,331	42,629,245
Non-current assets		
Long-term receivables	-	4,433
Long-term equity investments	3,140,595	3,127,582
Contract assets	69,158	71,967
Other equity instrument investments	507,865	526,310
Investment property	91,600	91,000
Fixed assets	644,358	661,126
Construction in progress	80,374	80,372
Right-of-use assets	17,334	14,550
Intangible assets	292	292
Deferred income tax assets	733,658	740,077
Total non-current assets	5,285,234	5,317,709
Total assets	44,413,565	47,946,954

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY BALANCE SHEET (UNAUDITED)

30 June 2025

RMB'000

	30 June 2025 (Unaudited)	31 December 2024
Liabilities and owners' equity		
Current liabilities		
Short-term borrowings	1,472,185	1,539,562
Bills payable	801,410	400,597
Accounts payable	22,496,444	26,430,777
Contract liabilities	4,157,309	4,153,907
Employee benefits payable	139,486	189,108
Taxes payable	678,770	657,998
Other payables	4,940,999	4,851,397
Current portion of non-current liabilities	464,884	329,952
Other current liabilities	2,837,342	3,006,742
Total current liabilities	37,988,829	41,560,040
Non-current liabilities		
Long-term borrowings	110,019	159,284
Lease liabilities	9,846	10,976
Total non-current liabilities	119,865	170,260
Total liabilities	38,108,694	41,730,300
Owners' equity		
Share capital	1,761,384	1,761,384
Capital reserve	1,447,379	1,447,379
Other comprehensive income	24,638	38,011
Surplus reserve	379,248	379,248
Retained profit	2,692,222	2,590,632
Total owners' equity	6,304,871	6,216,654
Total liabilities and owners' equity	44,413,565	47,946,954

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY INCOME STATEMENT (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025
RMB'000

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Revenue	5,182,812	7,951,540
Less: Cost of sales	4,853,732	7,531,011
Taxes and surcharges	15,006	17,849
Selling and distribution expenses	328	415
General and administrative expenses	85,492	141,610
Research and development costs	18,750	28,513
Finance costs	77,907	82,285
Including: Interest expenses	94,862	91,599
Interest income	5,347	9,295
Add: Other income	100	15
Investment income	316	(3,373)
Including: Share of profits of joint ventures and associates	421	(2,061)
Gains on derecognition of financial assets at amortised cost	(321)	(1,556)
Gains on fair value changes	638	935
Credit impairment losses	(75,924)	(68,298)
Impairment losses on assets	59,803	35,573
Gains from disposal of assets	(96)	-
Operating profit	116,434	114,709
Add: Non-operating income	15,026	25,352
Less: Non-operating expenses	223	1,323
Total profit	131,237	138,738
Less: Income tax expenses	29,647	32,290
Net profit	101,590	106,448
Other comprehensive income, net of tax	(13,373)	9,654
Other comprehensive income that cannot be reclassified to profit and loss		
Changes in fair value of other equity instrument investments	(13,678)	9,297
Other comprehensive income that will be reclassified to profit and loss		
Changes in fair value of receivables financing	305	357
Total comprehensive income	88,217	116,102

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025
RMB'000

	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Total owners' equity
I. Opening balance of the period	1,761,384	1,447,379	38,011	-	379,248	2,590,632	6,216,654
II. Changes for the period							
(I) Total comprehensive income	-	-	(13,373)	-	-	101,590	88,217
(II) Special reserve							
1. Appropriation for the period	-	-	-	129,570	-	-	129,570
2. Use in the period	-	-	-	(129,570)	-	-	(129,570)
III. Closing balance of the period	1,761,384	1,447,379	24,638	-	379,248	2,692,222	6,304,871

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)

For the period from 1 January 2024 to 30 June 2024

RMB'000

	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Total owners' equity
I. Opening balance of the period	1,761,384	1,447,379	34,165	-	355,498	2,376,889	5,975,315
II. Changes for the period							
(I) Total comprehensive income	-	-	9,654	-	-	106,448	116,102
(II) Special reserve							
1. Appropriation for the period	-	-	-	198,789	-	-	198,789
2. Use in the period	-	-	-	(198,789)	-	-	(198,789)
(III) Transfer within owners' equity							
1. Other comprehensive income transferred to retained earnings	-	-	(3,000)	-	-	3,000	-
(IV) Others	-	-	-	-	-	(3,000)	(3,000)
III. Closing balance of the period	1,761,384	1,447,379	40,819	-	355,498	2,483,337	6,088,417

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY CASH FLOW STATEMENT (UNAUDITED)

For the period from 1 January 2025 to 30 June 2025
RMB'000

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales of goods or rendering of services	7,364,415	9,777,392
Other cash receipts related to operating activities	2,749,598	2,359,129
Subtotal of cash inflows from operating activities	10,114,013	12,136,521
Cash paid for goods and services	8,670,315	10,736,438
Cash paid to and for employees	191,752	368,702
Taxes paid	192,092	268,425
Other cash payments related to operating activities	1,436,759	3,121,570
Subtotal of cash outflows from operating activities	10,490,918	14,495,135
Net cash flows from operating activities	(376,905)	(2,358,614)
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from return of investment	14,373	29,000
Cash received from investment income	216	9,539
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,436	4,538
Subtotal of cash inflows from investing activities	16,025	43,077
Cash paid for the purchase and construction of fixed assets	1,178	8,261
Cash paid to acquire investments	221	17,784
Subtotal of cash outflows from investing activities	1,399	26,045
Net cash flows from investing activities	14,626	17,032

The accompanying notes to financial statements form an integral part of these financial statements

COMPANY CASH FLOW STATEMENT (UNAUDITED)
For the period from 1 January 2025 to 30 June 2025
RMB'000

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from borrowings	<u>916,232</u>	<u>1,640,898</u>
Subtotal of cash inflows from financing activities	<u>916,232</u>	<u>1,640,898</u>
Cash paid for repayments of debts	<u>899,377</u>	<u>1,626,650</u>
Cash paid for distribution of dividends or interest	<u>94,862</u>	<u>87,899</u>
Other cash payments related to financing activities	<u>7,817</u>	<u>7,721</u>
Subtotal of cash outflows from financing activities	<u>1,002,056</u>	<u>1,722,270</u>
Net cash flows from financing activities	<u>(85,824)</u>	<u>(81,372)</u>
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>108</u>	<u>19</u>
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(447,995)</u>	<u>(2,422,935)</u>
Add: Opening balance of cash and cash equivalents	<u>3,008,275</u>	<u>5,620,252</u>
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>2,560,280</u>	<u>3,197,317</u>

The accompanying notes to financial statements form an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025
RMB'000

I. BASIC INFORMATION

Hebei Construction Group Co., Ltd. (河北建設集團有限公司), the predecessor of Hebei Construction Group Corporation Limited (the “Company”), was established on 29 September 1997 with the approval of the People’s Government of Baoding City. It was established by the state-owned enterprise restructuring of certain state-owned assets and legal entities of No. 1 Construction Engineering Company of Hebei Province (河北省第一建築工程公司), which had 50 years of history, as well as the merging of Architectural Design Institute, legal entities, Baoding Furnace Plant and Baoding Concrete Pipe Plant. On 7 April 2017, the Company completed the shareholding system reform, was converted into a joint stock company and renamed as “Hebei Construction Group Corporation Limited”. The registered address of the Company is No. 125 Lugang Road, Baoding, Hebei Province, and the legal representative is Li Baozhong. The Company does not have a fixed business term.

Upon the proposal by the Board of Directors of the Company and approval by the general meeting, and according to the Reply on the Approval of Issuance of Overseas-Listed Foreign-Invested Shares by Hebei Construction Group Corporation Limited (Zheng Jian Xu Ke [2017] No. 2056) (證監許可[2017]2056號文《關於核准河北建設集團股份有限公司發行境外上市外資股的批覆》) from the CSRC, the Company completed the initial issue of 433,334,000 overseas-listed foreign-invested shares (H shares) to overseas investors on 15 December 2017. The over-allotment option was exercised on 5 January 2018 and issued 28,049,500 additional overseas-listed foreign-invested shares (H shares), and a total of 461,383,500 H shares were issued, with a nominal value of RMB1.00 each. The H shares were verified by Zhongxingcai Guanghua Certified Public Accountants LLP with the capital verification report of Zhongxingcai Guanghua Yan Zi (2019) No. 309003. The registered capital of the Company increased to RMB1,761,383,500 after the initial public offering of H shares.

The major operating activities of the Company and its subsidiaries (hereinafter referred to as the “Group”) are general contracting of construction works.

The Group’s parent company and ultimate parent company are Zhongru Investment Co., Ltd. (incorporated in the PRC) and Qianbao Investment Co., Ltd. (incorporated in the PRC), respectively, with their principal place of business in the PRC.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Report by the Ministry of Finance and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. The financial statements do not include all the information and disclosures required for the annual financial statements and therefore need to be read together with the 2024 annual financial statements.

The financial statements have been prepared on a going concern basis.

III. CHANGE OF ACCOUNTING POLICIES AND ESTIMATES

The accounting policies and estimates used in the financial statements are consistent with those used in the 2024 annual financial statements.

IV. CHANGE OF SCOPE OF CONSOLIDATION

1. Information about subsidiaries

During the current period, the Company established Hebei Wangzhu Construction Engineering Co., Ltd., Hebei Construction Group (Xiong'an) Construction Development Co., Ltd., Tianjin Tianzheng Construction Engineering Co., Ltd., Jiangsu Zhengrui Construction Engineering Co., Ltd. and Hebei Xiongheng Baocheng Construction Engineering Co., Ltd. Hebei Baina Productivity Base Co., Ltd. and Hebei Tuopu Construction Engineering Co., Ltd., being subsidiaries of the Company, were deregistered during the current period. The Company transferred its 100% equity interests in Beijing Tianjia Construction Engineering Co., Ltd. during the current period, which was no longer accounted for as a subsidiary of the Company upon completion of the transfer. Save as disclosed above, the scope of the consolidated financial statements was consistent with that of last year.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Accounts receivable and long-term receivables

The accounts receivable of the Group are mainly receivables for construction contracting business. The credit period of accounts receivable is generally one to three months. All accounts receivable are non-interest-bearing.

An ageing analysis of accounts receivable is as follows:

	30 June 2025 (Unaudited)	31 December 2024
Within 1 year	6,509,814	6,294,717
1 to 2 years	813,467	1,156,111
2 to 3 years	501,549	501,379
Over 3 years	933,635	987,408
	8,758,465	8,939,615
Less: Impairment allowance	1,706,471	1,612,871
Total	7,051,994	7,326,744

Except for project quality deposits receivable, the ageing of accounts receivable was calculated since the invoice date. The ageing of the project quality deposits receivable is calculated from the later of the invoice date and the expiry of the warranty period.

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Accounts receivable and long-term receivables (Continued)

The Group's long-term receivables are mainly receivables for the provision of build-operate-transfer water supply services, which will be settled in installments during a period from 1 to 25 years.

	30 June 2025 (Unaudited)	31 December 2024
Long-term concession project receivables	209,253	208,702
Project receivables	-	4,733
	209,253	213,435
Less: Bad debt allowance on long-term receivables	-	300
	209,253	213,135
Less: Long-term receivables due within one year	48,192	43,128
Total	161,061	170,007

The ageing of long-term receivables shall be calculated since the date upon satisfaction for the completion of concession project. As of 30 June 2025, the management of the Group did not make bad debt provisions for the long-term receivables (31 December 2024: RMB300,000).

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Long-term equity investments

For the period from 1 January 2025 to 30 June 2025, the Group increased long-term equity investment in Baoding Nongtou Construction Engineering Co., Ltd. at a consideration of RMB221,000 (for the period from 1 January 2024 to 30 June 2024: acquisition of a long-term equity investment in Hebei Guangbo Construction Engineering Co., Ltd. at a consideration of RMB450,000).

For the period from 1 January 2025 to 30 June 2025, the Group did not dispose of its long-term equity investment (for the period from 1 January 2024 to 30 June 2024: the Group disposed of its long-term equity investment in Rongcheng County Hengda Construction Investment Co., Ltd. at a consideration of RMB29,000,000).

3. Fixed assets

For the period from 1 January 2025 to 30 June 2025, the Group acquired fixed assets with an original cost of RMB1,833,000 (for the period from 1 January 2024 to 30 June 2024: RMB10,703,000).

For the period from 1 January 2025 to 30 June 2025, the Group disposed of fixed assets with a carrying value of RMB1,589,000 (for the period from 1 January 2024 to 30 June 2024: RMB4,635,000) and recorded loss on disposal of assets of RMB65,000 (for the period from 1 January 2024 to 30 June 2024: RMB63,000).

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4. Accounts payable

Accounts payable are non-interest bearing.

An ageing analysis of accounts payable is as follows:

	30 June 2025 (Unaudited)	31 December 2024
Within 1 year	18,318,232	20,640,524
1 to 2 years	8,526,684	8,877,374
2 to 3 years	1,551,425	1,521,756
Over 3 years	1,067,217	1,306,994
Total	29,463,558	32,346,648

The ageing of accounts payable was calculated since the date the procurement was made.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025
RMB'000

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Revenue

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Revenue from major business	7,633,670	10,808,378
Revenue from other business	274,532	206,793
Total	7,908,202	11,015,171

The revenue is as follows:

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Revenue from contracts with customers	7,906,750	11,003,983
Rental income	1,452	11,188
Total	7,908,202	11,015,171

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Revenue (Continued)

Revenue from contracts with customers is set out as follows:

For the period from 1 January 2025 to 30 June 2025 (Unaudited)

Reporting segment	Construction	Others	Total
Major products			
Building construction	4,743,764	-	4,743,764
Infrastructure construction	2,025,200	192,644	2,217,844
Specialised and other construction	672,062	-	672,062
Sales of goods and others	175,046	89,898	264,944
Sewage and reclaimed water treatment	-	8,136	8,136
Total	<u>7,616,072</u>	<u>290,678</u>	<u>7,906,750</u>
Major operating regions			
Mainland China (excluding Hong Kong, Macau and Taiwan)	<u>7,616,072</u>	<u>290,678</u>	<u>7,906,750</u>
Total	<u>7,616,072</u>	<u>290,678</u>	<u>7,906,750</u>
Timing of revenue recognition			
At a point of time	175,046	98,020	273,066
Within a period of time	<u>7,441,026</u>	<u>192,658</u>	<u>7,633,684</u>
Total	<u>7,616,072</u>	<u>290,678</u>	<u>7,906,750</u>

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Revenue (Continued)

Revenue from contracts with customers is set out as follows: (continued)

For the period from 1 January 2024 to 30 June 2024 (Unaudited)

Reporting segment	Construction	Others	Total
Major products			
Building construction	6,983,995	-	6,983,995
Infrastructure construction	2,601,019	498,624	3,099,643
Specialised and other construction	724,740	-	724,740
Sales of goods and others	110,776	67,179	177,955
Sewage and reclaimed water treatment	-	17,650	17,650
Total	10,420,530	583,453	11,003,983
Major operating regions			
Mainland China (excluding Hong Kong, Macau and Taiwan)	10,396,579	583,453	10,980,032
Other countries and regions	23,951	-	23,951
Total	10,420,530	583,453	11,003,983
Timing of revenue recognition			
At a point of time	110,776	67,179	177,955
Within a period of time	10,309,754	516,274	10,826,028
Total	10,420,530	583,453	11,003,983

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Revenue (Continued)

The information related to performance obligations of the Group is as follows:

Construction services

The performance obligation is fulfilled within the time when the service is provided, and the contract price is usually settled within 90 days after the project payment is invoiced. Generally, the customer retains a certain percentage as the warranty money. The warranty money is usually settled after the warranty period expires.

Sale of goods

The performance obligation is fulfilled when the goods is delivered to the customer. For recurring customers, the contract price is usually settled within 90 days of delivery; for new customers, advance payment is usually required.

Sewage and reclaimed water treatment

The performance obligation is fulfilled within the period of provision of relevant services. The contract period for sewage and reclaimed water treatment is 25 years. The contract price is normally paid within 90 days after settlement.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Credit impairment losses

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Losses from bad debts of accounts receivable	(93,600)	(76,100)
Losses from bad debts of other receivables	1,416	(663)
Losses from bad debts of long-term receivables	300	-
Total	(91,884)	(76,763)

7. Impairment losses on assets

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Impairment loss on contract assets	67,821	36,784

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. Income tax expenses

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Current income tax expenses	45,473	57,793
Deferred income tax expenses	(17,529)	(22,699)
Total	27,944	35,094

9. Profit distribution

For the period from 1 January 2025 to 30 June 2025, the Group did not make any profit distribution.

For the period from 1 January 2024 to 30 June 2024, the Group did not make any profit distribution.

10. Earnings per share

	For the period from 1 January 2025 to 30 June 2025 RMB per share (Unaudited)	For the period from 1 January 2024 to 30 June 2024 RMB per share (Unaudited)
Basic earnings per share		
Continuing operations	0.06	0.07

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary Shareholders of the Company by the weighted average number of ordinary shares in issue. The number of newly issued ordinary shares is determined according to the specific terms of the issue contract and calculated from the date of consideration receivable (normally the stock issue date).

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025
RMB'000

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Earnings per share (Continued)

The calculation of the basic earnings per share and diluted earnings per share is as follows:

	For the period from 1 January 2025 to 30 June 2025 (Unaudited) RMB'000	For the period from 1 January 2024 to 30 June 2024 (Unaudited) RMB'000
Profit		
Net profit for the period attributable to ordinary Shareholders of the Company Continuing operations	<u>104,611</u>	<u>126,889</u>
Shares		
Weighted average number of ordinary shares in issue of the Company	<u>1,761,383,500</u>	<u>1,761,383,500</u>

The Group had no potentially dilutive ordinary shares, therefore diluted earnings per share equals to basic earnings per share.

11. Assets with restricted ownership

	30 June 2025 (Unaudited)	31 December 2024	
Currency funds	419,295	750,657	Note 1
Accounts receivable	-	129,374	Note 2
Contract assets	2,492,187	2,491,704	Note 2
Long-term receivables (including long-term receivables due within one year)	204,190	208,702	Note 2
Investment property	91,600	91,000	Note 3
Fixed assets	322,339	409,274	Note 4
Intangible assets	88,988	91,626	Note 4
Total	<u>3,618,599</u>	<u>4,172,337</u>	

V. NOTES TO KEY ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Assets with restricted ownership (Continued)

Note 1: As at 30 June 2025, the Group's currency funds with restricted ownership were frozen for judicial and other reasons of RMB251,199,000 (31 December 2024: RMB568,308,000), bill deposits of RMB68,596,000 (31 December 2024: RMB85,699,000) and letters of credit deposits of RMB99,500,000 (31 December 2024: RMB96,650,000).

Note 2: As at 30 June 2025, the Group did to obtain any borrowings via security over accounts receivable.

As at 30 June 2025, the Group obtained a long-term borrowing of RMB2,098,504,000 jointly secured by contract assets with the carrying amount of RMB2,492,187,000 and long-term receivables with the carrying amount of RMB204,190,000.

As at 31 December 2024, the Group obtained a short-term borrowing of RMB129,374,000 secured by accounts receivable with the carrying amount of RMB129,374,000.

As at 31 December 2024, the Group obtained a long-term borrowing of RMB2,150,419,000 jointly secured by contract assets with the carrying amount of RMB2,491,704,000 and long-term receivables with the carrying amount of RMB208,702,000.

Note 3: As at 30 June 2025, the Group obtained a short-term bank borrowing of RMB100,000,000 (31 December 2024: RMB100,094,000) secured by investment property with the carrying amount of RMB91,600,000 (31 December 2024: RMB91,600,000).

Note 4: As at 30 June 2025, the Group obtained a short-term borrowing of RMB314,000,000 (31 December 2024: RMB420,444,000) and long-term borrowing of RMB10,019,000 (31 December 2024: RMB10,019,000) secured by fixed assets with the carrying amount of RMB322,339,000 (31 December 2024: RMB409,274,000) and intangible assets with the carrying amount of RMB88,988,000 (31 December 2024: RMB91,961,000).

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VI. SEGMENT REPORT

1. Operating segments

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

- (1) The construction contracting segment mainly engages in the construction general contracting and subcontracting business;
- (2) “Other segment” mainly includes service concession arrangements and other services of the Group.

The management monitors the results of the business units separately for the purpose of decision-making regarding resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit. The indicator is measured consistently with the Group’s total profit from continuing operations.

For the period from 1 January 2025 to 30 June 2025 (Unaudited)

	Construction contracting	Others	Adjustment and offset	Total
Sales to external customers	7,616,072	292,130	-	7,908,202
Intersegment sales	64,750	14,755	(79,505)	-
Gains on investments in joint ventures and associates	704	-	-	704
Credit impairment losses	42,901	48,983	-	91,884
Impairment losses on assets	(80,361)	12,540	-	(67,821)
Depreciation and amortisation	20,325	14,682	-	35,007
Total profit	221,904	(98,673)	(43)	123,188

VI. SEGMENT REPORT (Continued)

1. Operating segments (Continued)

For the period from 1 January 2024 to 30 June 2024 (Unaudited)

	Construction contracting	Others	Adjustment and offset	Total
Sales to external customers	10,420,530	594,641	-	11,015,171
Intersegment sales	71,370	8,819	(80,189)	-
Gains on investments in joint ventures and associates	(2,060)	-	-	(2,060)
Credit impairment losses	59,289	17,474	-	76,763
Impairment losses on assets	(40,298)	3,514	-	(36,784)
Depreciation and amortisation	24,792	11,042	-	35,834
Total profit	244,380	(80,210)	(8,197)	155,973

2. Other information

Geographical information

Revenue from external transactions

As the majority of the Group's revenue is derived from customers in Mainland China, no further information of geographical segments is required. Revenue from external transactions is analysed by geographic locations where the customers are located.

Total non-current assets

All non-current assets held by the Group are located in Mainland China. Non-current assets are analysed by geographic locations where the assets are located, excluding financial assets and deferred tax assets.

Information about major customers

No operating revenue from a single customer accounted for more than 10% of the Group's revenue.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VII. FAIR VALUE

1. Assets and liabilities measured at fair value

30 June 2025 (Unaudited)

	Inputs used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Ongoing fair value measurement				
Financial assets held for trading	2,560	-	-	2,560
Receivables financing	-	28,822	-	28,822
Other equity instrument investments	46,765	-	466,254	513,019
Investment property	-	-	199,400	199,400
Total	49,325	28,822	665,654	743,801

31 December 2024

	Inputs used in fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Ongoing fair value measurement				
Financial assets held for trading	16,499	-	-	16,499
Receivables financing	-	106,202	-	106,202
Other equity instrument investments	51,805	-	479,659	531,464
Investment property	-	-	201,300	201,300
Total	68,304	106,202	680,959	855,465

VII. FAIR VALUE (Continued)

2. Valuation techniques and inputs for fair value measurement

For the period from 1 January 2025 to 30 June 2025, the valuation process, valuation techniques, and input levels of fair value measurement have not changed.

The following is an overview of the significant unobservable inputs in the fair value measurement categorised within level 3:

	Fair value at the end of the period/ year	Valuation technique	Unobservable inputs	Scope (Weighted average)
Non-listed equity investments				
Baoding Commercial Bank Co., Ltd.	30 June 2025: 461,100 31 December 2024: 474,300	Listed companies comparison method	P/B multiple Median of peers Discount for liquidity	30 June 2025: 0.6-0.9 31 December 2024: 0.6-0.8 30 June 2025: 30% 31 December 2024: 30%
Investment property RT-Mart	30 June 2025: 91,600 31 December 2024: 91,000	Discounted cash flow method	Yield rate Annual market rental (per square meter)	30 June 2025: 6.5% 31 December 2024: 6.5% 30 June 2025: 100-116 31 December 2024: 100-116
Qingyuan Green Industrial Park	30 June 2025: 107,800 31 December 2024: 110,300	Discounted cash flow method	Yield rate Annual market rental (per square meter)	30 June 2025: 6.00% 31 December 2024: 6.00% 30 June 2025: 17-19 31 December 2024: 15-27

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VII. FAIR VALUE (Continued)

3. Transfer of hierarchy of continuous fair value measurement

For the period from 1 January 2025 to 30 June 2025, there were no transfers of continuous fair value measurement of assets and liabilities between the hierarchies.

4. Financial assets and financial liabilities not measured at fair value

30 June 2025 (Unaudited)

	Carrying amount	Fair value	Inputs used in fair value disclosure		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed-rate long-term borrowings	1,785,828	1,765,358	-	1,765,358	-

31 December 2024

	Carrying amount	Fair value	Inputs used in fair value disclosure		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Fixed-rate long-term borrowings	1,697,903	1,601,228	-	1,601,228	-

For the period from 1 January 2025 to 30 June 2025, the valuation techniques and input levels of fair value measurement have not changed.

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Related party relationships

Related parties involved in transactions:

Name of related party	Related party relationships
Qianbao Investment Co., Ltd.	Ultimate holding company
Zhongru Investment Co., Ltd.	Parent company
Jianwei County Yizongliangheng Project Management Company Limited ("Yizongliangheng")	Associate
Bozhou Xiangju Construction Company Limited ("Bozhou Xiangju")	Associate
Zhongyuan Environmental (Neihuang) Liangli Ecological Construction Project Management Company Limited ("Zhongyuan Environmental")	Associate
Hebei Guangbo Construction Engineering Co., Ltd.	Associate
Inner Mongolia Jiantou North Engineering Co., Ltd.	Associate
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	Joint venture
Inner Mongolia Construction Investment Group Co., Ltd.	Joint venture
Zhongming Zhiye Group Co., Ltd.	Other enterprises under common control by the parent company
Baoding Tianli Labor Service Co., Ltd.	Other enterprises under common control by the parent company
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	Other enterprises under common control by the parent company
Sanhe Baolan Heat Co., Ltd.	Other enterprises under common control by the parent company
Zhongcheng Real Estate Development Co., Ltd.	Other enterprises under common control by the parent company
Xi'an Zhongyuan Real Estate Development Co., Ltd.	Other enterprises under common control by the parent company
Baoding Taiji Real Estate Development Co., Ltd.	Other enterprises under common control by the parent company
Huilai Zhongcheng Real Estate Development Co., Ltd.	Other enterprises under common control by the parent company
Hebei Construction Group Qianqiu Management Co., Ltd.	Other enterprises under common control by the parent company
Hebei Qianyuan Red Agricultural Group Co., Ltd.	Other enterprises under common control by the parent company

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

1. Related party relationships (Continued)

Name of related party	Related party relationships
Huailai Jingsheng Real Estate Development Co., Ltd.	Other enterprises under common control by the parent company
Hebei Zhongcheng Property Service Co., Ltd.	Other enterprises under common control by the parent company
Laiyuan Zhongcheng Construction Development Co., Ltd.	Other enterprises under common control by the parent company
Guang'an Zhongcheng Real Estate Development Co., Ltd.	Associate of other enterprises under common control by the parent company
Hebei Zitan Real Estate Development Co., Ltd.	Associate of other enterprises under common control by the parent company
Baoding Zhucheng Real Estate Development Co., Ltd.	Associate of other enterprises under common control by the parent company
Datang Baoding Heat Supply Co., Ltd.	Associate of other enterprises under common control by the parent company
Hebei Baocang Expressway Co., Ltd.	Associate of other enterprises under common control by the parent company
Fuping County Ruifu Building Material Co., Ltd.	Subsidiary of other enterprises under common control by the parent company
Hebei Keshengxing Start-up Incubator Co., Ltd.	Subsidiary of other enterprises under common control by the parent company
Huailai Shengcheng Real Estate Development Co., Ltd.	Subsidiary of other enterprises under common control by the parent company
Key management personnel	Key management personnel of the Group

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties

Acceptance of services from related parties

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Baoding Tianli Labor Service Co., Ltd.	700,363	1,146,953
Hebei Zhongcheng Property Service Co., Ltd.	3,179	3,403
Fuping County Ruifu Building Material Co., Ltd.	2,507	109
Hebei Qianyuan Red Agricultural Group Co., Ltd.	876	3,766
Total	706,925	1,154,231

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

Rendering of services to related parties

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Xi'an Zhongyuan Real Estate Development Co., Ltd.	28,908	18,243
Hebei Baocang Expressway Co., Ltd.	21,539	-
Zhongyuan Environmental	12,639	11,942
Zhongcheng Real Estate Development Co., Ltd.	5,502	228
Huailai Jingsheng Real Estate Development Co., Ltd.	611	2,351
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	585	1,737
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	458	12,843
Bozhou Xiangju	453	-
Huailai Zhongcheng Real Estate Development Co., Ltd.	364	-
Laiyuan Zhongcheng Construction Development Co., Ltd.	194	-
Huailai Shengcheng Real Estate Development Co., Ltd.	147	2,113
Hebei Zhongcheng Property Service Co., Ltd.	22	-
Datang Baoding Heat Supply Co., Ltd.	16	1,374
Baoding Taiji Real Estate Development Co., Ltd.	-	8,739
Baoding Zhucheng Real Estate Development Co., Ltd.	-	3,746
Total	71,438	63,316

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

Lease from a related party

		For the period from 1 January 2025 to 30 June 2025 (Unaudited) Leasing fees	For the period from 1 January 2024 to 30 June 2024 (Unaudited) Leasing fees
	Type of leased asset		
Zhongming Zhiye Group Co., Ltd.	Office buildings	932	2,878

Note: The transaction price of property lease between the Group and its related party was determined by both parties through negotiation with reference to market prices and other factors.

Providing guarantees to related parties

For the period from 1 January 2025 to 30 June 2025 (Unaudited)

Guaranteed party	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed	The actual guaranteed amount
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	600,000	2019/8/29	2033/12/21	No	509,750

2024

Guaranteed party	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed	The actual guaranteed amount
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	600,000	2019/8/29	2033/12/21	No	524,500

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

Receiving guarantees from related parties

For the period from 1 January 2025 to 30 June 2025 (Unaudited)

Guarantor	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed	The actual guaranteed amount
Zhongming Zhiye Group Co., Ltd.	30,000	2023/8/31	2025/8/30	No	27,000
Zhongming Zhiye Group Co., Ltd.	10,000	2023/8/31	2025/8/30	No	9,000
Zhongming Zhiye Group Co., Ltd.	100,000	2023/11/28	2025/11/26	No	97,000
Zhongming Zhiye Group Co., Ltd.	40,000	2023/12/7	2025/12/6	No	37,000
Zhongcheng Real Estate Development Co., Ltd.	150,000	2024/5/27	2026/5/23	No	148,000
Zhongcheng Real Estate Development Co., Ltd.	80,000	2024/5/31	2025/5/28	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	20,000	2024/5/31	2025/5/28	Yes	-
Zhongming Zhiye Group Co., Ltd.	80,000	2024/7/17	2025/7/16	No	80,000
Zhongming Zhiye Group Co., Ltd.	15,000	2024/12/3	2025/12/2	No	15,000
Zhongming Zhiye Group Co., Ltd.	25,000	2024/12/4	2025/12/2	No	25,000
Zhongming Zhiye Group Co., Ltd.	100,000	2024/12/17	2025/12/16	No	100,000
Zhongming Zhiye Group Co., Ltd.	200,000	2024/12/20	2025/12/19	No	200,000
Zhongcheng Real Estate Development Co., Ltd.	100,000	2025/5/26	2026/5/25	No	100,000
Zhongming Zhiye Group Co., Ltd.	100,000	2025/3/28	2028/3/27	No	100,000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

Receiving guarantees from related parties (Continued)

2024

Guarantor	Amount of guarantees	Inception date of guarantee	Expiration date of guarantee	Whether guarantee has been performed	The actual guaranteed amount
Zhongcheng Real Estate Development Co., Ltd.	120,000	2022/6/8	2024/6/6	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	30,000	2022/6/14	2024/6/11	Yes	-
Zhongru Investment Co., Ltd.	70,000	2023/1/28	2024/1/28	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	100,000	2023/6/12	2024/6/12	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	34,000	2023/6/12	2024/6/12	Yes	-
Zhongming Zhiye Group Co., Ltd.	30,000	2023/8/31	2025/8/30	No	27,750
Zhongming Zhiye Group Co., Ltd.	10,000	2023/8/31	2025/8/30	No	9,250
Zhongming Zhiye Group Co., Ltd.	100,000	2023/11/28	2025/11/26	No	98,000
Zhongming Zhiye Group Co., Ltd.	25,000	2023/11/28	2024/11/26	Yes	-
Zhongming Zhiye Group Co., Ltd.	40,000	2023/12/7	2025/12/6	No	38,000
Zhongming Zhiye Group Co., Ltd.	200,000	2023/12/20	2024/12/29	Yes	-
Zhongru Investment Co., Ltd.	70,000	2024/1/23	2024/7/28	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	150,000	2024/5/27	2026/5/23	No	149,000
Zhongcheng Real Estate Development Co., Ltd.	80,000	2024/5/31	2025/5/28	No	80,000
Zhongcheng Real Estate Development Co., Ltd.	20,000	2024/5/31	2025/5/28	No	20,000
Zhongming Zhiye Group Co., Ltd.	80,000	2024/7/17	2025/7/16	No	80,000
Zhongming Zhiye Group Co., Ltd.	15,000	2024/12/3	2025/12/2	No	15,000
Zhongming Zhiye Group Co., Ltd.	25,000	2024/12/4	2025/12/2	No	25,000
Zhongming Zhiye Group Co., Ltd.	100,000	2024/12/17	2025/12/16	No	100,000
Zhongming Zhiye Group Co., Ltd.	200,000	2024/12/20	2025/12/19	No	200,000

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

Emolument of key management personnel

	For the period from 1 January 2025 to 30 June 2025 (Unaudited)	For the period from 1 January 2024 to 30 June 2024 (Unaudited)
Emolument of key management personnel	2,934	3,852

3. Balances of amounts due from/to related parties

Receivables

Related party	30 June 2025 (Unaudited) Book balance	Bad debt allowance	31 December 2024 Book balance	Bad debt allowance
Accounts receivable				
Baoding Zhucheng Real Estate Development Co., Ltd.	23,738	914	23,738	914
Huailai Zhongcheng Real Estate Development Co., Ltd.	71,127	1,347	71,113	1,346
Baoding Taiji Real Estate Development Co., Ltd.	30,872	398	16,144	653
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	26,682	344	24,906	321
Huailai Jingsheng Real Estate Development Co., Ltd.	13,274	171	13,194	170
Zhongcheng Real Estate Development Co., Ltd.	12,607	205	5,516	71
Xi'an Zhongyuan Real Estate Development Co., Ltd.	6,578	85	1,604	21
Hebei Zitan Real Estate Development Co., Ltd.	3,511	45	3,511	182
Huailai Shengcheng Real Estate Development Co., Ltd.	3,382	44	6,761	458
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	2,008	26	2,008	26
Bozhou Xiangju Construction Company Limited	-	-	3,511	45

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

3. Balances of amounts due from/to related parties (Continued)

Receivables (Continued)

Related party	30 June 2025 (Unaudited)		31 December 2024	
	Book balance	Bad debt allowance	Book balance	Bad debt allowance
Contract assets				
Guang'an Zhongcheng Real Estate Development Co., Ltd.	123,881	1,598	124,261	1,603
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	101,858	1,314	101,858	1,314
Jianwei County Yizongliangheng Project Management Company Limited	57,811	746	57,811	746
Huailai Shengcheng Real Estate Development Co., Ltd.	49,193	635	49,032	633
Xi'an Zhongyuan Real Estate Development Co., Ltd.	47,587	614	78,044	1,007
Hebei Zitan Real Estate Development Co., Ltd.	35,504	458	35,504	458
Huailai Jingsheng Real Estate Development Co., Ltd.	33,789	436	33,452	432
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	29,961	386	36,856	475
Zhongyuan Environmental (Neihuang) Liangli Ecological Construction Project Management Company Limited	14,102	182	14,102	182
Hebei Baocang Expressway Co., Ltd.	6,403	83	31	-
Huailai Zhongcheng Real Estate Development Co., Ltd.	5,521	71	5,146	66
Baoding Zhucheng Real Estate Development Co., Ltd.	3,064	40	3,064	40
Sanhe Baolan Heat Co., Ltd.	1,395	18	1,395	18
Datang Baoding Heat Supply Co., Ltd.	1,376	18	1,376	18
Zhongcheng Real Estate Development Co., Ltd.	1,318	17	2,412	31
Baoding Taiji Real Estate Development Co., Ltd.	-	-	14,728	190

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

3. Balances of amounts due from/to related parties (Continued)

Receivables (Continued)

Related party	30 June 2025 (Unaudited)		31 December 2024	
	Book balance	Bad debt allowance	Book balance	Bad debt allowance
Other receivables				
Huailai Zhongcheng Real Estate Development Co., Ltd.	33,256	429	34,146	440
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	19,950	257	19,950	555
Zhongcheng Real Estate Development Co., Ltd.	7,232	93	12,868	166
Xi'an Zhongyuan Real Estate Development Co., Ltd.	5,295	68	2,277	29
Hebei Keshengxing Start-up Incubator Co., Ltd.	1,297	17	1,261	51
Inner Mongolia Jiantou Northern Engineering Co., Ltd.	468	6	150	2
Inner Mongolia Construction Investment Group Co., Ltd.	216	3	91	1
Hebei Baocang Expressway Co., Ltd.	100	1	100	1
Huailai Jingsheng Real Estate Development Co., Ltd.	54	1	54	1
Baoding Taiji Real Estate Development Co., Ltd.	-	-	393	5
Hebei Guangbo Construction Engineering Co., Ltd.	-	-	355	5
Qianbao Investment Co., Ltd.	-	-	5	-

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

3. Balances of amounts due from/to related parties (Continued)

Payables

Related party	30 June 2025 (Unaudited)	31 December 2024
Accounts payable		
Baoding Tianli Labor Service Co., Ltd.	1,059,735	1,022,204
Fuping County Ruifu Building Material Co., Ltd.	5,540	2,707
Hebei Qianyuan Red Agricultural Group Co., Ltd.	3,731	2,741
Hebei Construction Group Qianqiu Management Co., Ltd.	480	480
Hebei Zhongcheng Property Service Co., Ltd.	-	570
Other payables		
Baoding Zhucheng Real Estate Development Co., Ltd.	47,800	47,800
Key management members	16,604	16,250
Qianbao Investment Co., Ltd.	8,650	8,650
Zhongming Zhiye Group Co., Ltd.	1,047	3,691
Hebei Qianyuan Red Agricultural Group Co., Ltd.	249	249
Hebei Construction Group Qianqiu Management Co., Ltd.	-	-
Contract liabilities		
Baoding Zhucheng Real Estate Development Co., Ltd.	36,323	36,323
Xi'an Zhongyuan Real Estate Development Co., Ltd.	33,486	1,587
Zhongcheng Real Estate Development Co., Ltd.	8,966	8,729
Datang Baoding Heat Supply Co., Ltd.	5,843	5,859
Guangan Zhongcheng Real Estate Development Co., Ltd.	4,636	4,636
Huailai Shengcheng Real Estate Development Co., Ltd.	3,483	3,483

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2025 to 30 June 2025

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

3. Balances of amounts due from/to related parties (Continued)

Payables

Related party	30 June 2025 (Unaudited)	31 December 2024
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	920	1,505
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	897	354
Huailai Jingsheng Real Estate Development Co., Ltd.	306	432
Hebei Zhongcheng Property Service Co., Ltd.	176	200
Laiyuan Zhongcheng Construction Development Co., Ltd.	-	200

Amounts due from/to related parties are interest-free, unsecured and have no fixed terms of repayment.

IX. CONTINGENCIES

	30 June 2025 (Unaudited)	31 December 2024	
Contingent liabilities arising from unresolved litigation or arbitration	35,425	40,132	Note

Note: The Group is involved in disputes, litigations or claims with customers, subcontractors, suppliers and other parties in the course of its operations. After consultation with the relevant legal advisers and after management's careful estimation of the outcome of such outstanding disputes, litigations or claims, the Group has no disputes, litigations or claims that are likely to result in losses. No provision will be made for the abovementioned outstanding disputes, litigations and claims for which the ultimate outcome cannot be reasonably estimated or for which, in the opinion of management, it is not probable that such disputes, litigations or claims will have a material adverse effect on the Group's results of operations or financial position.

X. COMMITMENTS

As at 30 June 2025, the Group had no material capital commitment (31 December 2024: Nil).

XI. POST BALANCE SHEET DATE EVENTS

As at the date of approval for publication of these financial statements, the Group has no material post balance sheet date events that require disclosure.

XII. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by resolution of the Board of the Company on 25 August 2025.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the Audit Committee of the Board
“Baoding Tianli”	Baoding Tianli Labor Service Co., Ltd. (保定天力勞務有限公司), a company incorporated in the PRC with limited liability on 27 November 2001. Baoding Tianli is a subsidiary wholly owned by Zhongming Zhiye as of the Latest Practicable Date, thus a connected person of the Company
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“CASBE”	Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, as amended, supplemented or otherwise modified from time to time
“China” or “PRC”	the People’s Republic of China, excluding, for the purpose of this interim report, Hong Kong, Macau Special Administrative Region and Taiwan
“Company”	Hebei Construction Group Corporation Limited, a joint stock company incorporated in the PRC with limited liability on 7 April 2017, whose H Shares were listed on the Main Board of the Hong Kong Stock Exchange on 15 December 2017 (Stock Code: 1727). Unless the context otherwise requires, it shall include its predecessor, Hebei Construction Group Co., Ltd. (河北建設集團有限公司) (a company established under the laws of the PRC with limited liability on 29 September 1997)
“Company Law”	Company Law of the People’s Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and as of the Latest Practicable Date, refers to Mr. Li Baoyuan, Qianbao Investment and Zhongru Investment

“Corporate Governance Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary Share(s) of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
“Group” or “we/us”	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require), or (as the context may require) in respect of the period before the Company becomes the holding company of its present subsidiaries, such subsidiaries as if they were the Company’s subsidiaries at that time
“H Share(s)”	overseas listed foreign Shares in the ordinary Shares of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK dollars and listed on the Hong Kong Stock Exchange
“HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	15 September 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this interim report
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Qianbao Investment”	Qianbao Investment Co., Ltd. (乾寶投資有限責任公司) (previously known as Baoyuan Investment Co., Ltd. (寶元投資有限責任公司)), a company incorporated in the PRC on 19 April 2010 with limited liability. As of the Latest Practicable Date, Qianbao Investment directly and indirectly through Zhongru Investment held approximately 73.8% equity interests of the Company in aggregate and is a Controlling Shareholder of the Company
“Reporting Period”	the period of six months commencing on 1 January 2025 and ended on 30 June 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“Zhongming Zhiye”	Zhongming Zhiye Group Co., Ltd. (中明置業集團有限公司) (previously known as Zhongming Zhiye Co., Ltd. (中明置業有限公司)), a company incorporated in the PRC on 1 December 2016 with limited liability. As of the Latest Practicable Date, Zhongming Zhiye was owned as to 92.5% and 7.5% by Zhongru Investment and Qianbao Investment, the Controlling Shareholders of the Company, respectively. Therefore, Zhongming Zhiye is a connected person of the Company
“Zhongru Investment”	Zhongru Investment Co., Ltd. (中儒投資股份有限公司) (previously known as Baoding Zhongyang Investment Co., Ltd. (保定中陽投資股份有限公司)), a joint stock company incorporated in the PRC on 2 August 2010 with limited liability. As of the Latest Practicable Date, Zhongru Investment directly held 68.27% equity interests of the Company and is a Controlling Shareholder of the Company
“%”	per cent



河北建設集團股份有限公司
HEBEI CONSTRUCTION GROUP CORPORATION LIMITED