



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)

2024 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

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

SUPERVISORS

Mr. Wang Feng

(*Chairman of the Board of Supervisors*)

Mr. Yue Jianming

Mr. Chen Qinghan

JOINT COMPANY SECRETARIES

Mr. Li Wutie

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

AUTHORIZED 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

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Jingxiu District
Baoding, Hebei Province
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai, Hong Kong

STOCK SHORT NAME AND STOCK CODE

HEBEI CONS (01727)

H SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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AUDITOR

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Certified Public Accountants
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No. 1 East Chang An Avenue
Dong Cheng District, Beijing
PRC

FINANCIAL HIGHLIGHTS

As of 30 June 2024, our revenue amounted to RMB11,015 million, representing a decrease of 26% as compared with the corresponding period of 2023.

As of 30 June 2024, our net profit amounted to RMB121 million, representing an increase of 9% as compared with the corresponding period of 2023.

As of 30 June 2024, our earnings per Share amounted to RMB0.07, which was the same as that of the corresponding period of 2023.

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 specialized and other construction contracting business. In the first half of 2024, our new contract value was RMB13,960 million, representing a decrease of 2.62% as compared with RMB14,335 million for the corresponding period of last year.

New contract value (by region):

	For the six months ended 30 June	
	2024	2023
<i>(RMB100 million)</i>		
Share of Beijing-Tianjin-Hebei	139.60	143.35
Share of other regions	88.91%	91.24%
	11.09%	8.76%

New contract value (by segment):

	For the six months ended 30 June	
	2024	2023
<i>(RMB100 million)</i>		
Share of building construction	139.60	143.35
Share of infrastructure construction	55.98%	53.54%
Share of specialized and other construction	18.77%	32.21%
	25.25%	14.25%

BUSINESS OVERVIEW

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 2024, the new contract value from the building construction business was RMB7,815 million, compared with RMB7,675 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	
	2024	2023
<i>(RMB100 million)</i>	78.15	76.75
Share of residential construction	34.54%	27.18%
Share of public building construction	46.87%	50.97%
Share of industrial building construction	18.59%	21.74%
Share of commercial building construction	0.00%	0.11%

Infrastructure Construction Business

In addition to our core building construction business, we are also providing 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 2024, the new contract value from the infrastructure construction business was RMB2,620 million, compared with RMB4,617 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	
	2024	2023
<i>(RMB100 million)</i>		
Share of municipal infrastructure construction	26.20	46.17
Share of transportation infrastructure construction	62.43%	69.91%
	37.57%	30.09%

Specialized and Other Construction Contracting Business

We also undertake construction contracting projects by leveraging our qualifications and experience in specialized 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 2024, the new contract value from the specialized and other construction contracting business was RMB3,525 million, compared with RMB2,042 million for the corresponding period of last year.

BUSINESS OVERVIEW

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

	For the six months ended 30 June	
	2024	2023
(RMB100 million)	35.25	20.42
Share of electrical and mechanical installation	25.20%	35.37%
Share of steel structures	0.17%	4.10%
Share of decoration	5.25%	23.73%
Share of other construction business	69.38%	36.79%

Representative projects of new contracts

Business segment	Name of project	Contract value (RMB100 million)	Region
Residential building	Shengtai Orchid Garden Project and Outdoor Supporting Facilities (晟泰蘭園項目及室外配套設施)	3.65	Hebei
	General Contracting of Phase III and Phase VI of Hengshui Yongjin Peninsula Project (衡水雍錦半島項目三期、六期總包工程)	7.45	Hebei
	General Contracting of Phase IV and Phase V of Hengshui Yongjin Peninsula Project (衡水雍錦半島項目四期、五期總包工程)	5.14	Hebei

Business segment	Name of project	Contract value <i>(RMB100 million)</i>	Region
Public building	EPC General Contracting for the Construction and Upgrading Project of Infrastructure and Related Supporting Facilities of 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
	Supporting Infrastructure Construction Project of North China Electric Power University Science and Technology Industrial Park (General Contracting) (華北電力大學科技產業園配套基礎設施建設項目(工程總承包))	13.70	Hebei
	Civil Work of the Huailai Shangyun Big Data Center Project (懷來尚雲大數據中心項目土建工程)	3.60	Hebei
Electrical and mechanical installation	100,000-kilowatt Smart Operation Wind Storage Project in Wuji County (無極縣10萬千瓦智慧運營風儲項目)	5.80	Hebei
Water and electricity	Fu River Treatment Project (府河治理工程)	8.04	Hebei

BUSINESS OVERVIEW

Representative projects of construction in progress

Business segment	Name of project	Executive contract value <i>(RMB100 million)</i>	Region
Public building	Phase II Construction 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
	Project of Baoding Hospital under China Academy of Chinese Medical Sciences Guang'anmen Hospital (中國中醫科學院廣安門醫院保定醫院項目)	19.43	Hebei
	Project of Overall Relocation of Wen'an County Hospital (文安縣醫院整體遷建工程)	6.57	Hebei
	General Contracting (EPC) of Design and Construction of the Construction Project 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
	General Contracting of Design and Construction for the 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
	EPC General Contracting of Phase II Construction Project of Gu'an County People's Hospital New County 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
	Minfeng County Road and Railway Transport Logistics Park (Rural Revitalization Industry Base) Construction Project (EPC General Contracting Section) (民豐縣公鐵聯運物流園(鄉村振興產業基地)建設項目(EPC總承包標段))	4.33	Xinjiang Uygur Autonomous Region

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
	Construction Project of Phase II of the New Campus of Baoding Qingyuan District People's Hospital (保定市清苑區人民醫院新院區二期建設項目)	5.18	Hebei
	Construction of Area A of Diangu Financial Center (電谷金融中心A區施工)	6.82	Hebei
	Construction of 101 Medical General Building, Zhengding New District Hospital (North Phase I) of the No. 2 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
	Cangzhou Economic and Trade Vocational Education Park Project - Cangzhou Polytechnic University (滄州市經貿職業教育園項目—滄州工貿學校)	4.32	Hebei
	Construction of Medical Complex Building, Scientific Research Building, Medical Isolation Building, etc. of 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
	General Contracting for the Construction of the Inpatient Complex Project of the Affiliated Hospital of Hebei University (河北大學附屬醫院住院綜合樓項目施工總承包)	4.30	Hebei
	Construction of Outpatient Complex and Ophthalmology Building Project of the East Campus of Baoding No.1 Central Hospital (保定市第一中心醫院東院門診綜合樓和眼科大樓項目施工)	3.99	Hebei
	Tsinghua University Science Museum and Service Building Project (清華大學科學博物館及服務配套樓項目)	3.95	Beijing

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value <i>(RMB100 million)</i>	Region
Residential building	Gaoyang County Dongwangcaozhuang Shanty Town Renovation and Supporting Infrastructure Construction Project (Section 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 of Phase II of North Area of Hengshui Yongjin Peninsula Project (衡水雍錦半島北區 II 期項目總包工程)	6.23	Hebei
	Shengtai Orchid Garden Project and Outdoor Supporting Facilities (晟泰蘭園項目及室外配套設施)	3.65	Hebei
	General Contracting of the Zizaifengjing Project (自在峰璟工程總承包)	4.86	Hebei
	General Contracting of the Construction Project of South Zone of Lot A in the West Side of Beihu Core Area, 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
	General Contracting of the Construction of Yuqi Huixi Avenue Affordable Rental Housing Project (玉祁惠西大道保障性租賃住房工程項目施工總承包工程)	3.26	Jiangsu
	Commercial building	Construction Contract of Linzhi Red Star Macalline International Furniture Shopping Plaza Construction Project (林芝紅星美凱龍國際家居購物廣場建設項目施工合同)	1.41
	Hengbai International Plaza Construction Project (衡百國際廣場建設項目)	2.35	Hebei

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Industrial building	EPC General Contracting of Section One of Phase II of the Hebei Mancheng Economic Development Zone Infrastructure Transformation and Upgrade Project (河北滿城經濟開發區基礎設施改造提升項目二期一標段EPC總承包)	7.82	Hebei
	Civil Work of the Huailai Shangyun Big Data Center Project (懷來尚雲大數據中心項目土建工程)	3.60	Hebei
	Standardized Factory Project of Dangshan Economic Development Zone Modern Equipment Manufacturing Industrial Park (EPC) (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
	EPC General Contracting of the Dezhou Emergency Supplies Reserve and Cold Chain Logistics Supporting 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)	3.00	Shandong
	General Contracting for Construction of Hua'an Industrial Baoding Hi-Tech Digital Intelligence Valley Project (華安產業保定高新數智谷項目施工總承包工程)	3.04	Hebei

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Transportation infrastructure construction	Section Four of Construction of Runway and Underpass of Harbin Taiping International Airport Expansion Project (Phase II) (哈爾濱太平國際機場二期擴建工程場道及下穿通道工程施工四標段)	4.46	Heilongjiang
	New Hohhot Airport Airfield Runway Project (FXQ-CD-03) Section Construction (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
	Section 003 of the Airfield Project of T3B Terminal and Fourth Runway 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
	Construction of Earthwork and Foundation Treatment Works in the Airfield of the Expansion Project of Xining Caojiabao Airport (Phase III) (Section One) (西寧曹家堡機場三期擴建工程飛行區土方及地基處理工程施工(一標段))	3.46	Qinghai
	Panzhou Guanshan Civil Airport Airfield Runway Engineering Construction Project (Section 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
	Construction of Runway 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

Business segment	Name of project	Executive contract value <i>(RMB100 million)</i>	Region
Municipal infrastructure construction	EPC General Contracting of the Innovative Manufacturing Industrial Park Infrastructure Construction Project (創新製造產業園基礎設施建設項目EPC總承包)	13.62	Hebei
	EPC General Contracting of Baoding South Second Ring Pipeline Network and Supporting Municipal Infrastructure Upgrading and Transformation 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
	Section Two of General Contracting of Road Construction (Phase I) of the Baoding Culture and Sports New City and Supporting Infrastructure Construction Project (保定市文體新城及配套基礎設施工程建設項目道路(一期)工程施工總承包二標段)	3.49	Hebei
	Section Two of General Contracting of Design and Construction of Urban and Rural Integrated Pipeline Network and Ancillary Facilities Transformation Project in Jingxiu District of Baoding (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 Contracting for Water Quality Upgrading and Ancillary Facilities Construction Project of Chengxi Sewage Plant in Laishui County (涞水縣城西污水廠水質提標及附屬設施建設工程EPC 施工總承包)	1.47	Hebei

BUSINESS OVERVIEW

Business segment	Name of project	Executive contract value (RMB100 million)	Region
Electrical and mechanical installation	EPC General Contracting Project of Electromechanical Engineering of High-efficiency Solar Cell Material Project with Annual 5GW Output of Yingli Energy Development (Baoding) Co., Ltd. (英利能源發展(保定)有限公司年產 5GW 高效太陽能電池材料項目機電工程EPC總承包項目)	3.84	Hebei
Specialized and other construction business	Baoding City Major Water System Construction Project - Water Network Protection and Water Quality Improvement for Inflow to Baiyang Lake Work (General Contracting) (保定市大水系建設項目—水網防護及入澗水質提升工程(工程總承包))	11.60	Hebei
	General Contracting of Ecological and Greenery Engineering of the Baoding Shenzhen High-Tech Innovation Industrial Park Infrastructure Construction Project (保定深圳高新技術科技創新產業園基礎設施建設項目生態綠化工程工程總承包)	4.31	Hebei
	Fu River Treatment Project (府河治理工程)	8.04	Hebei
	Construction of New Surface Water Plant and Ancillary Works in Qingyuan District of Baoding (Water Supply Pipeline and Water Plant Foundation Treatment Work Section) (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

Representative projects of completed projects

Business segment	Name of project	Executive	
		contract value	Region
		<i>(RMB100 million)</i>	
Public building	Construction Project of International Student and Graduate Student Building of South Campus of Inner Mongolia University (內蒙古大學南校區留學生和研究生樓建設項目)	1.60	Inner Mongolia Autonomous Region
Residential building	2018 Shanty Town Renovation of Zhongshan Road East Area A Construction Project in Xiajin County (夏津縣2018年度棚戶區改造中山路以東片區A區建設項目)	8.70	Shandong
	Buildings 9# and 10# and Underground Parking Garage Construction of Pengjiashai Geological Community Project (彭家寨地質小區項目9#、10#樓及地下車庫建設工程)	1.46	Qinghai
Industrial building	Civil Construction Bid Section of 1208 Bulk Cargo Storage Work of the Dagang Phase III Iron Ore Processing and Bulk Cargo Storage Technical Renovation Project (大港三期鐵礦粉加工和散雜物倉儲技改項目1208場散雜物倉儲工程土建施工標段)	1.12	Jiangsu
Municipal infrastructure construction	Construction Project of Western China (Guangyuan) Green Home Industry Startup Zone (中國西部(廣元)綠色家居產業城啟動區建設項目)	10.50	Sichuan
Other construction business	Comprehensive Treatment of Baoding Fu River Water System (Phase II) - Huanghuagou Ecological Facility Comprehensive Improvement Project (General Contracting) (保定市府河水系綜合治理(二期)-黃花溝生態設施綜合提升工程(工程總承包))	9.06	Hebei

PART II RESEARCH AND DEVELOPMENT ACHIEVEMENTS AND AWARDS

In the first half of 2024, 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. Provincial science and technology projects: 8 of our projects were admitted by the Department of Housing and Urban-Rural Development of Hebei Province as construction technology projects, 15 of our projects were admitted as new technology application demonstration projects, and 5 of our projects were admitted by Hebei Construction Industry Association as technology projects in 2024.
2. Enterprise level science and technology projects: in 2023, we incurred research and development expenses of RMB388 million for 359 enterprise level science and technology projects. In the first half of 2024, we initiated 213 enterprise level research and development projects and carried out research and development activities in an orderly manner.
3. Technology progress and awards: one of our project received 2023 Hebei Science and Technology Cooperation Award (Professor Cheng Shuiping of Tongji University), 28 of our projects received the Scientific and Technological Progress Awards for construction industry in Hebei Province in 2024, including 3 first-class awards; 15 new technology application demonstration projects, one green construction technology demonstration project and 4 technology research and development plan projects passed the acceptance inspection by the Hebei Provincial Department of Housing and Urban-Rural Development, and 10 achievements were assessed to be at an advanced level in China.
4. Construction and operation of technology platform: we exclusively approved as the postgraduate workstation for the construction industry in Hebei Province, carried out platform construction and operation with increased efforts, completed the relevant data reporting for national enterprise technology center, summarized and submitted the performance evaluation materials for the 2023 provincial technology innovation center of technology innovation center, and the assessment for admission and graduation of the postdoctoral workstations were carried out in an orderly manner.
5. Intellectual property: we patented our key technologies in a timely manner. As of the end of June 2024, we obtained 70 new patents (including 4 invention patents), and submitted 32 patent applications.

PART III OUTLOOK

In the first half of 2024, under the hard work of all our cadres and employees, the Company achieved steady development in all its businesses. Firstly, most of the units are operating smoothly, with plans and measures in place to achieve the annual economic targets. Secondly, the quality and scale of the projects undertaken by the Group in the market have steadily increased compared to the corresponding period of last year.

In the coming period, the Group as a whole will focus on solidly improving organizational construction and various system works, continuously improving its cash flow adequacy, so as to smoothly tide over the economic cycle, and embark on a new journey towards steady and long-term development.

Firstly, the Group will continue to develop existing regional and industrial markets by encouraging competition among companies. Relying on the regional organizations widely distributed across counties, districts, and cities in Hebei Province and all provinces and cities across the country, the Group obtains constant market information and accumulates ever-changing market resources, while adhering to stringent market undertaking requirements to ensure that high-quality projects are undertaken.

Secondly, the Group will strongly advocate for innovative and entrepreneurial organizations to explore new fields in the upstream and downstream industries. The Company encourages organizations at all levels and employees to leverage the broad platform of the Group, take advantage of government preferential policies, give full play to their own intelligence, resources and expertise to carry out innovation and entrepreneurship around the upstream and downstream industries, as well as also provide convenience and policy support for organizations and individuals who are brave enough to break out of their comfort zones. In particular, the Group fully supports young talents in leveraging their learning abilities and creativity on the Company's broad platform, through new perspectives, knowledge, and methods to identify market needs, solve "key-point" problems of customers, boldly become innovators and take the lead in innovation.

Thirdly, it is important to maintain a constant focus on safety and continuously improve the quality of project delivery. We will continue to effectively implement safety production standardization and VIS image construction at the construction site, actively build high-quality projects at all levels, and strive for projects that satisfy the basic conditions for excellence and applying for awards. In particular, we endeavour to cherish each opportunity to apply for awards outside the Hebei province in order to enhance our capabilities and brand awareness.

In the second half of the year, the Company will continue to uphold the work principles of "Improving Quality and Efficiency, and Achieving Stability for Sustainable Development", wholeheartedly focus on development, and deliver excellent performance to serve the society, reward our Shareholders and benefit our employees!

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue, Cost of Sales and Gross Profit

The revenue for the six months ended 30 June 2024 amounted to RMB11,015 million, representing a decrease of approximately RMB3,933 million as compared with the corresponding period of last year, which was mainly due to the decrease in segment revenue from construction contracting of RMB3,894 million.

Segment operating results of construction contracting business

	Six months ended 30 June 2024				Six months ended 30 June 2023			
	Revenue RMB100 million	Cost RMB100 million	Gross profit margin %	Percentage %	Revenue RMB100 million	Cost RMB100 million	Gross profit margin %	Percentage %
Building construction business	69.84	66.28	5.1	64.6	94.30	89.85	4.7	64.2
Infrastructure construction business	30.99	28.80	7.1	28.7	41.09	38.46	6.4	27.9
Specialized and other construction business	7.25	6.86	5.4	6.7	11.63	11.09	4.6	7.9
Total	108.08	101.94	5.7		147.02	139.40	5.2	

The revenue from construction contracting business for the six months ended 30 June 2024 decreased by RMB3,894 million, which was mainly due to the decrease in the newly undertaken projects of the Group as compared to the same period of last year.

The change in revenue from construction contracting segment is analyzed as follows:

- (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 by RMB2,446 million as compared to the same period of last year;
- (2) The revenue from infrastructure construction business decreased by RMB1,010 million as compared to the same period of last year, which was mainly due to the slowdown in the growth rate of infrastructure investment and the decrease in new contract value as compared to the same period of last year;

- (3) In the first half of 2024, the revenue from specialized and other construction business decreased by RMB438 million as compared to the same period of last year. Such business mainly includes mechanical and electrical installation and steel structure, which has a shorter construction period. The number of new projects of specialized and other construction business secured during the Reporting Period was lower than that of the first half of 2023, resulting in lower revenue as compared to the same period of last year.

Selling and Distribution Expenses

The selling and distribution expenses for January to June 2024 amounted to RMB0.97 million, representing a slight increase as compared to the same period of last year.

General and Administrative Expenses

In the first half of 2024, the Group's general and administrative expenses amounted to RMB212 million, representing a decrease of RMB67.57 million as compared to the same period in 2023, 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 2024 amounted to RMB33.22 million, representing a decrease of RMB36.10 million as compared to the corresponding period of 2023. The research and development expenses are mainly the costs incurred for research of special projects or production process by the Group, including the cost of materials utilised and salary of senior engineers involved in research and development. The decrease in research and development expenses was mainly due to fewer new research and development projects during the Reporting Period.

Impairment Losses of Credit Losses

Impairment losses of credit losses for January to June 2024 amounted to RMB76.76 million, representing a decrease of RMB10.28 million as compared to the same period of 2023, which was mainly due to the decrease in individual bad debt provision for customers with significant risk of default in the current period based on the Group's assessment on customer's operating conditions and payment collection.

Impairment Losses on Assets

The reversal of impairment losses on assets for January to June 2024 amounted to RMB36.78 million, as compared to the reversal of impairment losses on assets of RMB9.67 million incurred in the same period of 2023, which was mainly due to the decrease in revenue in the current period, resulting in a decrease in the original value of contract assets and a decrease in the newly accrued bad debt provision of contract assets.

Investment Loss

The investment losses for January to June 2024 amounted to RMB1.90 million, as compared to the investment losses of RMB8.38 million for the same period of 2023, which was mainly due to the decrease in long-term equity investments loss under the equity method as compared to the same period of last year.

Income Tax Expenses

The income tax expenses for January to June 2024 amounted to RMB35.09 million, representing a decrease of RMB10.69 million as compared to the same period of last year, which was mainly due to the utilisation of unrecognised deductible tax losses by some subsidiaries in the current period, resulting in a decrease in income tax expenses for the current period as compared to the previous period.

Net Profit

Based on the above factors, net profit for the first half of 2024 was RMB121 million, representing an increase of approximately RMB9.69 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 2024 and 31 December 2023, the Group had cash and cash equivalents of approximately RMB4,840 million and approximately RMB6,528 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 2024, the currency funds of the Group were RMB6,143 million, representing a decrease of RMB1,546 million as compared with that at the end of 2023, 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 2024, the long-term equity investments were RMB470 million, representing a decrease of RMB30.77 million as compared with that at the end of 2023, which was mainly due to the disposal of the long-term equity investments in Rongcheng County Hengda Construction Investment Co., Ltd. in the current period.

Accounts Receivable and Long-term Receivables

As at 30 June 2024, the net value of accounts receivable was RMB7,164 million, representing a decrease of RMB314 million as compared with that at the end of 2023, and the overall change was insignificant.

The balance of long-term receivables (including the portion due within one year) was RMB219 million, representing a decrease of RMB2.58 million as compared with that at the end of 2023, and the overall change was insignificant.

Other Receivables

As at 30 June 2024, the balance of other receivables was RMB2,408 million, representing an increase of approximately RMB110 million as compared to that at the end of last year, and the overall change was insignificant.

Contract Assets and Construction Services Contract Liabilities

The net value of contract assets as at 30 June 2024 was RMB40,494 million, representing a decrease of approximately RMB1,614 million as compared with that at the end of 2023, which was mainly due to the decrease in revenue during the Reporting Period. Contract liabilities as at 30 June 2024 were RMB6,937 million, representing an increase of approximately RMB233 million as compared with that at the end of 2023, which was mainly due to certain new projects with receipt in advance undertaken in the current period.

Other Equity Instrument Investments

The carrying value of other equity instrument investments as at 30 June 2024 was RMB594 million, representing an increase of approximately RMB5.40 million as compared with that at the end of 2023, which was mainly due to the increase in the fair value of certain other equity instrument investments held as a result of the impact of the market situation.

Borrowings

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

As at 30 June 2024, the Group's interest-bearing borrowings were approximately RMB5,941 million (31 December 2023: approximately RMB5,736 million).

Bills and Accounts Payable

The balance of accounts payable as at 30 June 2024 was RMB30,776 million, representing a decrease of RMB3,712 million as compared with that at the end of 2023. Such change was mainly due to the decrease in business volume which led to a corresponding decrease in procurement amount during the Reporting Period; in addition, affected by the economic downturn, downstream suppliers were under financial pressure and the proportion of cash paid for major materials and subcontracting increased. The balance of bills payable increased by RMB184 million compared with that at the end of the previous year, which was mainly due to the increase in the proportion of bill payment by the Group.

Capital Expenditures

Capital expenditures in the first half of 2024 were approximately RMB15 million, representing a decrease of RMB36 million as compared to the same period of 2023, which was mainly due to no significant capital expenditures for procurement of fixed assets and construction in progress during the Reporting Period.

Capital Commitment

As at 30 June 2024, the Group did not have any material capital commitment.

Financial Ratios

	30 June 2024	31 December 2023
Current ratio (times) ⁽¹⁾	1.1	1.0
Quick ratio (times) ⁽²⁾	1.1	1.0
Gearing ratio ⁽³⁾	93.5%	92.1%
Return on assets ⁽⁴⁾ (not annualized)	0.2%	0.2%
Return on equity ⁽⁵⁾ (not annualized)	1.9%	2.6%

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 Company has won the bid for 51% equity interests in Zhongwei Construction Engineering Co., Ltd. (“**Zhongwei Construction**”) through public auction, and entered into the Equity Transfer Agreement with the government platform company on 19 March 2024 (after trading hours) at a consideration of RMB51,510,000 (the “**Acquisition**”). The Acquisition was completed on 7 April 2024. For details, please refer to the Company’s announcement dated 20 March 2024.

On 20 May 2024 (after trading hours), the Company (as seller) entered into the Equity Transfer Agreement with Baoding Qiande Trading Company Limited (“**Baoding Qiande**”) and Baoding Qianyao Trading Company Limited (“**Baoding Qianyao**”) (as purchasers), pursuant to which the Company agreed to sell and Baoding Qiande and Baoding Qianyao agreed to purchase a total of 100% equity interests in Zhongwei Construction (the “**Disposal**”). The Disposal was completed on 24 May 2024. Upon completion of the Disposal, the Company ceased to hold any equity interest in Zhongwei Construction, and the results of Zhongwei Construction were no longer consolidated into the Group’s financial statements. For details, please refer to the Company’s announcement dated 20 May 2024.

Save as disclosed above, the Group did not have any material acquisition and disposal of subsidiaries, associates and joint ventures during the Reporting Period.

Significant Investments

During the Reporting Period, the Group did not hold any significant investments.

Contingent Liabilities

As at 30 June 2024, the banking facilities granted to third parties subject to guarantees given to the banks by the Group were approximately RMB655 million, and contingent liabilities arising from pending litigation or arbitration amounted to RMB44 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 at 30 June 2024, the Group had a total of 7,664 full-time employees (31 December 2023: 8,128). Through integrating human resources strategy and based on different job classification, the Group has established a employees' performance and competence-oriented remuneration system and formulated competitive remuneration standards with reference to the remuneration level of relevant enterprises in the same region and the same industry, which provided effective guarantee for recruiting, retaining and motivating talents, as well as the pursuit of human resources strategy of the Company. The Group adheres to the principle of people-oriented and education first, establishes a three-level, four-tier and five-section staff education and training system, pays attention to the growth of young employees, and adopts the main training modes of "one-to-one apprenticeship" and "358 talent training plan" to help employees realize their plans of career development. The Company has established a talent pool of candidates for key positions and cooperated with Tsinghua University to provide special training for reserve cadres in the form of "advanced training courses for key positions".

Asset Pledge

For details of the Group's asset pledge 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 2024, the Group had no specific plan for material investments or capital assets.

ISSUED SHARE CAPITAL

As at 30 June 2024, 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 six months ended 30 June 2024, 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 six months ended 30 June 2024.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

There were no major changes on the Articles of Association by the Company during the Reporting Period.

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS FOR 2025 TO 2027

As the Engineering Construction Service Framework Agreement and the Construction Auxiliary Service Framework Agreement will expire on 31 December 2024 and taking into account that the counterparties to the framework agreements are the same and the terms and conditions are similar, the Company entered into the Engineering Construction Related Services Framework Agreement with Zhongming Zhiye on 6 May 2024 and proposed the annual caps for 2025, 2026 and 2027 thereunder, in order to contract for the engineering construction services and construction auxiliary services to be provided by the Group to Zhongming Zhiye and its associates in the ordinary course of business. Pursuant to which, the Group will provide engineering construction related services, including but not limited to engineering construction services such as engineering procurement construction, decoration and landscape engineering and construction auxiliary services such as design and consultancy to Zhongming Zhiye and its associates in the ordinary course of business, and Zhongming Zhiye and its associates will pay service fees to the Group. For the three years ending 31 December 2025, 2026 and 2027, the proposed annual caps of the total service fees charged by the Group for providing engineering construction related services to Zhongming Zhiye and its associates are RMB500 million, RMB560 million and RMB600 million, respectively. For details, please refer to the Company's announcement dated 6 May 2024, the circular of 2023 annual general meeting dated 24 May 2024 and the announcement of poll results of the 2023 annual general meeting dated 24 June 2024.

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 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

2023 Final Dividend

According to the “Profit Distribution Proposal for 2023” considered and approved by the Shareholders at the 2023 annual general meeting convened on 24 June 2024, 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 2024, the Company did not distribute a final dividend to Shareholders for the year ended 31 December 2023. For details, please refer to the Company’s circular dated 24 May 2024 and the announcement dated 24 June 2024 published on the website of the Hong Kong Stock Exchange.

2024 Interim Dividend

The Board does not recommend the distribution of interim dividend for the six months ended 30 June 2024.

SIGNIFICANT SUBSEQUENT EVENTS

Save as disclosed in the interim report, there has been no significant subsequent event of the Group from 30 June 2024 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 2024, the 2024 interim report and the unaudited interim financial statements for the six months ended 30 June 2024 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 2024, 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, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors, Supervisors 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, Supervisors and Chief Executives in the Shares of the Company

Name of the Directors, Supervisors and chief executives	Capacity	Number of Shares			Approximate percentage of shareholding in the relevant class of Shares as at 30 June 2024	Approximate percentage of shareholding in the total issued share capital of the Company as at 30 June 2024
		interested	Class of Shares	Nature of interest		
Mr. Li Baoyuan ¹	Interest in controlled corporation	1,300,000,000	Domestic Shares	Long position	100%	73.80%

Note:

- As at 30 June 2024, 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 136 individuals holding in aggregate the remaining 65.05% of the equity interests in 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 2024, 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 289,000,000 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, Supervisors and Chief Executives in the Shares of Associated Corporations of the Company

Name of the Directors, Supervisors 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 2024
Directors					
Mr. Li Baoyuan ¹	Qianbao Investment ²	Beneficial owner	45,000,000	Long position	90.00%
	Zhongru Investment ³	Interest in controlled corporation	289,000,000	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%
Supervisors					
Mr. Chen Qinghan	Zhongru Investment ³	Beneficial owner	1,000,000	Long position	0.35%
Mr. Wang Feng	Zhongru Investment ³	Beneficial owner	1,000,000	Long position	0.35%
Mr. Yue Jianming	Zhongru Investment ³	Beneficial owner	1,000,000	Long position	0.35%

CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

Notes:

1. As at 30 June 2024, 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 136 individuals holding in aggregate the remaining 65.05% of the equity interests in 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 289,000,000 shares, in Zhongru Investment.
2. As at 30 June 2024, the total share capital of Qianbao Investment is 50,000,000 shares.
3. As at 30 June 2024, the total share capital of Zhongru Investment is 289,000,000 shares.

Save as disclosed above, so far as any Directors are aware, as at 30 June 2024, none of the Directors, Supervisors 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.

CHANGES IN SHARE CAPITAL AND INFORMATION OF SHAREHOLDERS

RIGHTS OF DIRECTORS AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURES

As of 30 June 2024, none of the Directors or Supervisors 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 2024, the following persons (not being the Directors, Supervisors 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 2024	Approximate percentage of shareholding in total issued share capital of the Company as at 30 June 2024
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 2024, 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 136 individuals holding in aggregate the remaining 65.05% of the equity interests in 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, SUPERVISORS AND SENIOR MANAGEMENT

As of the Latest Practicable Date, the composition of the Board of Directors, the Board of Supervisors 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. Tian Wei and Mr. Zhang Wenzhong; 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 Board of Supervisors of the Company has a total of 3 Supervisors, including: 2 non-employee representative Supervisors, namely Mr. Yue Jianming and Mr. Wang Feng; and 1 employee representative Supervisor, namely Mr. Chen Qinghan.

The Company has a total of 8 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. Liu Xingyue (Vice President), 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 and Vice President) and Mr. Li Wutie (Board Secretary and Assistant to the President).

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Changes of Directors

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

Changes of Supervisors

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

Changes of Senior Management

At the 9th meeting of the third session of the Board of Directors of the Company held on 27 June 2024, the Board of Directors resolved that Mr. Liu Yongjian would no longer serve as the Vice President of the Company due to his retirement.

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 2024
RMB'000

Assets	<i>Note V</i>	30 June 2024 (Unaudited)	31 December 2023
Current assets			
Cash and cash equivalents		6,143,172	7,688,715
Held-for-trading financial assets		14,379	15,329
Accounts receivable	1	7,164,490	7,478,973
Receivables at fair value through other comprehensive income		196,947	205,246
Prepayments		744,242	713,757
Other receivables		2,407,945	2,297,617
Inventories		315,359	190,400
Contract assets		37,528,268	39,123,239
Current portion of non-current assets		48,192	44,394
Other current assets		560,497	540,540
Total current assets		55,123,491	58,298,210
Non-current assets			
Long-term receivables	1	171,187	177,569
Long-term equity investments	2	470,294	501,063
Contract assets		2,965,816	2,984,797
Other equity instrument investments		594,465	589,069
Investment property		99,100	98,600
Fixed assets	3	924,876	948,472
Construction in progress		173,528	169,423
Right-of-use assets		14,003	19,004
Intangible assets		93,021	94,125
Deferred tax assets		1,025,727	1,005,265
Total non-current assets		6,532,017	6,587,387
Total assets		61,655,508	64,885,597

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

INTERIM CONSOLIDATED BALANCE SHEET (UNAUDITED)

30 June 2024

RMB'000

Liabilities and owners' equity	<i>Note V</i>	30 June 2024 (Unaudited)	31 December 2023
Current liabilities			
Short-term borrowings		2,444,963	2,469,425
Bills payable		1,219,222	1,035,601
Accounts payable	4	30,776,169	34,488,055
Contract liabilities		6,937,004	6,704,485
Employee benefits payable		256,995	283,365
Taxes payable		848,427	888,270
Other payables		5,657,845	5,706,782
Current portion of non-current liabilities		308,180	423,082
Other current liabilities		3,650,184	3,796,630
Total current liabilities		52,098,989	55,795,695
Non-current liabilities			
Long-term borrowings		3,194,059	2,849,897
Lease liabilities		6,977	12,149
Total non-current liabilities		3,201,036	2,862,046
Total liabilities		55,300,025	58,657,741
Owners' equity			
Share capital		1,761,384	1,761,384
Capital reserve		1,662,063	1,662,063
Other comprehensive income		40,356	33,608
Surplus reserve		600,053	600,053
Retained profit		2,117,110	1,990,221
Total equity attributable to owners of the Company		6,180,966	6,047,329
Non-controlling interests		174,517	180,527
Total owners' equity		6,355,483	6,227,856
Total liabilities and owners' equity		61,655,508	64,885,597

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 2024 to 30 June 2024
RMB'000

	Note V	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Revenue	5	11,015,171	14,948,567
Less: Cost of sales		10,365,625	14,145,504
Taxes and surcharges		26,481	35,480
Selling and distribution expenses		967	488
General and administrative expenses		212,043	279,616
Research and development expenses		33,224	69,325
Finance costs		178,624	180,874
Including: Interest expenses		192,878	197,852
Interest income		14,235	15,659
Add: Other income		16	3,078
Investment income		(1,900)	(8,382)
Including: Share of income of associates and joint ventures		(2,060)	(7,583)
Income on derecognition of financial assets at amortised cost		(2,298)	(2,154)
Gains on fair value changes		675	2,365
Impairment losses of credit losses	6	(76,763)	(87,044)
Impairment losses on assets	7	36,784	9,672
Gains from disposal of assets		63	102
Operating profit		157,082	157,071
Add: Non-operating income		2,135	1,072
Less: Non-operating expenses		3,244	1,167
Total profit		155,973	156,976
Less: Income tax expenses	8	35,094	45,785
Net profit		120,879	111,191

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 2024 to 30 June 2024

RMB'000

	<i>Note V</i>	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Classified by the continuity of operation			
Net profit from continuing operations		120,879	111,191
Classified by the ownership			
Net profit attributable to owners of the Company		126,889	116,796
Profit and loss attributable to non-controlling interests		(6,010)	(5,605)
Other comprehensive income, net of tax		9,748	(21,683)
Other comprehensive income, net of tax, attributable to owners of the parent		9,748	(21,683)
Other comprehensive income that cannot be reclassified to profit and loss			
Changes in fair value of other equity instrument investments		9,297	(22,645)
Other comprehensive income that will be reclassified to profit and loss			
Changes in fair value of receivables at fair value through other comprehensive income		451	962
Total comprehensive income		130,627	89,508
Including:			
Total comprehensive income attributable to owners of the Company		136,637	95,113
Total comprehensive income attributable to non-controlling interests		(6,010)	(5,605)
Earnings per share (RMB/share)			
Basic and diluted earnings per share	10	0.07	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 2024 to 30 June 2024
RMB'000

	Attributable to shareholders of the parent							Minority 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) Other	-	-	-	-	-	(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 STATEMENT OF CHANGES IN OWNERS' EQUITY (UNAUDITED)
For the period from 1 January 2023 to 30 June 2023
RMB'000

	Attributable to shareholders of the parent							Minority 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	152,476	-	545,068	1,873,811	5,994,802	172,673	6,167,475
II. Changes for the period									
(I) Total comprehensive income	-	-	(21,683)	-	-	116,796	95,113	(5,605)	89,508
(II) Capital contribution and reduction by shareholders									
1. Capital contribution by minority shareholders	-	-	-	-	-	-	-	17,000	17,000
(III) Special reserve									
1. Appropriation for the period	-	-	-	298,971	-	-	298,971	-	298,971
2. Use in the period	-	-	-	(298,971)	-	-	(298,971)	-	(298,971)
III. Closing balance of the period	1,761,384	1,662,063	130,793	-	545,068	1,990,607	6,089,915	184,068	6,273,983

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 2024 to 30 June 2024
RMB'000

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales of goods or rendering of services	14,467,048	20,359,567
Other cash receipts related to operating activities	3,605,873	4,945,535
	<u>18,072,921</u>	<u>25,305,102</u>
Subtotal of cash inflows from operating activities		
Cash paid for goods and services	14,970,922	21,080,646
Cash paid to and for employees	452,527	528,989
Taxes paid	396,814	398,791
Other cash payments related to operating activities	3,981,800	4,532,532
	<u>19,802,063</u>	<u>26,540,958</u>
Subtotal of cash outflows from operating activities		
Net cash flows from operating activities	<u>(1,729,142)</u>	<u>(1,235,856)</u>
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from return of investment	44,922	3,346
Cash received from investment income	16,804	15,846
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	5,375	1,034
	<u>67,101</u>	<u>20,226</u>
Subtotal of cash inflows from investing activities		
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	14,808	33,851
Cash paid to acquire investments	15,247	4,586
	<u>30,055</u>	<u>38,437</u>
Subtotal of cash outflows from investing activities		
Net cash flows from investing activities	<u>37,046</u>	<u>(18,211)</u>

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 2024 to 30 June 2024

RMB'000

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash proceeds from investments by others	-	17,000
Including: Cash received from capital contributions from minority shareholders of subsidiaries	-	17,000
Cash received from borrowings	1,928,074	2,102,153
Subtotal of cash inflows from financing activities	1,928,074	2,119,153
Cash paid for repayments of debts	1,723,779	1,799,719
Cash paid for distribution of dividends or interest repayment	188,426	194,963
Other cash payments related to financing activities	11,595	18,582
Subtotal of cash outflows from financing activities	1,923,800	2,013,264
Net cash flows from financing activities	4,274	105,889
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	19	1,319
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,687,803)	(1,146,859)
Add: Opening balance of cash and cash equivalents	6,527,686	8,488,419
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	4,839,883	7,341,560

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

COMPANY BALANCE SHEET (UNAUDITED)

30 June 2024
RMB'000

	30 June 2024 (Unaudited)	31 December 2023
Assets		
Current assets		
Cash and cash equivalents	4,044,016	6,054,893
Held-for-trading financial assets	14,367	13,932
Accounts receivable	5,639,313	5,920,265
Receivables at fair value through other comprehensive income	134,649	120,996
Prepayments	533,502	543,673
Other receivables	1,923,531	1,776,512
Inventories	102,235	70,491
Contract assets	29,839,444	31,043,055
Other current assets	276,717	275,279
Total current assets	<u>42,507,774</u>	<u>45,819,096</u>
Non-current assets		
Long-term receivables	11,738	11,738
Long-term equity investments	3,228,351	3,235,700
Contract assets	76,134	76,134
Other equity instrument investments	589,311	583,915
Investment property	99,100	98,600
Fixed assets	697,513	712,312
Construction in progress	81,074	81,037
Right-of-use assets	10,411	12,690
Intangible assets	323	356
Deferred tax assets	714,812	713,012
Total non-current assets	<u>5,508,767</u>	<u>5,525,494</u>
Total assets	<u>48,016,541</u>	<u>51,344,590</u>

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

COMPANY BALANCE SHEET (UNAUDITED)

30 June 2024

RMB'000

	30 June 2024 (Unaudited)	31 December 2023
Liabilities and owners' equity		
Current liabilities		
Short-term borrowings	1,423,995	1,546,345
Bills payable	483,562	426,903
Accounts payable	26,062,418	28,742,813
Contract liabilities	4,641,616	5,185,811
Employee benefits payable	215,197	234,758
Taxes payable	660,288	673,543
Other payables	5,020,249	5,142,783
Current portion of non-current liabilities	4,171	134,146
Other current liabilities	2,912,829	3,042,547
Total current liabilities	41,424,325	45,129,649
Non-current liabilities		
Long-term borrowings	497,493	228,902
Lease liabilities	6,306	10,724
Total non-current liabilities	503,799	239,626
Total liabilities	41,928,124	45,369,275
Owners' equity		
Share capital	1,761,384	1,761,384
Capital reserve	1,447,379	1,447,379
Other comprehensive income	40,819	34,165
Surplus reserve	355,498	355,498
Retained profit	2,483,337	2,376,889
Total owners' equity	6,088,417	5,975,315
Total liabilities and owners' equity	48,016,541	51,344,590

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

COMPANY INCOME STATEMENT (UNAUDITED)

For the period from 1 January 2024 to 30 June 2024
RMB'000

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Revenue	7,951,540	11,351,903
Less: Cost of sales	7,531,011	10,823,771
Taxes and surcharges	17,849	25,971
Selling and distribution expenses	415	276
General and administrative expenses	141,610	204,786
Research and development expenses	28,513	60,774
Finance costs	82,285	89,763
Including: Interest expenses	91,599	101,532
Interest income	9,295	10,450
Add: Other income	15	100
Investment income	(3,373)	(2,833)
Including: Share of income of joint ventures and associates	(2,061)	(4,346)
Income on derecognition of financial assets at amortised cost	(1,556)	(1,124)
Gains on fair value changes	935	2,336
Impairment losses of credit losses	(68,298)	(107,183)
Impairment losses on assets	35,573	8,776
Gains from disposal of assets	-	107
Operating profit	114,709	47,865
Add: Non-operating income	25,352	29,869
Less: Non-operating expenses	1,323	466
Total profit	138,738	77,268
Less: Income tax expenses	32,290	16,975
Net profit	106,448	60,293
Other comprehensive income, net of tax	9,654	(21,835)
Other comprehensive income that cannot be reclassified to profit and loss		
Changes in fair value of other equity instrument investments	9,297	(22,645)
Other comprehensive income that will be reclassified to profit and loss		
Changes in fair value of receivables at fair value through other comprehensive income	357	810
Total comprehensive income	116,102	38,458

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	<u>1,761,384</u>	<u>1,447,379</u>	<u>34,165</u>	<u>-</u>	<u>355,498</u>	<u>2,376,889</u>	<u>5,975,315</u>
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) Other	-	-	-	-	-	(3,000)	(3,000)
III. Closing balance of the period	<u>1,761,384</u>	<u>1,447,379</u>	<u>40,819</u>	<u>-</u>	<u>355,498</u>	<u>2,483,337</u>	<u>6,088,417</u>

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 2023 to 30 June 2023

RMB'000

	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained profit	Total owners' equity
I. Opening balance of the period	<u>1,761,384</u>	<u>1,447,379</u>	<u>153,389</u>	<u>-</u>	<u>319,950</u>	<u>2,056,950</u>	<u>5,739,052</u>
II. Changes for the period							
(I) Total comprehensive income	-	-	(21,835)	-	-	60,293	38,458
(II) Special reserve							
1. Appropriation for the period	-	-	-	227,038	-	-	227,038
2. Use in the period	-	-	-	(227,038)	-	-	(227,038)
III. Closing balance of the period	<u>1,761,384</u>	<u>1,447,379</u>	<u>131,554</u>	<u>-</u>	<u>319,950</u>	<u>2,117,243</u>	<u>5,777,510</u>

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 2024 to 30 June 2024
RMB'000

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
I. CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales of goods or rendering of services	9,777,392	16,275,469
Other cash receipts related to operating activities	2,359,129	3,887,769
Subtotal of cash inflows from operating activities	<u>12,136,521</u>	<u>20,163,238</u>
Cash paid for goods and services	10,736,438	16,266,931
Cash paid to and for employees	368,702	409,170
Taxes paid	268,425	272,633
Other cash payments related to operating activities	3,121,570	3,870,305
Subtotal of cash outflows from operating activities	<u>14,495,135</u>	<u>20,819,039</u>
Net cash flows from operating activities	<u>(2,358,614)</u>	<u>(655,801)</u>
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from return of investment	29,000	50
Cash received from investment income	9,539	10,637
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,538	409
Subtotal of cash inflows from investing activities	<u>43,077</u>	<u>11,096</u>
Cash paid for the purchase and construction of fixed assets	8,261	7,877
Cash paid to acquire investments	17,784	7,630
Subtotal of cash outflows from investing activities	<u>26,045</u>	<u>15,507</u>
Net cash flows from investing activities	<u>17,032</u>	<u>(4,411)</u>

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 2024 to 30 June 2024

RMB'000

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash received from borrowings	<u>1,640,898</u>	<u>1,074,000</u>
Subtotal of cash inflows from financing activities	<u>1,640,898</u>	<u>1,074,000</u>
Cash paid for repayments of debts	<u>1,626,650</u>	1,381,983
Cash paid for distribution of dividends or interest repayment	<u>87,899</u>	98,151
Other cash payments related to financing activities	<u>7,721</u>	<u>7,150</u>
Subtotal of cash outflows from financing activities	<u>1,722,270</u>	<u>1,487,284</u>
Net cash flows from financing activities	<u>(81,372)</u>	<u>(413,284)</u>
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>19</u>	<u>1,319</u>
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(2,422,935)</u>	<u>(1,072,177)</u>
Add: Opening balance of cash and cash equivalents	<u>5,620,252</u>	<u>6,401,993</u>
VI. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	<u>3,197,317</u>	<u>5,329,816</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 2024 to 30 June 2024
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.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

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 2023 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 2023 annual financial statements.

IV. CHANGE OF SCOPE OF CONSOLIDATION

1. Information about subsidiaries

During the period, the Company established HCG Tianfu Construction Engineering Co., Ltd. (河北建設集團天阜建築工程有限公司), Hebei Tuopu Construction Engineering Co., Ltd. (河北拓蒲建築工程有限公司), and HCG Zhibo Construction Engineering Co., Ltd. (河北建設集團智博建築工程有限公司). Tangshan Yuanzhu Construction Engineering Co., Ltd. was renamed as Hebei Tianyu Construction Engineering Co., Ltd. (河北天嶼建築工程有限公司) during the period, and Hebei Tuohui New Energy Technology Co., Ltd. was renamed as Baoding Tuohui New Energy Technology Co., Ltd. (保定市拓匯新能源科技有限公司) during the period. Hebei Tuo'an Electrical Installation Co., Ltd. was renamed as Baoding Tuo'an Electrical Installation Co., Ltd. (保定市拓安電氣安裝有限公司) during the period, and HCG Installment Engineering Co., Ltd., a subsidiary of the Company, has acquired 49% equity interest in the company during the period, thereby holding 100% equity interest in the company. During the period, HCG Dayuan Construction Engineering Co., Ltd. and Baoding Shitongyuan Electricity Sale Co., Ltd., subsidiaries of the Company, were deregistered. Inner Mongolia Jiantou Northern Construction Engineering Co., Ltd. was renamed as Inner Mongolia Jiantou Northern Engineering Co., Ltd. (內蒙古建投北方工程有限公司) during the period, and the Company transferred its 25% equity interest during the period and ceased to consider it as a subsidiary after the transfer. Saved as disclosed above, the scope of the consolidated financial statements was consistent with that of last year.

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 2024 (Unaudited)	31 December 2023
Within 1 year	5,695,664	6,323,895
1 to 2 years	1,434,845	1,246,093
2 to 3 years	719,675	668,913
Over 3 years	837,989	687,655
	8,688,173	8,926,556
Less: Impairment allowance	1,523,683	1,447,583
Total	7,164,490	7,478,973

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.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

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 2024 (Unaudited)	31 December 2023
Long-term concession project receivables	207,640	210,224
Project receivables	12,533	12,533
	220,173	222,757
Less: Bad debt allowance on long-term receivables	794	794
	219,379	221,963
Less: Long-term receivables due within one year	48,192	44,394
Total	171,187	177,569

The ageing of long-term receivables shall be calculated since the date upon satisfaction for the completion of concession project. As of 30 June 2024, the management of the Group made bad debt provisions of RMB794,000 for the long-term receivables based on the lifetime expected credit losses (31 December 2023: RMB794,000).

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

2. Long-term equity investments

For the period from 1 January 2024 to 30 June 2024, the Group acquired a long-term equity investment in Hebei Guangbo Construction Engineering Co., Ltd. (河北廣勃建築工程有限公司) at a consideration of RMB450,000 (for the period from 1 January 2023 to 30 June 2023: acquisition of a long-term equity investment in Baoding Nongtou Construction Engineering Co., Ltd. at a consideration of RMB260,000).

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. with RMB29,000,000 (for the period from 1 January 2023 to 30 June 2023: the Group did not dispose of any long-term equity investment).

3. Fixed assets

For the period from 1 January 2024 to 30 June 2024, the Group acquired fixed assets with an original cost of RMB10,703,000 (for the period from 1 January 2023 to 30 June 2023: RMB20,150,000).

For the period from 1 January 2024 to 30 June 2024, the Group disposed of fixed assets with a carrying value of RMB4,635,000 (for the period from 1 January 2023 to 30 June 2023: RMB932,000) and generated gain on disposal of assets of RMB63,000 (for the period from 1 January 2023 to 30 June 2023: RMB102,000).

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
RMB'000

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

4. Accounts payable

Accounts payable are non-interest bearing.

The ageing analysis of accounts payable is as follows:

	30 June 2024 (Unaudited)	31 December 2023
Within 1 year	20,779,256	23,269,785
1 to 2 years	6,641,392	8,134,270
2 to 3 years	1,785,633	1,714,512
Over 3 years	1,569,888	1,369,488
Total	30,776,169	34,488,055

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

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

5. Revenue

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Revenue from major business	10,808,378	14,702,101
Revenue from other business	206,793	246,466
Total	11,015,171	14,948,567

The revenue is as follows:

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Revenue from contracts with customers	11,003,983	14,937,119
Rental income	11,188	11,448
Total	11,015,171	14,948,567

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
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:

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
Specialized 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	<u>10,420,530</u>	<u>583,453</u>	<u>11,003,983</u>
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	<u>10,420,530</u>	<u>583,453</u>	<u>11,003,983</u>
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	<u>10,420,530</u>	<u>583,453</u>	<u>11,003,983</u>

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

5. Revenue (Continued)

For the period from 1 January 2023 to 30 June 2023 (Unaudited)

Reporting segment	Construction	Others	Total
Major products			
Building construction	9,430,063	-	9,430,063
Infrastructure construction	3,695,584	413,808	4,109,392
Specialized and other construction	1,162,646	-	1,162,646
Sales of goods and others	146,648	68,775	215,423
Sewage and reclaimed water treatment	-	19,595	19,595
Total	<u>14,434,941</u>	<u>502,178</u>	<u>14,937,119</u>
Major operating regions			
Mainland China (excluding Hong Kong, Macau and Taiwan)	14,402,166	502,178	14,904,344
Other countries and regions	<u>32,775</u>	<u>-</u>	<u>32,775</u>
Total	<u>14,434,941</u>	<u>502,178</u>	<u>14,937,119</u>
Timing of revenue recognition			
At a point of time	146,648	68,775	215,423
Within a period of time	<u>14,288,293</u>	<u>433,403</u>	<u>14,721,696</u>
Total	<u>14,434,941</u>	<u>502,178</u>	<u>14,937,119</u>

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

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, because according to the contract, the Group's right to receive the final payment depends on the customer's satisfaction with the service quality over a period of time.

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.

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

6. Impairment Losses of Credit Losses

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Losses from impairment of account receivable	(76,100)	(82,282)
losses from impairment of other receivables	(663)	1,361
Impairment losses on financial guarantee contracts	-	(6,123)
Total	(76,763)	(87,044)

7. Impairment Losses on Assets

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Impairment loss for contract assets	36,784	9,672

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
RMB'000

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

8. Income tax expenses

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Current income tax expenses	57,793	71,214
Deferred income tax expenses	(22,699)	(25,429)
Total	<u>35,094</u>	<u>45,785</u>

9. Profit distribution

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

For the period from 1 January 2023 to 30 June 2023, the Group did not make any profit distribution.

10. Earnings per share

	For the period from 1 January 2024 to 30 June 2024 RMB per share (Unaudited)	For the period from 1 January 2023 to 30 June 2023 RMB per share (Unaudited)
Basic earnings per share Continuing operations	<u>0.07</u>	<u>0.07</u>

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).

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 2024 to 30 June 2024 (Unaudited) RMB'000	For the period from 1 January 2023 to 30 June 2023 (Unaudited) RMB'000
Earnings		
Net profit for the period attributable to ordinary Shareholders of the Company Continuing operations	126,889	116,796
Shares		
Weighted average number of ordinary shares in issue of the Company	1,761,383,500	1,761,383,500

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

11. Assets with restricted ownership

	30 June 2024 (Unaudited)	31 December 2023
Cash and cash equivalents	1,303,289	1,161,029 <i>Note 1</i>
Accounts receivable	121,500	180,166 <i>Note 2</i>
Receivables at fair value through other comprehensive income	8,909	3,000 <i>Note 3</i>
Contract assets	2,627,683	2,314,456 <i>Note 2</i>
Long-term receivables (including long-term receivables due within one year)	207,640	210,224 <i>Note 2</i>
Investment property	99,100	98,600 <i>Note 4</i>
Fixed assets	396,720	408,230 <i>Note 5</i>
Intangible assets	92,699	93,770 <i>Note 5</i>
Total	4,857,540	4,469,475

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

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

11. Assets with restricted ownership (Continued)

Note 1: As at 30 June 2024, the Group's currency funds with restricted ownership were frozen for judicial and other reasons of RMB1,216,577,000 (31 December 2023: RMB1,076,526,000), bill deposits of RMB83,634,000 (31 December 2023: RMB81,268,000) and letters of guarantee of RMB3,078,000 (31 December 2023: RMB3,235,000).

Note 2: As at 30 June 2024, the Group obtained a short-term borrowing of RMB121,500,000 secured by accounts receivable with the carrying amount of RMB121,500,000.

As at 30 June 2024, the Group obtained a long-term borrowing of RMB2,451,156,000 jointly secured by contract assets with the carrying amount of RMB2,627,683,000 and long-term receivables with the carrying amount of RMB207,640,000.

As at 31 December 2023, the Group obtained a short-term borrowing of RMB144,966,000 jointly secured by accounts receivable with the carrying amount of RMB180,166,000.

As at 31 December 2023, the Group obtained a long-term borrowing of RMB2,102,338,000 jointly secured by contract assets with the carrying amount of RMB2,314,456,000 and long-term receivables with the carrying amount of RMB210,224,000.

Note 3: As at 30 June 2024, the Group obtained a short-term borrowing of RMB8,909,000 (31 December 2023: RMB3,000,000) secured by receivables at fair value through other comprehensive income with the carrying amount of RMB8,909,000 (31 December 2023: RMB3,000,000).

Note 4: As at 30 June 2024, the Group obtained a short-term bank borrowings of RMB100,095,000 (31 December 2023: RMB100,101,000) secured by investment property with the carrying amount of RMB99,100,000 (31 December 2023: RMB98,600,000).

Note 5: As at 30 June 2024, the Group obtained a short-term borrowings of RMB331,143,000 (31 December 2023: RMB349,165,000) secured by fixed assets with the carrying amount of RMB396,720,000 (31 December 2023: RMB408,230,000) and intangible assets with the carrying amount of RMB92,699,000 (31 December 2023: RMB93,770,000).

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 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
Asset impairment losses	(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

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
RMB'000

VI. SEGMENT REPORT (Continued)

1. Operating segments (Continued)

For the period from 1 January 2023 to 30 June 2023 (Unaudited)

	Construction contracting	Others	Adjustment and offset	Total
Sales to external customers	14,434,941	513,626	-	14,948,567
Intersegment sales	102,538	12,857	(115,395)	-
Gains on investments in joint ventures and associates	(4,078)	(3,505)	-	(7,583)
Credit impairment losses	64,456	22,588	-	87,044
Asset impairment losses	(12,360)	2,688	-	(9,672)
Depreciation and amortisation	26,065	19,354	-	45,419
Total profit	204,095	(46,070)	(1,049)	156,976

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.

VII. FAIR VALUE

1. Assets and liabilities measured at fair value

30 June 2024 (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	14,379	-	-	14,379
Receivables financing	-	196,947	-	196,947
Other equity instrument investments	55,127	-	539,338	594,465
Investment property	-	-	99,100	99,100
Total	69,506	196,947	638,438	904,891

31 December 2023

	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	15,329	-	-	15,329
Receivables financing	-	205,246	-	205,246
Other equity instrument investments	60,431	-	528,638	589,069
Investment property	-	-	98,600	98,600
Total	75,760	205,246	627,238	908,244

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VII. FAIR VALUE (Continued)

2. Valuation techniques and inputs for fair value measurement

During the period from 1 January 2024 to 30 June 2024, 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 2024: 481,300 31 December 2023: 457,600	Listed companies comparison method	P/B multiple Median of peers Discount for liquidity	30 June 2024: 0.6-0.9 31 December 2023: 0.6-0.8 30 June 2024: 30% 31 December 2023: 30%
Taihong Heyi Environmental Technology Co., Ltd.	30 June 2024: 52,750 31 December 2023: 58,750	Listed companies comparison method	P/B multiple Median of peers Discount for liquidity	30 June 2024: 0.6-1.0 31 December 2023: 0.7-1.1 30 June 2024: 30% 31 December 2023: 30%

VII. FAIR VALUE (Continued)

2. Valuation techniques and inputs for fair value measurement (Continued)

		Fair value at the end of the period/ year	Valuation technique	Unobservable inputs	Scope (Weighted average)
Qinhuangdao Smooth Road Construction Co., Ltd.	<i>Note</i>	30 June 2024: N/A	Listed companies comparison method	P/B multiple	30 June 2024: N/A
		31 December 2023: 7,000		Median of peers	31 December 2023: 0.6-1.6
				Discount for liquidity	30 June 2024: N/A
					31 December 2023: 30%
Xihua County Jijiantongda Construction Co., Ltd.		30 June 2024: 134	Listed companies comparison method	P/B multiple	30 June 2024: 0.7-2.0
		31 December 2023: 134		Median of peers	31 December 2023: 1.0-2.0
				Discount for liquidity	30 June 2024: 30%
					31 December 2023: 30%
Investment property RT-Mart		30 June 2024: 99,100	Discounted cash flow method	Yield rate	30 June 2024: 6.50%
		31 December 2023: 98,600			31 December 2023: 6.50%
				Annual market rental (per square meter)	30 June 2024: 100-110
					31 December 2023: 100-116

Note: Qinhuangdao Smooth Road Construction Co., Ltd. has been deregistered.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VII. FAIR VALUE (Continued)

3. Transfer of hierarchy of continuous fair value measurement

During the period from 1 January 2024 to 30 June 2024, 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 2024 (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	2,025,431	1,926,445	-	1,926,445	-

31 December 2023

	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	1,565,858	1,518,201	-	1,518,201	-

During the period from 1 January 2024 to 30 June 2024, 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	
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	Joint venture	
Bazhou Hengzhiheng Gardening and Greenery Engineering 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	
Hebei Tianbo Construction Technology Co., Ltd.	Other enterprises under common control by the parent company	<i>Note 1</i>
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	

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

1. Related party relationships (Continued)

Name of related party	Related party relationships	
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	
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	
Guangan 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	
Hebei Baoyu Surveying Service Co., Ltd.	Subsidiary of other enterprises under common control by the parent company	Note 1
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	
Qinhuangdao Dadi Zhuoyue Geotechnical Engineering Co., Ltd.	Subsidiary of other enterprises under common control by the parent company	Note 1
Key management personnel	Key management personnel of the Group	

Note 1: The shareholder of Hebei Tianbo Construction Technology Co., Ltd. was changed to Baoding Hongchou Trading Co., Ltd. in October 2023, and ceased to be a related party outside the scope of consolidation; Hebei Baoyu Surveying Service Co., Ltd. and Qinhuangdao Dadi Zhuoyue Geotechnical Engineering Co., Ltd. (its subsidiaries), ceased to be the related parties outside the scope of consolidation.

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties

(1) Sales or purchases of goods and rendering or receipt of services

Rendering of services to related parties

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Xi'an Zhongyuan Real Estate Development Co., Ltd.	18,243	61,441
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	12,843	24,049
Zhongyuan Environmental	11,942	40,119
Baoding Taiji Real Estate Development Co., Ltd.	8,739	-
Baoding Zhucheng Real Estate Development Co., Ltd.	3,746	14,752
Huailai Jingsheng Real Estate Development Co., Ltd.	2,351	11,974
Huailai Shengcheng Real Estate Development Co., Ltd.	2,113	17,989
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	1,737	5,266
Datang Baoding Heat Supply Co., Ltd.	1,374	153
Zhongcheng Real Estate Development Co., Ltd.	228	2,568
Huailai Zhongcheng Real Estate Development Co., Ltd.	-	2,662
Hebei Baocang Expressway Co., Ltd.	-	444
Total	63,316	181,417

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

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VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(1) Sales or purchases of goods and rendering or receipt of services (Continued)

Receipt of services from related parties

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Baoding Tianli Labor Service Co., Ltd.	1,146,953	1,341,190
Hebei Zhongcheng Property Service Co., Ltd.	3,403	3,816
Hebei Qianyuan Red Agricultural Group Co., Ltd.	3,766	1,137
Fuping County Ruifu Building Material Co., Ltd.	109	-
Qinhuangdao Dadi Zhuoyue Geotechnical Engineering Co., Ltd.	-	10,658
Hebei Tianbo Construction Technology Co., Ltd.	-	886
Hebei Baoyu Surveying Service Co., Ltd.	-	7
Total	1,154,231	1,357,694

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(2) Related party leases

As lessee

		For the period from 1 January 2024 to 30 June 2024 (Unaudited) Leasing fees	For the period from 1 January 2023 to 30 June 2023 (Unaudited) Leasing fees
Type of leased asset			
Zhongming Zhiye Group Co., Ltd.	Office buildings	2,878	3,432

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.

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
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VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties

Providing guarantees to related parties

For the period from 1 January 2024 to 30 June 2024 (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	2036/12/20	No	536,750

Receiving guarantees from related parties

For the period from 1 January 2024 to 30 June 2024 (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.	399,847	2019/4/1	2024/4/1	Yes	-
Zhongru Investment Co., Ltd.	70,000	2020/8/18	2024/2/10	Yes	-
Zhongming Zhiye Group Co., Ltd.	160,000	2020/11/17	2025/11/16	No	-
Zhongming Zhiye Group Co., Ltd.	140,000	2020/12/28	2025/12/27	No	-

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties (Continued)

Receiving guarantees from related parties (Continued)

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.	200,000	2020/12/31	2024/12/30	No	-
Zhongming Zhiye Group Co., Ltd.	100,000	2021/11/25	2026/11/25	No	-
Zhongming Zhiye Group Co., Ltd.	25,000	2021/12/8	2025/12/9	No	-
Zhongming Zhiye Group Co., Ltd.	200,000	2021/12/31	2025/12/30	No	-
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	-
Zhongcheng Real Estate Development Co., Ltd.	100,000	2022/6/14	2024/6/11	Yes	-
Zhongming Zhiye Group Co., Ltd.	25,000	2022/12/1	2026/11/29	No	-
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	-

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties (Continued)

Receiving guarantees from related parties (Continued)

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	2028/8/30	No	28,500
Zhongming Zhiye Group Co., Ltd.	10,000	2023/8/31	2028/8/30	No	9,500
Zhongming Zhiye Group Co., Ltd.	100,000	2023/11/28	2028/11/26	No	99,000
Zhongming Zhiye Group Co., Ltd.	25,000	2023/11/28	2027/11/26	No	25,000
Zhongming Zhiye Group Co., Ltd.	40,000	2023/12/7	2028/12/6	No	39,000
Zhongming Zhiye Group Co., Ltd.	200,000	2023/12/20	2027/12/29	No	200,000
Zhongru Investment Co., Ltd.	70,000	2024/1/23	2024/7/28	No	70,000
Zhongcheng Real Estate Development Co., Ltd.	150,000	2024/5/27	2026/5/23	No	150,000
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

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties (Continued)

Providing guarantees to related parties

2023

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	2036/12/20	No	549,000

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties (Continued)

Receiving guarantees from related parties

2023

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.	399,847	2019/4/1	2024/4/1	No	-
Zhongming Zhiye Group Co., Ltd.	200,000	2019/12/30	2023/12/29	Yes	-
Zhongru Investment Co., Ltd.	70,000	2020/8/18	2024/2/10	No	-
Zhongming Zhiye Group Co., Ltd.	160,000	2020/11/17	2025/11/16	No	-
Zhongming Zhiye Group Co., Ltd.	25,000	2020/12/22	2023/12/21	Yes	-
Zhongming Zhiye Group Co., Ltd.	140,000	2020/12/28	2025/12/27	No	-
Zhongming Zhiye Group Co., Ltd.	200,000	2020/12/31	2024/12/30	No	-
Zhongming Zhiye Group Co., Ltd.	100,000	2021/11/25	2026/11/25	No	-
Zhongming Zhiye Group Co., Ltd.	25,000	2021/12/8	2025/12/9	No	-

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties (Continued)

Receiving guarantees from related parties (Continued)

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.	200,000	2021/12/31	2025/12/30	No	-
Zhongru Investment Co., Ltd.	70,000	2022/2/17	2023/2/16	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	290,000	2022/3/19	2023/3/18	Yes	-
Zhongcheng Real Estate Development Co., Ltd.	120,000	2022/6/8	2024/6/6	No	105,000
Zhongcheng Real Estate Development Co., Ltd.	30,000	2022/6/14	2024/6/11	No	27,000
Zhongcheng Real Estate Development Co., Ltd.	100,000	2022/6/14	2024/6/11	No	-
Zhongcheng Real Estate Development Co., Ltd.	34,000	2022/6/20	2023/6/20	Yes	-
Zhongming Zhiye Group Co., Ltd.	25,000	2022/12/1	2026/11/29	No	-
Zhongming Zhiye Group Co., Ltd.	200,000	2022/12/30	2023/12/29	Yes	-
Zhongming Zhiye Group Co., Ltd.	30,000	2023/8/31	2028/8/30	No	29,250

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(3) Guarantees to/from related parties (Continued)

Receiving guarantees from related parties (Continued)

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.	10,000	2023/8/31	2028/8/30	No	9,750
Zhongming Zhiye Group Co., Ltd.	40,000	2023/12/7	2028/12/6	No	40,000
Zhongru Investment Co., Ltd.	70,000	2023/1/28	2024/1/28	No	70,000
Zhongming Zhiye Group Co., Ltd.	200,000	2023/12/20	2027/12/29	No	200,000
Zhongming Zhiye Group Co., Ltd.	100,000	2023/11/28	2028/11/26	No	100,000
Zhongming Zhiye Group Co., Ltd.	25,000	2023/11/28	2027/11/26	No	25,000
Zhongcheng Real Estate Development Co., Ltd.	100,000	2023/6/12	2024/6/12	No	100,000
Zhongcheng Real Estate Development Co., Ltd.	34,000	2023/6/12	2024/6/12	No	34,000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

2. Major transactions with related parties (Continued)

(4) Other related party transactions

	For the period from 1 January 2024 to 30 June 2024 (Unaudited)	For the period from 1 January 2023 to 30 June 2023 (Unaudited)
Emolument of key management personnel	3,852	3,717

3. Balances of amounts due from related parties

Accounts receivable

	30 June 2024 (Unaudited)		31 December 2023	
	Book balance	Bad debt allowance	Book balance	Bad debt allowance
Related parties				
Accounts receivable				
Baoding Zhucheng Real Estate Development Co., Ltd.	80,774	4,749	77,378	3,431
Huailai Zhongcheng Real Estate Development Co., Ltd.	52,043	3,206	52,049	635
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	33,083	404	4,076	50
Xi'an Zhongyuan Real Estate Development Co., Ltd.	16,173	197	22,763	278
Huailai Jingsheng Real Estate Development Co., Ltd.	12,512	153	11,462	140
Zhongcheng Real Estate Development Co., Ltd.	12,389	155	4,606	56
Baoding Taiji Real Estate Development Co., Ltd.	10,722	536	8,200	100

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

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

Accounts receivable (Continued)

Related parties	30 June 2024 (Unaudited)		31 December 2023	
	Book balance	Bad debt allowance	Book balance	Bad debt allowance
Huailai Shengcheng Real Estate Development Co., Ltd.	8,182	434	6,762	82
Bozhou Xiangju	6,911	144	1,200	74
Hebei Zitan Real Estate Development Co., Ltd.	3,511	175	3,488	215
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	2,008	25	19,691	240
Datang Baoding Heat Supply Co., Ltd.	-	-	16	1
Contract assets				
Yizongliangheng	134,943	1,646	134,943	1,646
Guangan Zhongcheng Real Estate Development Co., Ltd.	124,261	1,516	124,261	1,516
Qinhuangdao Yuanyi Road Construction Management Co., Ltd.	108,256	1,321	136,034	1,660
Xi'an Zhongyuan Real Estate Development Co., Ltd.	83,573	1,020	131,789	1,608
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	50,830	620	83,587	1,020
Huailai Shengcheng Real Estate Development Co., Ltd.	45,578	556	44,695	545
Hebei Zitan Real Estate Development Co., Ltd.	35,504	433	36,332	443
Huailai Jingsheng Real Estate Development Co., Ltd.	35,287	431	47,370	578
Zhongyuan Environmental	12,494	152	15,217	186
Baoding Taiji Real Estate Development Co., Ltd.	11,585	141	4,582	56

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

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

Accounts receivable (Continued)

Related parties	30 June 2024 (Unaudited)		31 December 2023	
	Book balance	Bad debt allowance	Book balance	Bad debt allowance
Baoding Zhucheng Real Estate Development Co., Ltd.	5,412	66	5,927	72
Zhongcheng Real Estate Development Co., Ltd.	5,213	64	18,933	231
Datang Baoding Heat Supply Co., Ltd.	2,873	35	1,376	17
Sanhe Baolan Heat Co., Ltd.	2,030	25	2,030	25
Hebei Baocang Expressway Co., Ltd.	31	-	31	-
Bozhou Xiangju	-	-	5,711	70
Other receivables				
Huailai Zhongcheng Real Estate Development Co., Ltd.	34,580	422	34,580	422
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	14,512	274	14,512	274
Zhongcheng Real Estate Development Co., Ltd.	4,611	56	8,855	108
Hebei Keshengxing Start-up Incubator Co., Ltd.	1,156	45	626	39
Bazhou Hengzhiheng Gardening and Greenery Engineering Co., Ltd.	155	2	149	2
Xi'an Zhongyuan Real Estate Development Co., Ltd.	50	3	50	3
Huailai Jingsheng Real Estate Development Co., Ltd.	54	3	49	1
Qianbao Investment Co., Ltd.	5	-	5	-
Baoding Taiji Real Estate Development Co., Ltd.	-	-	393	5

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024

RMB'000

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

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

Accounts payable

Related party	30 June 2024 (Unaudited)	31 December 2023
Accounts payable		
Baoding Tianli Labor Service Co., Ltd.	927,484	1,016,511
Hebei Construction Group Qianqiu Management Co., Ltd.	480	480
Fuping County Ruifu Building Material Co., Ltd.	266	153
Other payables		
Baoding Zhucheng Real Estate Development Co., Ltd.	82,377	60,901
Key management personnel	13,518	10,699
Qianbao Investment Co., Ltd.	8,650	8,650
Hebei Construction Group Qianqiu Management Co., Ltd.	2,458	595
Zhongming Zhiye Group Co., Ltd.	1,140	5,396
Hebei Qianyuan Red Agricultural Group Co., Ltd.	130	130
Contract liabilities		
Baoding Zhucheng Real Estate Development Co., Ltd.	18,531	19,734
Zhongcheng Real Estate Development Co., Ltd.	8,729	8,978
Huailai Jingsheng Real Estate Development Co., Ltd.	7,154	8,006

VIII. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(Continued)

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

Accounts payable (Continued)

Related party	30 June 2024 (Unaudited)	31 December 2023
Guangan Zhongcheng Real Estate Development Co., Ltd.	4,636	4,636
Huilai Shengcheng Real Estate Development Co., Ltd.	3,488	3,488
Xi'an Zhongyuan Real Estate Development Co., Ltd.	3,299	526
Datang Baoding Heat Supply Co., Ltd.	1,967	1,983
Chengde Summer Resort Cultural Industrial Park Co., Ltd.	1,754	1,534
Laiyuan Zhongcheng Construction Development Co., Ltd.	200	200
Hebei Zhongcheng Property Service Co., Ltd.	75	75

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

NOTES TO FINANCIAL STATEMENTS

For the period from 1 January 2024 to 30 June 2024
RMB'000

IX. CONTINGENCIES

	30 June 2024 (Unaudited)	31 December 2023	
Contingent liabilities arising from providing external guarantees	654,756	677,629	<i>Note 1</i>
Contingent liabilities arising from unresolved litigation or arbitration	43,963	36,299	<i>Note 2</i>
Total	698,719	713,928	

Note 1: As at 30 June 2024, the principal and interest of the banking facilities granted to third parties subject to guarantees given to the banks by the Group amounted to RMB654,756,000 (31 December 2023: RMB677,629,000), and other current liabilities related to financial guarantee contracts amounted to RMB18,820,000 (31 December 2023: RMB19,810,000). The Group assessed overdue status of relevant borrowings, financial position of relevant debtors, and economic condition in the debtor's industry as at each balance sheet date, and was of view that the relevant credit risk of such part of financial guarantee contracts has not increased significantly since initial recognition. Therefore, the loss allowance for the Group's financial guarantee contracts is not determined based on the amount of lifetime expected credit losses, but measured at the amount of the future 12-month expected credit losses of the above financial guarantee contracts. From 1 January 2024 to 30 June 2024, there was no change in the Group's assessment method and major assumptions. Based on the assessment of the management of the Group, there was no significant expected impairment provision made for the relevant financial guarantees.

Note 2: 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 2024, the Group had no material capital commitment (31 December 2023: 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 26 August 2024.

DEFINITIONS

“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, unless the context otherwise requires
“Audit Committee”	the Audit Committee of the Board
“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 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 limited liability company established under the laws of the PRC 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
“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 the 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 Shares”	ordinary Shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB
“Group” or “we” or “us” or “our”	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”	16 September 2024, 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
“Prospectus”	the prospectus of the Company dated 5 December 2017

DEFINITIONS

“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 2024 and ending on 30 June 2024
“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
“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, unless the context otherwise requires
“Substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, unless the context otherwise requires
“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
“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 68.3% 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