



中國建築股份有限公司
CHINA STATE CONSTRUCTION ENGRG.CORP.LTD

2021

INTERIM REPORT

Stock Code: 601668.SH



Cover Photo: Qingdao Jiaodong International Airport



CORPORATE MISSION

Expanding a happy
living environment



CORPORATE VISION

To be a world-leading investment
and construction enterprise with
Chinese characteristics

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CHINA SECURITIES REGULATORY COMMISSION
SHANGHAI STOCK EXCHANGE

The Company prepared its 2021 Interim Report in accordance with relevant regulations and guidelines set forth by the China Securities Regulatory Commission and the Shanghai Stock Exchange, including the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 3 – Contents and Formats of Semi-Annual Reports, the Shanghai Stock Exchange Listing Rules and other relevant regulations and guidelines. This is a free translation into English of a report issued in China and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, China law and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's 2021 Interim Report on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Index of
documents
available for
inspection

Financial statements signed and sealed by the Company's legal representative (Chairman), person-in-charge of the accounting affairs (chief financial officer) and person-in-charge of the accounting department (head of the accounting department)

The original review report with the seal of the accounting firm and signatures and seals of the certified public accountants

The originals of all Company documents and manuscripts of announcements publicly disclosed in newspapers designated by the China Securities Regulatory Commission during the Reporting Period

IMPORTANT NOTES

- I. **The Company's Board of Directors, Board of Supervisors and its directors, supervisors and officers guarantee that the Interim Report contains true, accurate and complete information and no false representations, misleading statements or material omissions, or otherwise they will accept several and joint legal responsibility.**
- II. **This Interim Report was passed at the third meeting of the third session of the Board of the Company, at which all the Directors of the Company had attended.**
- III. **This Interim Report is unaudited. Ernst & Young Hua Ming LLP (Special General Partnership) has reviewed the 2021 interim financial report of the Company and issued a review report.**
- IV. **Zhou Naixiang, Head of the Company (Chairman); Wang Yunlin, Head of Accounting (Chief Financial Officer); and Xie Song, Head of the Accounting Office (Chief Accounting Officer) guarantee that the financial report set out in the Interim Report is true, accurate and complete.**
- V. **Profit distribution plan or the conversion plan of reserves to share capital for the Reporting Period considered by the Board of Directors**

N/A

- VI. **Risk statement with respect to forward-looking statements**

Applicable N/A

This Interim Report contains certain forward-looking statements made on subjective assumptions and judgments on future policies and economic trends, which may differ from the actual results or trends due to a range of variables.

The forward-looking statements regarding future plans, development strategies, etc. contained in this Interim Report do not constitute a material commitment by the Company to investors, and investors are advised to exercise attention.

- VII. **Whether there is any non-operating misappropriation of funds of the Company by the controlling shareholder and its related parties**

No

- VIII. **Whether the Company has provided any guarantee in favor of external parties in violation of the prescribed decision-making procedures**

No

- IX. **Whether more than half of the Directors are unable to guarantee the truthfulness, accuracy and completeness of the Interim Report disclosed by the Company**

No

- X. **Warning on major risks**

During the Reporting Period, the Company is not exposed to major risks.

The Company has described possible related risks in detail in this Interim Report. Please refer to the relevant information set out in "(I) Potential risks" of "VI. Other Disclosures" under Section III "MANAGEMENT DISCUSSION AND ANALYSIS".

- XI. **Miscellaneous**

Applicable N/A

In addition to the reviewed financial data, the business data used in this Interim Report comes from the management of the Company.

SECTION I DEFINITIONS

In this Interim Report, unless the context otherwise requires, the following words shall have the following meanings:

Definitions of common words

CSEEC/the Company	China State Construction Engineering Corporation Limited (中国建筑股份有限公司)
China State Construction/the Group	China State Construction Engineering Corporation (中国建筑集团有限公司)
China Construction First Group Corporation to Eighth Engineering Division	China Construction First Group Corporation Limited to China Construction Eighth Engineering Division Corp. Ltd. (中国建筑一局(集团)有限公司至中国建筑第八工程局有限公司)
Xinjiang Construction & Engineering	CSEEC Xinjiang Construction & Engineering (Group) Co., Ltd. (中建新疆建工(集团)有限公司)
COHL	China Overseas Holdings Limited (中国海外集团有限公司)
CSEEC International Operations	China State Construction Engineering Corporation International Operations (中国建筑国际工程公司)
China Overseas	The real estate development brand and business owned by China Overseas Land & Investment Ltd. (中国海外发展有限公司) (00688.HK), a subsidiary of COHL
CSC Land	The real estate brand and business other than "China Overseas" that CSEEC is engaged in
China Construction Engineering Design Group	China Construction Engineering Design Group Corporation Limited (中国中建设计集团有限公司)
China Overseas Land & Investment	China Overseas Land & Investment Ltd. (中国海外发展有限公司) (00688.HK)
CSCI	China State Construction International Holdings Limited (中国建筑国际集团有限公司) (03311.HK)
China Overseas Grand Oceans	China Overseas Grand Oceans Group Limited (中国海外宏洋集团有限公司) (00081.HK)
CSC Development	China State Construction Development Holdings Limited (中国建筑兴业集团有限公司) (00830.HK)
China Overseas Property	China Overseas Property Holdings Limited (中海物业集团有限公司) (02669.HK)
West Construction	China West Construction Group Co., Ltd. (中建西部建设股份有限公司) (002302.SZ)
CSC Finance	China State Construction Finance Co., Ltd. (中建财务有限公司)
China Construction Fangcheng	China Construction Fangcheng Investment & Development Group Co., Ltd. (中建方程投资发展集团有限公司)
China Construction Capital	China Construction Capital Holdings Limited (中建资本控股有限公司)
China State Decoration	China State Decoration Group Co., Ltd. (中国建筑装饰集团有限公司)
China Construction Infrastructure	China Construction Infrastructure Co., Ltd. (中国建设基础设施有限公司)
CSCDC	China State Construction Development Co., Ltd. (中国建筑发展有限公司)
China Construction Science and Industry	China Construction Science and Industry Corporation Ltd. (中建科工集团有限公司) (formerly known as China Construction Steel Structure Co., Ltd. (中建钢构有限公司))
China Construction Science & Technology	China Construction Science & Technology Group Co., Ltd. (中建科技集团有限公司) (formerly known as China Construction Science & Technology Co., Ltd. (中建科技有限公司))
China Construction Communications	China Construction Communications Engineering Group Co., Ltd. (中建交通建设集团有限公司)
China Construction Harbour and Channel Engineering Bureau	China Construction Harbour and Channel Engineering Bureau Group Co., Ltd. (中建港航局集团有限公司)
Articles of Association	Articles of Association of China State Construction Engineering Corporation Limited
Reporting Period	From January 1, 2021 to June 30, 2021

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. Information of the Company

Chinese name	中国建筑股份有限公司
Chinese abbreviation	中国建筑
English name	China State Construction Engineering Corporation Limited
English abbreviation	CSCEC
Legal representative	Zhou Naixiang

II. Contact Details

	Secretary to the Board of Directors
Name	Xue Keqing
Address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Tel.	010-86498888
Fax	010-86498170
Email	ir@cscec.com

III. Overview of Changes in Basic Information

Registered address	No. 15, Sanlihe Road, Haidian District, Beijing
Historical change of the registered address	/
Office address	CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Postal code of the office address	100029
Website	www.cscec.com
Email	ir@cscec.com
Index for changes during the Reporting Period	/

IV. Overview of Changes in Information Disclosure and Place for Inspection of Interim Report

Name of newspaper designated by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website for publishing interim report	www.sse.com.cn
Place for inspection of interim report	CSCEC Board Office CSC Fortune International Center, Building 3, Courtyard 5, Anding Road, Chaoyang District, Beijing
Index for changes during the Reporting Period	/

V. Overview of Stocks

Type	Stock exchange	Abbreviation	Stock code	Original ticker
A share	Shanghai Stock Exchange	CSCEC	601668	N/A

VI. Other Relevant Information

Applicable N/A

Accounting firm engaged by the Company (domestic)	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
	Office address	Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing, PRC
	Name of signatory	Zhou Ying, Yang Shujuan, Shen Yan

VII. Key Accounting Data and Financial Indicators of the Company

(I) Key accounting data

Unit: '000 yuan Currency: RMB

Key accounting data	Reporting Period (January to June)	Same period YoY	Change YoY (%)
Revenue	936,715,963	728,187,767	28.6
Profit before income tax	51,725,913	43,774,877	18.2
Net profit attributable to shareholders of the Company	25,642,823	19,839,785	29.2
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	24,538,379	18,583,408	32.0
Net cash flows from operating activities	-49,744,103	-70,645,206	/

	As at the end of the Reporting Period	As at the end of last year	Change YoY (%)
Net assets attributable to shareholders of the Company	316,131,639	300,421,431	5.2
Total assets	2,351,232,414	2,192,173,839	7.3

(II) Key financial indicators

Key financial indicators	Reporting Period (January to June)	Same period YoY	Change YoY (%)
Basic earnings per share (RMB/share)	0.62	0.47	31.9
Diluted earnings per share (RMB/share)	0.61	0.46	32.6
Basic EPS (RMB/share) after deducting non-recurring profit or loss	0.58	0.43	34.9
Weighted average return on net assets (%)	8.13	6.98	Increase of 1.15 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	7.77	6.53	Increase of 1.24 percentage points
Net assets per share attributable to ordinary shareholders (RMB/share)	7.30	6.38	14.4

Explanation on the key accounting data and financial indicators of the Company

Applicable N/A

- ① When calculating earnings per share, the restricted shares that have not yet met the unlocking conditions and become invalid are deducted from the weighted average number of ordinary shares issued by the Company.
- ② According to relevant accounting requirements, when calculating earnings per share, the dividends or interests of other equity instruments such as preference shares and perpetual bonds and restricted shares shall be excluded from the net profit attributable to shareholders of the Company.

- ③ The net assets per share attributable to ordinary shareholders are the net assets attributable to shareholders of the parent company deducting other equity instruments, and then divided the balance by the total number of issued shares as at the end of the Reporting Period.

For details, please refer to Note XI “Share-based payment”, Note V. 65 “Earnings per share” to the financial statements under Section X “FINANCIAL REPORT”, and SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT 2 “Return on net assets and earnings per share” and other relevant information.

VIII. Differences between Accounting Data under Domestic and Foreign Accounting Standards

Applicable N/A

- (I) Differences of net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with the International Accounting Standards and Chinese Accounting Standards

Applicable N/A

- (II) Differences of net profit and net assets attributable to shareholders of the Company in the financial report disclosed in accordance with both foreign accounting standards and Chinese accounting standards

Applicable N/A

- (III) Explanation on differences between domestic and foreign accounting standards

Applicable N/A

IX. Statement of Non-Recurring Profit or Loss

Applicable N/A

Unit: '000 yuan Currency: RMB

Non-recurring items	Amount	Note (if applicable)
Gains from disposal of non-current assets	137,876	/
Government grants recognized in profit or loss (other than government grants which are closely related to the Company's normal business operations, comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity)	61,000	Included in non-operating income
In addition to the normal operation of the Company's effective hedging business, gains/(losses) arising from changes in fair value of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities and investment income from disposal of financial assets held-for trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investments	134,015	/
Interest income from loans to non-financial corporations	70,336	/
Reversal of the provision on receivables and contract assets for impairment on an individual basis	983,259	/
Investment income from disposal of subsidiaries	730	/
Other non-operating income and expenses than the above items	204,868	/
Impact on income tax	-331,083	/
Impact on non-controlling interests (after tax)	-156,557	/
Total	1,104,444	/

X. Miscellaneous

Applicable N/A

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

I. Explanation on the Company's Principal Business, Business Model and Industry Information during the Reporting Period

(I) Principal business and business model

As an investment and development conglomerate bestowed with the longest history of specialized and market-oriented operation and the most developed level of integration in the PRC and the largest scale in the world, CSCEC is a market leader in housing construction engineering, infrastructure construction and investment, real estate development and investment, prospecting and design, etc. CSCEC ranked 13th in Fortune Global 500 (2021) and among top 3 on the list of Fortune China 500 for nine consecutive years, and continued to top the list of the 2020 Top 250 Global Contractors published by Engineering News-Record (ENR). CSCEC has been rated as Grade A by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council for 16 times. The leading global rating agencies, i.e., S&P Global Ratings, Moody's Investors Service and Fitch Ratings affirmed CSCEC's ratings as A/A2/A (respectively) with "Stable" outlook, the highest credit ratings among the global industry peers.

CSCEC stands as one of the most competitive investment companies in China, specializing in real estate development, financing and investment for construction projects and integrated urban construction. Featuring a "four in one" business model integrating planning and design, investment and development, infrastructure construction and housing construction engineering, it provides a turnkey solution covering all aspects, processes, elements for urban development projects, with a priority given to the synergy between internal resource integration and business development.

Tapping into more than 100 countries and regions, CSCEC, as the largest engineering contractor in the world, specializes in a broad range of business covering all aspects related to urban development and each stage throughout construction projects. The Company is well equipped with the capabilities of comprehensive design, construction and land development, and is well positioned to compete relying on its complete industry chain of construction products ranging from research and development (R&D) on technology of products, prospecting and design, real estate development, construction contracting, equipment manufacturing and asset operation to property management. Among most super-high-rise buildings with a height of 300 meters or above in China, those technically sophisticated and structurally complicated are all built by CSCEC.

Among the 10 model enterprises selected by SASAC for the "World-class Enterprises Campaign", CSCEC is the only company engaged in a "perfectly competitive market". Adhering to the guiding philosophy of "implementing the new development concepts and adhering to high-quality development", the Company made concrete efforts to advance the restructuring, transformation and upgrading. The Company took the strategic goals of "one creation and five aspects of strength"¹ as the guide for its development under the "14th Five-Year Plan", and upheld the concepts of marketization, high-quality development, reform and innovation, green development, people-oriented development, development conforming to greater security and international development. By fully benchmarking world-class leaders in the industry, and as motivated by our determination of building up a globally competitive top-class enterprise, and on the basis of facilitating the reform of state-owned enterprises, the Company accelerated "166" strategic initiatives² and was committed to becoming a leading global conglomerate with strong value creativity, innovation leadership, brand influence, international competitiveness and cultural soft power.

Building on the achievement of building a moderately prosperous society in all respects and achieving the first centenary goal, the "14th Five-Year Plan" period is the first five years of China's new journey toward fully building a modern socialist country and marching toward the second centenary goal. Facing the complicated international situation and formidable tasks for advancing domestic reform and development and ensuring stability, CSCEC strengthened prospective thinking, global planning, and strategic layout to ensure the preparation of "the 14th Five-year Plan" with high standards and high quality. During the "14th Five-Year Plan" period, the Company will deeply participate in building a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other, strive to promote the modernization of its corporate governance system and governance capacity, and fully display the "six aspects of strength" as a state-owned enterprise. It will always practice its corporate mission of "Expanding a Happy Living Environment", strengthen its digital, intelligent, industrial and greening construction capacities, accelerate the development of requirements for original technology source and modern industry chain length, and make a good start for fully building a modern socialist country, thereby continuing its enhancement and optimization.

¹ "One creation" refers to the goal of establishing CSCEC as a world-class company with strong global competitiveness. "Five aspects of strength" refer to strong value creativity, strong innovation leadership, strong brand influence, strong international competitiveness and strong cultural soft power.

² "166" strategic initiatives refer to "One Improvement, Six Commitments and Six Specialization" strategic initiatives. Specifically, One Improvement means further improving political stance. Six Commitments means commitment to high-quality development, commitment to innovation-driven development, commitment to serving national strategies, commitment to deepening reform of state-owned enterprises, commitment to accelerating transformation and upgrading, and commitment to incorporation of Party leadership into corporate governance. Six Specialization means the special acts of deepening inspection and rectification, enhancing scientific and technological innovation, disposing of inefficient and ineffective assets, improving basic management, promoting information building-up and strictly enforcing safety production.



Housing construction engineering

Positioned as a competitive player in the entire construction industry chain, we are committed to providing domestic and foreign clients with one-stop services from design, construction to implementation of major high, big, professional, cutting-edge, difficult and special construction projects. To this end, we implemented a series of measures, including tapping our potential, strictly controlling over construction quality and costs, and improving client satisfaction. Meanwhile, we adhered to a marketing strategy oriented toward "high-end markets, high-end customers, high-end projects" and an operation strategy prioritizing "low-cost competition, high-quality management". We have constructed a large number of extremely challenging landmark projects ranging from skyscrapers, large public buildings, high-tech clean plants, hotels, hospitals to schools in the civilian, public and industrial construction sectors, representing the highest standard in the field of housing construction in China, which established CSCEC as a leader in the Chinese and global housing construction markets. As a trendsetter in the industry, the Company seeks to continuously enhance the standards of ecological civilization and green and low-carbon development through actively exploring and implementing the coordinated development of green construction, intelligent construction and construction industrialization, and create an excellent living environment for the public, reinforcing people's sense of gain, spiritual well-being and security.



Infrastructure construction and investment

CSCEC earnestly implemented the major decisions and deployments of the Central Committee of the Communist Party of China (CPC) and the State Council, fulfilled its responsibilities as a state-owned enterprise based on major national strategic planning and deployment, actively practiced regional coordinated development strategies, and deeply participated in the investment and construction projects in the key areas of the country, including the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the integrated development of the Yangtze River Delta, and the ecological conservation and high-quality development of the Yellow River Basin. Placing equal emphasis on construction and investment operations, we completed a large number of high-profile domestic and international infrastructure projects ranging from urban rail transits, high-speed railways, extra-large bridges, expressways, municipal roads, urban utility tunnels, ports and waterways, electricity, mining, metallurgy, petrochemical, airports to nuclear power plants, leveraging our advantages in technology, management and talent. In addition, the Company has rapidly grown to be a leading Chinese infrastructure financier and investor in reliance upon its solid financial strengths. Recognized as one of the most trusted investors for BT (Build-Transfer), BOT (Build-Operate-Transfer) and PPP (Public-Private Partnership) projects, we invested in numerous key national and regional projects, with long-term strategic partnerships in respect of infrastructure investment and construction established in a number of provinces, autonomous regions, and municipalities directly under the central government and in dozens of major cities. Furthermore, we also have infrastructure construction presence in dozens of countries and regions in North America, Central America, Hong Kong SAR, Macao SAR, Southeast Asia, North Africa, Central and West Africa, South Africa, Middle East, Central Asia and other parts of the world. As an important driver for economic growth and effective implementation of national strategies, the infrastructure industry bolsters areas of weakness at the grassroots level to foster the public's well-being, and serves as the main vehicle for driving development along the "Belt and Road Initiative" (BRI) and for strengthening interconnection between China and other BRI countries. As a strong supporter of national strategies and serving the needs of people's livelihood, CSCEC will continue to broaden its infrastructure business and actively participate in new infrastructure business with the aim of improving people's livelihood, bolstering areas of weakness to promote the public's well-being, and setting the development direction for emerging industries.

China Overseas and CSC Land are the two real estate brands owned by CSCEC. Specifically, China Overseas encompasses all real estate business of COHL, and has always ranked among the most valuable property brands in China, with strong business presence in dozens of economically dynamic cities in the GBA, the Yangtze River Delta, the Beijing-Tianjin-Hebei Region and national strategic development areas. Boasting a well-established and balanced nationwide strategic business network, China Overseas is committed to becoming an outstanding international real estate development and operation group in the future. China Overseas takes “transformation and upgrading” as the major guideline, accelerating the formation of a layout that focuses on housing development, with quality commercial property development and operations as well as education, healthcare and other emerging business playing an important supportive and complementary role. CSC Land is the brand used by the real estate business of the Company’s divisions and design institutes, focusing on the middle-end real estate development in first- and second-tier cities, as well as the localized operation of real estate projects in third- and fourth-tier cities. CSCEC has stepped up internal resources integration and coordinated business development to achieve vertical integration of a wide variety of operations ranging from investment, property development, design and construction to property operation and services. Leveraging extraordinary construction technology, advanced real estate development philosophy and first-class property service quality, it has established a sophisticated investment operation and risk management system in the real estate business area, and formed a unique competitive advantage in the industry chain, thereby becoming an important business segment for improving profitability of all divisions and design institutes. Meanwhile, the Company has actively innovated products and business models and focused on the public’s housing needs, and has been closely involved in the New Urbanization campaign to continue to make life more joyful for the people and build a more beautiful China.



Real estate development and investment

As an important part of the Company’s efforts to build whole-industry-chain advantages, prospecting and design mainly aims to improve the Company’s brand influence, cultivate high-end talents, enhance technological innovation and provide solid support for the Company’s conducting of general contracting business. The prospecting and design business arm of CSCEC mainly consists of seven top-rated major prospecting and design service providers, with business covering architectural design, urban planning, engineering survey, public utility design, etc. The Company has established itself as a market leader in such fields as super-high-rise buildings, airports, hotels, sports facilities, exhibition venues and ancient architecture. We currently have over 20,000 high-end technical professionals specializing in construction engineering and design, public utility engineering and design, engineering survey and geotechnical engineering, ranking high in the industry by the number of top level professionals. The Company has made outstanding contributions to the sector in terms of design originality, technology innovation and industry standards development.



Prospecting and design

CSCEC is one of the earliest companies that conducted international engineering contracting business in China, and has always upheld the operating philosophy of “going global”. After continuous overseas market development and operation over the decades, the Company has established strong business presence in global markets, with foreign engineering contracting business covering housing construction, manufacturing, energy, transportation, water conservancy, industry, petrochemical, hazardous substance treatment, telecommunications and sewage/waste treatment projects, while exploring and successfully completing overseas real estate projects. In terms of project operation, apart from the traditional general contracting model, the Company actively explored other project operating models, such as financing and investment channels to give an impetus to such project business models as general contracting, DB (Design-Build), EPC (Engineering-Procurement-Construct), BOT and PPP. Meanwhile, attempt has been made in respect of capital operations such as cross-border mergers and acquisitions to enhance the quality and efficiency of overseas business development. Despite a grave and complex international environment, ongoing downward trend in the industry, and wide-spread and far-reaching pandemic, the Company will still adhere to an internationalized development direction, and insist on quality and efficiency priority instead of pursuing scale only. It will coordinate opening-up and security, seize the development opportunities arising from the BRI and make good use of the resources in both international and domestic markets to continuously deepen and fully tap into core markets. Meanwhile, the Company will innovate and improve business models, systems and mechanisms, embracing a new period of “high-quality development overseas” featuring “adherence, extensive cultivation, exploration and innovation”, striving to have greater say and stronger influence in the global industry, and building itself into an outstanding representative of “Chinese Construction” in the global market.



Overseas operations

(II) Overview of the industry

The construction industry is an important pillar industry of the national economy, which has a close relationship with the development of the entire national economy and the improvement of people's livelihood. In recent years, China's construction industry has continued to develop rapidly, with its scale expanding, and the construction capacity improving. In the first half of 2021, China's construction sector saw a slower profit growth amid a continual increase in market concentration. Sticking to the proactive fiscal policy on an ongoing basis, China has actively expanded effective investments, increased investment in strategic emerging industries, stepped up the industrialization, digitalization and smart operation upgrading of the construction industry, with a view to cultivating "Chinese Construction" brands with global competitiveness. We have also witnessed a shift of focus in innovation and application of technologies toward BIM, Industrial Internet, 5G, artificial intelligence, Internet of Things (IoT), big data, cloud computing, robots and building machines, etc. Meanwhile, adhering to the "green development" strategy, the government has worked out a scientific and sound urbanization plan focusing on improving the ecological environment, eco-friendly planning, design and construction standards, and is fully committed to building smart cities to promote harmony between people and nature, leveraging digitalized construction, IT and other new technologies.

The property construction market has great potential for growth. According to the national urbanization plan, China's urban population will grow to nearly one billion by 2030, implying a total demand for residential properties of 80-90 billion square meters (including housing properties and public buildings). A considerable gap between supply and demand indicates the promising prospect of the property construction market. Specifically, the government has pushed forward new urbanization initiatives such as the transformation of old urban residential blocs and communities, as well as medical and healthcare, cultural and entertainment, sports and fitness facilities, and facilities for people's livelihood, opening up new opportunities for construction companies. The government has also vigorously promoted prefabricated building development at the policy level and the proportion of newly started prefabricated buildings has increased year by year, which will continue to inject tremendous growth momentum into the construction market. As the BRI deepened and gained traction on the international stage, a growing number of countries have joined the global development initiative, leading to continuous growth of our prospective overseas markets. CSCEC has a proven track record of effective branding, management and technology development in the upscale property construction market, and continued to maintain its leading position in the field. Meanwhile, benchmarked against the leading international standards, CSCEC has actively implemented "prefabrication + internet + IoT" technological innovation and construction practices, aiming to develop investment, industry and technology platforms that promote eco-friendliness, intelligent buildings and construction industrialization within the CSCEC system.

Focusing infrastructure investment on key areas. In 2020, the central government has made important deployment for the construction of urban agglomerations and central cities. In terms of improving the carrying capacity of the central cities, the priorities were to bolster areas of weakness of people's livelihood projects, construct public service projects, build human settlements, and develop new districts and large industrial towns in first- and second-tier cities. In terms of connection network improvement within urban agglomerations,

the priorities were to build the intercity rail transit network in the Yangtze River Delta, the GBA, Beijing-Tianjin-Hebei Region and other regions, and to bolster areas of weakness such as railways, motorways, water transportation, airports, water conservancy, energy, agricultural and rural development, ecological and environmental protection, and construction of urban parking facilities and cold chain logistics facilities in urban and rural areas. Specifically, rail transport, underground space, eco-environment protection and telecommunication facility are expected to be the fastest growing segments, and the total volume of road and railway projects will remain at a high level. Along with the commercialization of the 5G technology in the future, the focus of infrastructure investment will shift toward the new-generation infrastructure such as AI, the Industrial Internet and IoT.

The real estate sector is transitioning to a stock-based model.

In 2020, adhering to the regulatory policy that "houses are for living in, not for speculation", the central government continued to implement measures specifically based on local conditions, adopted multiple strategies, and stepped up efforts to establish a multi-supplier and multichannel housing system that places equal emphasis on rental housing and properties for sale. The goal is to meet the housing needs of all Chinese residents, while shifting the public's perception of housing properties toward their intrinsic function – houses are for people to live in. Stringent regulatory policies were maintained, and as the government introduced policies such as the "three red lines" for real estate companies, the incremental market tends to stabilize, and the real estate industry will gradually shift from an incremental model to a stock model. Urban renewal is an inevitable product of the stock era, which contains huge space and opportunities. Besides, China's urban renewal focuses more on refinement and micro-renewal, and the transformation of old communities has become a hot spot. The Ministry of Housing and Urban-Rural Development (MOHURD) estimates that the overall investment of transformation of old communities exceeds RMB4 trillion. At present, local authorities have successively issued three-year action plans for the transformation of old communities, and the MOHURD has launched pilot projects in 15 cities including Xiamen and Guangzhou. The most prominent feature of the transformation is "renovation", which promotes the development of the market for decoration and public supporting facilities construction.

Prospecting and design business gradually enters the mature stage.

Currently, the economy operates in a stable environment with changes. Due to the combined effects of China-US trade frictions, domestic economic restructuring and development transformation, the prospecting and design industry is witnessing dynamic, complex, vague and blending changes in an environment where the industry sees continued growth and intensified competition challenges, development driven by market demands and by endogenous reforms of enterprises, and deepened evolution of competitive landscape and accelerated innovation of business models of enterprises. After the PRC economic development enters the new normal, the prospecting and design industry, which is highly dependent on fixed asset investment, will be greatly affected. After over a decade of rapid growth, the industry has started to develop at a slower pace in a market that is experiencing profound changes. The prospecting and design industry is a wisdom-intensive productive service sector, as well as the soul and guide of engineering construction. The continual reform of economic structure leads to a shift in industry hot spots; and the continual deepening of marketization gives rise to differentiated development of enterprises in the industry. Enterprises in the industry continue to integrate to further enhance corporate and technological strengths.

II. Analysis of the Core Competitiveness during the Reporting Period

Applicable N/A

During the Reporting Period, there were no significant changes in the core competitiveness of the Company. The core competitiveness mainly includes the following:

(I) Market-oriented operating mechanism

As a market economy player, CSCEC will always adhere to the market-oriented operating mechanism, to respect, abide by, adapt to and take advantage of market rules, and gradually enhance its ability to operate in compliance with market rules. Faced with the cut-throat market competition, CSCEC will take innovative approaches to tap into and continuously meet the real and potential needs of clients, and continuously retain and attract clients with high-quality products and value-added services. The Company will always adhere to the concept focused on performance, pursuing excellent performance by clearly defining objectives, scientifically designing processes and strengthening efficient operations. The Company has always pursued growth supported by profitability. With the efficient utilization and operation of resources, the Company will improve efficiency in turnover of assets, and achieve higher return on assets than the industry average while vigorously promoting economies of scale, and continue to gain higher market share through steady growth. We always pay close attention to cash flows and take all measures to ensure net operating cash inflow to pursue the sustainable and healthy development of the Company.

Innovation is the eternal focus for enterprises. As uncertainties in the market economy are becoming common, CSCEC will break the market equilibrium with creativity, actively capture profit opportunities, seek to reorganize production elements, continuously enhance quality of products and services, and open up new markets, new business and new client base to make full use of changes to explore innovation, thereby enhancing the Company's market competitiveness. As an economic organization, the Company will always be committed to pursuing economic performance, while believing that an enterprise that truly stands up to market trends and has an ever-growing foundation must be a model for practicing social responsibility. CSCEC will uphold the concept of green development, be dedicated to building quality projects for the society, actively fulfill social responsibilities, and boost the happiness of people.

(II) Direction of globalization

Adhering to the international business philosophy, solidly promoting the high-quality development of overseas business, and focusing on the integration of domestic and foreign resources, the Company is committed to becoming a multinational company that allocates resources globally and operates efficiently. Despite the continued shock of the COVID-19 pandemic, the Company further enhanced its brand influence and global competitiveness by leveraging on advantages of the whole industry chain and global resource allocation capabilities. The Company has adopted a localized operating approach, meaning that in countries where the Company operates, it endeavors to meet such countries' development needs, deeply taps into their markets and plays an important role in their urban development. Through localized operation and by establishing a community of interests with local partners, we achieved sustainable development in the host country. The Company insisted on market-oriented competition, improved its internationalization level through competition with world-class enterprises and win-win cooperation, and broadened its global thinking with a view to laying a solid foundation for the Company to participate in global competition and cooperation at a higher level and to a deeper extent.

(III) Relevant and diversified and vertically integrated expansion

Producing or offering products or services that continue to secure, serve and satisfy clients is an important guarantee for the long-term development of the Company. In terms of selecting products (or services), CSCEC has moved toward a path of diversification based on its existing technological and market advantages. The Company will continue to maintain its traditional advantages in prospecting and design, housing construction and real estate development, while actively expanding horizontally in other fields such as infrastructure investment and construction business.

CSCEC is committed to the vertically integrated expansion of investment, design, construction, operation and services, and strives to establish a unique market position in the domain of its business, creating competitive advantages that are difficult for its competitors to follow suit.

(IV) Competitive strategy featuring high quality, low cost and differentiation

Providing products and services with high quality and at low cost to the public has always been the goal of CSCEC. High quality comes from the Company's technological, human resources and organizational advantages; while low cost stems from the Company's integrated business model, benefits of scale as well as economies of speed. As an outstanding SOE representative in a perfectly competitive industry, CSCEC has always taken "making appropriate and correct decisions and doing right things" as the basic direction of the Company's production, operation and career development. Focusing on implementing the marketing strategy of "high-end markets, high-end customers, high-end projects", the Company continues to carry out "differentiation oriented" market operations and competition. Through implementing the "differentiation" strategy, subsidiaries within the Company focus on their respective market segments, their corresponding professions (specialization), or their corresponding regions (regionalization), to develop their own "core products, unique services" to reduce internal disorderly competition and strengthen the overall advantage of external competitiveness.

(V) A management and control model with balanced authorization and centralization

Showing respect to the development history of CSCEC, a competitive group management and control model is explored and formed on the basis of the Group Company formed by multi-legal carriers. The Company's headquarters is positioned as one that exercises strategic management and control, fulfilling the responsibilities and duties of "leadership, service and supervision", and insists on the liberalization and management of the second-level subsidiaries. The second-level subsidiaries operate under the authorization of the Company and enjoy the corresponding authorities based on the extent of the responsibility. For labor-intensive and mature business, we increase the authorization and expand market contact to speed up market response and improve service quality. For capital-intensive and less mature business, we focus on resources to bring impact to target market segments, and actively seek rapid breakthroughs in target markets on the basis of effective avoidance of risks. Aiming at different market segments, we adopt different strategies for market competition and corresponding management and control models.

(VI) Results-oriented and accountability-based management system

Various management efforts of the Company have always been committed to the realization of the Company's mission, vision and goals. The fundamental purpose of management is to improve the efficiency of our work, while making our employees more fulfilling and the Company more prosperous in the future. By way of the organic integration of the management actions in the various functional areas of the Company, a vital, scientific, reasonable, concise and efficient system is formed, which is believed to play an effective role in avoiding taking isolated and disorderly actions and making excuses, and achieving the unification of responsibilities and rights. We firmly believe that managers are defined by their responsibilities. In order to improve the quality of products and services, the Company is committed to achieving the standardization of management, technology and work. With the help of information technologies and through the "integration" of standardization and informatization, work efficiency is improved, and "bottom line management" is implemented to enhance product quality and reduce operating costs.

(VII) "People-centered" human resource management

The Company firmly believes that human resource is one of the core strengths of the Company. For CSCEC, one of the aspects that can best reflect its competitive advantage is that it has a large group of talents loyal to the Company, dedicated to their careers, having faith in that the interests of the team are higher than those of the individuals, having a good knowledge of technology and management and good at marketing with merits as self-discipline, self-motivation and self-betterment.

The Company will always follow the basic human resources management concept of "retaining talents with career development opportunities, emotional connection and rewards" and "caring for individuals", and will embed this concept into the human resources management policies of the Company. By enabling occupational planning, education training and performance assessment for all the employees, the Company intends to establish a salary incentive mechanism that combines individual value creation and personal capabilities to share the solid results of the development of the Company, while strengthening its attraction to talents and ensuring the development space of talents, so as to better provide strong talent support for the development of the Company.

The Company will always adhere to the employment principle of "having both ability and morality while deeming virtue as a priority". The Company does not pursue perfect talents, but instead follows the concept of "employing people with strengths". The Company will adhere to "performance management", "evaluating talents based on performance" through the "horse racing mechanism".

(VIII) Promote development under the strategy of "integration of industry and finance"

Under the ever-changing external environment and in response to the diversified needs of its principal business, the Company gives full play to the role of industrial finance, tapping the potential of its internal financial service institutions and providing financial services for the development of its principal business through internal credit, credit financing, bond financing, equity financing, effective use of assets and other means, thus forming an industry-financing integration mode with the characteristics of CSCEC. Leveraging on internal professional financial platforms such as CSC Finance and China Construction Capital, and in line with the characteristics of the industry in which the Company is engaged, the Company has carried out domestic and overseas capital pooling, loan pooling, structured financing, accounts receivable factoring, asset securitization, supply chain financing, finance leasing, insurance pooling and other business, thus providing timely, differentiated financial services which are irreplaceable by social finance and playing an active role in driving the development of the principal business, broadening financing channels, reducing financing costs, making effective use of stock assets, increasing operating cash inflow and realizing capital reduction and efficiency gains. At the same time, the Company strictly implements relevant national policies, strengthens daily management, strictly controls financial risks, and stops its capital moving from the real economy to the virtual economy and arbitrage of idle funds.

(IX) Core competitiveness driven by innovation in science and technology

The Company believes that science and technology are the primary productive force, which is a critical pull for the growth and expansion of the Company. Despite being a player in a traditional industry, our continuous efforts in innovation in science and technology have brought changes in our production and organization models, ensuring our leadership in technology and providing support for economies of scale and speed to form solid competitiveness in key aspects. The Company focused on the list of key and core technologies and steadily promoted the 10 national key R&D projects, involving green building, intelligent construction, building industrialization, energy conservation and environmental protection, basic engineering software and other fields.

During the “13th Five-Year Plan” period, the Company accelerated the construction of an open and collaborative technological innovation system, further stimulated the innovation drive, intensified efforts to make breakthroughs in key and core technologies, and created strong industrial technology advantages. In terms of deepening the reform of the science and technology system, the Company improved the system of scientific research management, results management, and incentives for R&D talents by granting scientific research personnel the power to make decisions on technical routes, expanding the power of undertaking units to adjust the scientific research budget, increasing incentives for R&D talents, and mobilizing the enthusiasm for innovation.

In terms of strengthening technical leadership, through continuous innovation, the Company has been engaged in diverse business fields such as super-high-rise construction equipment and technology, large-span building construction technology and techniques, intelligent manufacturing of steel structures, high-performance concrete new materials, new-generation nuclear power plant construction technology, architectural design with new Tang style and airport architectural design, which formed strong scientific and technological strength and provided powerful impetus for the development of the Company’s housing construction, infrastructure, overseas and new businesses.

In terms of reinforcing the building of the science and technology system, investment in science and technology has continued to increase. The innovation platform layout has taken shape, consisting of 109 high-tech enterprises, 5 national enterprise technology centers (including sub-centers), 59 provincial and ministerial enterprise technology centers, 5 provincial and ministerial engineering research centers, 23 engineering technology research centers, 3 provincial and ministerial key laboratories and engineering laboratories, and a total of 31 provincial and ministerial innovation platforms. We have built 10 postdoctoral workstations and 16 other science and technology innovation platforms, forming an innovation development mechanism led by independent innovation and combining industry, academia, research and application.

(X) Corporate culture in mind and action

CSCEC is an enterprise with a glorious history. We are innovating in the course of inheritance. In the process of fulfilling the mission and realizing the vision, the core values of “quality assurance, value creation” and the entrepreneurial spirit of “integrity, innovation, transcendence, and win-win” will be integrated into the rules and management behaviors and become part of the soft power of the Company.

Resources can be exhausted, only culture lasts. Adhering to its creed which is formed against the backdrop of the market economy, and combining the trend of the times, the Company has seen a constant integration with its subsidiaries in culture development, which provides ongoing internal support for the Company’s ever-growing business.

III. Brand, Creditability and Honors

Based on CSCEC's good performance in brand building and operation development, the brand reputation and industry influence of the Company has been further strengthened during the Reporting Period.

Brand value hit a new record high. CSCEC ranked 13th in the Fortune Global 500 (2021), up by five places over last year, and 3rd on the Fortune China 500 (2021) list. The Company ranked first in the UK Brand Finance "2021 Global Brand Value Top 500", topped the list of the Top 250 Global Contractors published by Engineering News-Record (ENR) for the sixth consecutive year, and was among the top 10 international contractors in the list of Top 250 International Contractors for the fourth consecutive year. The Company topped the industry in the "2020 State-owned Enterprises Brand Building Benchmarking" organized by SASAC of the State Council; and in the value evaluation of Chinese brands organized by China Council for Brand Development, the Company ranked first in the construction industry with a brand strength of 943.00 and a brand value of RMB169.576 billion.

Leading the global industry in terms of creditability. The leading global rating agencies, i.e. S&P Global Ratings, Moody's Investors Service and Fitch Ratings affirmed CSCEC's ratings as A/A2/A with a "Stable" outlook. CSCEC maintains the industry's highest credit ratings for the seventh consecutive year.

Further achievements in honors and awards. During the Reporting Period, 41 projects of the Company won the Luban Prize, of which 9 projects won the China Construction Engineering Luban Prize (Overseas Projects), and 73 projects were awarded the International Safety Awards in 2021 by the British Safety Council, with 5 Distinction Awards, 29 Merit Awards and 39 Pass Awards. The Hong Kong Children's Hospital project designed and constructed by CSCI won the Quality Excellence Award, being the highest award in the Hong Kong construction industry, as well as the Quality Building Award (in the Hong Kong Non-Residential Category).

IV. Discussion and Analysis of Business Operation

In the first half of the year, the Company comprehensively implemented the decisions and deployments of the CPC Central Committee and the State Council, adhered to the general guideline of making progress while maintaining stability, firmly implemented new development philosophy, and effectively coped with the profound changes in external environment, aiming at the strategic goals of “one creation and five aspects of strength” and promoting the implementation of “166” strategic initiatives. As such, the Company’s production and operation maintained a good momentum of making progress in stability and rapid improvement in efficiency, continuing to maintain its position as the world’s largest investment and construction conglomerate in the world. In general, the Company demonstrated the following operational characteristics:



Steady progress in operating performance with rapid efficiency improvement. During the Reporting Period, the value of the Company’s newly signed contracts increased by 21.0% year-on-year to RMB1.83 trillion. It achieved a revenue of RMB936.7 billion, representing a year-on-year increase of 28.6%, and net profit attributable to shareholders of the Company of RMB25.6 billion, representing a year-on-year increase of 29.2%. The basic earnings per share (EPS) was RMB0.62, representing a year-on-year increase of 31.9%; and net assets per share attributable to ordinary shareholders was RMB7.30, representing a year-on-year increase of 14.4%. With the Company’s continuous “deleveraging” efforts, the asset-liability ratio at the end of the period decreased by 1.5 percentage points year-on-year to 74.4%. The weighted average return on net assets (WARA) was 8.13%, representing a year-on-year increase of 1.15 percentage points. The total asset turnover ratio was 0.82 time/year (annualized), representing a year-on-year increase of 0.13 time. Net operating cash flows decreased by a net outflow of RMB20.9 billion on a year-on-year basis, representing the best level as compared to the same period of the recent five years.



Firmly assuming the responsibility of supporting macro-level strategic development. Bearing in mind the national interests and being committed to its fundamental mission, the Company found the correct development positioning at the macro-level, actively served the national strategies, shouldered its responsibilities, and promoted transformation and upgrading and high-quality development. During the Reporting Period, the Company gave full play to its advantages in whole industry chain layout, operating and pooling resources mainly in Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, the GBA and other city clusters and metropolitan areas in these national strategic areas to further satisfy demands in these high-end markets. Meanwhile, the Company increased efforts on the cooperation with central state-owned enterprises and local governments, continued to ensure marketing and project performance management, and continuously cultivated new market growth points. During the Reporting Period, the combined value of the Company’s newly signed contracts in the above areas amounted to RMB1,207.1 billion, accounting for 66.1% of the value of the Company’s newly signed contracts. In particular, the value of the newly signed contracts in the Yangtze River Economic Belt amounted to RMB714.5 billion, representing a year-on-year increase of 30.8%; and that in the GBA amounted to RMB344.3 billion, representing a year-on-year increase of 52.8%.



Solid advancement of and leadership in reform of state-owned enterprises. The Company insisted on in-depth integration of corporate high-quality development and reform actions, and systematically promoted more than 100 reform tasks, such as modern enterprise system with Chinese characteristics, tenure system and contractual management. The Company smoothly completed the reelection of the Board of Directors, improved the institution settings and functions of special committees under the Board of Directors, and strengthened the duty performance of independent directors in terms of working mechanism. The Company further strengthened the construction of the board of directors by subsidiaries, and selected a batch of excellent professionals and talents to serve as external directors of such subsidiaries; implemented tenure system and contractual management for over 1,800 operation management personnel from over 60% of subsidiaries, and carried out professional manager system reform for 64 subsidiaries. China Construction Science and Industry and China Construction Science & Technology achieved remarkable results as model enterprises in terms of technological renovation, and both were listed into the demonstrative technological renovation cases of SASAC of the State Council. Meanwhile, the Company made overall scientific plans and solidly promoted the preparation of the “14th Five-Year Plan”, actively implemented the special listed company governance actions deployed by the State Council and the China Securities Regulatory Commission (CSRC), and continuously promoted the advantages in governance system to be turned into governance effectiveness, thereby advancing the high-quality development of the listed company.



Continual improvement and more fruitful achievements in scientific and technological innovation.

The Company adhered to a technology-guided and innovation-driven approach, continued to establish and improve technological innovation management systems, expanded inputs in technological innovation, and constantly facilitated the transformation, promotion and application of technological innovation achievements. During the Reporting Period, the Company was granted 4,191 patents (including 403 invention patents); and took the lead in preparing 4 national standards, and developed 601 provincial and ministerial engineering construction methods. By focusing on industry demands and enterprise needs, the Company continuously improved the scientific research and innovation system for the entire business sectors, made active deployments in high-performance engineering structure laboratory, civil engineering materials laboratory, intelligent construction engineering research center, green construction engineering research center and other original technology sources, and achieved major progress in the establishment of the first batch of "CSCEC technological innovation platforms". The Company continued to focus on "key and core" technology projects, increased investment in overcoming key and core technology difficulties and making technological innovations, and made new breakthroughs in the fields of technologies for rapid construction of super-high-rise and assembly buildings, connection of assembly concrete structure, engineering intelligent equipment, construction in extreme environment, digital steel processing and 5G intelligent remote control. The Company took the lead in developing new and efficient "dry" assembly technology and formed a prefabricated prestressed Efficient Fabricated Frame (CSCEC PPEFF system) with independent intellectual property rights. The first intelligent assembly bridge-building machine ("IABM") in the PRC independently developed by the Company has successfully commenced operation.



Deployment in green development to lead the future. The Company always adheres to the green development concept, and regards serving the ecological civilized construction as an important responsibility, striving to explore a high-quality transformation and development path. With the strategic positioning of ecology first and green development, the Company has strengthened forward-looking thinking and overall planning to continuously guide the Company to break new ground. During the Reporting Period, the Company enhanced top-level design, and planned for a target path of carbon peaking and carbon neutrality from the prospective of the mid- and long-term development strategies of the enterprise; solidly ensured carbon inspection, carbon calculation and other fundamental work, and actively participated in the national and industry related subject research and standard formulation; incorporated green and low-carbon development concept into the whole process of production and operation, established a green and low-carbon development research center, and explored the establishment of construction carbon emission database and statistics monitoring platform; and vigorously developed green construction, intelligent construction and construction industrialization, promoted energy-saving and low-carbon technological renovation and upgrading, accelerated the transformation towards green development, and led the industry in terms of "zero-carbon" photovoltaic power generation, energy storage, direct current and flexible application technology development.

In the second half of 2021, the Company will, with promoting high-quality development as the theme, implement the new development philosophy in a complete, accurate and comprehensive manner, focus on the strategic goals of "one creation and five aspects of strength" and accelerate implementing "166" strategic initiatives. It will continue to coordinate normalized pandemic prevention and control as well as production and operation, and make every effort to focus on marketing, promote contractual performance, enhance management and prevent risks. Meanwhile, the Company will strive to complete various annual targets and tasks with a firm belief and hard work, and make committed efforts to develop itself into a world-class enterprise with global competitiveness.

Significant changes in the Company's operations during the Reporting Period, as well as events that have and are expected to have a significant impact in the future on the Company's operations during the Reporting Period

Applicable N/A

- **Key Business Data**

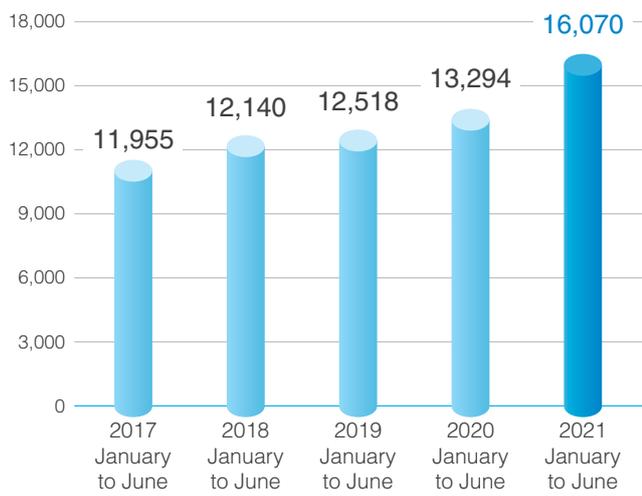
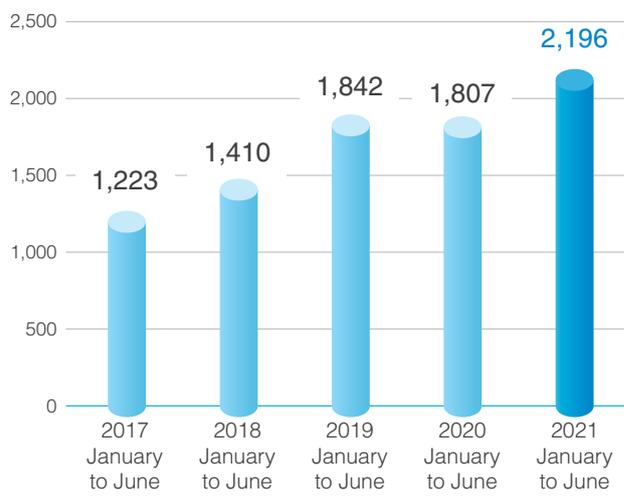
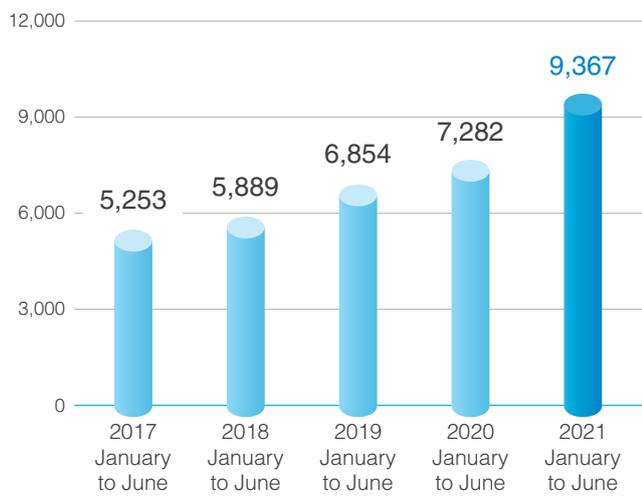
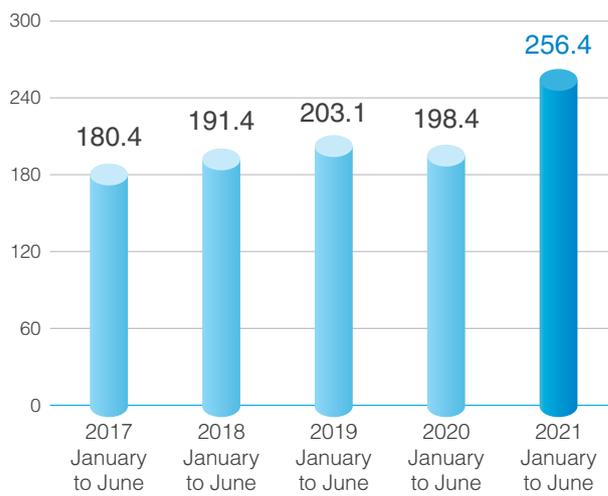
Item	Unit	2021 (January to June)	2020 (January to June)	Growth YOY (%)
Total value of new contracts	RMB100 million	18,265	15,101	21.0
I. Construction business				
(I) Accumulative value of new contracts during the period	RMB100 million	16,070	13,294	20.9
By industry				
1. Housing construction		12,080	10,617	13.8
2. Infrastructure		3,927	2,610	50.5
3. Prospecting and design		63	68	-6.8
By region				
1. Domestic		15,417	12,312	25.2
2. Overseas		652	982	-33.6
(II) Quantity of housing construction works	Ten thousand square meters	/	/	/
1. Accumulative area under construction		141,085	135,951	3.8
2. Accumulative area of new construction projects		16,062	16,128	-0.4
3. Accumulative area of completed construction		6,630	6,225	6.5
(III) Quantity of infrastructure works	/	/	/	/
1. Road (newly signed in China)	Kilometers	2,063	1,614	27.8
2. Area (newly signed in China)	Ten thousand square meters	2,338	1,586	47.4
II. Real estate business				
(I) Contract sales during the period	RMB100 million	2,196	1,807	21.5
Of which: China Overseas ①		1,639	1,441	13.7
(II) Contract sales area during the period	Ten thousand square meters	1,004	1,006	-0.2
Of which: China Overseas		731	712	2.6
(III) Subscription sales at the end of the period	RMB100 million	178	147	21.1
(IV) Average selling price during the period	RMB/square meter	21,871	17,961	21.8
(V) Land reserve at the end of the period ② (Full amount)	Ten thousand square meters	11,462	12,061	-5.0
Of which: China Overseas		5,940	6,372	-6.8
(VI) Purchase of land reserve (Full amount)	Ten thousand square meters	654	908	-28.0
Of which: China Overseas		489	582	-15.9

Notes: ① China Overseas refers to the real estate business that China Overseas Land & Investment and its subsidiaries are engaged in, but does not include that of China Overseas Grand Oceans;

② Land reserve at the end of the period = land reserve at the end of the previous year + newly acquired land reserve – area completed in the current period + (or –) adjusted area of projects.

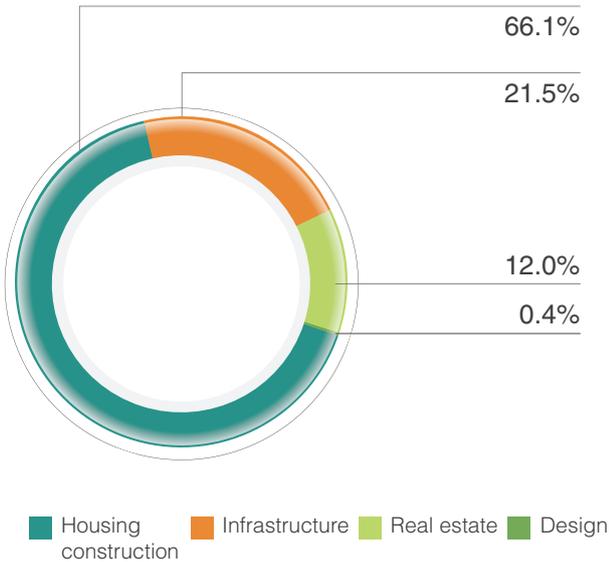
- Key Earnings Results

Unit: 100 million yuan Currency: RMB

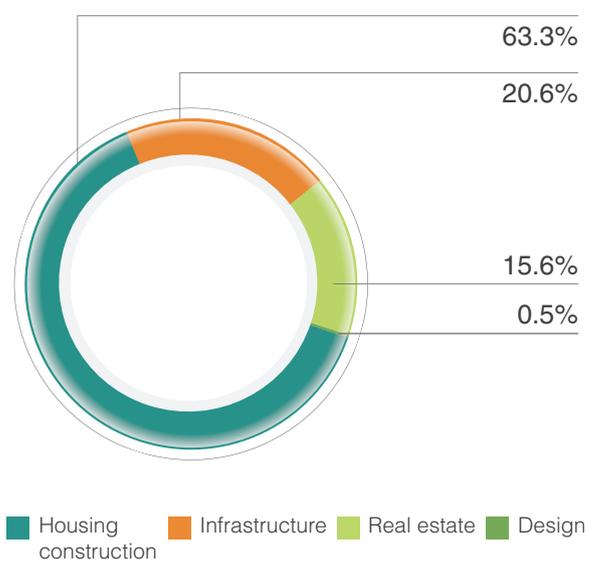
 Value of new contracts for construction business

 Contract sales of real estate business

 Revenue

 Net profit attributable to shareholders of the Company


Unit: 100 million yuan Currency: RMB

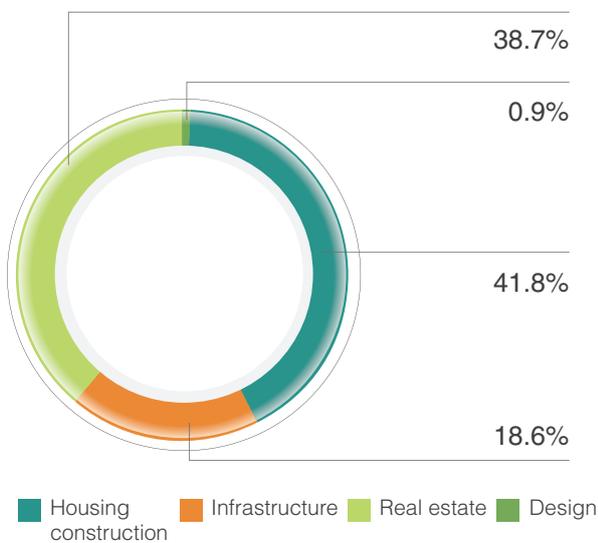
Proportion of new contract value



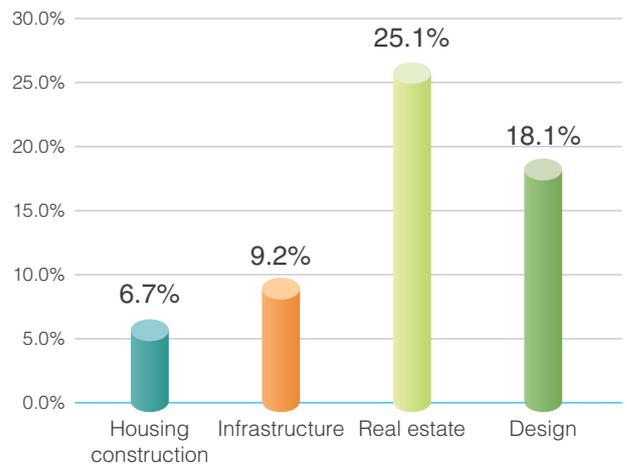
Proportion of segment revenue^{Note}



Proportion of gross profit by segment^{Note}



Gross profit margin by segment^{Note}



Note: The denominator of the segment business is the direct summation of data from the four business segments of the Company (housing construction, infrastructure, real estate and design).

V. Main Operation Results for the Reporting Period

(I) Analysis of principal business

1. Analysis of changes in related items in the financial statement

Unit: '000 yuan Currency: RMB

Items	Amount in the current period	Amount of the same period last year	Change ratio (%)
Revenue	936,715,963	728,187,767	28.6
Cost of sales	838,152,505	648,379,173	29.3
Selling and distribution expenses	3,100,664	2,124,147	46.0
General and administrative expenses	16,468,874	13,581,970	21.3
Finance expenses	5,096,920	6,461,400	-21.1
R&D expenses	13,857,924	8,999,961	54.0
Net cash flows from operating activities	-49,744,103	-70,645,206	/
Net cash flows from investing activities	-11,700,809	-12,063,588	/
Net cash flows from financing activities	65,536,133	65,178,654	0.5

Reason for changes in revenue: In recent years, the value of the Company's new contracts has maintained a relatively high growth rate, and the projects under construction have been smoothly advanced.

Reason for changes in cost of sales: The expansion of business scale led to the increase in the cost of sales accordingly.

Reason for changes in selling and distribution expenses: The Company's real estate business increased advertising investment during the pre-sale period, and the corresponding advertising fees and business promotion fees, business fees and sales commissions grew rapidly.

Reason for changes in general and administrative expenses: Such expenses increased due to the expansion of business scale as well as the increase in management personnel and business activities.

Reason for changes in finance expenses: It was primarily due to the increase in interest income and foreign exchange income over the same period of last year.

Reason for changes in R&D expenses: The Company paid attention to technological innovation, strengthened technological R&D and application, and continued to increase investment in technological R&D, resulting in the increase in R&D expenses.

Reason for changes in net cash flows from operating activities: It was primarily due to the increase in cash receipts for sales of goods and provision of labor services in the current period.

Reason for changes in net cash flows from investing activities: It was primarily due to the increase in cash receipts for other investment-related activities, as well as the decrease in cash payments for other investment-related activities in the current period.

Reason for changes in net cash flows from financing activities: It was primarily due to the increase in cash receipts for borrowing and bond issuance, as well as the decrease in cash payments for other financing-related activities in the current period.

2. Detailed explanation on major changes in the Company's types of business, profit composition or source of profit during the current period

Applicable N/A

3. Principal business by industry and region

Unit: '000 yuan Currency: RMB

Principal business by industry						
By industry	Revenue	Cost of sales	Gross profit margin (%)	Change YoY of revenue (%)	Change YoY of cost of sales (%)	Change YoY of gross profit margin (%)
Housing construction engineering	596,067,825	556,293,792	6.7	24.6	24.3	0.3 percentage point increased
Infrastructure construction and investment	193,592,320	175,853,670	9.2	33.9	35.1	0.7 percentage point decreased
Real estate development and investment	146,533,466	109,796,191	25.1	33.4	40.9	3.9 percentage points decreased
Prospecting and design	4,931,897	4,040,205	18.1	22.7	18.4	3.0 percentage points increased
Others	12,193,470	7,805,414	36.0	43.2	44.7	0.7 percentage point decreased
Elimination	-16,603,015	-15,636,767	/	/	/	/
Total	936,715,963	838,152,505	10.5	28.6	29.3	0.5 percentage point decreased
Principal business by region						
By region	Revenue	Cost of sales	Gross profit margin (%)	Change YoY of revenue (%)	Change YoY of cost of sales (%)	Change YoY of gross profit margin (%)
China's Mainland	892,418,921	798,207,330	10.6	29.3	30.2	0.6 percentage point decreased
Overseas Note	44,297,042	39,945,175	9.8	16.9	12.4	3.6 percentage points increased
Total	936,715,963	838,152,505	10.5	28.6	29.3	0.5 percentage point decreased

Note: "Overseas" refer to the regions other than China's Mainland.

• Housing construction engineering business

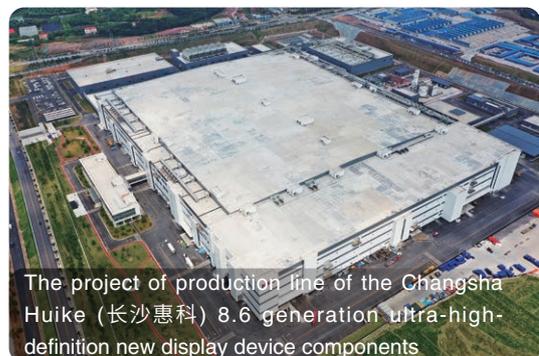
During the Reporting Period, the Company's housing construction business grew steadily in terms of both scale and benefits, and continued to lead the mid-to high-end markets. The value of new contracts of the Company for housing construction business was RMB1,208.0 billion, an increase of 13.8% year-on-year with revenue at RMB596.1 billion, an increase of 24.6% year-on-year; gross profit was RMB39.8 billion, an increase of 29.0% year-on-year with a gross profit margin of 6.7%, an increase of 0.3 percentage point year-on-year.



The National Convention and Exhibition Center (Tianjin) phase I project

During the Reporting Period, the Company fully leveraged its competitive edge in respect of whole industry chain in the housing construction engineering field and stuck to the marketing strategy featuring “high-end markets, high-end customers and high-end projects” and the enterprise management strategy of “low-cost competition and high-quality management”. The Company made sustained efforts to enhance its core competitiveness in the fields of super-high-rise building, large-span space structure, rapid construction, green construction, etc., and further enhanced its competitive advantages in the field of housing construction engineering, such as exhibition centers and industrial plants, educational and cultural facilities as well as medical facilities. In terms of construction of exhibition centers and industrial plants, the value of new contracts amounted to RMB124.4 billion, an increase of 51.4% year-on-year. The Company undertook the Xiamen New International Conference & Exhibition Center – Exhibition Center section I project, Shenzhen Liding high-end integrated circuit board and advanced package base and other projects. The National Convention and Exhibition Center (Tianjin) phase I project undertaken by the Company has been successfully completed and put into use, and the main plant project of production line of the Changsha Huike (长沙惠科) 8.6 generation ultra-high-definition new display device components, being the largest single display clean plant, has passed acceptance check. In terms of the construction of educational and cultural facilities, the value of new contracts amounted to RMB81.8 billion, representing a year-on-year increase of 22.0%. The Company undertook the Hohai University Changdang Lake University Science Park (Phase I), Science and Education Park Area PPP project of Shandong Yantai University Development Zone and other projects, and continued to develop a full set of green prefabricated school product chain. In terms of construction of medical facilities, the value of new contracts amounted to RMB104.7 billion, representing a year-on-year increase of 138.6%. The Company fully leveraged its rapid construction abilities with highly macroscopic visions to facilitate, with full speed, the construction progress of Minhai Biotechnology vaccine base in Daxing, Beijing, Sinopharm Zhongsheng Wuhan Institute inactivated COVID-19 vaccine production capacity expansion project, newly constructed and reorganized COVID-19 vaccine production workshop in Lanzhou and other projects, to contribute to the prevention and control of the pandemic. Meanwhile, the Company actively committed itself into old town renovation and urban renewal construction, and won the bids for the EPC project of renovation of old villages in Liucun Gegang Area of Liucun Community in Guangzhou, Guangdong, the EPC project (phase II) of renovation of shanty area in Shatang District, Ezhou, Hubei, Sichuan Chengdu FISU World University Games housing guarantee project – Yihe New Town G zone housing construction and auxiliary engineering EPC project, etc.

During the Reporting Period, the Company always insisted on accelerating digital transformation, actively promoted the green construction, intelligent construction and construction industrialization, and continued to consolidate its technical strengths in terms of housing construction business. The high-rise building intelligent integration platform (building machines) independently developed by the Company was included in the SASAC's recommended list of technological innovation achievements of state-owned enterprises. The Shenzhen Changzhen public housing project undertaken by the Company was included in the first batch of the List of Repeatable Practices for Coordinated Development of Intelligent Construction and Industrialized New Building (《智能建造与新型建筑工业化协同发展可复制经验做法清单》) published by the MOHURD, of which five practices including intelligent construction platform and intelligent robotic building have been recognized and promoted, ranking first among all recommended projects in terms of such number.



The project of production line of the Changsha Huike (长沙惠科) 8.6 generation ultra-high-definition new display device components

- **Infrastructure construction and investment operations**

During the Reporting Period, the Company achieved rapid growth in its infrastructure business and continued to optimize its business structure, stimulating the high-quality development of infrastructure business. The Company has entered into new infrastructure contracts with a total value of RMB392.7 billion, an increase of 50.5% year-on-year. It recorded a revenue of RMB193.6 billion, an increase of 33.9% year-on-year; and the gross profit amounted to RMB17.7 billion, an increase of 23.6% year-on-year with a gross profit margin of 9.2%, a decrease of 0.7 percentage point year-on-year.

During the Reporting Period, the Company firmly incorporated itself into serving the national strategies, displayed its advantages in resources from the whole industry chain, and won a number of bids for major infrastructure projects. The Company continuously improved its project performance capability, and completed a large batch of key projects, including cross-sea, cross-river and cross-lake projects, at high quality. In terms of municipal highways and bridges, the Company continued to expand efforts in this regard with the value of new contracts amounting to RMB130.6 billion, representing a year-on-year increase of 42.7%. The Company won the bids for the PPP project of Wuzhou-Leye Highway Guangning to Zhaoping Through Cangwu (Guangxi section), which serves the construction of the GBA, Beijing-Taipai Expressway Jinan-Tai'an section project, etc. The construction project of Wuhan Fourth Ring Line, the fast passage for urban ring line with the highest construction standard in China, as undertaken by the Company has been fully put into operation. In terms of railway construction, the Company achieved major breakthroughs. It won the bids for the newly-constructed Sichuan-Tibet railway Ya'an-Linzi section project (CZSCZQ-6 section), and the project of fast line from Xiong'an New Area to Beijing Daxing International Airport. In terms of port engineering, the Company achieved rapid growth with the value of new contracts amounting to RMB10.57 billion, representing a year-on-year increase of 227.2%. The Company won the bids for Ningbo Zhoushan Port Dapukou container terminal project, Nvdao Port upgrading and renovation auxiliary engineering design, construction and general contracting project, etc. In terms of rail transit transportation, the Company further reinforced and improved its performance, in particular, winning the bids for Changchun Metro Airport Line (Line 9) phase I project, Chongqing Metro Line 15 phase I project (K72+824~K92+369.955), etc. The Xuzhou Metro Line 3 phase I project as undertaken by the Company has commenced trial operation. In terms of water conservancy and environmental protection, the Company continued to win the bid for Wuhan East Lake-South Lake tunnel (East Lake section) section II project, etc. The Company actively explored new infrastructure sectors, achieved substantive progress in cooperation with leading electricity and telecom enterprises, and won the bid for Zhengzhou new 5G infrastructure communication engineering project, etc.

During the Reporting Period, the Company expanded efforts on collaboration, focused on tackling areas of weakness and strengthening areas of strength, and strived to improve the R&D and manufacturing level of high-end equipment. It also fully enhanced its core competitiveness in infrastructure business, actively contributed to the infrastructure construction in China, and achieved good economic and social effects. The first intelligent assembly bridge-building machine (IABM) in the PRC independently developed by the Company initiated the new model of prefabricated construction of overpass; the first self-adaptable and flexible straddle rail beam welding robot and BIM light engine in the PRC independently developed by the Company improved working efficiency by more than 10 times with saving of construction costs by approximately 80% in some construction units; the undisturbed shield muck paving block independently developed by the Company passed trial, and the first generation of "CSCEC block machine" product has entered the new stage of industrial application.



The construction project of Wuhan Fourth Ring Line



The Xuzhou Metro Line 3 project

• Real estate development and investment business

During the Reporting Period, the Company firmly implemented the national regulation policies, and consistently made efficient and accurate investments, to ensure the sustainable and healthy development of its real estate business. The Company's real estate business achieved contract sales of RMB219.6 billion, representing a year-on-year increase of 21.5%, and contracted sales area of 10.04 million square meters, a year-on-year decrease of 0.2%; revenue amounted to RMB146.5 billion, representing a year-on-year increase of 33.4%; and gross profit amounted to RMB36.7 billion, representing a year-on-year increase of 15.2%, with a gross profit margin of 25.1%, representing a year-on-year decrease of 3.9 percentage points.



The U World, Beijing New Town



China Overseas Plaza in Beijing

During the Reporting Period, the Company delivered a new construction area of 13.35 million square meters, representing a year-on-year increase of 2.5%; and an area under construction of 74.52 million square meters, representing a year-on-year decrease of 8.9%. The Company actively explored urban renewal and other diversified development models. The newly acquired land bank was 6.54 million square meters, and the land bank at the end of the period was approximately 114.62 million square meters. The Company's real estate inventory is mainly concentrated in first-tier and provincial capital cities.

After years of development, the Company continues to improve its asset holding and operation capabilities, and currently owns 11.96 million square meters of investment properties encompassing office buildings, hotels, apartments, commercial real estate and others, with a net book value of RMB107.6 billion, accounting for 4.6% of the Company's total assets. During the Reporting Period, the investment property recorded a revenue of RMB2.94 billion. The Beijing CSCEC Star of Daxing project, a city complex project invested, constructed and operated by the Company, has been officially put into use.

During the Reporting Period, the Company adhered to sound and prudent development strategies for its real estate business, and maintained sound financial position, adequate funds, and asset-liability ratio and other relevant indicators far below the "three red lines" limits. China Overseas under the Group was in compliance with the "three red lines" indicators and maintained its asset-liability ratio at the lowest range in the industry. The Company continuously accelerated the transformation and upgrading of its real estate business by promoting the development of commercial properties, cultural education, healthcare and elderly services, medical services, logistics and other new business sectors while consolidating the development of residential development business. The Company actively engaged in security housing, joint ownership housing, apartment and other fields which benefit people's livelihood, contributing to the building of a beautiful city by delivering high quality projects. The Shanghai Jinhai Huacheng Dacheng Garden (上海金海华城达诚雅苑), the first 4.0 security housing product in China as invested and constructed by the Company, CSCEC Happiness Apartment project (中建幸福公寓), which was listed as the first pilot "conversion of non-residential to residential" leasing filing unit in Shanghai, the project of historical building protection and urban renewal at 67-71 East Jianguo Road, Huangpu District, Shanghai, bridge building in Hanyang, Wuhan and other key urban renewal projects have been advanced orderly.

For details, please refer to "Properties under development", "Completed properties for sale" in Note V. 8 "Inventories", and "Advances for sale of properties" in Note V. 30 "Contract liabilities" to the financial statements under Section X "FINANCIAL REPORT".

- **Prospecting and design business**

During the Reporting Period, the Company maintained a sound growth momentum in its prospecting and design business. The value of new contracts amounted to RMB6.3 billion, representing a year-on-year decrease of 6.8%. It achieved a revenue of RMB4.9 billion, representing a year-on-year increase of 22.7%; and gross profit of RMB900 million, representing a year-on-year increase of 46.7%, with gross profit margin of 18.1%, representing a year-on-year increase of 3.0 percentage points.

During the Reporting Period, the Company continued to build a design-centered whole industry chain, expand housing construction engineering design business and municipal infrastructure design business, actively expanded its full-process engineering consulting business, and built a design industry system with full-field coverage, full-process services, full-value chain, and full-element growth with a view to enhancing and improving its prospecting and design business. The Company fully fulfilled its design competitiveness in the segments including urban planning, airport transportation and cultural venues to serve the national development at the macro level, and undertook a batch of representative design and consulting businesses. In terms of urban planning, the Company won the bids for the four major new city planings in Jialing District, Nanchong, the overall state-owned land and space planning in Ningcheng County, Chifeng, Inner Mongolia and other projects. In terms of airport transportation design, the Company won the bids for Shenzhen Airport T4 area planning and terminal plan design project, Leshan Airport civil terminal area project, etc. In terms of municipal infrastructure design, the Company undertook the G25 expansion Huzhou section Mogao Mountain Interchange to National Highway 104 connection line (West Beihu Street) renovation and upgrading engineering and intelligent transportation supporting facilities project, etc., and the Chengdu Tianfu International Airport jointly designed and constructed by the Company also commenced official operation. In terms of cultural venues design, the Company won the bids for Xi'an Cultural and Artistic Exchange Center – Chang'anle and other projects, and the China Grand Canal Museum (Yangzhou) designed by the Company has been successfully delivered and put into use.

During the Reporting Period, the Company continued to facilitate the transformation of its prospecting and design business, accelerated the development of architect accountability system, explored the model of “engineering general contracting + architect accountability”, and drove the business development along the entire industry chain through design. The Company undertook the rural vitalization and ecological property project in Liaozhong, the Sports Center and Art Center in Chengdu Hi-Tech Industrial Development Zone, and other engineering general contracting projects, and engaged in the “Research on Digital Transformation and Upgrading of the Full-process Engineering Consulting Industry”, an annual important subject of the National Development and Reform Commission (NDRC), overall planning and consulting services for preliminary plan of Hangzhou West Lake Zhijiang Future Community project, and other engineering consulting projects.



The project of the Chengdu Tianfu International Airport

Overseas business

During the Reporting Period, the Company maintained the growth of its overseas business by overcoming various difficulties. It recorded an overseas revenue of RMB44.3 billion, representing a year-on-year increase of 16.9%. The value of new contracts for overseas business amounted to RMB67.5 billion, representing a year-on-year decrease of 33.2%; and gross profit amounted to RMB4.4 billion, representing a year-on-year increase of 84.2%, with a gross profit margin of 9.8%, an increase of 3.6 percentage points year-on-year.



During the Reporting Period, the Company always took COVID-19 pandemic prevention and control as a focus of overseas work, and regarded the health and safety of employees as a top priority. It strictly implemented various normalized pandemic prevention and control measures, actively coordinated domestic medical resources, and strengthened medical security for overseas employees through dispatching a medical working group, establishing a long-distance medical platform and other methods. The Company strictly implemented the “prevention of imported cases” requirement, arranged shift of overseas employees in a safe and orderly manner, and therefore the lives, safety and health of the Company’s foreign and Chinese employees abroad were well protected.

During the Reporting Period, the Company steadily expanded overseas markets, continued to intensively develop the existing markets where the Company has advantages, and entered new markets at a steady pace. The Company continued to consolidate its advantageous position in overseas markets, and undertook a batch of major projects, such as the El Alamein New Town high-rise complex of new town development project in Egypt, phase III of commercial and residential development project at Wong Chuk Hang Station in Hong Kong, etc.; entered the Mexican market through signing projects, establishing new presence in overseas markets; achieved new breakthroughs in many overseas infrastructure segments such as high-speed trains, water-related affairs and tunnels, and independently or jointly undertook Sino-Thailand high-speed train phase I (Bangkok-Nakhon Ratchasima section) 4-3 section (Nava Nakhon-Banpo section) project, water supply and recycling plant in Tuas, Singapore, Singapore Metro Cross Island Line Aviation Park Station to Loyang Station shield tunnel CR105 project, etc.

During the Reporting Period, the Company advanced its quality performance of overseas projects, optimized construction organization plan based on the changes in the pandemic trend, overcame the pressures on construction period and costs caused by the pandemic, and ensured the ongoing stability of various production and operation activities. The central business district project of Egypt’s new capital, being the highest building in Africa, achieved structural ceiling of main works of symbolic tower, the North Lantau Hospital Hong Kong Infection Control Center, being the world’s first infectious disease hospital with totally negative pressure isolation wards adopting MiC construction technology, was completed and delivered within only four months, and the Suvarnabhumi Airport expansion project, a major livelihood project in Thailand, was successfully completed and handed over.

Other business

Other business of the Company mainly includes the income from primary land development, lease of machinery equipment and engineering supervision and management. During the Reporting Period, other business recorded a revenue of RMB12.2 billion, an increase of 43.2% year-on-year; gross profit amounted to RMB4.4 billion, an increase of 40.5% year-on-year, with a gross profit margin of 36.0%, a decrease of 0.7 percentage point year-on-year.

For details, please refer to Note V. 51 “Revenue and cost of sales”, Note V. 63 “Expenses by nature” and Note XIV. 1 “Segment reporting” to the financial statements under Section X “FINANCIAL REPORT”.

(II) Operating investment business

During the Reporting Period, the Company completed an investment of RMB175.0 billion, an increase of 13.9% year-on-year, and the investment business maintained steady development.

Unit: 100 million yuan Currency: RMB

Classification of projects	Amount of investment during the Reporting Period	Proportion (%)	YoY increase (%)
By categories of projects			
Real estate development	1,211	69.2	7.6
Investment in infrastructure and housing construction	460	26.3	32.6
Comprehensive urban development	64	3.6	7.6
Fixed assets and other investments	15	0.9	226.1
By continuity of projects			
Continued investment projects	1,276	72.9	6.3
New projects	474	27.1	41.1
Total	1,750	100.0	13.9

Note: The above classification of projects is designed in accordance with industry practices and the Company's internal management needs. The classification attributes of some projects will be adjusted according to the actual circumstances of the project. The year-on-year growth rate in the table will be adjusted retrospectively to the changed projects accordingly.

1. Real estate development business

During the Reporting Period, the investment amount of the Company's real estate development business reached RMB121.1 billion, a year-on-year increase of 7.6%; payback of investment return was RMB164.2 billion, a year-on-year increase of 40.7%; and ratio of investment to income was 135.6%, a year-on-year increase of 31.6 percentage points.

2. Business of investment in infrastructure and housing construction

During the Reporting Period, the investment in infrastructure and housing construction of the Company reached RMB46.0 billion, a year-on-year increase of 32.6%; payback of investment return was RMB22.2 billion, a year-on-year increase of 32.7%; and ratio of investment to income was 48.3%, a year-on-year increase of 0.3 percentage point.

3. Comprehensive urban construction business

During the Reporting Period, the amount of investment of the Company's comprehensive urban construction business reached RMB6.4 billion, a year-on-year increase of 7.6%; payback of investment return was RMB9.5 billion, a year-on-year increase of 79.2%; and ratio of investment to income was 148.4%, a year-on-year increase of 60.2 percentage points.

4. Investment and construction in key regions

The Company resolutely implemented the significant decision-making and deployment of the CPC Central Committee and the State Council, took the responsibility as a central enterprise around major national strategic planning and deployment, actively practiced regional coordinated development strategies, and was deeply involved in the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the construction of the GBA, investment and construction in key national areas such as the integrated development of the Yangtze River Delta, ecological protection and high-quality development of the Yellow River Basin. During the Reporting Period, the amount of investment of the Company in the Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, the GBA, the Yangtze River Delta, and the Yellow River Basin reached RMB146.5 billion, representing 83.7% of the Company's overall investment.

5. Development of PPP business

In accordance with the relevant national requirements on the regulated development of PPP business, and under the guidance of national policy, the Company has comprehensively cleared up and rectified the existing PPP projects, maintained reasonable control over the scale of PPP projects, and adhered to the high-quality development of PPP business. The Company invested in and constructed a number of major landmark projects related to national economy and people's livelihood through PPP business, covering the fields of municipal engineering, transportation, security housing engineering, ecological construction and environmental protection, which strongly promoted the Company's steady growth and structural adjustment. This helped the Company's transformation from a company which is solely engaged in housing construction business to the world's largest investment and construction conglomerate, and enhance the brand influence of CSCEC.

During the Reporting Period, the Company won new bids for 10 PPP projects with an equity investment of RMB21.6 billion. As of the end of June 2021, the Company had a total of 394 PPP projects with an equity investment of RMB645.79 billion, among which 33 were at the preliminary stage, 210 were under construction, 138 were under operation and 13 would be subject to early termination. In terms of the industry to which projects belong, the equity investment in transportation amounted to RMB230.64 billion, accounting for 35.7% of the total; the equity investment in municipal engineering amounted to RMB222.27 billion, accounting for 34.4% of the total; the equity investment in comprehensive urban development amounted to RMB108.32 billion, accounting for 16.8% of the total; the equity investment in culture, sports, medical and healthcare and security housing engineering construction amounted to RMB57.94 billion, accounting for 9.0% of the total; and the equity investment in ecological and environmental protection and other fields amounted to RMB26.64 billion, accounting for 4.1% of the total.

In recent years, the Company has strictly implemented the requirements of relevant policies of the NDRC, the Ministry of Finance and other ministries and commissions as well as local governments regarding regulating the implementation of PPP projects, developed and improved a risk management system for PPP business, and continued to promote the high-quality development of PPP business. First, the Company closely followed the relevant policies to continuously improve PPP management rules and systems. Second, the Company adhered to investment standards to continuously improve the quality of new projects. Third, the Company strengthened process monitoring to resolve the risks relating to the existing PPP projects. Fourth, the Company actively and comprehensively enhanced PPP project operation and management. Fifth, the Company regulated intermediate valuations and timely summarized and analyzed the implementation of projects. As of the end of June 2021, the Company completed an equity investment of RMB326.76 billion through its PPP projects, and the payback of investment return was RMB43.13 billion.

(III) Operating status of the professional sectors

Since the implementation of the "specialization" strategy, the Company has fostered and developed a number of professional companies with sophisticated management mechanisms, innovative capabilities and core competencies in their respective specialized fields. The Company split its principal business into 11 professional sub-sectors, which continued to maintain satisfactory overall development momentum. The total value of new contracts was RMB274.65 billion, a year-on-year increase of 20.5%; revenue was RMB188.71 billion, a year-on-year increase of 20.3%; gross profit was RMB13.74 billion, a year-on-year increase of 42.6%; and operating profit was RMB6.48 billion, a year-on-year increase of 55.0%.

During the Reporting Period, the Company's division of specialization and layout became more rational, the synergetic and coordination mechanism was more sophisticated, and the overall competitive edge became more prominent. Various specialized sectors and related subsidiaries provided solid support for the Company's development in the full business area, full life cycle, and whole industry chain capabilities. China Construction Science and Industry has been ranking first in the PRC construction and steel structure industry for nine consecutive years; the core propane dehydrogenation plant product of China Construction Industrial & Energy Engineering Group Co., Ltd. (CCIEE) had the largest market share in the world for three consecutive years; the construction scale of glass curtain wall business of China State Decoration remained its leading position in the industry; China Construction Science & Technology and CSCI invested in and constructed 29 modern assembly industry bases in the key areas across the country; and China West Construction continued to maintain a leading position in the industry in terms of the concrete output for commercial use.

Unit: 100 million yuan Currency: RMB

Item	Name of sector	Amount of new contracts	Revenue for 2021 H1	YoY increase (%)	Gross profit for 2021 H1	YoY increase (%)	Operating profit for 2021 H1	YoY increase (%)
Cross-sector	Installation	233.6	321.4	14.3	8.9	121.5	4.5	2,131.3
	Steel structure	65.4	117.5	2.4	5.5	25.6	2.3	51.6
	Commercial concrete	304.7	123.7	28.9	12.2	17.4	5.0	14.2
Housing construction	Decoration	179.6	195.9	13.4	13.8	91.9	5.6	14.2
	Gardening	12.4	60.7	467.7	4.7	485.4	2.4	500.7
Infrastructure	Municipal projects	890.0	388.5	15.7	34.8	25.3	14.1	42.6
	Railways	84.1	50.0	-4.2	1.7	-11.6	0.5	-34.0
	Rail transit	419.0	145.8	17.2	10.5	27.6	3.4	54.0
	Roads and bridges	416.0	418.8	26.9	40.6	40.5	25.6	50.8
	Electricity	35.9	25.0	45.2	1.1	425.5	0.2	/
	Port engineering	105.7	39.8	16.9	3.7	42.8	1.3	78.6
Total		2,746.5	1,887.1	20.3	137.4	42.6	64.8	55.0

Item	Name of sector	Gross profit margin (%)			Operating profit margin (%)		
		2021 H1	2020 H1	YoY change (Percentage points)	2021 H1	2020 H1	YoY change (Percentage points)
Cross-sector	Installation	2.8	1.4	1.4	1.4	0.1	1.3
	Steel structure	4.7	3.8	0.9	1.9	1.3	0.6
	Commercial concrete	9.9	10.8	-0.9	4.1	4.6	-0.5
Housing construction	Decoration	7.1	4.2	2.9	2.9	2.8	0.1
	Gardening	7.7	7.5	0.2	4.0	3.9	0.1
Infrastructure	Municipal projects	9.0	8.3	0.7	3.6	3.0	0.6
	Railways	3.4	3.5	-0.1	0.9	1.4	-0.5
	Rail transit	7.2	6.6	0.6	2.3	1.8	0.5
	Roads and bridges	9.7	8.8	0.9	6.1	5.2	0.9
	Electricity	4.2	1.1	3.1	0.7	-0.8	1.5
	Port engineering	9.3	7.6	1.7	3.1	2.0	1.1
Total		7.3	6.1	1.2	3.4	2.7	0.7

(IV) Explanation on significant changes in profit arising from non-major business

 Applicable N/A

(V) Analysis of assets and liabilities

√ Applicable N/A

1. Assets and liabilities

Unit: '000 yuan Currency: RMB

Name of item	Amount as of the end of the current period	Amount as of the end of the current period as a percentage of total assets (%)	Amount as of the last period	Amount as of the end of last period as a percentage of total assets (%)	Change between amounts as of the end of the current period and last period (%)	Remarks
Total assets	2,351,232,414	100.0	2,192,173,839	100.0	7.3	The total assets increased by RMB159.1 billion compared with that at the end of the same period of last year, mainly due to the facts that accounts receivable increased by RMB23.9 billion, other receivables increased by RMB25.1 billion, inventories increased by RMB25.6 billion, contract assets increased by RMB32.2 billion and other non-current assets increased by RMB100.1 billion.
Cash and bank balances	293,964,196	12.5	295,857,190	13.5	-0.6	Cash and bank balances decreased by RMB1.9 billion compared with that at the end of the same period of last year, mainly due to the decrease in bank deposits as a result of the cash outflow from operating activities.
Accounts receivable	184,383,313	7.8	160,441,814	7.3	14.9	Accounts receivable increased by RMB23.9 billion compared with that at the end of the same period of last year, mainly due to the increased scale of accounts receivable as a result of the increase in overall business size.
Inventories	700,758,214	29.8	675,125,328	30.8	3.8	Inventories increased by RMB25.6 billion compared with that at the end of the same period of last year, mainly due to the increase in properties under development, completed properties for sale, raw materials and stock commodities.
Contract assets	173,290,842	7.4	141,065,956	6.4	22.8	Contract assets increased by RMB32.2 billion compared with that at the end of the same period of last year, mainly due to the increase in completed but unsettled balance as a result of the accelerated construction of some projects, but with a slower pace of confirmation of ownership by property owners.
Investment properties	107,559,361	4.6	97,123,680	4.4	10.7	Investment properties increased by RMB10.4 billion compared with that at the end of the same period of last year, mainly due to the transfers from construction in progress and inventories as well as new acquisitions this year.
Long-term equity investments	92,880,546	4.0	86,439,061	3.9	7.5	Long-term equity investments increased by RMB6.4 billion compared with that at the end of the same period of last year, mainly due to the increase in investments and investment costs.

Name of item	Amount as of the end of the current period	Amount as of the end of the current period as a percentage of total assets (%)	Amount as of the end of the last period	Amount as of the end of last period as a percentage of total assets (%)	Change between amounts as of the end of the current period and last period (%)	Remarks
Fixed assets	40,202,981	1.7	39,126,960	1.8	2.8	Fixed assets increased by RMB1.1 billion compared with that at the end of the same period of last year, mainly due to the increase in transfer from construction in progress.
Construction in progress	5,514,010	0.2	10,933,089	0.5	-49.6	Construction in progress decreased by RMB5.4 billion compared with that at the end of the same period of last year, mainly due to the transfer to investment properties.
Right-of-use assets	5,114,965	0.2	/	/	/	Right-of-use assets increased by RMB5.1 billion compared with that at the end of the same period of last year, mainly due to the recognition of right-of-use assets as a result of changes in accounting policies.
Financial assets held for trading	549,961	0.0	244,459	0.0	125.0	Financial assets held for trading increased by RMB300 million compared with that at the end of the same period of last year, mainly due to the additional fund investments and debt investments.
Accounts receivable financing	4,996,742	0.2	3,788,082	0.2	31.9	Accounts receivable financing increased by RMB1.2 billion compared with that at the end of the same period of last year, mainly because certain property owners increased the proportion of notes payment in order to ease the pressure on cash flow.
Other receivables	79,768,052	3.4	54,626,721	2.5	46.0	Other receivables increased by RMB25.1 billion compared with that at the end of the same period of last year, mainly due to the increase in deposits and petty cash receivable as well as current receivables.
Long-term receivables	94,811,185	4.0	177,642,042	8.1	-46.6	Long-term receivables decreased by RMB82.8 billion compared with that at the end of the same period of last year, mainly due to the adjustment to accounting of PPP projects of long-term receivables as a result of changes in accounting policies.
Other non-current assets	240,005,749	10.2	139,945,933	6.4	71.5	Other non-current assets increased by RMB100.1 billion compared with that at the end of the same period of last year, mainly due to the adjustment of the portion of PPP projects failing to meet the requirement of unconditional rights to collection from long-term receivables to other non-current assets as a result of changes in accounting policies.
Total liabilities	1,750,203,103	74.4	1,615,078,738	73.7	8.4	The total liabilities increased by RMB135.1 billion compared with that at the end of the same period of last year, mainly due to the facts that short-term borrowings increased by RMB45.5 billion, accounts payable increased by RMB18.2 billion, contract liabilities increased by RMB10.3 billion, other current liabilities increased by RMB24.6 billion and long-term borrowings increased by RMB32.9 billion compared with that at the end of the same period of last year.

Name of item	Amount as of the end of the current period	Amount as of the end of the current period as a percentage of total assets (%)	Amount as of the end of the last period	Amount as of the end of the last period as a percentage of total assets (%)	Change between amounts as of the end of the current period and last period (%)	Remarks
Short-term borrowings	74,790,164	3.2	29,317,096	1.3	155.1	Short-term borrowings increased by RMB45.5 billion compared with that at the end of the same period of last year, mainly because the Company borrowed more short-term borrowings to supplement its working capital in order to ease the pressure on funds as a result of increased business volume.
Contract liabilities	319,824,633	13.6	309,479,052	14.1	3.3	Contract liabilities increased by RMB10.3 billion compared with that at the end of the same period of last year, mainly due to the increase in pre-sales property payments.
Long-term borrowings	325,763,116	13.9	292,897,038	13.4	11.2	Long-term borrowings increased by RMB32.9 billion compared with that at the end of the same period of last year, mainly due to the increase in project financing amount as a result of increased business size.
Lease liabilities	3,088,138	0.1	/	/	/	Lease liabilities increased by RMB3.1 billion compared with that at the end of the same period of last year, mainly due to the recognition of lease liabilities as a result of changes in accounting policies.
Notes payable	8,087,865	0.3	5,265,592	0.2	53.6	Notes payable increased by RMB2.8 billion compared with that at the end of the same period of last year, mainly due to more payments in the form of notes to ease the pressure on funds.
Accounts payable	520,549,638	22.1	502,386,965	22.9	3.6	Accounts payable increased by RMB18.2 billion compared with that at the end of the same period of last year, mainly due to the increase in payables for services and purchase of materials as a result of the continuous expansion of housing construction and infrastructure construction business.
Other current liabilities	94,902,774	4.0	70,311,655	3.2	35.0	Other current liabilities increased by RMB24.6 billion compared with that at the end of the same period of last year, mainly due to the increase in deposits and other form of financing amounts.
Deferred income	640,672	0.0	482,490	0.0	32.8	Deferred income increased by RMB200 million compared with that at the end of the same period of last year, mainly due to the increase in government grants.
Other explanation	None					

2. Overseas assets

Applicable N/A

(1) Asset scale

As of the end of the Reporting Period, the overseas assets of the Company amounted to RMB170.5 billion, accounting for 7.3% of the total assets.

(2) Description of overseas assets

Applicable N/A

During the Reporting Period, there were no material changes in major assets of the Company. The above data on overseas assets was not reviewed.

3. Restriction on major assets as of the end of the Reporting Period

Applicable N/A

For details, please refer to Note V. 68 "Assets with restricted ownership" to the financial statements under Section X "FINANCIAL REPORT".

4. Other explanation

Applicable N/A

As of the end of the Reporting Period, the Company's total interest-bearing liabilities were RMB583.1 billion, representing an increase from the beginning of the year. This was mainly due to the increase in the Company's business volume, the corresponding increase in borrowings, and the increase in interest expenses. As of the issuance date of the report, the Company publicly issued new ordinary bonds with a total nominal value of approximately RMB25.2 billion, which well satisfied the need for funding arising from the rapid development of business as well as industrial restructuring. The Company's financing structure was further optimized through increasing the efforts in direct financing.

(VI) Analysis of investment

1. General analysis of external equity investment

Applicable N/A

The Company's external equity investment mainly includes stocks purchased from the secondary market for trading purposes, and equities held in other listed or unlisted companies for non-trading purposes. Accounting items include financial assets held for trading, investments in other equity instruments, long-term equity investments and other non-current financial assets.

(1) Major equity investment

Applicable N/A

(2) Major non-equity investment

Applicable N/A

(3) Financial assets measured at fair value

Applicable N/A

Unit: '000 yuan Currency: RMB

Stock code	Stock name	Investment cost at the beginning of the period	Changes in investment cost during the period	Investment cost at the end of the period	Carrying value at the end of the period	Gains or losses during the Reporting Period	Changes in fair value in the Reporting Period	Accounting items	Source of stocks
/	SPH	1,869	-1,869	0	0	274	274	Financial assets held for trading	Purchase
/	PACIFICCENTURY	9,472	-9,472	0	0	580	179	Financial assets held for trading	Purchase
/	PACIFIC2 CENTURY2	1,403	-1,403	0	0	70	70	Financial assets held for trading	Purchase
000628.SZ	CHENGDU HI-TECH DEVELOPMENT CO LTD.	440	0	440	2,577	-59	-59	Financial assets held for trading	Purchase
601328.SH	BANKCOMM	2,660	0	2,660	12,355	1,059	1,059	Financial assets held for trading	Purchase
601838.SH	BANK OF CHENGDU	255	0	255	4,884	761	761	Financial assets held for trading	Purchase
600015.SH	HUAXIA BANK	5,558	0	5,558	8,260	322	-80	Financial assets held for trading	Purchase
601288.SH	AGRICULTURAL BANK OF CHINA	796,467	0	796,467	900,482	55,010	-32,691	Investments in other equity instruments	Purchase
600015.SH	HUAXIA BANK	241,479	0	241,479	358,838	17,449	-3,478	Investments in other equity instruments	Purchase
601328.SH	BANKCOMM	2,005	0	2,005	7,025	0	602	Investments in other equity instruments	Purchase
00687.HK	HKICIM Group	199,904	0	199,904	23,240	0	4,770	Investments in other equity instruments	Purchase
601229.SH	BANK OF SHANGHAI	1,641	-1,641	0	0	0	987	Investments in other equity instruments	Purchase
000617.SZ	CNPCCCL	1,900,000	0	1,900,000	1,481,332	0	-187,012	Other current assets	Purchase
600390.SH	MINMETALS CAPITAL	1,500,000	0	1,500,000	1,060,493	18,443	-177,340	Other current assets	Purchase
	Other investment in securities	249,695	298,897	548,592	521,885	14,131	7,711	Financial assets held for trading	Purchase
	Total	4,912,848	284,512	5,197,360	4,381,371	108,040	-384,247	/	/

Notes:

- ① This table sets out the Company's investment in securities including as financial assets held for trading and investments in other equity instruments.
- ② Gains or losses during the Reporting Period, with respect to financial assets held for trading, include the investment income and changes in fair value during the holding period; with respect to investments in other equity instruments, include investment gains during the holding period.
- ③ Other investment in securities refers to investment in securities accounted for as financial assets held for trading other than those listed above.
- ④ In addition to the table above, for other items included in financial assets held for trading and investments in other equity instruments, please refer to the relevant information as set out in Note V. 2 "Financial assets held for trading" and Note V. 15 "Investments in other equity instruments" to the financial statements under Section X "FINANCIAL REPORT".

(VII) Major disposal of assets and equity interests

Applicable N/A

(VIII) Analysis of major controlling companies or companies with shareholding

√ Applicable □ N/A

1. Major subsidiaries acquired through incorporation or investment

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
COHL	Investment holding	31,032,258	100.00	960,785,975	317,638,897	22,265,265
China Overseas Land & Investment	Real estate development and operation	HKD1,095,000,000	56.08	790,145,160	287,446,685	18,117,067
CSCI	Construction and installation	HKD1,500,000,000	64.81	160,876,975	52,031,776	2,929,125
China Overseas Property	Property management	HKD30,000,000	61.18	5,850,615	2,059,850	330,725
China Construction First Group Corporation Limited	Construction and installation	10,000,000	100.00	85,035,254	20,551,130	1,442,080
China Construction Second Engineering Bureau Ltd.	Construction and installation	10,000,000	100.00	132,011,099	30,107,109	1,678,618
China Construction Third Engineering Bureau Group Co., Ltd.	Construction and installation	5,039,865	100.00	237,394,567	57,383,792	4,442,488
China Construction Fourth Engineering Division Corp., Ltd.	Construction and installation	8,000,000	100.00	124,023,048	21,068,833	247,078
China Construction Fifth Engineering Division Corp., Ltd.	Construction and installation	10,000,000	100.00	153,526,925	28,878,156	1,895,786
China Construction Sixth Engineering Bureau Corp., Ltd.	Construction and installation	4,277,946	100.00	59,878,037	12,010,642	211,781
China Construction Seventh Engineering Division Corp., Ltd.	Construction and installation	6,000,000	100.00	99,971,781	23,255,725	888,945
China Construction Eighth Engineering Division Corp., Ltd.	Construction and installation	13,500,000	100.00	249,016,598	57,296,879	4,962,243
China Construction Engineering Design Group	Engineering prospecting and design	510,000	100.00	2,876,091	999,392	-119,340
China State Decoration	Industrial renovation and decoration	1,000,000	100.00	16,060,215	2,723,707	10,881
China Construction Fangcheng	Business of infrastructure construction	5,000,000	100.00	62,537,758	17,753,794	613,222

2. Major subsidiaries acquired through business combination under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
CSCEC Xinjiang Construction & Engineering	Construction and installation	3,500,000	85.00	53,832,608	13,827,967	804,979
China West Construction	Construction materials	1,262,354	57.79	27,877,153	10,297,110	419,374
Shenzhen China Overseas Investment (深圳中海投资)	Real estate development and operation	2,650,000	100.00	493,666	458,681	8,310
CSC Finance	Finance	10,000,000	80.00	93,464,009	12,550,775	383,231

3. Major subsidiaries acquired through business combination not under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
CSC Development	Construction and installation	HKD100,000,000	47.89	6,433,713	1,290,443	185,314
China Construction Harbour and Channel Engineering Bureau	Business of infrastructure construction	1,333,333	70.00	9,454,910	2,112,894	79,510

For details, please refer to relevant information as set out in "1. Interests in subsidiaries" under Note VII "Interest in other entities" to the financial statements under Section X "FINANCIAL REPORT".

(IX) Structured entities under the control of the Company√ Applicable N/A

For details, please refer to relevant information as set out in "3. Interests in consolidated structured entities" under Note VII "Interest in other entities" to the financial statements under Section X "FINANCIAL REPORT".

VI. Other Disclosures

(I) Potential risks

Applicable N/A

1. Macro-economic risks

Despite the better-than-expected global economic recovery overall so far this year, the next development trend of the pandemic and its derivative effects remain complicated and the risks relating to the international politics and economy continue to pile up. Given an undercurrent of reverse globalization, unilateralism and protectionism ideas, the global industry chain and supply chain face restructuring, and national strategic and technological strengths become an important variable for competition among great powers. China takes the lead in economic recovery amid the COVID-19 pandemic with a continual pickup trend. As the pressure from imported inflation intensifies, the continuous recovery of domestic needs is still subject to many restrictions. In the first half of the year, the value of new contracts in the construction industry grew rapidly, and leading enterprises gradually dominated the market with continuously improved industry concentration. Against the general backdrop of carbon peaking and carbon neutrality, construction enterprises must accelerate the transformation towards green and low-carbon development to re-develop their core competitiveness. CSCEC will continue to highlight the main responsibilities and main business in accordance with the principle of respecting history and embracing the future, and firmly promote the Group's continuous high-quality development, innovative development, eco-friendly development, business optimization development, digital development and overall security development and transformation, and properly expand emerging business areas closely related to the main business. During the "14th Five-Year Plan" period, the Company will actively serve the establishment of a new development pattern, closely center on the theme of high-quality development, focus on the strategic goals of "one creation and five aspects of strength", and adhere to the "Six Commitments" to promote its corporate reform and development to a new level.

2. International operation risks

The continual spread of the COVID-19 pandemic hinders normal economic activities and affects the global economy. Some countries face the risks of increased debt size, greater financial pressure, weakened social stability, and exchange rate fluctuations. In addition, the strategic game among great powers intensifies with more uncertainties and risks relating to the international situation, posing significant challenges to the overseas business of the Company. The Company makes comprehensive researches and judgments on the overseas market condition and the industry development tendency, formulates the "14th Five-Year" special plan for overseas business in a scientific manner based on its overall objectives and overseas development status, and clarifies specific strategies and refined measures to guide the high-quality development of overseas business. The Company enhances market analysis, research and judgment, expands efforts on studying key areas and national markets to precisely respond to the needs in the countries and regions where it operates and tap the development opportunities in the international engineering contracting market during the post-pandemic era, facilitating the orderly development of the overseas markets. The Company continues to ensure the normalized pandemic prevention and control overseas, and continuously adjusts and improves its prevention and control measures and work plans based on the developments of the pandemic. The Company pays attention to the exchange rate fluctuations of major currencies, and copes with exchange rate risks based on foreign currency value protection plan and by payment for procurement and sub-contracting contract in the same currency as the master contract. The Company strengthens overseas talent cultivation, develops a high-quality, professional and inter-disciplinary overseas management talent team, and improves the comprehensive capabilities of overseas employees.

3. Risks related to safety and environmental protection

As the principal business of the Company, engineering contracting business accounts for a large proportion of its business portfolio and covers a wide range of sectors. Considering a specific industry and the external environment, contract performance may be exposed to natural disasters such as floods, rainstorms, earthquakes, typhoons, and fires as well as unexpected public events. With the further deepening of environmental protection and green architecture concepts in the construction field, environmental inspection has become stricter. Accordingly, enterprises are exposed to risks in their safe production, environmental protection and quality assurance. The Company has profoundly implemented the deployment of the Party and the government regarding safe production, made good use of the rectification roles of the two special actions, namely "National Special Rectification" and "Implementation and Systematic Management of Production Safety Responsibility of the Group", continued to give full play to the role of normalized special supervision and inspection on production safety, and established and improved two long-term systems for production safety responsibility and supervision. The Company formulated special work plans, continued to conduct inspections on ecological and environmental risks and self-checks on compliance within the entire system, prevented potential risks, and optimized normalized risk management and compliance management mechanism.

4. Risks related to the pandemic

Currently, with the spread of Delta variant, the global pandemic resurges significantly. China faces increasing pressure from possible imported cases. In particular, amid the sporadic outbreaks in many places across the country, the country is encountering the most stringent and complex pandemic prevention and control situation since 2021. The pandemic affects the production and operation of the Company in all aspects, causes greater pressure on the Company's contract value, revenue, profit and other indicators for the whole year, and, in turn, affects its asset-liability ratio, operating cash flow, "inventories and accounts receivable", interest-bearing liabilities and other indicators. The Company attaches great importance to pandemic prevention and control, implements pandemic prevention and control measures stringently, pragmatically and in details, urges and guides its subordinate units and projects to earnestly fulfill political responsibilities, and implement all of the requirements for pandemic prevention and control. The Company has established an office for pandemic prevention and control (employee health), developed a normalized pandemic prevention and control mechanism, and implemented various prevention and control measures in detail. The Company stringently implements normalized prevention and control measures, further strengthens its prevention and control responsibilities, enhances organizational leadership, and pays attention to pandemic prevention and control in key places and over key personnel; persistently focuses on overseas pandemic prevention and control, makes scientific research and judgment on pandemic situations in various countries, and applies multi-level targeted approach to pandemic prevention and control to ensure sufficient supply of anti-pandemic materials and solidly guarantee the safety and health of employees.

5. Investment risk

Domestic investment recovers in general, but not to the pre-pandemic growth rate level, and the investment structure continues to improve. Macro leverage ratio continues to decline slightly. As such, local governments face great pressure in reducing hidden debts. With sound prospects in new infrastructure, new urban construction, urban renewal and other fields, the traditional infrastructure investment implies structural opportunities, causing greater downward pressure on real estate investment. The Company will continue to strengthen research on national policies, regulations and industry policies, strictly implement the requirements of relevant policies and documents, and improve its investment business management and control standards. The Company will strictly implement the investment budget, insist on the principle of "making no investment without budget", and strictly require that subsidiaries without budget space shall not invest in new projects to reasonably control the scale of investment. The Company will adhere to the principle of operating within capacity, and establish a "dual control" mechanism for investment budgets and asset-liability ratios. The Company will strictly regulate the expansion of infrastructure projects, strictly implement investment business control requirements, carry out project feasibility research, prevent decision-making risks with scientific advance planning and demonstration, and take a "zero tolerance" approach to compliance defects of projects, with a view to effectively improving the quality of new investment projects. At the same time, the Company will strengthen the process management and control of investment projects, comprehensively improve project operation capabilities, and promptly give warnings on and mitigate risks that may arise during the implementation of investment projects.

Various financial risks faced by the Company in its operating activities include market risks (mainly interest rate risks, exchange rate risks and equity instrument investment price risks), credit risks and liquidity risks. The overall risk management plan of the Company will focus on the unpredictability of the financial market, and reducing the potential adverse impact on the financial performance. For details, please refer to the relevant information as set out in Note VIII "Risks relating to financial instruments" to the financial statements under Section X "FINANCIAL REPORT".

For details of the Company's goodwill and impairment, please refer to the relevant information as set out in Note V. 21 "Goodwill" to the financial statements under Section X "FINANCIAL REPORT".

(II) Other Disclosures

Applicable N/A

SECTION IV CORPORATE GOVERNANCE

I. Overview on the General Meetings of Shareholders

Session	Date of general meeting	Search index of the designated website for publishing resolutions	Date of disclosure of resolutions	Resolutions of the meeting
The first extraordinary general meeting in 2021	January 15, 2021	www.sse.com.cn	January 16, 2021	Considered and approved the Proposal on Amendment to the Working Rules for Independent Directors of China State Construction Engineering Corporation Limited, the Proposal on the Repurchase of Participants' Shares under the Phases II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited, the Proposal on Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation and the Proposal on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation.
2020 annual general meeting	May 13, 2021	www.sse.com.cn	May 14, 2021	Considered and approved 16 resolutions including the 2020 Work Report of the Board of Directors of China State Construction Engineering Corporation Limited, the 2020 Work Report of Independent Directors of China State Construction Engineering Corporation Limited, the 2020 Work Report of the Board of Supervisors of China State Construction Engineering Corporation Limited, the Proposal on 2020 Annual Final Accounts Report of China State Construction Engineering Corporation Limited and the Proposal on 2020 Profit Distribution Plan of China State Construction Engineering Corporation Limited.

Description of general meetings

√ Applicable N/A

- On January 15, 2021, the Company held the first extraordinary general meeting in 2021, at which four proposals were considered and approved by a combination of onsite and online voting, including the Proposal on Amendment to the Working Rules for Independent Directors of China State Construction Engineering Corporation Limited. The resolutions of the meeting were disclosed on the website of the Shanghai Stock Exchange, China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily. For details, please refer to the Announcement on Resolutions of the 2021 First Extraordinary General Meeting of China State Construction Engineering Corporation Limited (Announcement No.: 2021-004) published on January 16, 2021.
- On May 13, 2021, the Company held the 2020 annual general meeting, which was held by both on-site and by means of online voting, at which 16 resolutions were considered and approved, including the 2020 Work Report of the Board of Directors of China State Construction Engineering Corporation Limited, the 2020 Work Report of Independent Directors of China State Construction Engineering Corporation Limited, the 2020 Work Report of the Board of Supervisors of China State Construction Engineering Corporation Limited, the Proposal on 2020 Annual Final Accounts Report of China State Construction Engineering Corporation Limited and the Proposal on 2020 Profit Distribution Plan of China State Construction Engineering Corporation Limited. The resolutions of the meeting were disclosed on the website of the Shanghai Stock Exchange, China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily. For details, please refer to the Announcement on Resolutions of 2020 Annual General Meeting of China State Construction Engineering Corporation Limited (Announcement No.: 2021-031) published on May 14, 2021.

II. Changes in Directors, Supervisors and Officers

Applicable N/A

Name	Position held	Change
Xu Wenrong	Independent director	Elected
Sun Chengming	Independent director	Elected
Li Ping	Independent director	Elected
Yang Chunjin	Independent director	Resigned
Yu Hailong	Independent director	Resigned
Zheng Changhong	Independent director	Resigned
Lv Xiaogang	Employee representative supervisor	Elected
Qu Hongguang	Employee representative supervisor	Elected
Lu Yanbin	Employee representative supervisor	Resigned
Ning Wangchu	Employee representative supervisor	Resigned

Explanation on changes in directors, supervisors and officers

Applicable N/A

Changes in directors: The Company held the 2020 Annual General Meeting on May 13, 2021, at which the members of the third session of the Board of Directors were elected. For details, please refer to the Announcement on Resolutions of 2020 Annual General Meeting of China State Construction Engineering Corporation Limited published on May 14, 2021.

Changes in supervisors: The Company held the second meeting of the second session of the Workers' Congress on May 7, 2021, at which the employee representative supervisors of the Company's third session of the Board of Supervisors were elected. For details, please refer to the Announcement on Election of Employee Representative Supervisors of China State Construction Engineering Corporation Limited published on May 8, 2021. The Company held the 2020 annual general meeting on May 13, 2021, at which the shareholder representative supervisors of the third session of the Board of Supervisors were elected. For details, please refer to the Announcement on Resolutions of 2020 Annual General Meeting of China State Construction Engineering Corporation Limited published on May 14, 2021.

Changes in officers: Nil.

III. Profit Distribution Plan or Reserve Capitalization Plan

Profit distribution plan and reserve capitalization plan proposed for the first half year

Whether to distribute or capitalize	No
Number of bonus shares per 10 shares	0
Amount of dividends distributed per 10 shares (RMB) (tax inclusive)	0
Number of shares capitalized per 10 shares	0

Explanation on profit distribution plan or reserve capitalization plan

In the first half of 2021, the Company did not make any profit distribution or reserve capitalization.

IV. Equity Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentive Programs of the Company and Their Implications

(I) Relevant incentive matters disclosed in provisional announcements without further progress or changes in subsequent implementation

Applicable N/A

Summary of matter	Index for details
912.036 million restricted shares granted by the Company to participants of the phase IV restricted A share incentive scheme were changed from circulating shares not subject to trading moratorium to circulating shares subject to trading moratorium on January 13, 2021.	Announcement on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme published on January 13, 2021.
On January 15, 2021, the Proposal on the Repurchase of Participants' Shares under the Phases II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited was considered and approved at the 2021 First Extraordinary General Meeting of CSCEC.	Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021.
It was considered and approved by the Company to repurchase restricted shares that were subject to restriction on unlocking from 156 participants involved in the phases II and III restricted A share incentive scheme. A total of 11,511,000 restricted shares were repurchased, of which, the number of restricted A shares under Phases II and III were 4,067,000 shares (2,905,000 shares before ex-rights) and 7,444,000 shares, respectively. The repurchase of the phase II restricted A shares was based on the adjusted grant price of RMB3.47571 per share (RMB4.866 per share before the reserve capitalization of the Company), and the repurchase of the phase III restricted A shares was based on the price of RMB3.468 per share. The total amount of funds for the repurchase was RMB39,951,522. After all the repurchased shares are cancelled, the registered capital of the Company will be reduced by RMB11,511,000.	Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases II and III Restricted Shares and Notice to Creditors published on January 16, 2021.
195,076,000 shares were unlocked as the first tranche in 2020 under the phase III restricted A share scheme, and the date of listing and trading was January 21, 2021.	Announcement on the First Tranche of Unlocking in 2020 in Respect of Phase III Restricted A Share Incentive Scheme and Listing of Shares published on January 16, 2021.
As of January 14, 2021, a total of 912,036,000 phase IV restricted A shares have been granted.	Announcement on the Results of Grant under Phase IV Restricted A Share Incentive Scheme published on January 19, 2021.
107,940,000 shares were unlocked as the third tranche in 2020 under the phase II restricted A share scheme, and the date of listing and trading was February 18, 2021.	Announcement on the Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares published on February 6, 2021.
The Company's repurchase and cancellation of restricted shares involved a total of 185 participants of the Company's phases I, II and III restricted A share incentive scheme (including simultaneous repurchase from 42 participants of the phase II restricted A shares and phase III restricted A shares). A total of 16,903,667 restricted shares were proposed to be repurchased and cancelled (578,667, 5,621,000 and 10,704,000 restricted shares under phases I, II and III respectively). After the completion of the repurchase and cancellation, a total of 489,000 restricted shares were to be repurchased by the Company, and 1,303,585,000 restricted shares under the share incentive schemes were remained. After the completion of the repurchase and cancellation, the registered capital and share capital of the Company will be reduced by RMB16,903,667 (16,903,667 shares) to RMB41,948,167,844 (41,948,167,844 shares).	Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 7, 2021.

(II) Incentive not disclosed in provisional announcements or with subsequent progress

Information on equity incentives

Applicable N/A

Other explanation

Applicable N/A

Information on employee stock ownership plan

Applicable N/A

Other incentives

Applicable N/A

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. Environmental Information

- (I) Explanation on environmental protection efforts of the highly polluting companies and their key subsidiaries as announced by the environmental protection authority

Applicable N/A

- (II) Explanation on environmental protection efforts of companies other than highly polluting companies

Applicable N/A

1. Administrative penalties due to environmental issues

Applicable N/A

During the Reporting Period, the construction projects of the Company's subsidiaries were subject to a total of 114 administrative penalties due to environmental problems such as construction noise, dust, sewage and solid waste, involving a total fine of approximately RMB3.5171 million³. Up to now, all of the issues involved in the aforementioned administrative penalties have been rectified.

2. Disclosure of other environmental information with reference to highly polluting companies

Applicable N/A

The Company attaches great importance to environmental protection and pollution prevention and control. During the Reporting Period, there were no emergency environmental incidents, major environmental pollution or ecological damage incidents caused by the Company. The impact of the production and operation activities of the Company on the environment and the pollutant emissions were mainly concentrated in the project construction. For the construction projects invested by the Company, the Company has continuously been conducting environmental impact assessments in accordance with the law, and implementing the energy conservation and environmental protection requirements through the entire process of design, construction and operation, so as to ensure the pollution prevention facilities were designed, constructed and put into operation at the same time as the main body of the project. For the construction projects undertaken by the Company, in accordance with the national and local requirements for environmental protection and pollution prevention at the construction site, the Company identified the environmental factors prior to the commencement of the project, and prepared the environmental protection and green construction planning. The Company also equipped and standardized operation of various pollution prevention facilities such as automatic spraying, vehicle washing and sedimentation tanks, gave priority to new technologies and processes of energy conservation and environmental protection, and strengthened emergency drills, so as to minimize the impact of construction on the environment and pollutant discharge.

3. Reasons for not disclosing other environmental information

Applicable N/A

³ Note: Statistics on administrative penalty is mainly based on the self-examination of the Company and its subsidiaries.

(III) Explanation on the subsequent progress or changes in the environmental information disclosure during the Reporting Period

Applicable N/A

(IV) Relevant information that is conducive to protecting ecology, preventing pollution, and fulfilling environmental responsibilities

Applicable N/A

Guided by President Xi Jinping's ideology on ecological civilization, the Company thoroughly implemented the decision and deployment on ecological environmental protection of the CPC Central Committee and the State Council, and continued to implement environmental protection and pollution prevention measures.

- 1. Constant improvement of the environmental management system.** During the Reporting Period, in accordance with the latest policies and regulations, the Company revised and improved the environmental management system, required and urged its subsidiaries at all levels to be adequately staff themselves with full and part-time environmental management personnel to consolidate the foundation of environmental management and improve basic management capabilities.
- 2. Strengthening of the prevention and control of environmental risks.** The Company has strengthened its deployment to carry out the investigation and rectification of major ecological and environmental risks, and further rectify existing problems, so as to prevent potential risks and hidden dangers, and consolidate the bottom line for ecological and environmental protection.
- 3. Strengthening of environmental protection supervision and regulation.** The Company has built a multi-level and multi-channel supervision and regulation system to expressly define the responsibilities through comprehensive means of tour inspections, tour supervision, audits and checks.
- 4. Strengthening of the prevention and control of pollution at the construction site.** The Company has strictly implemented various prevention and control measures for pollution such as air, noise, water, soil and solid waste, and actively explored new thinking and new measures. Taking the Shenzhen-Hong Kong Science and Technology Open Innovation Center project in Shenzhen as an example, through cooperating with external professional organizations, the active efforts were made to promote the classification and recycling of construction waste in the project, with the recycling rate of soft waste such as rubber and plastic reaching 40%, that of hard waste such as concrete blocks and muck exceeding 90%, and the transport cost of construction waste reduced by 28%, realizing both environmental protection and economic benefits.
- 5. Active participation in external pollution control and ecological restoration.** The Company has undertaken the environmental protection and ecological restoration of the Yangtze River, the Yellow River Basin, Xiong'an New Area and other key areas, and participated in the implementation of a series of environmental governance and ecological restoration projects such as the ecological protection of Wuliangsu Hai basin in Inner Mongolia and the "1000-year Afforestation" in Xiong'an, actively contributing to building a "beautiful China".

(V) Measures taken to reduce carbon emissions during the Reporting Period and the effects

√ Applicable N/A

Carbon peak emissions and carbon neutrality are major strategic decisions made by the CPC Central Committee and the State Council based on the long-term development of the country. As a leader in the construction industry, CSCEC has kept abreast of the national policy direction, made efforts to integrate the concept of green and low-carbon throughout the entire production and operation process, focused on building a green and low-carbon circular development system, and continued to promote carbon emission reduction through scientific and technological innovation, green construction, energy saving and efficiency improvement, with a view to promoting the green and low-carbon development of the whole society and the entire industry.

1. **Strengthening the top-level design and integrating carbon emission reduction into the Company's development strategy.** CSCEC upholds the guiding philosophy of "implementing the new development concepts and adhering to high-quality development". The Company held several special meetings to learn General Secretary Xi Jinping's important speech on achieving carbon peak emissions and carbon neutrality, making it a clear strategy to promote the green and low-carbon development while adhering to ecological priority, required units at all levels to gain deep understanding of the significance of achieving carbon peak emissions and carbon neutrality, and strengthened forward-looking thinking, overall planning, strategic layout and overall promotion. Through strengthening the top-level design, the Company planned the target path of carbon peak emissions and carbon neutrality from the height of its medium-term and long-term development strategy. By strengthening scientific and technological innovation, the Company researched and promoted technological upgrading and transformation routes by focusing on the entire industrial chain of the construction industry. It also made concrete efforts to complete the basic work such as carbon screening and carbon accounting, and actively participate in national and industry-related research and standard formulation. Through formulating special plans, the Company strengthened the organization, clarified responsibilities, and acted proactively.
2. **Continuously improving the green and low-carbon management system.** Taking into account of the new situation and new requirements of green, low-carbon, ecological and environmental protection, the Strategy and Investment Committee of the Company has strengthened the research, supervision and evaluation functions of sustainable development issues at the decision-making level. In terms of management systems, a series of management systems such as the Provisions on the Responsibility Management on Ecological Environmental Protection (Trial) (《生态环境保护工作责任管理规定(试行)》), the Ecological Environmental Protection Management Measures (《生态环保管理办法》) and the Ecological Environmental Protection Management Manual (《生态环保管理手册》) have been newly established and revised. In terms of institutional and personnel management, the Company strengthened the construction and staffing of institutions at all levels, enhanced the promotion, education and training, and focused on improving the capacity to promote green and low-carbon work in a systematic, overall and coordinate manner.
3. **Actively carrying out R&D, promotion and application of green and low-carbon technologies.** CSCEC has regarded green and low carbon as a priority and a key area of scientific and technological R&D, established the "Green and Low-carbon Development Research Center" with the support of the China State Construction Industry Research Institute (中建产研院). Based on the research results of the sub-project of the 13th Five-Year Plan national key R&D program undertaken by the Company, namely Research and Development Platform of Building Carbon Emission Information Accounting (《建筑碳排放信息化核算平台研发》), the Company explored the establishment of construction carbon emission database and statistical monitoring platform, and strengthened the research and application of comprehensive carbon reduction technologies such as energy saving, water saving, material saving, greening and carbon sink in the construction process, providing effective technological support for carbon emission reduction.

- 4. Focusing on promoting green investment operations and green construction.** CSCEC strived to implement the requirements of green and carbon saving in all sectors and aspects of investment, construction and operation. Taking its subsidiary China Overseas as an example, since 2021, all new development projects have been constructed in accordance with green building standards, and an energy consumption information platform has been established independently to cover all self-owned office building projects to check the use of energy in real time, analyze and optimize the energy usage. As an advocate of green construction in the industry, the Company has required its subordinate units to actively follow green construction practices through making full use of intelligent management platforms such as BIM, yzw.cn, and digital construction in the construction projects. The Company promoted the use of temporary construction facilities for box-type houses, the wide use of energy-saving equipment such as solar street lights and air energy heat pumps, the reduction and resource utilization of construction waste, and effectively implemented the green construction concepts in every aspect and the entire processes of the production, achieving better results in energy saving and carbon reduction. In the first half of 2021 only, China Overseas obtained green building certifications for 48 new projects, with a certified GFA of 8.01 million square meters. As of the end of the Reporting Period, it has accumulated 439 projects with green building certifications and a total GFA reaching 80.80 million square meters.
- 5. Vigorously developing prefabricated buildings.** As of the end of June 2021, more than 34 steel structure and concrete component production plants were invested and constructed by the Company, with annual production capacity ranking top in the industry. The Company promoted the transformation of construction methods, reduced energy and resource consumption, and promoted effective implementation of carbon emission reduction. Taking the North Lantau Hospital Hong Kong Infection Control Centre project undertaken by the Company as an example, the project only took two and a half months to complete the streamlined manufacturing of 524 assembled building units, completed the site installation within one month, reduced energy and water consumption by 55% and 60%, respectively throughout the construction process, saved wood of 80%, and reduced construction waste by 80%, significantly reducing the construction waste and energy and resource consumption.
- 6. Issuance of green financial products.** The Company has paid great attention to the relevant policies of the inter-bank market and stock exchanges, and actively organized subsidiaries to promote the issuance of green bonds. On April 28, 2020, COHL issued a green asset-backed special program with two green building projects, Center Towers A and B of China Overseas International Centre in Chengdu and plaza project of China Overseas, as the underlying assets. In this program, COHL issued RMB3.701 billion at the interest rate of 2.5%. On June 17, 2021, China Overseas Land & Investment issued the first “green + carbon neutrality” bond of a domestic real estate enterprise with the China Overseas International Centre in the core business district of Chengdu Financial City as the underlying assets, with an issue amount of RMB2.1 billion at the interest rate of 3.6%.

7. **Promoting the green transformation and upgrading of the entire industry.** As the first enterprise advocating green construction in the industry, CSCEC has actively carried out green construction and intelligent construction engineering practices, advocated the “four-savings and one-environmental protection” (namely, energy saving, water saving, land saving, material saving and environmental protection) throughout the entire construction process, promoted temporary construction facilities for box-type houses, independently developed and applied intelligent construction management platforms, and carried out construction waste reduction and resource utilization. The implementation of green construction and intelligent construction will help to reduce pollution and material wastage from the source, reduce energy consumption, improve resource recycling efficiency, and reduce carbon emissions during the entire construction process. While strengthening internal management, CSCEC has actively delivered green construction and management results to the entire society and the entire industry, and played a leading and exemplary role within the industry. CSCEC has participated in the drafting and revision of dozens of national, local and industrial standard documents such as the Green Construction Technical Guidelines (Trial) (《绿色建造技术导则(试行)》), the Green Construction Evaluation Standards for Construction Engineering (《建筑工程绿色施工评价标准》), Green Construction Guidelines in Xiong’an New Area (《雄安新区绿色建造导则》) and Green Construction Management Regulations in Beijing (《北京市绿色施工管理规程》), effectively promoting the green and low-carbon transformation and upgrading of the entire industry.

II. Achievements of Consolidating and Expanding the Results in Poverty Alleviation, Rural Revitalization and Other Specific Work

Applicable N/A

(I) Planning of rural revitalization

The Company and its controlling shareholder China State Construction resolutely implemented the decisions and deployments of the CPC Central Committee, the State Council and the SASAC on targeted poverty alleviation, counterpart support and provision of assistance to Xinjiang Uygur Autonomous Region and Tibet Autonomous Region in the new era, to conscientiously implement the work requirements of “four continuing requirements”. They provided targeted and concrete assistance to Kangle County, Zhuoni County and Kang County in Gansu Province (referred to as the three counties of Gansu), provided counterpart support to Changting County, Fujian Province, and made concrete efforts to promote the provision of assistance to Xinjiang and Tibet. In May 2021, CSCEC established a rural revitalization work leading team and a promotion team to coordinate the targeted poverty alleviation, counterpart support and provision of assistance to Xinjiang and Tibet, which studied and developed the Key Points of Rural Revitalization in 2021, held the 2021 rural revitalization work meeting to make detailed plans for the rural revitalization throughout the year. Giving full play to the Company’s advantage of “whole industrial chain” in the construction industry, the Company persistently made “combined efforts” in reducing poverty through industrial development, employment, education, consumption and Communist Party building, with a view to promoting the consolidation and expansion of poverty alleviation achievements in targeted areas and effective connection with rural revitalization.

(II) Summary of rural revitalization

In the first half of 2021, CSCEC organized and convened the 2021 rural revitalization work meeting to summarize targeted poverty alleviation work, honor advanced individuals and groups in poverty alleviation, and coordinate the deployment of rural revitalization work. The Company received the CPC and government officials in the targeted areas for six times, sent over 250 officials of the Company at all levels to conduct investigations there, and held 14 on-site meetings to discuss with the local CPC committees and governments on the plan for rural revitalization.

In the first half of the year, CSCEC invested and raised funds at a total amount of RMB80,157,300 to the three counties of Gansu. It implemented 35 poverty alleviation projects such as the homestay group phase I in Kangle County, organized its seven professional design institutes to carry out rural revitalization and village planning for 91 villages in Kangle County. The Company dispatched 18 cadres to fulfill the temporary poverty alleviation posts in targeted counties and recipient counties of counterpart support, assigned 15 predominant subsidiaries to make joint efforts to lift the three counties of Gansu out of poverty. 35 subsidiaries fully participated in poverty alleviation by promoting consumption to develop characteristic agricultural products such as quinoa of “Yunjian Woye (云间沃野)”, purchasing and helping to promote the sales of agricultural products of over RMB17,000,000. It held training class for advanced skilled personnel of CSCEC, and provided order-oriented training for 101 students in difficulties. It supported 132 leading enterprises (cooperative entities) through e-commerce. In the three counties of Gansu, 34 demonstration villages for facilitating export of construction labor were continuously constructed and consolidated, providing job and labor migration opportunities for 1,391 local people. The Company investigated the proposed cooperation projects in Changting County and planned a rural tourism planning competition in Tongmu Village, Changting County. Relevant subsidiaries dispatched 40 cadres to fulfill the temporary village posts to continue the work of “visiting the people, benefiting livelihood and warming hearts” in Xinjiang. It also went to Tibet University and other universities to carry out campus tour targeting Tibetan college students, interviewed 1,276 Tibetan college graduates in 2021 and issued 247 employment offers.

CSCEC was awarded the highest rating in the evaluation of targeted poverty alleviation performance of central enterprises, in particular, the Northwest Company of China Construction Eighth Engineering Division was awarded the title of “National Advanced Group for Poverty Alleviation”, four subsidiaries were awarded the “Advanced Group for Poverty Alleviation in Gansu Province”, and one cadre fulfilling the temporary post was awarded the “Advanced Individual for Poverty Alleviation in Gansu Province”.

(III) Subsequent plan for assisting in rural revitalization

In the second half of the year, CSCEC will continue to implement the deployment and arrangements of the rural revitalization work meeting and requirements of annual focus of work, and promote the implementation of poverty alleviation projects. It will complete the training of grassroots cadres and technicians in the three counties of Gansu, pay close attention to the construction of Kang County Poverty Alleviation through Tourism Development Demonstration Zone Phase IV and other poverty alleviation projects, and promote the rapid effectiveness of the poverty alleviation of industrial projects. The Company will continue to provide labor migration opportunities, and carry out party school training for party member engaged in the project in an innovative manner. The Laoshugou Primary School and Wenjiahe Hope Primary School in Kangle County will be completed and put into use. It will pay attention to families in difficulty and left-behind children, and continue to carry out poverty alleviation activities through education such as “Inspirational Summer Camps (励志夏令营)” and “CSCEC Happiness Courses Plan”. It will distribute Kang County “emergency relief” funds to complete the corridor construction project of hospital in Zhuoni County, so as to improve local medical conditions. It will make greater efforts to contribute to the sales through procurement and complete the task of contributing to the sales through procurement of agricultural specialty products of RMB40.00 million. It will continue to pay close attention to the Party-building in pairs with other Party units of 19 villages, and develop demonstration sites for rural revitalization in an innovative manner. The Implementation Plan for Counterpart Support will be issued to comprehensively promote the counterpart support in Changting County. The Company will also go to Xinjiang to investigate and study the provision of assistance to Xinjiang, and extend its regards to cadres supporting Xinjiang.

SECTION VI IMPORTANT MATTERS

I. Fulfillment of Commitments

- (I) Commitments of the Company's de facto controller, shareholders, related parties, acquirer, the Company, and other related parties during or subsisted in the Reporting Period

√ Applicable □ N/A

Commitment	Type of commitment	Commitment Party	Details of commitment	Time and term of commitment	Is there a time limit for performance	Is it strictly fulfilled in time	Detailed cause if failed to timely fulfill commitment	Alternative plan if failed to timely fulfill commitment
Commitments in relation to initial public offering	To resolve horizontal competition	China State Construction	The Agreement on Avoidance of Horizontal Competition with the Company was signed. Please refer to relevant contents of the Prospectus in Relation to the Initial Public Offering of Shares by China State Construction Engineering Corporation Limited published by the Company on July 13, 2009.	No term	No	Yes	In the process of performance	N/A
	To resolve defects in land and other property ownership	China State Construction	For the land use rights and properties injected as contributions into the Company and included in the scope of assets valuation report, at request of and with the cooperation from the Company, relevant procedures for registration of the said land use rights and properties under the existing name of the Company or its relevant subsidiaries shall be completed.	No term	No	Yes	In the process of performance	N/A
	To resolve defects in land and other property ownership	China State Construction	For the real estate projects injected as contributions into the Company, whose revenue had been recognized before the establishment of the Company, the land value-added tax, subject to supplementary payment in future final settlement, shall be borne by China State Construction.	No term	No	Yes	In the process of performance	N/A
Other commitments made to minority shareholders of the Company	To resolve horizontal competition	CSCEC	Issued a non-competition commitment, with the same contents as those set out in the Entrusted Management Agreement, to China Overseas Land & Investment, a holding subsidiary listed in Hong Kong. Please refer to relevant content of Announcement on the Signing of Entrusted Management Agreement between CSCEC and Its Holding Subsidiary China Overseas Land & Investment published by the Company on February 11, 2014.	During the commitment term	Yes	Yes	In the process of performance	N/A
	To resolve horizontal competition	CSCEC	Issued a non-competition deed to China Overseas Property, a holding subsidiary listed in Hong Kong, and please refer to relevant content of the Listing Documents – Listing by Way of Introduction of the Entire Issued Share Capital of the Company on the Main Board of The Stock Exchange of Hong Kong Limited published by China Overseas Property on October 14, 2015.	During the commitment term	Yes	Yes	In the process of performance	N/A
	Others	Officers who also hold positions in China State Construction	Undertook to fulfill his/her duties diligently during his/her term of office as an officer of the Company, properly handle the relationship between the Company and its controlling shareholder, live up to the trust of the Board of Directors and all shareholders of the Company, defend the interests of the Company and shareholders, and not to do anything that may jeopardize the interests of the Company and its minority shareholders due to serving the two entities concurrently.	During the commitment term	Yes	Yes	In the process of performance	N/A

II. Any Non-operating Loans to the Controlling Shareholder and Other Related Parties during the Reporting Period

Applicable N/A

III. Guarantees in Violation of Regulations

Applicable N/A

IV. Audit of the Interim Report

Applicable N/A

V. Changes and Handling of Matters Involved in Non-standard Audit Opinions in the Previous Year's Annual Report

Applicable N/A

VI. Matters Related to Insolvency/Reorganization

Applicable N/A

VII. Matters Related to Significant Litigation and Arbitration

There were significant litigations and arbitrations during the Reporting Period

There was no significant litigation or arbitration during the Reporting Period

VIII. Suspected Violations, Penalties and Rectifications of the Company and Its Directors, Supervisors, Officers, Controlling Shareholders, and De Facto Controller

Applicable N/A

IX. Explanation on the Integrity of the Company and Its Controlling Shareholder and De Facto Controller during the Reporting Period

Applicable N/A

X. Material Related Party Transactions

(I) Related party transactions relating to ordinary course of business

1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation

Applicable N/A

Summary of matters	Index for details
<p>On December 29, 2020 and January 15, 2021, the Proposal on the Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation was considered and approved at the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and 2021 first extraordinary general meeting of the Company.</p>	<p>Announcement on the Resolutions of the 51st Meeting of the Second Session of the Board of Directors published on December 30, 2020.</p>
<p>The Company and China State Construction renewed the Comprehensive Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Engineering Corporation Limited in respect of the related party transactions arising from the sales, procurement, commercial factoring services, financial leasing services, property leasing and other business between the Company, and China State Construction and its subsidiaries. During the term of the agreement, the sales between the Company and China State Construction and its subsidiaries shall not exceed RMB3.1 billion; procurement shall not exceed RMB9.2 billion; the maximum balance of commercial factoring services (excluding those from CSC Finance) shall not exceed RMB0.5 billion, and factoring interest and service fee shall not exceed RMB0.03 billion; the maximum balance of financial leasing services (excluding those from CSC Finance) shall not exceed RMB0.2 billion, and financial leasing interest and service fee shall not exceed RMB0.01 billion; property leasing shall not exceed RMB0.2 billion; other daily related party transactions shall not exceed RMB0.6 billion (RMB0.35 billion for interest on capital borrowings, RMB0.05 billion for signing trademark license agreement, and RMB0.2 billion for others).</p>	<p>Announcement on the Resolutions of the 34th Meeting of the Second Session of the Board of Supervisors published on December 30, 2020.</p> <p>Announcement on the Renewal of the Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation and Daily Related Party Transaction published on December 30, 2020.</p>
<p>During the Reporting Period, the sales between the Company and China State Construction and its subsidiaries was RMB440 million; the procurement was RMB2.86 billion; no commercial factoring and financial leasing service was performed; the property leasing was RMB8 million; other daily related party transactions were RMB66 million (RMB58 million for interest on capital borrowings, and RMB8 million for others). The amount of actual daily related party transactions of the Company was within the budget.</p>	<p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021.</p>

Summary of matters	Index for details
<p>On December 29, 2020 and January 15, 2021, the Proposal on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation was considered and approved at the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and 2021 first extraordinary general meeting of the Company.</p>	<p>Announcement on the Resolutions of the 51st Meeting of the Second Session of the Board of Directors published on December 30, 2020.</p>
<p>CSC Finance, a subsidiary of the Company, and China State Construction renewed the Financial Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Finance Co., Ltd. in respect of the related party transactions arising from the deposits, loans, financial and financing consultancy and other relevant financial services provided to China State Construction and its subsidiaries (excluding CSCEC and subsidiaries of CSCEC) from CSC Finance. During the term of the agreement, the daily balance cap of the deposits (inclusive of accrued interests) to be placed by China State Construction and its subsidiaries with CSC Finance shall not exceed RMB20.0 billion, with the daily balance of loans (inclusive of accrued interests) to be obtained not exceeding the daily balance cap of the deposits (inclusive of accrued interests); the fees to be charged by CSC Finance for providing other financial services to China State Construction and its subsidiaries shall not exceed RMB0.3 billion.</p>	<p>Announcement on the Resolutions of the 34th Meeting of the Second Session of the Board of Supervisors published on December 30, 2020.</p>
<p>During the Reporting Period, the actual daily balance cap of the deposits and ending deposit balance placed by China State Construction and its subsidiaries with CSC Finance was RMB7.596 billion, and the accrued interest was RMB6 million; the maximum daily loan balance was RMB5.998 billion and the accrued interest was RMB17 million, the ending loan balance was RMB5.616 billion without accrued interest; the fees charged by CSC Finance for providing other financial services to China State Construction and its subsidiaries was RMB1.5 million.</p>	<p>Announcement on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and Daily Related Party Transaction published on December 30, 2020.</p>
<p>On July 23, 2021, the Proposal on the Provision of RMB1.4 Billion of Entrusted Loan by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited and the Proposal on the Provision of RMB60.00 Million of Entrusted Loan by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited were considered and approved at the 2nd meeting of the third session of the Board of Directors and the 2nd meeting of the third session of the Board of Supervisors of the Company.</p>	<p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021.</p>
<p>On July 26, 2021, the Company signed the Entrusted Loan Contract with China State Construction and CSC Finance, under which China State Construction will provide RMB1.4 billion of entrusted loan to CSCEC through CSC Finance, with a term of one year, early repayment allowed and an interest rate of 2.99% per annum. The Company signed the Entrusted Loan Contract with China State Construction and CSC Finance, under which China State Construction will provide RMB60.00 million of entrusted loan to CSCEC through CSC Finance, with a term of 3 years, early repayment allowed and an interest rate of 3.8% per annum.</p>	<p>Announcement on the Resolutions of the 2nd Meeting of the Third Session of the Board of Directors published on July 24, 2021.</p>
	<p>Announcement on the Resolutions of the 2nd Meeting of the Third Session of the Board of Supervisors published on July 24, 2021.</p>
	<p>Announcement of CSCEC on Provision of Entrusted Loans to the Company by Its Controlling Shareholder and Related Party Transactions published on July 24, 2021.</p>

- 2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation**
 Applicable N/A
 - 3. Matters not disclosed in provisional announcements**
 Applicable N/A
- (II) Related party transactions as a result of acquisition or disposal of assets or equity
- 1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation**
 Applicable N/A
 - 2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation**
 Applicable N/A
 - 3. Matters not disclosed in provisional announcements**
 Applicable N/A
 - 4. Disclosure of performance achieved for the Reporting Period if with agreed-upon performance targets**
 Applicable N/A
- (III) Material related party transactions in joint external investment
- 1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation**
 Applicable N/A
 - 2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation**
 Applicable N/A
 - 3. Matters not disclosed in provisional announcements**
 Applicable N/A
- (IV) Creditor's rights and debts with related parties
- 1. Matters disclosed in provisional announcements without further progress or changes in subsequent implementation**
 Applicable N/A
 - 2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation**
 Applicable N/A
 - 3. Matters not disclosed in provisional announcements**
 Applicable N/A

(V) Financial business between the Company and the related-party financial companies, and between the Company's holding financial companies and the related parties

√ Applicable N/A

1. Deposit

√ Applicable N/A

Unit: '000 yuan Currency: RMB

Related party	Related relationship	Maximum daily deposit limit (including accrued interest)	Deposit interest rate range (%)	Opening balance	Amount incurred during the period	Closing balance
China State Construction and its subsidiaries	Controlling shareholder and its directly or indirectly controlled entities	20,000,000	0.455-1.495	2,311,783	5,284,326	7,596,109
Total	/	/	/	2,311,783	5,284,326	7,596,109

2. Loan

√ Applicable N/A

Unit: '000 yuan Currency: RMB

Related party	Related relationship	Loan facility	Loan interest rate range (%)	Opening balance	Amount incurred during the period	Closing balance
China State Construction and its subsidiaries	Controlling shareholder and its directly or indirectly controlled entities	Not exceeding the maximum daily deposit limit (including accrued interest)	3.2-3.7	5,980,000	-364,000	5,616,000
Total	/	/	/	5,980,000	-364,000	5,616,000

3. Credit facility or other financial businesses

√ Applicable N/A

Unit: '000 yuan Currency: RMB

Related party	Related relationship	Business type	Total amount	Actual amount incurred
China State Construction and its subsidiaries	Controlling shareholder and its directly or indirectly controlled entities	Factoring	60,662.97	1,505.72
CSCEC SCIMEE Sci. & Tech. Co., Ltd.	Entity indirectly controlled by the controlling shareholder	Credit facility	500,000.00	0.00

4. Other explanation

√ Applicable N/A

The above related party transactions of the Company have been considered and approved by the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and the 2021 first extraordinary general meeting of the Company. For details, please refer to "(I) Related party transactions relating to ordinary course of business" in "X. Material Related Party Transactions" under Section VI.

(VI) Other material related party transactions

 Applicable N/A

(VII) Miscellaneous

√ Applicable N/A

For related party transactions of the Company, please refer to Note X "Related party relationships and transactions" to the financial statements under Section X "FINANCIAL REPORT".

XI. Material Contracts and Their Fulfillment

(I) Custody, contracting, and leasing

Applicable N/A

(II) Material guarantees fulfilled and unfulfilled during the Reporting Period

√ Applicable N/A

Unit: '000 yuan Currency: RMB

Guarantor	Relationship between guarantor and the Company	Guaranteed party	Guaranteed amount	Creation date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Collateral (if any)	Fulfillment completed or not	Overdue amount	Counter guarantee	Overdue or not	Guarantee provided to the related party or not	Related relationship
China State Construction Engineering Corporation Limited	Within the Company	Wuhan Communications Investment Group Limited Company	3,500,000	December 24, 2014	April 21, 2015	May 23, 2027	Joint and several liability guarantee	Wuhan Communications Investment Group Limited Company withdrew RMB3.5 billion from the equity investment scheme of Ping an-Wuhan Fourth Ring Line	Nil	No	0	Yes	No	No	N/A
China Overseas Holdings Limited	Holding subsidiary	Changsha Xiong Real Estate Co., Ltd. (长沙雄置业有限公司)	125,070	July 1, 2020	July 1, 2020	December 31, 2021	Joint and several liability guarantee	RMB379 million borrowing contract with Changsha Xiong Real Estate Co., Ltd. (COHL provided guarantee based on a 33% equity interest)	Nil	No	0	No	Yes	Yes	Associate
China Overseas Holdings Limited	Holding subsidiary	Guangzhou Lite Property Development Company Limited (广州利合房地产开发有限公司)	280,000	April 22, 2019	April 22, 2019	April 21, 2022	Joint and several liability guarantee	RMB1.4 billion borrowing contract with Guangzhou Lite Property Development Company Limited (COHL provided guarantee based on a 20% equity interest)	Nil	No	0	No	Yes	Yes	Associate
China Overseas Holdings Limited	Holding subsidiary	Guangzhou Lite Property Development Company Limited (广州利合房地产开发有限公司)	180,000	June 29, 2020	June 29, 2020	June 28, 2023	Joint and several liability guarantee	RMB900 million borrowing contract with Guangzhou Lite Property Development Company Limited (COHL provided guarantee based on a 20% equity interest)	Nil	No	0	No	Yes	Yes	Associate

Guarantees provided to external parties by the Company (excluding guarantees provided to subsidiaries)															
Guarantor	Relationship between guarantor and the Company	Guaranteed party	Guaranteed amount	Creation date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Collateral (if any)	Fulfillment completed or not	Overdue amount	Courier guarantee	Guarantee provided to the related party or not	Related relationship	
China Overseas Holdings Limited	Holding subsidiary	Guangzhou PK Sum Real Estate Development Company Limited (广州碧桂园开发有限公司)	172,530	December 11, 2018	December 11, 2018	December 31, 2021	Joint and several liability guarantee	RMB1,208,200,000 borrowing contract with Guangzhou PK Sum Real Estate Development Company Limited (COHL provided guarantee based on a 14.28% equity interest)	Nil	No	No	0	No	Yes	Associate
		Guangzhou PK Sum Real Estate Development Company Limited (广州碧桂园开发有限公司)	71,386	December 26, 2018	December 26, 2018	December 25, 2021	Joint and several liability guarantee	RMB499,920,000 borrowing contract with Guangzhou PK Sum Real Estate Development Company Limited (COHL provided guarantee based on a 14.28% equity interest)	Nil	No	No	0	No	Yes	Associate
China Overseas Holdings Limited	Holding subsidiary	Guangzhou Lvrong Property Development Company Limited (广州绿融房地产开发有限公司)	192,090	November 13, 2018	November 13, 2018	November 29, 2021	Joint and several liability guarantee	RMB1,553,001,000 borrowing contract with Guangzhou Lvrong Property Development Company Limited (COHL provided guarantee based on a 16.66% equity interest)	Nil	No	No	0	No	Yes	Associate
		Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	131,300	November 20, 2020	November 20, 2020	November 20, 2025	Joint and several liability guarantee	RMB282,600,000 borrowing contract with Chongqing Jiayi Property Development Company Limited (COHL provided guarantee based on a 50% equity interest)	Nil	No	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	25,500	February 9, 2021	February 9, 2021	March 15, 2022	Joint and several liability guarantee	RMB51 million borrowing contract with Chongqing Jiayi Property Development Company Limited (COHL provided guarantee based on a 50% equity interest)	Nil	No	No	0	No	Yes	Joint venture
		Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	32,500	March 16, 2017	March 16, 2017	March 15, 2022	Joint and several liability guarantee	RMB65 million borrowing contract with Chongqing Jiayi Property Development Company Limited (COHL provided guarantee based on a 50% equity interest)	Nil	No	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	135,150	April 14, 2017	April 14, 2017	March 15, 2022	Joint and several liability guarantee	RMB270,300,000 borrowing contract with Chongqing Jiayi Property Development Company Limited (COHL provided guarantee based on a 50% equity interest)	Nil	No	No	0	No	Yes	Joint venture
		Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	22,350	March 21, 2017	March 21, 2017	March 15, 2022	Joint and several liability guarantee	RMB44,700,000 borrowing contract with Chongqing Jiayi Property Development Company Limited (COHL provided guarantee based on a 50% equity interest)	Nil	No	No	0	No	Yes	Joint venture

Guarantees provided to external parties by the Company (excluding guarantees provided to subsidiaries)															
Guarantor	Relationship between guarantor and the Company	Guaranteed party	Guaranteed amount	Creation date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Principal debt	Collateral (if any)	Fulfillment completed or not	Overdue amount or not	Counter guarantee	Overdue amount or not	Guarantee provided to the related party or not	Related relationship
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	175,000	July 5, 2017	July 5, 2017	March 15, 2022	Joint and several liability guarantee	RMB50 million borrowing contract with Chongqing Jiayi Property Development Company Limited (COHL) provided guarantee based on a 50% equity interest	Nil	No	No	No	0	Yes	Joint venture
Total amount of guarantees provided during the Reporting Period (excluding guarantees provided to subsidiaries)															
Total balance of guarantees as of the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)															
Guarantees provided by the Company to subsidiaries															
Total amount of guarantees provided to subsidiaries during the Reporting Period															
Total balance of guarantees provided to subsidiaries as of the end of the Reporting Period (B)															
Total amount of guarantees provided by the Company (including guarantees provided to subsidiaries)															
Total amount of guarantees (A+B)															
Total amount of guarantees as a percentage of the net assets of the Company (%)															
Of which:															
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)															
Amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% (D)															
Total amount of guarantees exceeding 50% of net assets (E)															
Total of the above three classes of guarantees (C+D+E)															
Explanation on contingent joint and several liability for undue guarantees															
As of the end of the Reporting Period, the balance of the guarantees provided by the Company to external parties (excluding the guarantees and mortgages provided to its holding subsidiaries) amounted to RMB5.043 billion, excluding the mortgages provided by the Company to purchasers of property in its real estate operations, the balance of the guarantees provided by the Company to such purchasers for their mortgage amounted to RMB87.362 billion, which were the guarantees provided by the Company to banks for the secured loans of the purchasers of commodity houses which will be offered as collaterals by such purchasers. During the Reporting Period, there was no default on the part of the purchasers and the relevant risks arising from provision of such guarantees the Company was exposed to remained relatively low.															
Explanation on guarantees															
As of the end of the Reporting Period, the balance of the guarantees provided by the Company for its holding subsidiaries (including guarantees provided by its holding subsidiaries to its subsidiaries) amounted to RMB220.228 billion. The Company had all gone through approval procedures for those guarantees in strict accordance with relevant rules.															

(III) Other material contracts

√ Applicable □ N/A

1. Major domestic business contracts during the Reporting Period

Unit: 100 million yuan Currency: RMB

No.	Name of contract	Signing Party	Value of contract	Type of contract
1	Construction contract for Changchun Metro Airport Line (Line 9) phase I (长春市城市轨道交通空港线(9号线)一期工程) Contract for relocation of pipes for Changchun Metro Airport Line (Line 9) phase I (长春市城市轨道交通空港线(9号线)一期工程管线迁改合同)	China State Construction Engineering Corporation Limited, China Construction First Group Corporation Limited, China Construction Second Engineering Bureau Ltd., China Construction Third Engineering Bureau Group Co., Ltd., China Construction Sixth Engineering Bureau Corp., Ltd., China Construction Seventh Engineering Division Corp. Ltd., China Construction Eighth Engineering Division Corp., Ltd., China Construction Communications Engineering Group Co., Ltd., and China Construction Industrial & Energy Engineering Group Co., Ltd.	76.82	Infrastructure construction
2	General contract for the prospecting, design and construction of the old village renovation project in Liucun village and Gegang area of Liucun community, Guangzhou (广州刘村社区刘村、格岗片区旧村改造项目勘察设计施工总承包合同)	The First Construction Co., Ltd. of China Construction Third Engineering Bureau	66.38	Housing construction
3	General construction contract of Chongqing Metro Line 15 phase I (K72+824~K92+369.955) (重庆轨道交通15号线一期工程(K72+824~K92+369.955)施工总承包合同)	China State Construction Engineering Corporation Limited, China Construction Third Engineering Bureau Group Co., Ltd., China Construction Fifth Engineering Division Corp., Ltd., and China Construction Sixth Engineering Bureau Corp., Ltd.	58.01	Infrastructure construction
4	General EPC contract of renovation of shanty towns in Shatang area of Ezhou (phase II) (鄂州市沙塘片区棚户区改造项目(二期)EPC 总承包项目合同)	China Construction Third Engineering Bureau Group Co., Ltd.	55.00	Housing construction

No.	Name of contract	Signing Party	Value of contract	Type of contract
5	General construction contract of reconstruction resettlement area plot 806 project for Hetangxia old village renovation project (何棠下旧村改造项目复建安置区806地块工程施工总承包合同) General construction contract of plot 713 (primary school) and plot 718 projects in the financing area for Hetangxia old village renovation project (何棠下旧村改造项目融资区713地块(小学)、718地块工程施工总承包合同) General construction contract of plot 714 projects in the financing area for Hetangxia old village renovation project (何棠下旧村改造项目融资区714地块工程施工总承包合同)	The Second Construction Co., Ltd. of China Construction Third Engineering Bureau	50.45	Housing construction
6	General construction engineering contract of western semiconductor integrated circuit high-tech industrial park project (西部半导体集成电路高科技产业园项目建设项目工程总承包合同)	China Construction Seventh Engineering Division Corp., Ltd.	44.76	Housing construction
7	Contract of Zhangqiu Wanda Plaza project in Jinan (济南章丘万达广场项目工程合同)	China Construction Second Engineering Bureau Ltd.	43.68	Housing construction
8	General construction contract of International Business District and International Residential District of Changchun Airport New Area (长春空港新区国际商业区和国际居住区施工总承包合同)	China Construction Third Engineering Bureau Urban Construction Co., Ltd.	38.58	Housing construction
9	Project contract of Hohai University Changdang Lake University Science Park (河海大学长荡湖大学科技园项目工程合同)	China Construction Second Engineering Bureau Ltd.	35.61	Housing construction
10	Construction contract for the first tender section of the urban renewal unit project of "converting industrial land to affordable housing" in Shangmugu Community, Pinghu Street, Longgang District (龙岗区平湖街道上木古社区“工改保”城市更新单元项目一标段建设工程施工合同)	The Fourth Construction Co., Ltd. of CSCEC 7th Division (中建七局第四建筑有限公司)	35.00	Housing construction
11	General EPC contract of Smart Economy Industrial Park (Yunshang Economic Demonstration Park) project (智慧经济产业园(云上经济示范园)项目EPC工程总承包合同)	China State Construction Engineering Corporation Limited	34.58	Housing construction

No.	Name of contract	Signing Party	Value of contract	Type of contract
12	General contract of Guangzhou Airport Central Business District Sunac Exhibition Center Project (广州空港中央商务区融创会展中心项目总承包工程合同)	The First Company of China Eighth Engineering Bureau Ltd.	33.48	Housing construction
13	(EPC) engineering contract of Shangrao Daihu Lake Sunshine City Project (上饶带湖阳光城项目(EPC)工程合同)	China Construction Second Engineering Bureau Ltd.	33.40	Housing construction
14	Construction contract of YHSG-3 tender section of Wuzhi-Jiyuan section of the Yanhuang Expressway (沿黄高速武陟至济源段高速公路 YHSG-3 标段施工承包合同协议书)	China Construction Eighth Engineering Division Corp., Ltd.	33.39	Infrastructure construction
15	Engineering contract of China – ASEAN Mayors Plaza Project (中国 – 东盟市长大厦项目工程合同)	China Construction Eighth Engineering Division Corp., Ltd.	31.88	Housing construction
16	Xiamen New International Conference & Exhibition Center – Exhibition Center section I project contract (厦门新会展中心 – 展览中心 I 标段工程合同)	China Construction Fourth Engineering Division Corp., Ltd.	31.14	Infrastructure construction
17	Engineering, procurement and construction contract for the Yangtze River Delta (Jiashan) Financial Innovation Center Project (长三角(嘉善)金融创新中心项目设计采购施工工程总承包合同)	China Construction Third Engineering Bureau Group Co., Ltd.	30.79	Housing construction
18	Engineering contract of Yashilin Changsha (International) Sericulture and Silk Intelligent Manufacturing Project (雅士林长沙(国际)蚕桑丝绸智造产业项目工程合同)	China Construction Fifth Engineering Division Corp., Ltd.	30.00	Housing construction
19	EPC project contract of Xilankapu international health and wellness resort (西兰卡普国际康养度假区 EPC项目工程合同)	China Construction Communications Engineering Group Co., Ltd.	30.00	Infrastructure construction

Note: The contracts listed above are mainly sourced from the statistics of the contracts actually entered into by the Company as of the end of the Reporting Period.

2. Major overseas business contracts during the Reporting Period

Unit: 100 million dollars Currency: USD

No.	Name of contract	Signing Party	Value of contract	Type of contract
1	Engineering contract for the high-rise complex project in Egypt's New Alamein City (埃及阿拉曼新城超高综合体项目工程合同)	China State Construction Engineering Corporation Limited	19.25	Housing construction
2	Contract of Wong Chuk Hang station phase III commercial and residential development project (黄竹坑站第三期商业及住宅发展项目合同)	China Overseas Building Construction Limited	6.95	Housing construction
3	China-Thailand Railway Bangkok – Nong Khai section (phase I project: Bangkok – Nakhon Ratchasima section) 4-3 tender section: Civil engineering contract for Nava Nakhon – Banpo section (中泰铁路曼谷 – 弄开段(一期项目: 曼谷 – 呵叻段)4-3 标段: 那瓦那空 – 班坡段 土建工程合同)	China State Construction Engineering Corporation Limited	3.72	Infrastructure construction
4	Contract of student dormitory project of Hong Kong Baptist University (浸会大学学生宿舍项目合同)	China State Construction Engineering (Hong Kong) Limited	1.95	Housing construction
5	Master contract for Kathmandu – Terai/Madhesh Expressway Project in Nepal (尼泊尔加德满都 – 特来/马德哈西快速路项目主合同)	China State Construction Engineering Corporation Limited	1.83	Infrastructure construction
6	Engineering contract of Vladivostok art and culture complex project (海参崴艺术文化综合体项目工程承包合同)	China Construction (Russia) Co., Ltd. (中国建筑(俄罗斯)有限责任公司)	1.78	Housing construction
7	Contract of public housing development plan phase IV project at Lei Yue Mun of Housing Department (房屋署鲤鱼门公营房屋发展计划第四期项目合同)	China State Construction Engineering (Hong Kong) Limited	1.77	Housing construction
8	Contract of public housing phases 1 and 2 project at Ching Hong Road North, Tsing Yi (青衣青康路北一及二期公屋项目合同)	China State Construction Engineering (Hong Kong) Limited	1.72	Housing construction
9	Subcontract of civil construction works for ISBL tender section of natural gas chemical complex project in Amur, Russia (俄罗斯阿穆尔天然气化工综合体项目 ISBL 标段 土建施工工程分包合同)	China Construction (Russia) Co., Ltd. (中国建筑(俄罗斯)有限责任公司)	1.59	Infrastructure construction
10	Contract of Tuen Mun logistics centre project (屯门物流中心项目合同)	China Overseas Building Construction Limited	1.44	Housing construction

No.	Name of contract	Signing Party	Value of contract	Type of contract
11	Contract of KCC. GenCon. NTPL OA project	China Construction Third Engineering Bureau Group Co., Ltd. Philippine Branch (中国建筑第三工程局有限公司菲律宾分公司)	1.29	Housing construction
12	Contract of Fernvale Land EC project (Fernvale Land EC 项目合同)	Fung Shing Construction Company Limited (丰盛建筑有限公司)	1.08	Housing construction

Note: The contracts listed above are mainly sourced from the statistics of the contracts actually entered into by the Company as of the end of the Reporting Period.

3. Newly-signed comprehensive credit facility contracts

Unit: 100 million yuan/dollars Currency: RMB/USD

No.	Name of comprehensive credit facility contract	Credit grantor	Accredited party	Comprehensive credit facility limit	Credit period
1	Master agreement on trading and financial credit facility business	The Export-Import Bank of China	China State Construction Engineering Corporation Limited	RMB12.0 billion	January 18, 2021 – December 14, 2023
2	Facility letter	BNP Paribas China Co., Ltd. Beijing Branch	China State Construction Engineering Corporation Limited	USD0.1 billion	June 4, 2021 – no fixed expiry date

4. Newly-signed strategic cooperation and business cooperation agreements

No.	Name of contract	Signing date	Contents of contract
1	Cooperation Memorandum between Changchun People's Government and China State Construction Engineering Corporation Limited	March 8, 2021	According to the overall development planning for the construction of a modern metropolitan area in Changchun, CSCEC will fully participate in the economic and social construction of Changchun, invest in and construct a number of demonstration projects and high-quality projects, and key cooperation contents include: development of a smart city construction demonstration project of Changchun; active participation in the renovation of old residential, old industrial areas and the development of new urban areas; active participation in the construction of major transportation infrastructure; active participation in the comprehensive management of river basins and development and construction along the basins; construction of Jilin regional headquarters base of China Construction with high-standard; and continuous expansion of the scale and technology standard of the Changchun prefabricated construction industrial park.

No.	Name of contract	Signing date	Contents of contract
2	Strategic Cooperation Framework Agreement between the People's Government of Putuo District, Shanghai and China State Construction Engineering Corporation Limited	March 16, 2021	According to the overall planning of the People's Government of Putuo District, Shanghai, and taking into account of the development of CSCEC, it will help Putuo District to build the headquarters of integrated and innovative enterprises in the Yangtze River Delta and achieve win-win cooperation between the two parties. The cooperation is carried out based on the principles of complementary advantages, mutual benefit, and common development. The key cooperation contents include: jointly promoting the construction of the Shanghai regional headquarters of CSCEC; jointly serving the integrated development strategy of the Yangtze River Delta; and jointly promoting the development and construction of the Carbon Neutral City on the left bank of Suzhou Creek.
3	Strategic Cooperation Framework Agreement between Beijing Economic – Technological Development Area Management Committee and China State Construction Engineering Corporation Limited	March 31, 2021	According to the overall planning of Beijing Economic – Technological Development Area (BDA), and taking into account of the development of CSCEC, it will achieve resource sharing, complementary advantages, mutual benefit and win-win relationships, and develop a stable and sustainable preferred partnership with the BDA through efficient, pragmatic and innovative cooperation models. The key cooperation contents include: active participation in the development of the BDA; guiding enterprises to land on the BDA; exploration of new ways of cooperation; joint development of technology-based enterprises; participating in the planning of a new Beijing E-Town, in particular, active participation in the development of the BDA, including housing and infrastructure construction projects, such as new urbanization, sponge cities, industrial parks, watershed management, landmark parks and urban renewal.
4	Strategic Cooperation Framework Agreement between Putian People's Government and China State Construction Engineering Corporation Limited	April 26, 2021	According to the overall planning of the Putian People's Government, and taking into account the development of CSCEC, an all-round, wide-ranging and in-depth strategic cooperation mechanism will be established and improved through both government promotion and market operation on the basis of fairness, justice, mutual benefit, and win-win. Key cooperation sectors include: urban infrastructure, comprehensive urban development and renewal, construction of new infrastructure, revitalization of existing infrastructure assets and in-depth cooperation in the development of industrial integration.

No.	Name of contract	Signing date	Contents of contract
5	Strategic Cooperation Framework Agreement between Fuzhou People's Government and China State Construction Engineering Corporation Limited	April 26, 2021	According to the overall planning of Fuzhou People's Government, and taking into account of the development of CSCEC, the cooperation will be carried out based on the principles of complementary advantages, mutual benefit and common development. The key cooperation contents include: planning, design, investment and construction in the sectors of urban construction, ecological and environmental protection, transportation, industrial upgrading, cultural, educational, sports, health and public buildings, infrastructure and public facilities; making greater efforts in guidance and supervision of projects of related enterprises under CSCEC in Fuzhou; actively supporting Fuzhou to improve the functions of new districts and industrial parks, and improve the carrying capacity of industries and population.

XII. Explanation on Other Significant Matters

(I) Changes in accounting policies, estimates and methods compared with the previous accounting period and the reasons for and implications of such changes

Applicable N/A

Pursuant to the relevant requirements of Accounting Standards for Business Enterprises No. 21 – Leases (the “New Lease Standard”), the Company has implemented the New Lease Standard since January 1, 2021. Compared with the old lease standard, the core change of the New Lease Standard is to cancel the lessee’s classification of financial leases and operating leases, and require lessees to recognize the corresponding right-of-use assets and lease liabilities of all leases in the balance sheet (except short-term leases and low-value asset leases where the simplified treatment is chosen), and recognize depreciation and interest expenses, respectively.

According to Interpretation of Accounting Standards for Business Enterprises No. 14 (“Interpretation No. 14”), in providing construction services (here and below, including construction and reconstruction and expansion) or contracting to other parties, the private partner shall determine whether it acts as a principal or an agent, and perform accounting treatments to recognize contract assets in accordance with the Accounting Standards for Business Enterprises No. 14 – Revenue. According to the agreement of the PPP project contract, in providing numerous services (such as both asset construction services and post-completion operation services and maintenance services for PPP project), the private partner shall follow the requirements of the Accounting Standards for Business Enterprises No. 14 – Revenue to identify the individual performance obligations under the contract, and allocate the transaction price to each performance obligation in accordance with the relative proportion of the stand-alone selling price of each performance obligation. Since January 1, 2021, the Company has conducted accounting treatment in accordance with the above requirements. According to the transitional requirements, information for the comparable period will not be adjusted and the difference between the above requirements and the current standards on the date of initial application were included into the retained earnings and other relevant items of the financial statements at the beginning of the year.

Please refer to “Changes in accounting policies” in Note III 37 “Changes in accounting policies and estimates” to the financial statements under Section X “FINANCIAL REPORT”.

(II) The retrospective restatements of material accounting error corrections during the Reporting Period and the corrected amounts, reasons for and effects of such restatements

Applicable N/A

(III) Miscellaneous

Applicable N/A

XIII. Index of Information Disclosure

During the Reporting Period, the Company published 69 documents on the website of the Shanghai Stock Exchange (www.sse.com.cn), and related announcements were also published in the China Securities Journal, Shanghai Securities News, Securities Daily, and Securities Times.

No.	Matter	Date of disclosure
1	CSCEC: Briefing on Business from January to December 2020	January 7, 2021
2	CSCEC: Announcement on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme	January 13, 2021
3	CSCEC: Working Rules of Independent Directors	January 16, 2021
4	CSCEC: Legal Opinions of King & Wood Mallesons on the 2021 First Extraordinary General Meeting of China State Construction Engineering Corporation Limited	January 16, 2021
5	CSCEC: Announcement on Resolutions of the 2021 First Extraordinary General Meeting	January 16, 2021
6	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters regarding First Tranche of Unlocking in 2020 in Respect of Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	January 16, 2021
7	CSCEC: Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phase II and III Restricted Shares and Notice to Creditors	January 16, 2021
8	CSCEC: Announcement on the First Tranche of Unlocking in 2020 in Respect of Phase III Restricted A Share Incentive Scheme and Listing of Shares	January 16, 2021
9	CSCEC: Announcement on the Results of Grant under Phase IV Restricted A Share Incentive Scheme	January 19, 2021
10	CSCEC: Announcement on Significant Project	January 26, 2021
11	CSCEC: Announcement on Resolutions of the 52nd Meeting of Second Session of Board of Directors	January 28, 2021
12	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters regarding Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	February 6, 2021
13	CSCEC: Announcement on the Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares	February 6, 2021
14	CSCEC: Briefings on Business in January 2021	February 10, 2021
15	CSCEC: Announcement on Significant Project	February 25, 2021
16	CSCEC: Briefings on Business from January to February 2021	March 12, 2021
17	CSCEC: Announcement on Winning the Bid for the PPP Project of Wuzhou-Leye Highway Guangning-Cangwu-Zhaoping (Guangxi Section)	March 24, 2021
18	CSCEC: Announcement on Significant Project	March 25, 2021
19	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters regarding Repurchase and Cancellation of Part of Restricted Shares under Phases I, II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	April 7, 2021
20	CSCEC: Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme	April 7, 2021
21	CSCEC: Advance Announcement on Performance Presentation and Cash Dividend Meeting of 2020	April 10, 2021
22	CSCEC: Accounting Firm's Audit Report on the Company's Internal Control	April 17, 2021
23	CSCEC: 2020 Internal Control Evaluation Report	April 17, 2021
24	CSCEC: 2020 Investor Protection Work Report	April 17, 2021
25	CSCEC: Independent Opinions of Independent Directors on 2020 Internal Control Evaluation Report	April 17, 2021

No.	Matter	Date of disclosure
26	CSCEC: Announcement on Re-appointment of the Auditor for Internal Control	April 17, 2021
27	CSCEC: 2020 Annual Financial Statements and Audit Report	April 17, 2021
28	CSCEC: 2020 Sustainability Report	April 17, 2021
29	CSCEC: Summary of 2020 Annual Report	April 17, 2021
30	CSCEC: 2020 Annual Report	April 17, 2021
31	CSCEC: Announcement on Profit Distribution for 2020	April 17, 2021
32	CSCEC: Announcement on Resolutions of the 53rd Meeting of Second Session of Board of Directors	April 17, 2021
33	CSCEC: Work Report of Independent Directors in 2020	April 17, 2021
34	CSCEC: Independent Opinions of Independent Directors on Re-appointment of the Company's Auditor for Internal Control in 2021	April 17, 2021
35	CSCEC: Independent Director's Prior Approval of Opinions on Re-appointment of the Company's Auditor for Financial Reports in 2021	April 17, 2021
36	CSCEC: Announcement on Proposed Additional Financing Guarantee Amount in 2021	April 17, 2021
37	CSCEC: Announcement on Re-appointment of Auditor for Financial Reports	April 17, 2021
38	CSCEC: Accounting Firm's Special Report on Loans to Controlling Shareholder and Other Related Parties	April 17, 2021
39	CSCEC: Announcement on Resolutions of the 35th Meeting of Second Session of Board of Supervisors	April 17, 2021
40	CSCEC: Independent Opinions of Independent Directors on the 2020 Profit Distribution Plan of the Company	April 17, 2021
41	CSCEC: Report on the Performance of Duties of the Audit Committee of the Second Session of Board of Directors for 2020	April 17, 2021
42	CSCEC: Independent Opinions of Independent Directors on Financing Guarantee Amount of the Company in 2021	April 17, 2021
43	CSCEC: Independent Director's Prior Approval of Opinions on Re-appointment of the Company's Auditor for Internal Control in 2021	April 17, 2021
44	CSCEC: Independent Opinions of Independent Directors on the Concurrent Appointment of Some Officers of the Company as Officers of the Controlling Shareholder	April 17, 2021
45	CSCEC: Independent Opinions of Independent Directors on the Registered Domestic Bond Quota of the Company in 2021	April 17, 2021
46	CSCEC: Independent Opinions of Independent Directors on Re-appointment of the Company's Auditor for Financial Reports in 2021	April 17, 2021
47	CSCEC: Briefings on Business from January to March 2021	April 20, 2021
48	CSCEC: Announcement on Resolutions of the 36th Meeting of Second Session of Board of Supervisors	April 23, 2021
49	CSCEC: Independent Director Nominee Statement	April 23, 2021
50	CSCEC: Independent Director Candidate Statement	April 23, 2021
51	CSCEC: Announcement on Resolutions of the 54th Meeting of Second Session of Board of Directors	April 23, 2021
52	CSCEC: Notice of Convening Annual General Meeting of 2020	April 23, 2021
53	CSCEC: Independent Opinions of Independent Directors on Nomination of Candidates for the Third Session of Board of Directors and Independent Directors	April 23, 2021
54	CSCEC: Announcement on Significant Project	April 28, 2021
55	CSCEC: Information on 2020 Annual General Meeting	April 30, 2021
56	CSCEC: Report of Q1 2021	April 30, 2021

No.	Matter	Date of disclosure
57	CSCEC: Announcement on Resolutions of the 55th Meeting of Second Session of Board of Directors	April 30, 2021
58	CSCEC: Report of Q1 2021	April 30, 2021
59	CSCEC: Announcement on Resolutions of the 37th Meeting of Second Session of Board of Supervisors	April 30, 2021
60	CSCEC: Announcement on the Election of Employee Representative Supervisors	May 8, 2021
61	CSCEC: Legal Opinions of King & Wood Mallesons on 2020 Annual General Meeting of China State Construction Engineering Corporation Limited	May 14, 2021
62	CSCEC: Announcement on Resolutions of the 1st Meeting of Third Session of Board of Supervisors	May 14, 2021
63	CSCEC: Announcement on Resolutions of the 1st Meeting of Third Session of Board of Directors	May 14, 2021
64	CSCEC: Announcement on Resolutions of 2020 Annual General Meeting	May 14, 2021
65	CSCEC: Briefings on Business from January to April 2021	May 22, 2021
66	CSCEC: Announcement on Significant Project	May 27, 2021
67	CSCEC: Announcement on Implementing Rights and Interests Distribution for 2020	June 23, 2021
68	CSCEC: Briefings on Business from January to May 2021	June 23, 2021
69	CSCEC: Announcement on Significant Project	June 24, 2021

SECTION VII CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. Changes in Share Capital

(I) Table of changes in shares

1. Table of changes in shares

As of the end of the Reporting Period, the changes in the Company's share capital structure are as follows:

	Before the change		Increase/decrease upon the change (+/-)				After the change		
	Number	Percentage (%)	Issue of new shares	Bonus issue	Conversion from reserve	Others	Subtotal	Number	Percentage (%)
I. Shares subject to trading moratorium	711,468,667	1.70				592,116,333	592,116,333	1,303,585,000	3.11
1. State-owned shares									
2. State-owned legal person shares									
3. Other domestic shares	711,468,667	1.70				592,116,333	592,116,333	1,303,585,000	3.11
Including: Shares held by domestic non-state-owned legal persons									
Shares held by domestic natural persons	711,468,667	1.70				592,116,333	592,116,333	1,303,585,000	3.11
Shares held by foreign entities									
Including: Shares held by overseas legal persons									
Shares held by overseas natural persons									
II. Circulating shares not subject to trading moratorium	41,253,602,844	98.30				-609,020,000	-609,020,000	40,644,582,844	96.89
1. RMB ordinary shares	41,253,602,844	98.30				-609,020,000	-609,020,000	40,644,582,844	96.89
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of shares	41,965,071,511	100.00				-16,903,667	-16,903,667	41,948,167,844	100.00

Unit: Share(s)

2. Explanation on changes in shares

Applicable N/A

As of the end of the Reporting Period, there were four changes in the Company's shares, which were caused by the Company's grant of restricted shares, unlocking of restricted shares, repurchase and cancellation of some restricted shares. The details are as follows:

- (1) The Company repurchased 912,036,000 A ordinary shares of the Company issued and listed on the Shanghai Stock Exchange from the secondary market through centralized bidding trading, and granted 912,036,000 A ordinary shares to 2,765 participants at a grant price of RMB3.06 per share. The repurchased shares were changed from circulating shares not subject to trading moratorium to circulating shares subject to trading moratorium on January 13, 2021, all the transfer procedures for this grant of restricted shares were completed on January 14, 2021, and all transfers have been made from the Company's special repurchase account to the name of the participants. After the completion of this grant, the total share capital of the Company remains unchanged at 41,965,071,511 shares. For details, please refer to the Announcement on the Granting under Phase IV Restricted A Share Incentive Scheme published on December 24, 2020, the Announcement on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme published on January 13, 2021 and the Announcement on the Results of Grant under Phase IV Restricted A Share Incentive Scheme published on January 19, 2021.
- (2) The Company completed the unlocking of the first tranche of 195,076,000 restricted shares under the Phase III restricted A share incentive scheme, converting circulating shares subject to trading moratorium to circulating shares not subject to trading moratorium. The total share capital of the Company amounted to 41,965,071,511 shares. For details, please refer to the Announcement on the First Tranche of Unlocking in 2020 in Respect of Phase III Restricted A Share Incentive Scheme and Listing of Shares published on January 16, 2021.
- (3) The Company completed the unlocking of the third tranche of 107,940,000 restricted shares under the Phase II restricted A share incentive scheme, converting circulating shares subject to trading moratorium to circulating shares not subject to trading moratorium. The total share capital of the Company amounted to 41,965,071,511 shares. For details, please refer to the Announcement on the Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares published on February 6, 2021.
- (4) The Company completed the repurchase from the participants and cancellation of 16,903,667 restricted shares that were not eligible for unlocking. After the completion of the repurchase and cancellation, the registered capital (and share capital) of the Company was decreased by RMB16,903,667 (and 16,903,667 shares) to RMB41,948,167,844 (and 41,948,167,844 shares). For details, please refer to the Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 7, 2021.

3. The impact, if any, of changes in shares between the end of the Reporting Period and the date of disclosure of the Interim Report on financial indicators such as earnings per share and net asset per share

Applicable N/A

4. Other disclosures that the Company deemed necessary or were required by securities regulatory authorities

Applicable N/A

(II) Changes in shares subject to trading moratorium

√ Applicable □ N/A

Unit: Share(s)

Name of shareholder	Number of shares subject to trading moratorium at the beginning of the period	Number of shares released from trading moratorium for the Reporting Period	Number of new shares subject to trading moratorium for the Reporting Period	Number of shares subject to trading moratorium as at the end of the Reporting Period	Reason for the trading moratorium	Date of release from trading moratorium
Participants of Restricted Share Incentive Scheme	711,468,667	-319,919,667	912,036,000	1,303,585,000	During the trading moratorium period	/
Total	711,468,667	-319,919,667	912,036,000	1,303,585,000	/	/

For details, please refer to “2. Explanation on changes in shares” in “(I) Table of changes in shares” under “1. Changes in Share Capital” in this section.

II. Shareholders

(I) Total number of shareholders:

Total number of ordinary shareholders as at the end of the Reporting Period	559,226
Total number of preference shareholders with voting rights restored as at the end of the Reporting Period	/

(II) Shareholding of top ten shareholders, top ten shareholders of circulating shares (or holders of shares not subject to trading moratorium) as of the end of the Reporting Period

Unit: Share(s)

Shareholding of top 10 shareholders							
Name of shareholder (full name)	Increase/decrease during the Reporting Period	Number of shares held as at the end of the period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
					Status	Number	
China State Construction Engineering Corporation	0	23,630,695,997	56.33	0	Nil	0	State-owned legal person
China Securities Finance Corporation Limited	-100	1,258,300,898	3.00	0	Nil	0	Other
Hong Kong Securities Clearing Company Limited	-89,586,547	1,059,537,879	2.53	0	Nil	0	Other
Central Huijin Asset Management Co., Ltd.	0	596,022,420	1.42	0	Nil	0	State-owned legal person
GIC PRIVATE LIMITED	-5,010,244	210,710,888	0.50	0	Nil	0	Foreign legal person
Bank of Communications Co., Ltd. - E Fund 50 SSE Index Enhanced Securities Investment Fund	11,000,000	147,642,126	0.35	0	Nil	0	Securities investment fund
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	-16,326,560	139,842,503	0.33	0	Nil	0	Securities investment fund
Portfolio 106 of the National Social Security Fund	0	135,394,213	0.32	0	Nil	0	Other
China Merchants Bank Co., Ltd. – ICBC Credit Suisse Strategic Foresight Hybrid Securities Investment Fund	122,508,806	122,508,806	0.29	0	Nil	0	Securities investment fund
Pan Yongxing	26,313,082	94,868,352	0.23	0	Nil	0	Natural person

Shareholdings of the top 10 holders of circulating shares not subject to trading moratorium			
Name of shareholder	Number of circulating shares not subject to trading moratorium	Class and number of shares	
		Class	Number
China State Construction Engineering Corporation	23,630,695,997	RMB ordinary shares	23,630,695,997
China Securities Finance Corporation Limited	1,258,300,898	RMB ordinary shares	1,258,300,898
Hong Kong Securities Clearing Company Limited	1,059,537,879	RMB ordinary shares	1,059,537,879
Central Huijin Asset Management Co., Ltd.	596,022,420	RMB ordinary shares	596,022,420
GIC PRIVATE LIMITED	210,710,888	RMB ordinary shares	210,710,888
Bank of Communications Co., Ltd. – E Fund SSE 50 Index Enhanced Securities Investment Fund	147,642,126	RMB ordinary shares	147,642,126
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	139,842,503	RMB ordinary shares	139,842,503
Portfolio 106 of the National Social Security Fund	135,394,213	RMB ordinary shares	135,394,213
China Merchants Bank Co., Ltd. – ICBC Credit Suisse Strategic Foresight Hybrid Securities Investment Fund	122,508,806	RMB ordinary shares	122,508,806
Pan Yongxing	94,868,352	RMB ordinary shares	94,868,352
Descriptions on special repurchase accounts among top 10 shareholders	N/A		
Descriptions on entrusted voting rights, being entrusted voting rights or waiving voting rights of the above shareholders	N/A		
Descriptions on the related relationship or acts in concert of the above shareholders	There is no related relationship or action in concert between China State Construction Engineering Corporation, the largest shareholder of the Company, and any other shareholder mentioned above. The Company is not aware of any related relationship among the above shareholders, or whether they are parties acting in concert.		
Descriptions on the preference shareholders with voting rights restored and number of shares held	N/A		

Number of shares held by top 10 holders of shares subject to trading moratorium and trading moratorium

Applicable N/A

Please refer to the relevant content of “(II) Changes in shares subject to trading moratorium” under “I. Changes in Share Capital” in this section.

(III) Strategic investors or general legal persons becoming the top 10 shareholders as a result of new share placement

Applicable N/A

III. Directors, Supervisors and Officers

(I) Changes in shareholdings of incumbent and resigned directors, supervisors and officers during the Reporting Period

√ Applicable □ N/A

Changes in shareholdings of incumbent directors, supervisors and officers

Unit: 0,000 shares

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Changes in shares during the Reporting Period	Reason for changes
Zhou Naixiang	Chairman	0	0	0	/
Zheng Xuexuan	Director, President	50.4	50.4	0	/
Zhang Zhaoxiang	Director	0	0	0	/
Xu Wenrong	Independent director	0	0	0	/
Jia Chen	Independent director	0	0	0	/
Sun Chengming	Independent director	0	0	0	/
Li Ping	Independent director	0	0	0	/
Shi Zhiping	Chairman of the Board of Supervisors	83.7	23.8	-59.9	The restricted shares held by him were repurchased as being elected as the chairman of the Board of Supervisors
Li Jianbo	Supervisor	44.8	44.8	0	/
Tian Shifang	Supervisor	15.4	15.4	0	/
Lv Xiaogang	Employee representative supervisor	16.7	16.7	0	/
Qu Hongguang	Employee representative supervisor	9.8	0	-9.8	Reduction of shareholding through the secondary market before being elected as an employee representative supervisor
Wang Yunlin	Vice president, chief financial officer	0	0	0	/
Zhao Xiaojiang	Vice president	0	0	0	/
Ma Zeping	Vice president	50.4	50.4	0	/
Zhou Yong	Vice president	83.7	83.7	0	/
Shan Guangxiu	Vice president	122.046	122.046	0	/
Huang Kesi	Vice president	134.716	134.716	0	/
Xue Keqing	Secretary to the Board of Directors	129.9	201.9	72.0	Grant of restricted A shares under phase IV

Changes in shareholdings of resigned directors, supervisors and officers

Unit: 0,000 shares

Name	Position	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Changes in shares during the Reporting Period	Reason for changes
Yang Chunjin	Independent director	0	0	0	/
Yu Hailong	Independent director	0	0	0	/
Zheng Changhong	Independent director	0	0	0	/
Ning Wangchu	Employee representative supervisor	22.12	22.17	0.05	Increase of shareholding through the secondary market after resignation
Lu Yanbin	Employee representative supervisor	15.4	15.4	0	/

Other explanation

 Applicable N/A

(II) Stock options granted to directors, supervisors and officers during the Reporting Period

 Applicable N/A

Unit: 0,000 shares

Name	Position	Number of restricted shares held at the beginning of the period	Number of newly granted restricted shares during the Reporting Period	Unlocked shares	Locked shares	Number of restricted shares held at the end of the period
Zhou Naixiang	Chairman	0	0	0	0	0
Zheng Xuexuan	Director, President	0	0	0	0	0
Zhang Zhaoxiang	Director	0	0	0	0	0
Xu Wenrong	Independent director	0	0	0	0	0
Jia Chen	Independent director	0	0	0	0	0
Sun Chengming	Independent director	0	0	0	0	0
Li Ping	Independent director	0	0	0	0	0
Shi Zhiping	Chairman of the Board of Supervisors	59.9	0	0	59.9	0
Li Jianbo	Supervisor	0	0	0	0	0
Tian Shifang	Supervisor	0	0	0	0	0
Lv Xiaogang	Employee representative supervisor	9.8	0	9.8	0	0

Name	Position	Number of restricted shares held at the beginning of the period	Number of newly granted restricted shares during the Reporting Period	Unlocked shares	Locked shares	Number of restricted shares held at the end of the period
Qu Hongguang	Employee representative supervisor	9.8	0	9.8	0	0
Wang Yunlin	Vice president, Chief financial officer	0	0	0	0	0
Zhao Xiaojiang	Vice president	0	0	0	0	0
Ma Zeping	Vice president	0	0	0	0	0
Zhou Yong	Vice president	59.9	0	27.9	32	32
Huang Kesi	Vice president	59.9	0	27.9	32	32
Shan Guangxiu	Vice president	59.9	0	27.9	32	32
Xue Keqing	Secretary to the Board of Directors	59.9	72	27.9	104	104
Total	/	319.1	72	131.2	259.9	200

(III) Other explanation

√ Applicable □ N/A

The Company held the 2020 annual general meeting on May 13, 2021, at which Zhou Naixiang, Zheng Xuexuan and Zhang Zhaoxiang were elected as directors of the third session of the Board of Directors of the Company, and Xu Wenrong, Jia Chen, Sun Chengming and Ling Ping were elected as independent directors of the third session of the Board of Directors of the Company for their terms of three years commencing from the date of election of directors at the 2020 annual general meeting of the Company. At the same time, Shi Zhiping, Li Jianbo and Tian Shifang were elected as shareholder representative supervisors of the third session of the Board of Supervisors for their terms of three years commencing from the date of election of supervisors at the 2020 annual general meeting of the Company. For the above details, please refer to the Announcement on Resolutions of 2020 Annual General Meeting published by the Company on May 14, 2021.

The Company held the second meeting of the second session of the Workers' Congress on May 7, 2021, at which Lv Xiaogang and Qu Hongguang were elected as employee representative supervisors of the third session of the Board of Supervisors for a term of three years commencing from the date of election of employee representative supervisors of the third session of the Board of Supervisors at the general meeting of the Company. For details, please refer to the Announcement on the Election of Employee Representative Supervisors published by the Company on May 8, 2021.

The Company held the first meeting of the third session of the Board of Directors on May 13, 2021, at which Mr. Zhou Naixiang was elected as the chairman of the third session of the Board of Directors of the Company. The term of office is from the date of consideration and approval of the Board of Directors to the expiration of the third session of the Board of Directors. For details, please refer to the Announcement on Resolutions of the 1st Meeting of Third Session of Board of Directors published by the Company on May 14, 2021.

The Company held the first meeting of the third session of the Board of Supervisors on May 13, 2021, at which Mr. Shi Zhiping was elected as the chairman of the third session of the Board of Supervisors of the Company. The term of office is from the date of consideration and approval of the Board of Supervisors to the expiration of the third session of the Board of Supervisors. For details, please refer to the Announcement on Resolutions of the 1st Meeting of Third Session of Board of Supervisors published by the Company on May 14, 2021.

IV. Changes in Controlling Shareholders or De Facto Controller

□ Applicable √ N/A

SECTION VIII INFORMATION RELATED TO PREFERENCE SHARES

Applicable N/A

SECTION IX INFORMATION ON BONDS

I. Enterprise Bonds, Corporate Bonds and Non-financial Enterprise Debt Financing Instruments

Applicable N/A

(I) Enterprise bonds

Applicable N/A

(II) Corporate bonds

Applicable N/A

1. Basic information of corporate bonds

The Company's countermeasures to the risks of trading termination of bonds

Applicable N/A

Outstanding bonds overdue

Applicable N/A

Explanation on debts overdue

Applicable N/A

2. The triggering and implementation of the issuer's or investor's option articles and investor protection articles

Applicable N/A

3. Adjustment of credit rating results

Applicable N/A

4. The implementation and changes of guarantees, debt repayment plans and other debt repayment protection measures during the Reporting Period and their impact

Applicable N/A

5. Explanation of other information of corporate bonds

Applicable N/A

The issuance of corporate bonds by subsidiaries as at the date of the report is as follows:

Issuance of Corporate Bonds by Subsidiaries

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/ current size	Interest rate (%)	Principal repayment and interest payment	Unit: '000 yuan Currency: RMB	
1	3.95% USD guaranteed notes due in 2022 of China Overseas Land & Investment Ltd.	CHINA OVS N2211	November 15, 2012	November 15, 2012	November 15, 2022	4,522,000.00	3.95	Normal		
2	5.35% USD guaranteed notes due in 2042 of China Overseas Land & Investment Ltd.	CHINA OVS N4211	November 15, 2012	November 15, 2012	November 15, 2042	1,938,000.00	5.35	Normal		
3	5.375% USD guaranteed notes due in 2023 of China Overseas Land & Investment Ltd.	CHINA OVS N2310	October 29, 2013	October 29, 2013	October 29, 2023	3,230,000.00	5.375	Normal		
4	6.375% USD guaranteed notes due in 2043 of China Overseas Land & Investment Ltd.	CHINA OVS N4310	October 29, 2013	October 29, 2013	October 29, 2043	3,230,000.00	6.375	Normal		
5	5.95% USD guaranteed notes due in 2024 of China Overseas Land & Investment Ltd.	CHINA OVS N2405	May 8, 2014	May 8, 2014	May 8, 2024	4,522,000.00	5.95	Normal		
6	6.45% USD guaranteed notes due in 2034 of China Overseas Land & Investment Ltd.	CHINA OVS N3406	June 11, 2014	June 11, 2014	June 11, 2034	3,230,000.00	6.45	Normal		
7	2015 corporate bonds of China Overseas Property Group Co., Ltd. (Variety 1)	15 China Overseas 01	November 19, 2015	November 19, 2015	November 19, 2021	3,403,720.00	4.20	Normal		
8	0% Changeable Bonds due in 2023 of China Overseas Holdings Limited	CHINA OVS B2301	January 5, 2016	/	January 5, 2023	3,859,204.00	/	Normal		
9	2016 corporate bonds publicly issued by China Overseas Property Group Co., Ltd. (Tranche 1)	16 China Overseas 01	August 22, 2016	August 23, 2016	August 23, 2026	6,000,000.00	3.10	Normal		
10	2.9% USD guaranteed notes due in 2022 of China State Construction Engineering Corporation Limited	CSCEC II N2207	July 5, 2017	July 5, 2017	July 5, 2022	3,230,000.00	2.90	Normal		
11	3.5% USD guaranteed notes due in 2027 of China State Construction Engineering Corporation Limited	CSCEC II N2707	July 5, 2017	July 5, 2017	July 5, 2027	3,230,000.00	3.50	Normal		
12	3.375% USD guaranteed notes due in 2022 of China State Construction International Holdings Limited	CSCFIN II N2211	November 29, 2017	November 29, 2017	November 29, 2022	3,553,000.00	3.375	Normal		
13	3.875% USD guaranteed notes due in 2027 of China State Construction International Holdings Limited	CSCFIN II N2711	November 29, 2017	November 29, 2017	November 29, 2027	1,615,000.00	3.875	Normal		
14	2018 renewable corporate bonds publicly issued by China Construction Sixth Engineering Bureau Corp., Ltd.	18 China Construction Y1	February 6, 2018	February 7, 2018	February 7, 2023	1,000,000.00	6.55	Normal		

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/current size	Interest rate (%)	Principal repayment and interest payment
15	4.25% USD guaranteed notes due in 2023 of China Overseas Land & Investment Ltd.	CHINA OVS N2304	April 26, 2018	April 26, 2018	April 26, 2023	4,845,000.00	4.25	Normal
16	4.75% USD guaranteed notes due in 2028 of China Overseas Land & Investment Ltd.	CHINA OVS N2804	April 26, 2018	April 26, 2018	April 26, 2028	4,845,000.00	4.75	Normal
17	Public issuance of corporate bonds to qualified investors by China Overseas Property Group Co., Ltd. in 2018 (Tranche 1)	18 China Overseas 01	October 19, 2018	October 22, 2018	October 22, 2024	3,500,000.00	4.00	Normal
18	Public issuance of renewable corporate bonds by China Construction Fangcheng Investment & Development Group Co., Ltd. in 2018 (Tranche 1) (Variety I)	18 Fangcheng Y1	November 13, 2018	November 14, 2018	November 14, 2021	2,000,000.00	5.00	Normal
19	Public issuance of renewable corporate bonds to qualified investors by China Construction Third Engineering Bureau Group Co., Ltd. in 2018 (Tranche 1)	18 Third Bureau Y1	November 26, 2018	November 27, 2018	November 27, 2021	2,000,000.00	4.80	Normal
20	6% perpetual bonds of China State Construction International Holdings Limited	CSCFIN SGPS	December 3, 2018	December 3, 2018	December 3, 2021	3,230,000.00	6.00	Normal
21	Public issuance of corporate bonds to qualified investors by China Overseas Property Group Co., Ltd. in 2019 (Tranche 1) (Variety I)	19 China Overseas 01	January 23, 2019	January 24, 2019	January 24, 2025	2,000,000.00	3.47	Normal
22	Public issuance of corporate bonds to qualified investors by China Overseas Property Group Co., Ltd. in 2019 (Tranche 1) (Variety II)	19 China Overseas 02	January 23, 2019	January 24, 2019	January 24, 2026	1,500,000.00	3.75	Normal
23	3.45% USD medium-term notes due in 2029 of China Overseas Land & Investment Ltd.	CHINA OVS N2907	July 15, 2019	July 15, 2019	July 15, 2029	2,907,000.00	3.45	Normal
24	2.9% HKD medium-term notes due in 2025 of China Overseas Land & Investment Ltd.	CHINA OVS N2501	July 15, 2019	July 15, 2019	January 15, 2025	1,660,000.00	2.90	Normal
25	3.05% USD medium-term notes due in 2029 of China Overseas Land & Investment Ltd.	CHINA OVS N2911	November 27, 2019	November 27, 2019	November 27, 2029	1,889,240.00	3.05	Normal
26	4% perpetual bonds of China State Construction International Holdings Limited	CSCFIN III SGPS	December 3, 2019	December 3, 2019	December 3, 2024	3,230,000.00	4.00	Normal
27	2.375% USD medium-term notes due in 2025 of China Overseas Land & Investment Ltd.	CHINA OVS N2503	March 2, 2020	March 2, 2020	March 2, 2025	1,938,000.00	2.375	Normal
28	2.75% USD medium-term notes due in 2030 of China Overseas Land & Investment Ltd.	CHINA OVS N3003	March 2, 2020	March 2, 2020	March 2, 2030	3,230,000.00	2.75	Normal
29	3.125% USD medium-term notes due in 2035 of China Overseas Land & Investment Ltd.	CHINA OVS N3503	March 2, 2020	March 2, 2020	March 2, 2035	1,292,000.00	3.125	Normal

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/current size	Interest rate (%)	Principal repayment and interest payment
30	Public issuance of renewable corporate bonds to professional investors by China Construction Second Engineering Bureau Ltd. in 2020 (Tranche 1) (Variety I)	20 Second Bureau Y1	June 24, 2020	June 30, 2020	June 30, 2023	1,500,000.00	3.74	Normal
31	Panda corporate bonds of China State Construction International Holdings Limited in 2020 (Tranche 1)	20 China Construction G1	July 28, 2020	July 29, 2020	July 29, 2023	2,000,000.00	3.48	Normal
32	Public issuance of housing rental special corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2020 (Tranche 1) (Variety I)	20 China Overseas 01	August 13, 2020	August 14, 2020	August 14, 2026	2,000,000.00	3.20	Normal
33	Public issuance of renewable corporate bonds by China Construction First Group Corporation Limited in 2020 (Tranche 1)	20 Construction First Y1	September 4, 2020	September 7, 2020	September 7, 2023	1,500,000.00	4.30	Normal
34	Public issuance of renewable corporate bonds by China Construction First Group Corporation Limited in 2020 (Tranche 2)	20 Construction First Y2	September 22, 2020	September 24, 2020	September 24, 2023	1,500,000.00	4.40	Normal
35	Public issuance of renewable corporate bonds by China Construction Science and Industry Corporation Ltd. in 2020 (Tranche 1)	20 Science and Industry Y1	October 26, 2020	October 27, 2020	October 26, 2023	900,000.00	5.60	Normal
36	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2020 (Tranche 1) (Variety I)	20 China Overseas 03	November 6, 2020	November 9, 2020	November 9, 2023	2,400,000.00	3.40	Normal
37	Public issuance of renewable corporate bonds by China Construction Science and Industry Corporation Ltd. in 2020 (Tranche 1)	20 Science and Industry Y2	December 22, 2020	December 23, 2020	December 22, 2023	600,000.00	5.80	Normal
38	3.4% perpetual bonds of China State Construction International Holdings Limited	CSC FIN SGPSB	June 8, 2021	June 8, 2021	June 8, 2026	3,230,000.00	3.40	Normal
39	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2021 (Tranche 1) (Variety I)	21 China Overseas 01	June 11, 2021	June 15, 2021	June 15, 2024	2,000,000.00	3.25	Normal
40	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2021 (Tranche 1) (Variety II)	21 China Overseas 02	June 11, 2021	June 15, 2021	June 15, 2026	1,000,000.00	3.55	Normal
41	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2021 (Tranche 2) (Variety I)	21 China Overseas 03	July 9, 2021	July 12, 2021	July 12, 2025	1,000,000.00	3.10	Normal
42	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2021 (Tranche 2) (Variety II)	21 China Overseas 04	July 9, 2021	July 12, 2021	July 12, 2025	2,000,000.00	3.25	Normal
43	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2021 (Tranche 3) (Variety I)	21 China Overseas 05	August 6, 2021	August 9, 2021	August 9, 2025	500,000.00	2.75	Normal
44	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2021 (Tranche 3) (Variety II)	21 China Overseas 06	August 6, 2021	August 9, 2021	August 9, 2028	1,500,000.00	3.25	Normal

(III) Debt financing instruments of non-financial enterprises in the interbank bond market

√ Applicable □ N/A

1. Basic information of debt financing instruments of non-financial enterprises

Unit: '000 yuan Currency: RMB

No.	Name of bond	Abbreviation	Code	Date of issuance	Interest commencement date	Maturity date	Balance	Interest rate (%)	Method of principal repayment and interest payment	Venue for transaction	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether there is a risk of trading termination
1	Tranche 1 of the medium-term note of China State Construction Engineering Corporation Limited in 2018	18 China Construction MTN001	101800894	August 15, 2018	August 17, 2018	August 17, 2023	5,000,000.00	4.70	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
2	Tranche 2 of the medium-term note of China State Construction Engineering Corporation Limited in 2018	18 China Construction MTN002	101800900	August 15, 2018	August 17, 2018	August 17, 2023	5,000,000.00	4.70	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
3	Tranche 1 of the medium-term note of China State Construction Engineering Corporation Limited in 2020	20 China Construction MTN001	102000581	April 1, 2020	April 3, 2020	April 3, 2023	4,000,000.00	3.29	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
4	Tranche 2 of the medium-term note of China State Construction Engineering Corporation Limited in 2020	20 China Construction MTN002	102000650	April 9, 2020	April 13, 2020	April 13, 2023	3,000,000.00	3.10	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
5	Tranche 3 of the medium-term note of China State Construction Engineering Corporation Limited in 2020	20 China Construction MTN003	102000748	April 16, 2020	April 20, 2020	April 20, 2023	3,000,000.00	3.09	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, offer and agreement	No

For relevant details, please refer to note V. 34 "Current portion of non-current liabilities" and note V. 37 "Bonds repayable" to the financial statements under section X "FINANCIAL REPORT".

The Company's countermeasures to the risks of trading termination of bonds

Applicable N/A

Outstanding bonds overdue

Applicable N/A

Explanation on debts overdue

Applicable N/A

2. The triggering and implementation of the issuer's or investor's option articles and investor protection articles

Applicable N/A

3. Adjustment of credit rating results

Applicable N/A

4. The implementation and changes of guarantees, debt repayment plans and other debt repayment protection measures during the Reporting Period and their impact

Applicable N/A

5. Explanation of other information of debt financing instruments of non-financial enterprises

Applicable N/A

The issuance of debt financing instruments of non-financial institutions by subsidiaries as at the date of the report is as follows:

Issuance of Debt Financing Instruments of Non-financial Institutions by Subsidiaries

Unit: '000 yuan Currency: RMB

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/current size	Interest rate (%)	Repayment of principal and interest payment
1	Tranche 1 of medium-term note of China West Construction Group Co., Ltd. in 2016	16 China West Construction MTN001	September 27, 2016	September 28, 2016	September 28, 2021	700,000.00	3.97	Normal
2	Tranche 1 of medium-term note of China Construction Seventh Engineering Division Corp., Ltd. in 2017	17 China Construction Seventh Division MTN001	December 26, 2017	December 28, 2017	December 28, 2022	2,500,000.00	7.00	Normal
3	Tranche 1 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	18 China Construction Second Bureau MTN001	April 17, 2018	April 18, 2018	April 18, 2023	1,000,000.00	5.03	Normal
4	Tranche 1 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2018	18 China Construction Communications MTN001	July 23, 2018	July 25, 2018	July 25, 2023	500,000.00	5.10	Normal
5	Tranche 1 of medium-term note of China Construction Fourth Engineering Division Corp., Ltd. in 2018	18 China Construction Fourth Division MTN001	October 17, 2018	October 19, 2018	October 19, 2021	1,500,000.00	5.72	Normal
6	Tranche 1 of medium-term note of China Construction Seventh Engineering Division Corp., Ltd. in 2018	18 China Construction Seventh Division MTN001	November 8, 2018	November 12, 2018	November 12, 2021	2,000,000.00	4.16	Normal
7	Tranche 2 of medium-term note of China Construction Fourth Engineering Division Corp., Ltd. in 2018	18 China Construction Fourth Division MTN002	November 19, 2018	November 21, 2018	November 21, 2021	1,500,000.00	5.27	Normal
8	Tranche 2 of medium-term note of China Construction Seventh Engineering Division Corp., Ltd. in 2018	18 China Construction Seventh Division MTN002	November 22, 2018	November 26, 2018	November 26, 2021	2,000,000.00	5.15	Normal
9	Tranche 3 of medium-term note of China Construction Fourth Engineering Division Corp., Ltd. in 2018	18 China Construction Fourth Division MTN003	November 22, 2018	November 26, 2018	November 26, 2021	2,000,000.00	4.19	Normal
10	Tranche 1 of medium-term note of China Construction First Group Corporation Limited in 2018 (Variety I)	18 China Construction First Group MTN001A	December 5, 2018	December 7, 2018	December 7, 2021	1,500,000.00	5.06	Normal
11	Tranche 1 of medium-term note of China Construction First Group Corporation Limited in 2018 (Variety II)	18 China Construction First Group MTN001B	December 5, 2018	December 7, 2018	December 7, 2023	500,000.00	5.50	Normal
12	Tranche 2 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2018	18 China Construction Communications MTN002	December 12, 2018	December 14, 2018	December 13, 2021	700,000.00	5.44	Normal
13	Tranche 2 of medium-term note of China Construction Fifth Engineering Division Corp., Ltd. in 2018	18 China Construction Fifth Division MTN002	December 14, 2018	December 17, 2018	December 17, 2021	3,000,000.00	5.05	Normal
14	Tranche 1 of medium-term note of China Construction Third Engineering Bureau Group Co., Ltd. in 2018	18 China Construction Third Bureau MTN001	December 16, 2018	December 17, 2018	November 27, 2021	2,000,000.00	4.80	Normal
15	Tranche 1 of medium-term note of China Construction First Group Corporation Limited in 2019	19 China Construction First Group MTN001	March 11, 2019	March 13, 2019	March 13, 2022	1,500,000.00	4.97	Normal
16	Tranche 1 of medium-term note of China Construction Steel Structure Co., Ltd. in 2019	19 China Construction Steel Structure MTN001	March 20, 2019	March 22, 2019	March 21, 2022	1,000,000.00	4.86	Normal
17	Tranche 1 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2019	19 China Construction Communications MTN001	April 10, 2019	April 12, 2019	April 12, 2024	300,000.00	4.75	Normal

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/ current size	Interest rate (%)	Repayment of principal and interest payment
18	Tranche 1 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2019	19 China Construction Second Bureau MTN001	June 4, 2019	June 6, 2019	June 6, 2022	3,000,000.00	4.75	Normal
19	Tranche 1 of medium-term note of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	19 CSCEC Xinjiang MTN001	June 20, 2019	June 24, 2019	June 24, 2022	800,000.00	5.73	Normal
20	Tranche 1 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2020	20 China Construction Communications MTN001	March 11, 2020	March 13, 2020	March 13, 2023	800,000.00	4.20	Normal
21	Tranche 1 of medium-term note of China Construction Seventh Engineering Division Corp., Ltd. in 2020 (debt from the pandemic prevention and control)	20 China Construction Seventh Division (Debt from Pandemic Prevention and Control) MTN001	March 25, 2020	March 27, 2020	March 27, 2023	2,000,000.00	3.70	Normal
22	Tranche 1 of medium-term note of China Construction Fifth Engineering Division Corp., Ltd. in 2020	20 China Construction Fifth Division MTN001	April 21, 2020	April 22, 2020	April 22, 2023	2,000,000.00	3.35	Normal
23	Tranche 1 of medium-term note of China Construction Eighth Engineering Division Corp., Ltd. in 2020	20 China Construction Eighth Division MTN001	June 11, 2020	June 15, 2020	June 11, 2025	2,000,000.00	4.04	Normal
24	Tranche 2 of medium-term note of China Construction Eighth Engineering Division Corp., Ltd. in 2020	20 China Construction Eighth Division MTN002	August 26, 2020	August 28, 2020	August 26, 2023	2,000,000.00	4.45	Normal
25	Tranche 1 of medium-term note of China Construction Sixth Engineering Bureau Corp., Ltd. in 2020	20 China Construction Sixth Bureau MTN001	September 3, 2020	September 7, 2020	September 7, 2023	600,000.00	5.60	Normal
26	Tranche 1 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2020	20 China Construction Second Bureau MTN001	September 29, 2020	September 30, 2020	September 30, 2023	1,500,000.00	4.80	Normal
27	Tranche 1 of medium-term note of China Construction Fourth Engineering Division Corp., Ltd. in 2020	20 China Construction Fourth Division MTN001	October 19, 2020	October 21, 2020	October 21, 2023	1,500,000.00	5.10	Normal
28	Tranche 2 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2020	20 China Construction Second Bureau MTN002	October 26, 2020	October 28, 2020	October 28, 2023	1,000,000.00	4.78	Normal
29	Tranche 1 of RMB medium-term note of China State Construction International Investments Limited in 2020	20 China Construction Investments MTN001	October 26, 2020	October 28, 2020	October 28, 2023	500,000.00	3.45	Normal
30	Tranche 2 of medium-term note of China Construction Sixth Engineering Bureau Corp., Ltd. in 2020	20 China Construction Sixth Bureau MTN002	October 27, 2020	October 29, 2020	October 29, 2023	700,000.00	5.00	Normal
31	Tranche 2 of medium-term note of China Construction Third Engineering Bureau Group Co., Ltd. in 2020	20 China Construction Third Bureau MTN002	October 27, 2020	October 28, 2020	October 28, 2023	1,500,000.00	4.50	Normal
32	Tranche 1 of medium-term note of CSCEC Strait Construction and Development Co., Ltd. in 2020	20 CSCEC Strait MTN001	November 3, 2020	November 5, 2020	November 5, 2023	1,000,000.00	4.85	Normal
33	Tranche 2 of medium-term note of China Construction Fourth Engineering Division Corp., Ltd. in 2020	20 China Construction Fourth Division MTN002	November 3, 2020	November 5, 2020	November 5, 2023	2,500,000.00	5.05	Normal
34	Tranche 3 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2020	20 China Construction Second Bureau MTN003	November 4, 2020	November 6, 2020	November 6, 2023	1,000,000.00	4.60	Normal

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/current size	Interest rate (%)	Repayment of principal and interest payment
35	Tranche 3 of medium-term note of China Construction Third Engineering Bureau Group Co., Ltd. in 2020 (Variety I)	20 China Construction Third Bureau MTN003A	November 11, 2020	November 12, 2020	November 12, 2022	300,000.00	4.10	Normal
36	Tranche 3 of medium-term note of China Construction Third Engineering Bureau Group Co., Ltd. in 2020 (Variety II)	20 China Construction Third Bureau MTN003B	November 11, 2020	November 12, 2020	November 12, 2023	1,200,000.00	4.45	Normal
37	Tranche 4 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2020 (Variety II)	20 China Construction Second Bureau MTN004B	November 25, 2020	November 27, 2020	November 27, 2023	1,000,000.00	4.89	Normal
38	Tranche 4 of medium-term note of China Construction Second Engineering Bureau Ltd. in 2020 (Variety I)	20 China Construction Second Bureau MTN004A	November 25, 2020	November 27, 2020	November 27, 2022	500,000.00	4.50	Normal
39	Tranche 1 of medium-term note of China Overseas Development Group Co., Ltd. in 2020	20 China Overseas Development MTN001	December 10, 2020	December 14, 2020	December 14, 2023	1,500,000.00	3.60	Normal
40	Tranche 1 of medium-term note of China Construction Third Engineering Bureau Group Co., Ltd. in 2020	20 China Construction Third Bureau MTN001	December 21, 2020	December 22, 2020	December 22, 2023	2,000,000.00	4.70	Normal
41	Tranche 1 of medium-term note of China Overseas Development Group Co., Ltd. in 2021	21 China Overseas Development MTN001	January 13, 2021	January 15, 2021	January 15, 2024	1,500,000.00	3.35	Normal
42	Tranche 6 of ultra-short term financing bonds of China Construction Seventh Engineering Division Corp., Ltd. in 2021	21 China Construction Seventh Division SCP006	March 17, 2021	March 18, 2021	September 14, 2021	1,000,000.00	3.09	Normal
43	Tranche 1 of medium-term note of China Construction Eighth Engineering Division Corp., Ltd. in 2021	21 China Construction Eighth Division MTN001	March 19, 2021	March 23, 2021	March 19, 2024	3,000,000.00	4.48	Normal
44	Tranche 9 of ultra-short term financing bonds of China Construction Seventh Engineering Division Corp., Ltd. in 2021	21 China Construction Seventh Division SCP009	April 21, 2021	April 23, 2021	October 20, 2021	500,000.00	2.90	Normal
45	Tranche 1 of medium-term note of China State Construction International Investments Limited in 2021	21 China Construction Investments MTN001	May 27, 2021	May 31, 2021	May 31, 2024	1,000,000.00	3.52	Normal
46	Tranche 11 of ultra-short term financing bonds of China Construction Seventh Engineering Division Corp., Ltd. in 2021	21 China Construction Seventh Division SCP011	June 3, 2021	June 4, 2021	October 2, 2021	500,000.00	2.55	Normal
47	Tranche 2 of ultra-short term financing bonds of China Construction Second Engineering Bureau Ltd. in 2021	21 China Construction Second Bureau SCP002	June 10, 2021	June 11, 2021	September 9, 2021	2,000,000.00	2.22	Normal
48	Tranche 12 of ultra-short term financing bonds of China Construction Seventh Engineering Division Corp., Ltd. in 2021	21 China Construction Seventh Division SCP012	June 22, 2021	June 23, 2021	September 21, 2021	500,000.00	2.50	Normal
49	Tranche 3 of ultra-short term financing bonds of China Construction Second Engineering Bureau Ltd. in 2021	21 China Construction Second Bureau SCP003	July 8, 2021	July 9, 2021	November 6, 2021	3,000,000.00	2.29	Normal

No.	Name of bond	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issue size/ current size	Interest rate (%)	Repayment of principal and interest payment
50	Tranche 1 of ultra-short term financing bonds of China Construction Sixth Engineering Bureau Corp., Ltd. in 2021	21 China Construction Sixth Bureau SCP001	July 13, 2021	July 14, 2021	November 11, 2021	700,000.00	2.75	Normal
51	Tranche 2 of ultra-short term financing bonds of China Construction First Group Corporation Limited in 2021	21China Construction First Group SCP002	July 14, 2021	July 15, 2021	September 23, 2021	2,000,000.00	2.17	Normal
52	Tranche 2 of ultra-short term financing bonds of China Construction Fifth Engineering Division Corp., Ltd. in 2021	21 China Construction Fifth Division SCP002	July 14, 2021	July 15, 2021	September 29, 2021	2,000,000.00	2.25	Normal
53	Tranche 13 of ultra-short term financing bonds of China Construction Seventh Engineering Division Corp., Ltd. in 2021	21 China Construction Seventh Division SCP013	July 30, 2021	August 2, 2021	September 28, 2021	1,000,000.00	2.05	Normal
54	Tranche 2 of ultra-short term financing bonds of China Construction Sixth Engineering Bureau Corp., Ltd. in 2021	21 China Construction Sixth Bureau SCP002	August 16, 2021	August 17, 2021	December 15, 2021	800,000.00	2.63	Normal
55	Tranche 1 of medium-term note of China West Construction Group Co., Ltd. in 2021	21 China West Construction MTN001	August 18, 2021	August 20, 2021	August 20, 2024	700,000.00	3.35	Normal
56	Tranche 1 of medium-term note of China Construction Industrial & Energy Engineering Group Co., Ltd. in 2021	21 CCIEE MTN001	August 20, 2021	August 24, 2021	August 24, 2024	300,000.00	4.96	Normal

For relevant details, please refer to note V. 34 "Current portion of non-current liabilities" and note V. 37 "Bonds repayable" to the financial statements under section X "FINANCIAL REPORT".

- (IV) Loss in the Company's consolidated statement during the Reporting Period exceeded 10% of its net assets at the end of the previous year

Applicable N/A

- (V) Key accounting data and financial indicators

Applicable N/A

Unit: '000 yuan Currency: RMB

Major indicators	End of the Reporting Period	End of last year	Increase/decrease as at the end of the Reporting Period as compared to the end of last year (%)	Reason for the change
Current ratio (%)	131.7	131.9	Decrease by 0.2 percentage point	/
Quick ratio (%)	66.0	63.2	Increase by 2.8 percentage points	Increase in quick assets
Gearing ratio (%)	74.4	73.7	Increase by 0.7 percentage point	Increase in total liabilities

	The Reporting Period (January to June)	Corresponding period of last year	Increase/decrease in the Reporting Period as compared to the corresponding period of last year (%)	Reason for the change
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	24,538,379	18,583,408	Increase by 32.0 percentage points	Increase in operating profit
Debt-to-EBITDA ratio	0.11	0.11	/	/
Interest coverage ratio	4.9	4.3	Increase by 14.0 percentage points	Increase in profit before interest and tax
Cash interest coverage ratio	-1.8	-3.6	/	Increase in cash flow from operating activities
EBITDA interest coverage ratio	5.5	4.7	Increase by 17.0 percentage points	Increase in profit before interest and tax
Loan repayment ratio (%)	100.0	100.0	/	/
Interest repayment ratio (%)	100.0	100.0	/	/

II. Convertible Corporate Bonds

Applicable N/A

SECTION X FINANCIAL REPORT

I. Review Report

Applicable N/A

Please refer to the attached Review Report.

II. Financial Statements

Please refer to the attached Financial Statements.

Chairman: Zhou Naixiang

Submission date approved by the Board of Directors: August 27, 2021

Amendments

Applicable N/A

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For the six-month period ended 30 June 2021

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REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Ernst & Young Hua Ming (2021) Zhuan Zi No. 61398485_A15

To the Shareholders of China State Construction Engineering Corporation Limited:

We have reviewed the interim financial statements of China State Construction Engineering Corporation Limited, which comprise the consolidated and company statements of financial position as at 30 June 2021, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the six months then ended, and the notes to the financial statements (together referred to as "Interim Financial Statements"). The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express a report on review of these financial statements based on our review.

We conducted our review in accordance with China Certified Public Accountant Review Standard No. 2101 – Review of Financial Statements. This Standard requires us to plan and perform the review to obtain limited assurance about whether these financial statements are free from material misstatements. A review is limited primarily to procedures as enquiry of entity's personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not prepared in accordance with the requirements of Accounting Standards for Business Enterprises and cannot present fairly, in all material respects, the consolidated and company financial position as at 30 June 2021, and operating performance and cash flows for the six months ended 30 June 2021.

Chinese Certified Public Accountant: Zhou Ying

Chinese Certified Public Accountant: Yang Shujuan

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Shen Yan

CONSOLIDATED BALANCE SHEET

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

ASSETS	Note V	30 June 2021	31 December 2020
Current assets			
Cash and bank balances	1	293,964,196	295,857,190
Financial assets held for trading	2	549,961	244,459
Notes receivable	3	28,317,101	31,989,282
Accounts receivable	4	184,383,313	160,441,814
Accounts receivables financing	5	4,996,742	3,788,082
Prepayments	6	35,673,464	42,243,346
Other receivables	7	79,768,052	54,626,721
Inventories	8	700,758,214	675,125,328
Contract assets	9	173,290,842	141,065,956
Current portion of non-current assets	10	88,849,529	77,936,729
Other current assets	11	105,843,336	94,311,158
Total current assets		1,696,394,750	1,577,630,065
Non-current assets			
Debt investments	12	16,332,504	14,605,329
Other debt investments		255,566	356,377
Long-term receivables	13	94,811,185	177,642,042
Long-term equity investments	14	92,880,546	86,439,061
Investments in other equity instruments	15	5,574,081	5,838,384
Other non-current financial assets		335,510	335,510
Investment properties	16	107,559,361	97,123,680
Fixed assets	17	40,202,981	39,126,960
Construction in progress	18	5,514,010	10,933,089
Right of use assets	19	5,114,965	–
Intangible assets	20	25,894,647	22,558,997
Goodwill	21	2,270,489	2,290,261
Long-term prepaid expenses	22	990,059	1,098,709
Deferred tax assets	23	17,096,011	16,249,442
Other non-current assets	24	240,005,749	139,945,933
Total non-current assets		654,837,664	614,543,774
TOTAL ASSETS		2,351,232,414	2,192,173,839

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

CONSOLIDATED BALANCE SHEET (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	30 June 2021	31 December 2020
Current liabilities			
Short-term borrowings	26	74,790,164	29,317,096
Notes payable	27	8,087,865	5,265,592
Accounts payable	28	520,549,638	502,386,965
Advances from customers	29	722,871	607,427
Contract liabilities	30	319,824,633	309,479,052
Employee benefits payable	31	6,696,717	8,200,560
Taxes and surcharges payable	32	61,239,126	64,026,873
Other payables	33	122,483,658	118,273,242
Current portion of non-current liabilities	34	78,580,019	88,146,285
Other current liabilities	35	94,902,774	70,311,655
Total current liabilities		1,287,877,465	1,196,014,747
Non-current liabilities			
Long-term borrowings	36	325,763,116	292,897,038
Bonds payable	37	95,571,485	88,782,471
Lease liabilities	38	3,088,138	–
Long-term payables	39	17,231,254	17,500,260
Long-term employee benefits payable	40	1,922,890	1,999,420
Provisions	41	3,758,712	3,849,660
Deferred income	42	640,672	482,490
Deferred tax liabilities	23	5,670,447	6,056,150
Other non-current liabilities	43	8,678,924	7,496,502
Total non-current liabilities		462,325,638	419,063,991
TOTAL LIABILITIES		1,750,203,103	1,615,078,738
Shareholders' equity			
Paid-in capital	44	41,948,168	41,965,072
Other equity instruments	45	10,000,000	10,000,000
Including: Perpetual bonds		10,000,000	10,000,000
Capital reserve	46	10,700,292	10,265,751
Less: Treasury shares	47	(4,146,986)	(4,204,385)
Other comprehensive income	47	(1,544,579)	(1,179,401)
Special reserve	48	157,828	135,769
General risk reserve		1,383,765	1,383,765
Surplus reserve	49	10,101,632	10,101,632
Retained earnings	50	247,531,519	231,953,228
Total equity attributable to the shareholders		316,131,639	300,421,431
Non-controlling interests		284,897,672	276,673,670
Total shareholders' equity		601,029,311	577,095,101
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,351,232,414	2,192,173,839

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Notes V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Revenue	51	936,715,963	728,187,767
Less: Cost of sales	51	838,152,505	648,379,173
Taxes and surcharges	52	6,766,800	5,594,222
Selling and distribution expenses	53	3,100,664	2,124,147
General and administrative expenses	54	16,468,874	13,581,970
Research and development expenses	55	13,857,924	8,999,961
Finance expenses	56	5,096,920	6,461,400
Including: Interest expenses		6,578,925	6,350,074
Interest income		1,680,920	1,545,420
Add: Other income		235,743	284,029
Investment income	57	1,784,662	3,527,067
Including: Share of profit of associates and joint ventures		1,754,158	3,090,860
Losses from derecognition of financial assets measured at amortised cost		(683,493)	(853,615)
(Losses)/Gains arising from changes in fair value	58	(142,618)	199,572
Credit impairment losses	59	(3,466,779)	(3,423,365)
Asset impairment losses	60	(204,265)	(391,531)
Gains on disposals of assets		136,915	16,967
Operating profit		51,615,934	43,259,633
Add: Non-operating income	61	551,330	695,532
Less: Non-operating expenses	62	441,351	180,288
Profit before income taxes		51,725,913	43,774,877
Less: Income tax expenses	64	11,644,405	10,840,077
Profit		40,081,508	32,934,800
Classified by continuity of operations			
Profit from continuing operations		40,081,508	32,934,800
Classified by ownership of the equity			
Profit attributable to owners of the parent		25,642,823	19,839,785
Profit attributable to non-controlling interests		14,438,685	13,095,015

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

CONSOLIDATED INCOME STATEMENT (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Notes V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Other comprehensive loss, net of tax		(339,076)	(531,092)
Attributable to owners of the parents	47	(357,807)	(353,868)
Other comprehensive loss that will not be reclassified to profit or loss		(272,293)	(281,936)
Remeasurement gains or losses of a defined benefit plan		–	(37,920)
Changes in fair value of investments in other equity instruments		(272,293)	(244,016)
Other comprehensive loss that may be reclassified to profit or loss		(85,514)	(71,932)
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		(137,922)	(45,448)
Changes in fair value of other debt investments		(10,121)	(7,914)
Exchange differences on translation of foreign currency financial statements		62,529	(18,570)
Attributable to non-controlling interests	47	18,731	(177,224)
Total comprehensive income		39,742,432	32,403,708
Attributable to owners of the parent		25,285,016	19,485,917
Attributable to non-controlling interests		14,457,416	12,917,791
Earnings per share	65		
Basic earnings per share (RMB/share)		0.62	0.47
Diluted earnings per share (RMB/share)		0.61	0.46

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

For the six months ended 30 June 2021

	Attributable to shareholders of the Company											Total shareholders' equity	
	Paid-in capital	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	General risk reserve	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests
		Perpetual bonds											
I. Balance at the end of prior year	41,965,072	10,000,000	10,000,000	10,265,751	(4,204,385)	(1,179,401)	135,769	1,383,765	10,101,632	231,953,228	300,421,431	276,673,670	577,095,101
Add: Other changes in accounting policies	-	-	-	-	-	-	-	-	-	(672,735)	(672,735)	-	(672,735)
II. Balance at the beginning of period	41,965,072	10,000,000	10,000,000	10,265,751	(4,204,385)	(1,179,401)	135,769	1,383,765	10,101,632	231,280,493	299,748,696	276,673,670	576,422,366
III. Changes for the period													
1. Total comprehensive income	-	-	-	-	-	(357,807)	-	-	-	25,642,823	25,285,016	14,457,416	39,742,432
2. Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-	-	556,368	556,368
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	556,368	556,368
(2) Capital contributions by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	1,733,423	1,733,423
(3) Share-based payments	-	-	-	478,350	-	-	-	-	-	-	478,350	63,710	542,060
(4) Effect on changes in shareholding of subsidiaries	-	-	-	(20,130)	-	-	-	-	-	-	(20,130)	(133,852)	(153,982)
(5) Buyback and cancellation of locked restricted shares	(16,904)	-	(40,495)	(40,495)	57,399	-	-	-	-	-	-	-	-
(6) Other	-	-	-	16,816	-	-	-	-	-	(78,596)	(61,780)	(14,085)	(75,865)
3. Profit distribution	-	-	-	-	-	-	-	-	-	(9,006,272)	(9,006,272)	(4,888,617)	(13,894,889)
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	-	-	(9,006,272)	(9,006,272)	(4,888,617)	(13,894,889)
(2) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	-	(314,300)	(314,300)	(3,551,858)	(3,866,158)
4. Transfer within equity	-	-	-	-	-	-	-	-	-	-	-	-	-
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(7,371)	-	-	-	7,371	-	-	-
5. Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
(1) Appropriation to safety production expenses	-	-	-	-	-	-	15,213,394	-	-	-	15,213,394	51,408	15,264,802
(2) Use of safety production expenses	-	-	-	-	-	-	(15,191,335)	-	-	-	(15,191,335)	(49,911)	(15,241,246)
IV. Balance at end of period	41,948,168	10,000,000	10,700,292	10,700,292	(4,146,986)	(1,544,579)	157,828	1,383,765	10,101,632	247,531,519	316,131,639	284,897,672	601,029,311

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

For the six months ended 30 June 2020

	Attributable to shareholders of the Company										Total shareholders' equity		
	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	General risk reserves	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests	
	Paid-in capital	Preference shares											Perpetual bonds
I. Balance at beginning of period	41,975,630	14,975,410	6,000,000	12,027,610	(2,501,460)	(1,776,745)	88,474	1,151,202	7,716,149	197,541,411	277,197,681	224,637,639	501,835,320
II. Changes for the period													
1. Total comprehensive income	-	-	-	-	-	(353,868)	-	-	-	19,839,785	19,485,917	12,917,791	32,403,708
2. Owners' contributions and reductions in capital													
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	6,085,792	6,085,792
(2) Capital contributions by the holders of other equity instruments	-	(14,975,410)	4,000,000	-	-	-	-	-	-	-	(10,975,410)	5,794,400	(5,181,010)
(3) Share-based payments	-	-	-	269,688	-	-	-	-	-	-	269,688	31,549	301,237
(4) Buyback and cancellation of locked restricted shares	(10,558)	-	-	(25,655)	36,213	-	-	-	-	-	-	-	-
(5) Other	-	-	-	(44,008)	-	-	-	-	-	(27,443)	(71,451)	1,765,904	1,694,453
3. Profit distribution													
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,763,538)	(7,763,538)	(4,062,293)	(11,825,831)	(11,825,831)
(2) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	(402,574)	(402,574)	(1,691,224)	(2,093,798)	(2,093,798)
4. Transfer within equity													
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(357,188)	-	-	-	357,188	-	-	-
5. Special reserve													
(1) Appropriation to safety production expenses	-	-	-	-	-	-	9,855,226	-	-	-	9,855,226	30,297	9,885,523
(2) Use of safety production expenses	-	-	-	-	-	-	(9,822,582)	-	-	-	(9,822,582)	(27,172)	(9,849,754)
III. Balance at end of period	41,965,072	-	10,000,000	12,227,635	(2,465,247)	(2,487,801)	121,118	1,151,202	7,716,149	209,544,829	277,772,957	245,462,683	523,255,640

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Notes V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
I. Cash flows from operating activities			
Cash receipts from sales of goods and rendering of services		959,385,652	742,121,946
Refund of taxes and surcharges		191,530	159,847
Cash receipts relating to other operating activities	66	21,571,474	22,579,427
Sub-total cash flows from operating activities		981,148,656	764,861,220
Cash payments for goods and services		890,744,888	745,882,283
Cash payments to and on behalf of employees		53,755,417	38,837,012
Payments of taxes and surcharges		43,853,807	33,075,459
Cash payments relating to other operating activities	66	42,538,647	17,711,672
Sub-total cash flows used in operating activities		1,030,892,759	835,506,426
Net cash flows used in operating activities	67	(49,744,103)	(70,645,206)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from disposal of investments		722,515	1,825,307
Cash receipts from returns on investments		2,873,558	2,732,233
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		1,030,796	407,802
Net cash receipts from disposal of subsidiaries and other business units		48	–
Net cash receipts from acquisition of subsidiaries and other business units		51,053	428,856
Cash receipts relating to other investing activities	66	12,671,228	10,196,002
Sub-total cash flows from investing activities		17,349,198	15,590,200
Cash payments to acquire fixed assets, intangible assets and other long-term assets		15,474,834	13,315,435
Cash payments for investments		5,622,024	4,275,524
Net cash payments to acquire subsidiaries and other business units		–	1,154,210
Cash payments relating to other investing activities	66	7,953,149	8,908,619
Sub-total cash flows used in investing activities		29,050,007	27,653,788
Net cash flows used in investing activities		(11,700,809)	(12,063,588)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Notes V	For the six months ended 30 June 2021	For the six months ended 30 June 2020
III. Cash flows from financing activities			
Cash receipts from capital contributions		5,983,593	24,088,660
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		5,983,593	6,085,792
Cash receipts from borrowings		205,713,715	140,131,048
Cash receipts from issuance of bonds		15,601,714	13,199,667
Cash receipts relating to other financing activities	66	11,555,070	10,954,550
Sub-total cash flows from financing activities		238,854,092	188,373,925
Repayments of borrowings		130,950,049	77,458,739
Cash payments for distribution of dividends or profit and interest expenses		21,982,960	19,550,808
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		3,679,238	1,235,314
Cash payments to acquire non-controlling interest of subsidiaries		153,982	–
Other cash payments relating to financing activities	66	20,230,968	26,185,724
Sub-total cash flows used in financing activities		173,317,959	123,195,271
Net cash flows from financing activities		65,536,133	65,178,654
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		(626,311)	388,728
V. Net Increase/(decrease) in cash and cash equivalents			
		3,464,910	(17,141,412)
Add: Cash and cash equivalents at beginning of period		267,861,580	271,727,808
VI. Cash and cash equivalents at the end of period	67	271,326,490	254,586,396

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY BALANCE SHEET

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

ASSETS	Note XV	30 June 2021	31 December 2020
Current assets			
Cash and bank balances		19,221,291	24,262,315
Notes receivable		290,522	129,092
Accounts receivable	1	24,375,877	24,796,051
Accounts receivable financing		200	1,300
Prepayments		7,226,720	7,975,589
Other receivables	2	21,968,538	22,028,907
Inventories		156,266	114,451
Contract assets		7,647,213	6,673,619
Current portion of non-current assets		8,520,729	5,329,588
Other current assets		4,394,521	4,006,076
Total current assets		93,801,877	95,316,988
Non-current assets			
Debt investments		6,036,671	8,597,518
Long-term receivables		2,869	4,109
Long-term equity investments	3	199,987,079	184,728,922
Investments in other equity instruments		1,122,503	1,148,493
Other non-current financial assets		300,000	300,000
Investment properties		526,468	590,927
Fixed assets		806,612	799,412
Construction in progress		107,737	82,790
Right of use assets		371,444	–
Intangible assets		120,236	128,294
Long-term prepaid expenses		29,674	24,084
Deferred tax assets		902,289	756,192
Other non-current assets		6,364,253	5,600,968
Total non-current assets		216,677,835	202,761,709
TOTAL ASSETS		310,479,712	298,078,697

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

COMPANY BALANCE SHEET (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2021	31 December 2020
Current liabilities		
Short-term borrowings	31,547,958	29,526,988
Accounts payable	46,815,044	43,286,709
Contract liabilities	13,759,098	15,009,805
Employee benefit payable	304,347	376,220
Taxes payable	1,268,366	2,488,417
Other payables	45,448,882	48,191,653
Current portion of non-current liabilities	9,131,088	8,918,702
Other current liabilities	3,840,283	3,451,995
Total current liabilities	152,115,066	151,250,489
Non-current liabilities		
Long-term borrowings	2,812,000	3,323,000
Bonds payable	9,993,297	9,991,784
Lease liabilities	279,068	–
Long-term payables	11,671,226	13,861,836
Long-term employee benefit payable	141,050	148,830
Provisions	23,051	25,092
Deferred income	3,365	4,521
Total non-current liabilities	24,923,057	27,355,063
TOTAL LIABILITIES	177,038,123	178,605,552
Shareholders' equity		
Paid-in capital	41,948,168	41,965,072
Other equity instruments	10,000,000	10,000,000
Including: Perpetual bonds	10,000,000	10,000,000
Capital reserve	29,389,150	29,016,685
Less: Treasury shares	(4,146,986)	(4,204,385)
Other comprehensive income	(708,330)	(738,725)
Special reserve	–	25,106
Surplus reserve	10,101,632	10,101,632
Retained earnings	46,857,955	33,307,760
Total shareholders' equity	133,441,589	119,473,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	310,479,712	298,078,697

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY INCOME STATEMENT

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Notes XV	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Revenue	4	47,700,121	40,706,237
Less: Cost of sales	4	45,965,774	39,732,068
Taxes and surcharges		28,149	48,553
General and administrative expenses		614,432	418,199
Research and development expenses		89,167	21,175
Finance expenses		1,206,167	895,842
Including: Interest expenses		972,918	1,164,358
Interest income		102,353	133,182
Add: Other income		4,673	2,020
Investment income	5	23,554,365	23,596,042
Including: Share of losses of associates and joint ventures		(97,991)	(71,348)
Credit impairment losses		(463,071)	(69,787)
Asset impairment (Losses)/Gains		(36,519)	4,078
(Losses)/Gains on disposals of assets		(295)	784
Operating profit		22,855,585	23,123,537
Add: Non-operating income		534	4,382
Less: Non-operating expenses		93,956	6,982
Profit before income taxes		22,762,163	23,120,937
Less: Income tax expenses		(108,604)	748,021
Profit		22,870,767	22,372,916
Including: Profit from continuing operations		22,870,767	22,372,916
Other comprehensive income, net of tax		30,395	(78,784)
Other comprehensive income that will not be reclassified to profit or loss		7,416	23,970
Remeasurement gains or losses of a defined benefit plan		–	(1,020)
Changes in fair value of investments in other equity instruments		7,416	24,990
Other comprehensive income that may be reclassified to profit or loss		22,979	(102,754)
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		(283)	–
Exchange differences on translation of foreign currency financial statements		23,262	(102,754)
Total comprehensive income		22,901,162	22,294,132

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

For the six months ended 30 June 2021

	Paid-in capital	Other equity instruments		Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
		Perpetual bonds								
I. Balance at beginning of period	41,965,072	10,000,000	29,016,685	(4,204,385)	(738,725)	25,106	10,101,632	33,307,760	119,473,145	
II. Changes for the period										
1. Total comprehensive income	-	-	-	-	30,395	-	-	22,870,767	22,901,162	
2. Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	
(1) Share-based payments	-	-	412,960	-	-	-	-	-	412,960	
(2) Buyback and cancellation of locked restricted shares	(16,904)	-	(40,495)	57,399	-	-	-	-	-	
3. Profit distribution	-	-	-	-	-	-	-	(9,006,272)	(9,006,272)	
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	(9,006,272)	(9,006,272)	
(2) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	(314,300)	(314,300)	
4. Special reserve	-	-	-	-	-	-	-	-	-	
(1) Appropriation to safety production expenses	-	-	-	-	-	263,592	-	-	263,592	
(2) Use of safety production expenses	-	-	-	-	-	(288,698)	-	-	(288,698)	
III. Balance at end of period	41,948,168	10,000,000	29,389,150	(4,146,986)	(708,330)	-	10,101,632	46,857,955	133,441,589	

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

COMPANY STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

For the six months ended 30 June 2020

	Paid-in capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
		Preference shares	Perpetual bonds								
I. Balance at beginning of period	41,975,630	14,975,410	6,000,000	30,537,559	(2,501,460)	126,114	-	7,716,149	19,701,723	118,531,125	
II. Changes for the period											
1. Total comprehensive income	-	-	-	-	-	(78,784)	-	-	22,372,916	22,294,132	
2. Owners' contributions and reductions in capital											
(1) Capital contributions by the holders of other equity instruments	-	(14,975,410)	4,000,000	-	-	-	-	-	-	(10,975,410)	
(2) Share-based payments	-	-	-	228,179	-	-	-	-	-	228,179	
(3) Buyback and cancellation of locked restricted shares	(10,558)	-	-	(25,655)	36,213	-	-	-	-	-	
(4) Others	-	-	-	2,644	-	-	-	-	-	2,644	
3. Profit distribution											
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,763,538)	(7,763,538)	
(2) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	(402,574)	(402,574)	
4. Transfer within equity											
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(357,188)	-	-	357,188	-	
5. Special reserve											
(1) Appropriation to safety production expenses	-	-	-	-	-	-	224,184	-	-	224,184	
(2) Use of safety production expenses	-	-	-	-	-	-	(222,006)	-	-	(222,006)	
III. Balance at end of period	41,965,072	-	10,000,000	30,742,727	(2,465,247)	(309,858)	2,178	7,716,149	34,265,715	121,916,736	

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
I. Cash flows from operating activities		
Cash receipts from sales of goods and rendering of services	49,220,209	46,323,207
Refund of taxes and surcharges	8,227	8,962
Cash receipts relating to other operating activities	2,964,542	3,694,920
Sub-total cash flows from operating activities	52,192,978	50,027,089
Cash payments for goods and services	42,752,025	43,690,758
Cash payments to and on behalf of employees	952,859	901,731
Payments of taxes and surcharges	1,333,992	973,438
Cash payments relating to other operating activities	2,624,028	2,455,842
Sub-total cash flows used in operating activities	47,662,904	48,021,769
Net cash flows from operating activities	4,530,074	2,005,320
II. Cash flows from investing activities		
Cash receipts from disposal of investments	149,118	302,790
Cash receipts from returns on investments	18,066,567	18,755,240
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	13,860	1,291
Cash receipts relating to other investing activities	155,618	1,552,106
Sub-total cash flows from investing activities	18,385,163	20,611,427
Cash payments to acquire fixed assets, intangible assets and other long-term assets	73,059	79,426
Cash payments for investments	15,159,624	4,267,082
Cash payments relating to other investing activities	6,164	505,640
Sub-total cash flows used in investing activities	15,238,847	4,852,148
Net cash flows from investing activities	3,146,316	15,759,279

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

COMPANY STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
III. Cash flows from financing activities		
Cash receipts from capital contributions	–	10,000,000
Cash receipts from borrowings	24,500,000	30,000,000
Cash receipts relating to other financing activities	–	18,995
Sub-total cash flows from financing activities	24,500,000	40,018,995
Repayments of borrowings	26,011,000	25,611,000
Cash payments for distribution of dividends or profit and interest expenses	9,991,206	9,723,783
Other cash payments relating to financing activities	1,004,992	20,975,410
Sub-total cash flows used in financing activities	37,007,198	56,310,193
Net cash flows used in financing activities	(12,507,198)	(16,291,198)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(86,984)	12,315
V. Net (decrease)/increase in cash and cash equivalents	(4,917,792)	1,485,716
Add: Cash and cash equivalents at the beginning of period	23,663,373	21,528,343
VI. Cash and cash equivalents at the end of period	18,745,581	23,014,059

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

NOTES TO THE FINANCIAL STATEMENTS

I. General information

China State Construction Engineering Corporation Limited ("the Company") was established as a joint stock limited company under the People's Republic of China ("PRC") laws and regulations in accordance with the approval of Guo Zi Gai Ge [2007] No.1495 issued by State-owned Assets Supervision and Administration Commission of the State Council ("SASAC") on 6 December 2007. The founder-members of the Company are China State Construction Engineering Corporation ("CSCEC"), China National Petroleum Corporation, Baosteel Group Corporation and Sinochem Corporation (the latter three are called by "other founder-members").

In November 2017, after approval by SASAC, CSCEC was transformed from a wholly people-owned enterprise to a wholly state-owned company. After the transformation, the Company's name was changed to China State Construction Engineering Co., Ltd. ("CSCEC"), and its contributor was SASAC who represents the State Council.

The Company was established on 10 December 2007 in Beijing, PRC, and its head quarter is situated in Beijing, PRC. The parent company and the ultimate parent company of the Company is CSCEC. The Company was listed on Shanghai Stock Exchange ("A shares") for trading in July 2009. As at 30 June 2021, total share capital of the Company was approximately RMB42 billion at the par value of RMB1.00 per share. As at 30 June 2021, CSCEC held approximately 23,630,700,000 shares, representing 56.33% of the total share capital.

The approved scope of business of the Company and its subsidiaries (together "the Group") includes survey, design, construction, installation, consultation, development, decoration service, manufacturing, wholesale, retail and imports and exports. The core operations include: offering a full range of construction-related services to foreign and domestic civil engineering and building construction such as construction, installation and consultation, investment and construction of infrastructure projects, foreign and domestic real estate investment and development, architecture and infrastructure construction survey and design, decoration engineering, landscape engineering design and construction, industrial investment, contracting for foreign projects in PRC, import and export, production and distribution of construction materials and other non-metal mineral products, construction-related metalwork and tools and construction engineering and drilling equipment, and financial business such as lending and borrowing within the Group.

These financial statements are authorised for issuance by the Company's Board of Directors on 27 Aug 2021.

Please refer to Note VI for details of significant subsidiaries included in the consolidation scope in the current year. The Group does not have any significant subsidiaries newly included in the consolidation scope or excluded from the consolidation scope in the current year.

II. Basis of preparation of the financial statements

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards, implementation guidance, interpretations, other relevant regulations issued subsequently by the Ministry of Finance (the "MOF") (hereinafter collectively referred to as "ASBEs").

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

The financial statements have been prepared under the historical cost convention, except for certain financial instruments. If the assets are impaired, corresponding provisions for impairment shall be made according to relevant requirements.

III. Significant accounting policies and estimates

Specific accounting policies and estimates were decided by the Group according to the characteristics of its production and operation, mainly including measurement of expected credit losses on receivables and contract assets, valuation method of inventories, recognition and measurement of revenue, etc.

1. Statement of compliance with ASBEs

The consolidated and company financial statements present fairly and fully the financial position of the Group and the Company as at 30 June 2021 and the financial performance and the cash flows for the six months ended 30 June 2021 in accordance with ASBEs.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year.

3. Functional currency

The Group's reporting and presentation currency is Renminbi ("RMB"). Unless otherwise specified, all are expressed in thousands of RMB.

Each subsidiary, joint venture or associate of the Group determines its own functional currency based on the primary economic environment in which it operates. In preparation of the financial statements, their functional currencies are translated into RMB.

III. Significant accounting policies and estimates (continued)

4. Business combinations

Business combinations are classified into business combinations involving entities under common control and business combinations not involving entities under common control.

Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. In a business combination involving entities under common control, the entity that, at the combination date, obtains control of another combining entity is the absorbing entity, while that other combining entity is the entity being absorbed. The combination date refers to the date on which the merging party actually obtains control of the merged party.

The assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the entity being absorbed) that are obtained by the absorbing entity in a business combination involving entities under common control shall be measured on the basis of their carrying amounts in the financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to share premium under capital reserve. If the capital premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving entities under common control

A business combination not involving entities under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the combination. In a business combination not involving entities under common control, the entity that, on the acquisition date, obtains control of another combining entity is the acquirer, while that other combining entity is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

The acquirer shall measure the acquiree's identifiable assets, liabilities and contingent liabilities acquired in the business combination at their fair values on the acquisition date.

Goodwill is initially recognised and measured at cost, being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree over the Group's interest in the fair value

of the acquiree's net identifiable assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Where the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the Group's previously held equity interest in the acquiree is lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group reassesses the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the fair value of the consideration transferred (or the fair value of the equity securities issued), together with the fair value of the Group's previously held equity interest in the acquiree. If after that reassessment, the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and the Group's previously held equity interest in the acquiree is still lower than the Group's interest in the fair value of the acquiree's net identifiable assets, the Group recognises the remaining difference in profit or loss.

Where a business combination not involving enterprises under common control is achieved through multiple transactions in stages, the long-term equity investments held in the acquiree before the acquisition date are remeasured at fair value at the acquisition date, with any difference between the fair value and the carrying amount included in investment income for the current period. Where the long-term equity investments held in the acquiree before the acquisition date relates to other comprehensive income measured under the equity method, the accounting treatment shall be conducted on the same basis as the direct disposal of related assets or liabilities by the invested entity, other changes in shareholders' equity except net profit or loss, other comprehensive income and profit distribution shall be transferred to income for the period in which the acquisition date falls. Where the equity instrument investments are held in the acquiree before the acquisition date, accumulated changes in the fair value of other comprehensive income of those equity instrument investment before the acquisition date are transferred to retained earnings.

5. Consolidated financial statements

The scope of the consolidated financial statements, which include the financial statements of the Company and all of its subsidiaries, is determined on the basis of control. Subsidiary refers to the entity controlled by the company (including the divisible parts of the enterprises, the invested units, and the structured entities controlled by the company, etc).

In the preparation of the consolidated financial statements, where the accounting policies of a subsidiary are different from those of the Company have made adjustments to the financial statements of the subsidiary based on the Company's own accounting policies, and where the accounting period of a subsidiary is different from that of the Company, the Company has adjusted the financial statements of the subsidiary based on the Company's own accounting period. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

III. Significant accounting policies and estimates (continued)

5. Consolidated financial statements (continued)

Where the loss for the current period attributable to non-controlling interests of a subsidiary exceeds the non-controlling interests of the opening balance of equity of the subsidiary, the excess shall still be allocated against the non-controlling interests.

For subsidiaries acquired through business combinations not involving entities under common control, the financial performance and cash flows of the acquiree shall be consolidated from the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. While preparing the consolidated financial statements, the Group shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognised on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the financial performance and cash flows of the entity being absorbed shall be consolidated from the beginning of the period in which the combination occurs. While preparing the comparative financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity after the combination has been in existence since the date the ultimate controlling party first obtained the control.

The Group reassesses whether or not it controls an investee if any changes in facts and circumstances indicate that there are changes to one or more of the three elements of control.

A change in the non-controlling interests, without a loss of control, is accounted for as an equity transaction.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

6. Classification of joint arrangement and joint operation

A joint arrangement is classified as either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint operators have rights to the net assets of the arrangement.

A joint operator recognises the following items in relation to its interest in a joint operation: its solely-held assets and its share of any assets held jointly; its solely-assumed liabilities and its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its solely-incurred expenses and its share of any expenses incurred jointly.

7. Cash and cash equivalents

Cash comprises the Group's cash on hand and bank deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

8. Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded, on initial recognition in the functional currency using the spot exchange rates prevailing at the dates of transactions in which the transactions occur. Monetary items denominated in foreign currencies are translated at the spot exchange rates ruling at the balance sheet date. Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of those relating to foreign currency borrowings specifically for the construction and acquisition of qualifying assets, which are capitalised in accordance with the guidance for capitalisation of borrowing costs. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions, and the amount denominated in the functional currency is not changed. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The resulting exchange differences are recognised in profit or loss or other comprehensive income depending on the nature of the non-monetary items.

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rates at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the spot exchange rates prevailing on the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss. If the disposal only involves a portion of a particular foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss on a pro-rata basis.

Foreign currency cash flows and the cash flows of foreign subsidiaries are translated using the spot exchange rates prevailing on the dates of cash flows. The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

III. Significant accounting policies and estimates (continued)

9. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and derecognition

The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of a financial instrument.

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

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

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

Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting. Regular way purchases and sales are purchases or sales of financial assets that require delivery within the period generally established by regulation or convention in the marketplace. The trade date is the date that the Group committed to purchase or sell a financial asset.

Contract change due to benchmark interest rate reform

Due to the benchmark interest rate reform, the terms of some financial instruments of the Group have been modified to replace the original benchmark interest rate with the alternative benchmark interest rate, and other modifications have been made to the terms of financial instruments.

For financial assets or financial liabilities measured by the effective interest method, the Group will not evaluate whether the change leads to derecognition or adjust the book balance of the financial assets or financial liabilities only if the determination basis of the contract cash flow is changed directly due to the reform of the benchmark interest rate and the determination basis before and after the change is economically equivalent, and the group recalculates the effective interest rate according to the changed future cash flow and makes subsequent measurement on this basis. In case of other changes in financial assets or financial liabilities at the same time, the Group shall firstly conduct accounting treatment for the changes caused by the benchmark interest rate reform in accordance with the above provisions, and then evaluates whether other changes lead to substantial changes.

Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them: financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income. All affected related financial assets will be reclassified only if the Group changes its business model for managing financial assets.

Financial assets are measured at fair value on initial recognition, but accounts receivable or notes receivable arising from the sale of goods or rendering of services that do not contain significant financing components or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component due within one year, are initially measured at the transaction price.

For financial assets at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial assets are included in the initial recognition amounts.

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

Debt investments measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met: the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

III. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

Debt investments at fair value through other comprehensive income

The Group measures debt investment held at fair value through other comprehensive income if both of the following conditions are met: the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income is recognised using the effective interest method. The interest income, impairment losses and foreign exchange revaluation are recognised in profit or loss. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Equity investments at fair value through other comprehensive income

The Group can elect to classify irrevocably its equity investments which are not held for trading as equity investments designated at fair value through other comprehensive income. Only the relevant dividend income (excluding the dividend income explicitly recovered as part of the investment cost) is recognised in profit or loss. Subsequent changes in the fair value are included in other comprehensive income, and no impairment allowance is made. When the financial asset is derecognised, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to retained earnings.

Financial assets at fair value through profit or loss

The financial assets other than the above financial assets measured at amortised cost and financial assets at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Such financial assets are subsequently measured at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

The Group's financial liabilities are, on initial recognition, classified into financial liabilities at fair value through profit or loss, or other financial liabilities. For financial liabilities at fair value through profit or loss, relevant transaction costs are directly recognised in profit or loss, and transaction costs relating to other financial liabilities are included in the initial recognition amounts.

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of financial liabilities held for trading (including derivative instruments that are financial liabilities) and those designated upon initial recognition as at fair value through profit or loss. Financial liabilities held for trading (including derivative instruments that are financial liabilities) are subsequently measured at fair value. All changes in fair value of such financial liabilities are recognised in profit or loss. Financial liabilities designated at fair value through profit or loss are subsequently measured at fair value and gains or losses are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income. If gains or losses arising from the Group's own credit risk which are presented in other comprehensive income will lead to or expand accounting mismatch in profit or loss, the Group will include all the changes in fair value (including the amount affected by changes in the Group's own credit risk) of such financial liabilities in profit or loss.

Other financial liabilities

For such financial liabilities, the effective interest rate method is adopted and the subsequent measurement is carried out according to the amortized cost.

Impairment of financial assets

Based on the expected credit losses ("ECLs"), the Group recognises an allowance for ECLs for the financial assets measured at amortised cost, debt investments at fair value through other comprehensive income, lease receivables, contract assets, and financial guarantee contracts.

For accounts receivable and contract assets excluding significant financing components, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

III. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

For accounts receivable, contract assets including significant financing components and lease receivable, the Group applies the simplified approach to recognise a loss allowance based on lifetime ECLs.

Except for financial assets which apply the simplified approach as mentioned above, the Group assesses other financial assets and financial guarantee contracts that whether the credit risk has increased significantly since initial recognition at each end of the reporting period. If the credit risk has not increased significantly since initial recognition (stage 1), the loss allowance is measured at an amount equal to 12-month ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if the credit risk has increased significantly since initial recognition but are not credit-impaired (stage 2), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the carrying amount and the effective interest rate; if such financial assets are credit-impaired after initial recognition (stage 3), the loss allowance is measured at an amount equal to lifetime ECLs by the Group and the interest income is calculated according to the amortised cost and the effective interest rate. If the credit risk of financial instruments is low at the end of the reporting period, the Group assumes that the credit risk has not increased significantly since initial recognition.

The Group assesses the expected credit loss of financial instruments based on individual and portfolio. Taking into account the credit risk characteristics of different customers, the Group evaluates the expected credit loss of accounts receivable and contract assets on the basis of ageing portfolio.

In case the ECLs of individually assessed accounts receivable and contract assets cannot be evaluated with reasonable cost, the Group divides accounts receivable and contract assets into certain groupings based on credit risk characteristics, and calculates the ECLs of the groupings of accounts receivable. The groupings of accounts receivable are as follows:

Grouping 1	Due from government, authorities and central state-owned enterprises
Grouping 2	Due from overseas and enterprises
Grouping 3	Due from other customers

The Group, with consideration to historical credit loss experience, current conditions and forecasts of future economic conditions, prepares the cross-reference between the ageing of accounts receivable and the lifetime ECLs rates, and calculates the ECLs of the groupings of contract assets. The groupings of contract assets are as follows:

Grouping 1	Engineering projects
Grouping 2	Real estate projects
Grouping 3	Unmatured warranties
Grouping 4	PPP projects which are managed in the model of financial assets
Grouping 5	Primary land development projects
Grouping 6	Other contract assets

Based on the exposure at default and the lifetime ECLs rate, the Group calculates the ECLs of contract assets that are classified into groupings with consideration to historical credit losses experience, current conditions and forecasts of future economic conditions.

For long-term receivables arising from sales of goods or rendering of services in the ordinary course of the activities, such as receivables for PPP projects, receivables for BT projects, receivables for primary land development, and receivables for other infrastructure projects, the Group calculates the ECLs through default risk exposure and the lifetime ECLs rate, on the basis of historical credit loss experience, the current conditions and forecasts of future economic conditions. Based on the exposure at default and the 12-month/lifetime ECLs rate, the Group calculates the ECLs of other long-term receivables with consideration of historical credit loss experience, the current conditions and forecasts of future economic conditions.

In the case where the ECLs of other receivables individually assessed cannot be evaluated with reasonable cost, the Group divides other receivables into certain groupings based on credit risk characteristics, and calculates the ECLs for the groupings. The groupings of other receivables are as follows:

Grouping 1	Guarantees, deposits and reserves receivables
Grouping 2	Advances receivable
Grouping 3	Other receivables

The Group, on the basis of the exposure at default and the 12-month/lifetime ECLs rate, calculates the ECLs of other receivables that are classified into groupings with consideration to historical credit loss experience, the current conditions and forecasts of future economic conditions.

III. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

The Group's judgement criteria for a significant increase of credit risk, the definition of credit-impaired assets, and the assumptions on the measurement of expected credit losses are disclosed in Note VIII. 3.

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of a financial asset, the Group directly writes down the carrying amount of the financial asset.

Offsetting of financial instruments

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

Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made by the issuer to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of provisions for ECLs at the balance sheet date, and (ii) the amount initially recognised less the cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Transfer of financial assets

A financial asset is derecognised when the Group has transferred substantially all the risks and rewards of the asset to the transferee. A financial asset is not derecognised when the Group retains substantially all the risks and rewards of the financial asset.

When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, it either (i) derecognises the financial asset and recognises the assets and liabilities created in the transfer when it has not retained control of the asset; or (ii) continues to recognise the transferred asset to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability.

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

10. Inventories

The inventories include inventories of raw materials, work in progress, finished goods, turnover materials, properties under development and completed properties for sale, etc.

Inventories are initially carried at cost. Cost of inventories comprises all costs of purchase, laid down cost, costs of conversion and other costs.

Cost is determined using the first-in first-out or weighted average method when raw materials, turnover materials, work in progress and finished goods are delivered. The cost of finished goods and work in progress comprises raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

Properties under development and completed properties for sale mainly include costs for acquiring the land use rights, expenditures of basic facilities, expenditures of construction and installation work, borrowing costs incurred before the completion of development project. Properties under development will be carried forward to the completed properties for sale according to the actual cost after the completion of the project, completed properties for sale are measured at actual cost.

Turnover materials are amortised based upon numbers of usage.

The Group adopts the perpetual inventory system.

At the end of the reporting period, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. When the circumstances that previously caused the inventories to be written down below cost no longer exist, in which case the net realisable value of inventories becomes higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down, and is recognised in profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. For inventories with large quantity and low values, provision for decline in value is made based on categories of inventories, and other inventories are written down item by category. Items of inventories relating to the same product line that have the same or similar end uses or purposes, are produced and marketed in the same geographical area and cannot be practicably evaluated separately from other items in that product line, are grouped and written down on an aggregate basis.

III. Significant accounting policies and estimates (continued)

11. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries, joint ventures and associates.

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the acquirer's share of the carrying value of shareholder's equity of the party being absorbed at the combination date. For the difference between the initial investment cost and the book value of the merger consideration, the capital reserve shall be adjusted (if it is not enough to offset, the retained earnings shall be offset); for other comprehensive income before the merger date, the accounting treatment shall be conducted on the same basis as the direct disposal of relevant assets or liabilities by the investee. The shareholder's equity recognized due to changes in other shareholders' equity of the investee other than net profit and loss, other comprehensive income and profit distribution shall be transferred to the current profit and loss when the investment is disposed of; among them, the long-term equity investment after disposal shall be carried forward proportionally, and that converted into financial instruments after disposal shall be carried forward in full. For a long-term equity investment through a business combination not involving entities under common control, the initial investment cost of the long-term equity investment is the cost of combination (for a business combination not involving entities under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date), the cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer; For other comprehensive income held before the acquisition date and recognized by the equity method, the accounting treatment shall be carried out on the same basis as the direct disposal, relevant assets or liabilities by the investee, and the shareholder's equity recognized due to changes in other shareholders' equity of the investee other than net profit and loss, other comprehensive income and profit distribution, When the investment is disposed, it is transferred to the current profit and loss; among them, the long-term equity investment after disposal is carried forward proportionally, and the financial instrument converted after disposal is carried forward in full; the accumulated fair value change of the equity investment held before the purchase date as a financial instrument included in other comprehensive

income is transferred to retained earnings when accounting by cost method. For a long-term equity investment acquired otherwise than through a business combination, the initial investment cost is determined as follows: for a long-term equity investment acquired by cash, the initial investment cost is the actual purchase price paid and direct costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued; for a long-term equity investment acquired through exchange of non-monetary assets, the initial investment cost is determined in accordance with *Accounting Standard for Business Enterprises No. 7 – Exchange of Non-monetary Assets*; for a long-term equity investment acquired through debt restructuring, the initial investment cost is determined in accordance with *Accounting Standard for Business Enterprises No. 12 – Debt Restructuring*.

For a long-term equity investment where the Company can exercise control over the investee, the long-term investment is accounted for using the cost method in the Company's individual financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Under the cost method, the long-term equity investment is measured at its initial investment cost. When additional investment is made or the investment is recouped, the cost of long-term equity investment is adjusted accordingly. Cash dividends or profit distributions declared by the investee are recognised as investment income in profit or loss.

The equity method is adopted when the Group has joint control, or exercises significant influence over the investee. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control with other parties over those policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets at the acquisition date, the difference is charged to profit or loss, and the cost of the long-term equity investment is adjusted accordingly.

III. Significant accounting policies and estimates (continued)

11. Long-term equity investments (continued)

Under the equity method, after it has acquired a long-term equity investment, the Group recognises its share of the investee's profit or loss, as well as its share of the investee's other comprehensive income, as investment income or loss and other comprehensive income, and adjusts the carrying amount of the investment accordingly. The Group recognises its share of the investee's profit or loss after making appropriate adjustments to the investee's profit or loss based on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods. Unrealised profits and losses from transactions with its joint ventures and associates are eliminated to the extent of the Group's investments in the associates or joint ventures (except for assets that constitute a business) (However, any loss arising from such transactions which are attributable to an impairment loss shall be recognised at its entirety). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent that the carrying amount of the investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume further losses. The Group's share of the investee's equity changes, other than those arising from the investee's profit or loss, other comprehensive income or profit distribution, is recognised in the Group's equity, and the carrying amount of the long-term equity investment is adjusted accordingly.

Upon disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognised in profit or loss. For a long-term equity investment accounted for using the equity method, when the Group discontinues using the equity method due to disposal, all amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. Equity previously recognised resulting from the investee's equity

changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss in its entirety. When the Group continues to use the equity method, the amounts previously recognised in other comprehensive income are accounted for on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities and reclassified to profit or loss on a pro-rata basis. Equity previously recognised resulting from the investee's equity changes other than profit or loss, other comprehensive income and profit distribution is reclassified to profit or loss on a pro-rata basis.

12. Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of its investment properties. Buildings and land use rights are depreciated or amortised according to their service life and estimated net residual values rate.

13. Fixed assets

A fixed asset is recognised only when the economic benefits associated with the asset will probably flow into the Group and the cost of the asset can be measured reliably. Subsequent expenditures incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognised. Otherwise, such expenditures are recognised in profit or loss as incurred.

Fixed assets are initially measured at cost. The cost of a purchased fixed asset comprises the purchase price, relevant taxes and any directly attributable expenditure for bringing the asset to working condition for its intended use.

III. Significant accounting policies and estimates (continued)

13. Fixed assets (continued)

In addition to the safety production expenses extracted, depreciation of fixed assets is calculated using the straight-line method. The useful lives, estimated net residual value rates and annual depreciation rates of each category of the fixed assets are as follows:

	Useful life	Estimated net residual value rate	Annual depreciation rate
Buildings	8 to 35 years	0% to 5%	2.71% to 12.50%
Machinery and equipment	5 to 14 years	0% to 5%	6.79% to 20.00%
Motor vehicles	3 to 10 years	0% to 5%	9.50% to 33.33%
Office equipment, temporary facilities and others	5 to 10 years	0% to 5%	9.50% to 20.00%

The Group reviews the useful life, estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and makes adjustments if necessary.

14. Construction in progress

The cost of construction in progress is determined according to the actual expenditures incurred for the construction, including all necessary construction expenditures incurred during the construction period, borrowing costs that shall be capitalised before the construction is ready for its intended use, and other relevant expenditures.

Construction in progress is transferred to fixed assets when it is ready for its intended use.

15. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of the funds. Borrowing costs include interest, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. The amounts of other borrowing costs incurred are recognised as an expense in the period in which they are incurred. Qualifying assets are assets that necessarily take a substantial period of time of acquisition, construction or production to get ready for their intended use or sale.

The capitalisation of borrowing costs commences only when all of the following conditions are satisfied:

- (1) expenditures for the asset have been incurred;
- (2) borrowing costs have been incurred; and
- (3) activities that are necessary to acquire, construct or produce the asset for its intended use or sale have been undertaken.

Capitalisation of borrowing costs ceases when the qualifying asset being acquired, constructed or produced gets ready for its intended use or sale. Any borrowing costs subsequently incurred are recognised in profit or loss.

During the capitalisation period, the amount of interest eligible for capitalisation for each accounting period shall be determined as follows:

- (1) where funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is the actual interest costs incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds; or
- (2) where funds are borrowed generally for the purpose of obtaining a qualifying asset, the amount of interest eligible for capitalisation is determined by applying a weighted average interest rate on the general borrowings to the weighted average of the excess of the cumulative expenditures on the asset over the expenditures on the asset funded by the specific borrowings.

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally by activities other than those necessary to get the asset ready for its intended use or sale, when the suspension is for a continuous period of more than 3 months. Borrowing costs incurred during these periods are recognised as an expense in profit or loss until the acquisition, construction or production is resumed.

III. Significant accounting policies and estimates (continued)

16. Right of use assets (applicable from 1 January 2021)

The Group's right of use assets mainly include buildings, machinery and equipment, motor vehicles and other equipments.

At the commencement date of the lease, the Group recognizes its right to use the leased asset within the lease term as the right of use asset, including: the initial measurement amount of lease liability; For the lease payment paid on or before the beginning of the lease term, if lease incentive exists, the relevant amount of lease incentive used shall be deducted; Initial direct expenses incurred by the lessee; The estimated cost incurred by the lessee for dismantling and removing the leased asset, restoring the site where the leased asset is located or restoring the leased asset to the condition agreed in the lease terms. The Group subsequently depreciates the right of use assets by using the straight-line method. If the ownership of the leased asset is obtained at the expiration of the lease term by reasonable anticipation, the group accrues depreciation within the remaining service life of the leased asset. If the ownership of the leased asset cannot be obtained at the expiration of the lease term by reasonable anticipation, the group accrues depreciation within the shorter of the lease term and the remaining service life of the leased asset.

The Group remeasures the lease liability according to the present value of the changed lease payment and adjusts the book value of the right of use asset accordingly. If the book value of the right of use asset has been reduced to zero, but the lease liability still needs to be reduced further, the group will include the remaining amount in the current profit and loss.

17. Intangible assets

An intangible asset shall be recognised only when it is probable that the economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination not involving entities under common control with a fair value that can be measured reliably are recognised separately as intangible assets and initially measured at the fair value at the date of acquisition.

The useful life of an intangible asset is determined according to the period over which it is expected to generate economic benefits for the Group. An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group.

Land use rights that are purchased by the Group are accounted for as intangible assets. Buildings, such as plants that are developed and constructed by the Group, and relevant land use rights are accounted for as fixed assets and intangible assets, respectively. Payments for the land and buildings purchased are allocated between the land use rights and the buildings; they are accounted for as fixed assets if they cannot be reasonably allocated.

The Group is involved in a number of service franchising arrangements. The Group carries out infrastructure projects for the licensor in accordance with the preconditions set by the licensor in exchange for the right to operate the relevant assets. Prescribed in the contract after the completion of the infrastructure, the Group engaged in business has rights to access the service object for a certain period of time of charge with uncertain amount, those rights do not constitute an unconditional charge right which can collect the certain amount of money or other financial assets, and is attributed to intangible assets. The Group will present the franchise acquired under such franchise arrangement as an intangible asset on its balance sheet. Upon completion of the relevant infrastructure project under the franchise arrangement, the franchise shall be amortized on a straight-line basis during the franchise period.

An intangible asset with a finite useful life is amortised using the straight-line method over its useful life. For an intangible asset with a finite useful life, the Group reviews the useful life and amortisation method at least at each year end and makes adjustment if necessary.

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

III. Significant accounting policies and estimates (continued)

18. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventories, contract assets and contract cost assets, deferred tax assets, and financial assets, by using the following methods:

The Group assesses at the end of the reporting period whether there is any indication that an asset may be impaired. If any indication exists that an asset may be impaired, the Group estimates the recoverable amount of the asset and performs impairment testing. Goodwill arising from a business combination and an intangible asset with an indefinite useful life are tested for impairment at least at each year end, irrespective of whether there is any indication that the asset may be impaired. Intangible assets that have not been ready for their intended use are tested for impairment each year.

The recoverable amount of an asset is the higher of its fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. The Group estimates the recoverable amount on an individual basis unless it is not possible to estimate the recoverable amount of the individual asset, in which case the recoverable amount is determined for the asset group to which the asset belongs. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups.

When the recoverable amount of an asset or asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount by the Group. The reduction in the carrying amount is treated as an impairment loss and recognised in profit or loss. A impairment allowance loss of the asset is recognised accordingly.

For the purpose of impairment testing, the carrying amount of goodwill acquired in a business combination is allocated from the acquisition date on a reasonable basis, to each of the related asset groups unless it is impossible to allocate to the related asset groups, in which case it is allocated to each of the related sets of asset groups. Each of the related asset groups or sets of asset groups is an asset group or a set of asset groups that is expected to benefit from the synergies of the business combination and shall not be larger than a reportable segment determined by the Group.

When testing an asset group (a set of asset groups) to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group (set of asset groups), excluding the amount of goodwill allocated, for impairment, i.e., the Group determines and compares the recoverable

amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group (set of asset groups), including goodwill, for impairment, the carrying amount of the related asset group (set of asset groups) is compared to its recoverable amount. If the carrying amount of the asset group (set of asset groups) is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group (set of asset groups), and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group (set of asset groups), on a pro-rata basis of the carrying amount of each asset.

Once the above impairment loss is recognised, it cannot be reversed in subsequent accounting periods.

19. Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

20. Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also employee benefits.

Short-term employee benefits

The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

Post-employment benefits (defined contribution plan)

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government, and an enterprise pension fund, the corresponding expenses shall be included in the cost of related assets or profit or loss.

III. Significant accounting policies and estimates (continued)

20. Employee benefits (continued)

Post-employment benefits (defined benefit plan)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment and the date that the Group recognises restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under administrative expenses, and finance expenses in the income statement: service costs comprising current service costs, past service costs, and gains and losses on settlements; net interest comprising interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling.

Termination benefits

The Group provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of when the Group can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal and when the Group recognise costs involving the payment of termination benefits.

Early retirement benefits

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the statutory retirement age, as approved by management.

The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

The termination benefits expected to be settled within one year since the balance sheet date are classified as current liabilities.

21. Lease liabilities (applicable from 1 January 2021)

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date, except for short-term leases and leases of low-value assets. In calculating the present value of the lease payments, the Group uses the interest rate implicated in the lease as the discount rate. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate. The Group calculates the interest expenses of the lease liability in each period during the lease term using the constant periodic rate of interest, and recognises such interest expenses in profit or loss, except those recognised in the costs of the related asset as required. Variable lease payments that are not included in the measurement of the lease liabilities are recognised in profit or loss as incurred, except those recognised in the costs of the related asset as required.

After the commencement date of the lease, when the actual fixed payment amount, the expected payable amount of the guaranteed residual value, the index or ratio used to determine the lease payment amount, and the evaluation results or actual exercise of the purchase option, renewal option or termination option change, the Group remeasures the lease liabilities according to the present value of the changed lease payments.

22. Provisions

An obligation related to a contingency shall be recognised by the Group as a provision when all of the following conditions are satisfied, except for contingent considerations and contingent liabilities assumed in a business combination not involving entities under common control:

III. Significant accounting policies and estimates (continued)

22. Provisions (continued)

- (1) the obligation is a present obligation of the Group;
- (2) it is probable that an outflow of economic benefits from the Group will be required to settle the obligation; and
- (3) a reliable estimate can be made of the amount of the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money as a whole. Provisions are reviewed at each balance sheet date. Where there is clear evidence that the carrying amount of a provision does not reflect the current best estimate, the carrying amount is adjusted to the current best estimate.

23. Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such equity-settled share-based payment could vest immediately, related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserve; if such equity-settled share-based payment could not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group at each balance sheet date during the vesting period recognises the services received for the current period as related costs and expenses, with a corresponding increase in capital reserve, at an amount equal to the fair value of the equity instruments at the grant date, based on the best estimate of the number of equity instruments expected to vest, which is made on the basis of the latest available information such as the changes in the number of covered employees. The fair value of the Share Options was determined by the Binomial Options Pricing Model, as stated in Note XI.

The cost of equity-settled transactions is recognised, together with a corresponding increase in capital reserve, over the period in which the specified

performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

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

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

24. Other equity instruments

Perpetual bonds issued by the Group are classified as equity instruments when the Group has the right to extend the term indefinitely upon the maturity of perpetual bonds and defer the payment of stated interests of perpetual bonds, and has no contractual obligation to pay cash or other financial assets.

The equity instruments such as non-cumulative preference shares issued by the Group shall meet the following conditions at the same time: (1) it does not include the contractual obligation to deliver cash or other financial assets to other parties or exchange financial assets or financial liabilities with other parties under potential adverse conditions; (2) the equity instruments of the Group must be used or can be used for settlement. If it is a non derivative instrument, the equity instrument of the Group shall be used for settlement, and the relevant financial instruments shall not include the contractual obligation to deliver non fixed amount of the Group's own equity instruments for settlement; If it is a derivative instruments, the relevant financial instruments can only be settled by exchanging a fixed amount of cash or other financial assets with a fixed amount of the Group's own equity instruments. Therefore, the Group will calculate them as other equity instruments.

III. Significant accounting policies and estimates (continued)

24. Other equity instruments (continued)

The dividend declaration and payment of the Company's preference shares shall be decided by the board of directors of the Company in accordance with the authorization of the general meeting of shareholders. Prior to the ordinary shareholders, the preference shareholders shall be distributed the dividends prior to the ordinary shareholders, and the Company shall not distribute profits to the shareholders of ordinary shares until the agreed current dividend of preference shares is fully distributed. The general meeting of shareholders of the Company has the right to decide to cancel the payment of part or all of the current dividends of the preference shares, which does not constitute a default of the Company. The preference shares is a non-cumulative dividend type preference shares. The Company classifies the preference shares as other equity instruments.

25. Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods, or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

Construction contracts

A construction contract between the Group and the customer usually includes performance obligations of housing construction and infrastructure construction. Because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, the revenue is recognised over time only if the Group can reasonably measure its progress towards the complete satisfaction of the performance obligation. The Group uses the input method and determines the progress towards the complete satisfaction of the rendering of services on the basis of costs incurred. If the progress towards the complete satisfaction of the performance obligation cannot be reasonably measured, but the Group expects to recover the costs incurred in satisfying the performance obligation, the revenue is recognised only to the extent of the costs incurred until such time that the Group can reasonably measure the progress towards the complete satisfaction of the performance obligation.

Revenue from sales of real estate

The Group's revenue from real estate development business is recognised when the control over properties is transferred to the customer. According to the terms under the sales contract and laws and regulations applicable to the contract, the control over properties can be transferred within a certain period of time or at a certain point of time. Where goods produced during the Group's performance of the contract are irreplaceable and the Group is entitled to collect payments for the part of the performance that has been completed so far during the entire contract period, revenue is recognised within a certain period of time based on the progress of performance obligation fulfilment during the contract period, and the progress of performance obligation fulfilment is determined based on the proportion of contract costs incurred for the fulfilled performance obligations to the estimated total contract costs. Otherwise, revenue is recognised when the customer obtains the physical ownership of goods or the legal ownership of completed properties and the Group obtains the present right to receive payment and probably recovers the contract consideration.

Revenue from design services

Due to the reason that the design services provided by the Group during the performance of contracts have irreplaceable uses and the Group has the right to receive payments for the completed portions of the projects during the entire contract period, therefore, such services are accounted for as performance obligations to be fulfilled within certain periods of time, and revenue is recognised based on the performance schedule, unless the performance of the contract cannot be reasonably determined. The Group determines the performance progress for the services rendered by using the input method. Where the performance of the contract cannot be reasonably determined, revenue is recognised at the amount of costs incurred if it is predicted that the costs can be compensated till the performance progress can be reasonably determined.

Contracts for the sale of goods

A contract for the sale of goods between the Group and the customer usually only includes the performance obligation to transfer the goods. The revenue is recognised at transfer control point in time based on the following indicators, which include: a present right to payment for goods, the transfer of significant risks and rewards of ownership of goods, the transfer of legal title to goods, the transfer of physical possession of goods, the customer's acceptance of goods.

III. Significant accounting policies and estimates (continued)

25. Revenue from contracts with customers (continued)

Variable consideration

Some of the Group's contracts with customers include arrangements of variable consideration. The Group determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Significant financing components

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods or services in cash at the time of obtaining the control of the goods or services, and amortises the difference between the transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods or services. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between when the customer obtains control of the goods or services and when the customer pays for such goods or services will be one year or less.

Warranties

The Group provides a warranty in connection with the sale of a good or the construction of an asset in accordance with the contract and the relevant laws and regulations, etc. For an assurance-type warranty that provides the customer the assurance that the goods sold or the assets built complies with agreed-upon specifications, the Group accounts for the warranty in accordance with Notes III.22. For a service-type warranty that provides a customer with a service in addition to the assurance that the product complies with agreed-upon specifications, the Group accounts for it as a separate performance obligation. On the basis of the relative proportion between the stand-alone selling price of the good and the service-type warranty, a portion of the transaction price is allocated to the service-type warranty and revenue is recognised when a customer obtained control of the good. When assessing whether a service-type warranty provides

a customer with a separate service in addition to the assurance that the good complies with agreed-upon specifications, the Group considers whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the Group promises to perform, etc.

Principal/agent

The Group judges whether the identity of the group is a principal or an agent when the transaction is conducted based on whether the Group has control over the product or service before transferring to the customer. Under the circumstance that Group controls goods or services before goods or services are transferred to the customer, the Group is a principal and recognises revenue in the gross amount of consideration received or receivable. Otherwise, the Group is an agent and recognises revenue in the amount of any fee or commission to which it expects to be entitled from the customer. The amount is the net amount of the gross consideration received or receivable after paying the other party the consideration received in exchange for the goods or services to be provided by that party or determined by the agreed-upon amount or proportion of commissions, etc.

Contract modifications

When a modification is incurred in the construction contract between the Group and the customer:

- (1) the Group accounts for a contract modification as a separate contract if the construction services are distinct and price increases and the increased price of the contract reflects the stand-alone selling prices of the additional construction services;
- (2) the Group accounts for the contract modification as if it were a termination of the existing contract and by combining the unsatisfied and modified portion of the contract as a new contract, if the contract modification does not meet the criteria in (1) and the remaining construction services are distinct from the construction services transferred on the date of the contract modification; or
- (3) the Group accounts for the contract modification as if it were a part of the existing contract if the contract modification does not meet the criterion in (1) and the remaining construction services are not distinct from the construction services transferred at the date of the contract modification. The effect on the recognised revenue is recognised as an adjustment to the revenue at the date of the contract modification.

III. Significant accounting policies and estimates (continued)

25. Revenue from contracts with customers (continued)

Recognition of revenue from Public-Private Partnership (“PPP”)

The social capital party who provides multiple service (eg. providing construction service for PPP project and operation and maintenance service after the construction is complete) base on PPP contract, recognizes revenues and costs of construction service in accordance with Construction Contract. Revenue from construction service is measured by consideration collected or entitled to charge and recognize contract assets at the same time.

In accordance with the PPP contract, during the operation of PPP project, the Group, entitled to collect certain cash flows (or other financial assets), should recognize revenue and receivables simultaneously when the social capital party has the right to collect such consideration (a right is only determined by the passage of time), in accordance with “Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments”.

In accordance with the PPP contract, during the operation of PPP project, the Group is entitled to collect cash flows from parties who received public products and services with uncertain amount, and such right doesn't constitute an unconditional right to collect cash. The Group should recognise the consideration or the revenue recognized from construction activity of PPP assets as intangible assets when the PPP assets reach working condition, in accordance with “Accounting Standards for Business Enterprises No. 6 – Intangible Assets”.

After PPP assets reach working condition, the social capital party should recognize revenue for operation of PPP projects in accordance with “Accounting Standards for Business Enterprises No. 14 – Revenue”.

Recognition of revenue from Build-Transfer (“BT”)

For construction services rendered by the Group, related revenue and costs are recognised during the stage of construction according to the construction contract. Revenue from construction services is measured at the consideration received or receivable by the Group. The Group recognises contract assets when recognising revenue, and accounts for any significant financing component in the contractual arrangement. The contract assets are transferred to financial assets when the Group obtains the right to unconditionally collect consideration and is deducted against long-term receivables after the Group receives the payment from the project owner.

26. Contract assets and contract liabilities

The Group presents contract assets or contract liabilities depending on the relationship between the satisfaction of its performance obligations and the customer's payment in the balance sheet. The Group offsets the contract assets and contract liabilities under the same contract and presents the net amount.

Contract assets

A contract asset is the right to consideration in exchange for goods or services that the Group has transferred to a customer, and that right is conditioned on something other than the passage of time.

For details of how the Group measures and accounts for the ECLs of a contract asset, refer to Notes III.9.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or an amount of consideration is due from the customer, such as an amount of consideration that an entity has received before the transfer of the promised goods or services.

27. Contract cost assets

The Group's contract cost assets include the costs to obtain and fulfil a contract and are classified as inventories, other current assets and other non-current assets by liquidity.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs, unless the amortisation period of the asset is one year or less.

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

- (1) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, overheads (or similar expenses), costs that are explicitly chargeable to the customer and other costs that are incurred only because an entity entered into the contract;
- (2) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
- (3) the costs are expected to be recovered.

The contract cost asset is amortised and charged to profit or loss on a systematic basis that is consistent with the pattern of the revenue to which the asset related is recognised.

III. Significant accounting policies and estimates (continued)

27. Contract cost assets (continued)

The Group accrues provisions for impairment and recognises impairment losses to the extent that the carrying amount of a contract cost asset exceeds:

- (1) the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less
- (2) the costs that are expected to be incurred to transfer those related goods or services.

The Group recognises in profit or loss a reversal of the impairment loss previously recognised to the extent that the difference between (1) and (2) exceeds the carrying amount of the asset due to the subsequent changes of the factors causing asset impairment in previous periods, but the carrying amount after the reversal does not exceed the carrying amount of the asset at the reversal date as if no impairment loss has been otherwise recognised.

28. Government grants

Government grants are recognised when all attaching conditions will be complied with and the grants will be received. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value; if fair value is not reliably determinable, it is measured at a nominal amount.

According to the government documents, those used for the purposes of purchase, construction or other formations of long-term assets shall be regarded as the government grants related to assets; if the government documents are not clear, the judgment shall be made on the basis of the basic conditions that must be met to obtain the grants. The government grants related to assets shall be those based on the purchase, construction or other formations of long-term assets, and the others shall be regarded as the government grants related to income.

The group adopts the total method to measure government grants.

A government grant related to income is accounted for as follows: (i) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognised as deferred income, and released in profit or loss over the periods in which the related costs are recognised; or (ii) if the grant is a compensation for related expenses or losses already incurred, it is recognised immediately in profit or loss.

A government grant relating to an asset shall be offset against the carrying amounts of relevant assets, or recognised as deferred income and amortised in profit or loss over the useful life of the related asset by annual instalments in a systematic and rational way (however, a government grant measured at a nominal amount is recognised directly in profit or loss). Where the assets are sold, transferred, retired or damaged before the end of their useful lives, the rest of the remaining deferred income is released to profit or loss for the period in which the relevant assets are disposed of.

Where the Group receives loans granted at a below-market rate of interest from a lending bank funded with financial interest subsidies, the initial carrying amount of the borrowings is the actual proceeds received, and the calculation of the borrowing costs shall be based on the principal and the below-market rate of interest.

29. Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or expense in profit or loss, or recognised directly in equity if it is not arise from a business combination or is not relate to a transaction or event which is recognised directly in equity.

Current tax liabilities or assets arising from the current and prior periods at the amount expected to be paid by the Group or returned by the tax authority calculated according to related tax laws.

Deferred tax is provided using the balance sheet liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts, and temporary differences between the tax bases and the carrying amounts of the items, which have a tax base according to related tax laws but are not recognised as assets and liabilities.

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

- (1) when the taxable temporary difference arises from the initial recognition of goodwill, or an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit or loss; and
- (2) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

III. Significant accounting policies and estimates (continued)

29. Income tax (continued)

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

- (1) when the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (2) in respect of the deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised in the future.

At the end of the reporting period, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, in accordance with the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover the assets or settle the liabilities.

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

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

30. Leases (applicable from 1 January 2021)

Identification of leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, the customer has both of the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset.

Identification of a separate lease component

For a contract that contains multiple separate lease components, the Group separates the components of the contract and accounts for each separate lease component. The right to use an underlying asset is a separate lease component if the following both criteria are met:

- (1) the lessee can benefit from use of the underlying asset either on its own or together with other resources that are readily available to the lessee; and
- (2) the underlying asset is neither highly dependent on, nor highly interrelated with, the other underlying assets in the contract.

Separating lease components and non-lease components

For a contract that contains lease components and non-lease components, the Group accounts for lease components and non-lease components separately as a lessor or a lessee.

Assessment of the lease term

The lease term is the non-cancellable period of a lease for which the Group has the right to use an underlying asset. If the Group has an option to extend the lease, that is, the Group has the right to extend the lease, and is reasonably certain to exercise that option, the lease term also includes periods covered by an option to extend the lease. If the Group has an option to terminate the lease, that is, the Group has the right to terminate the lease, but is reasonably certain not to exercise that option, the lease term includes periods covered by an option to terminate the lease. The Group reassesses whether it is reasonably certain to exercise an extension option, purchase option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in the circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term.

III. Significant accounting policies and estimates (continued)

30. Leases (applicable from 1 January 2021) (continued)

As lessee

For the general accounting treatment of the group as lessee refers to Note III, 16 and Note III, 21.

Lease modifications

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term.

The Group accounts for a lease modification as a separate lease if the follow both criteria are met:

- (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicated in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicated in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by:

- (1) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, and recognising the gain or loss relating to the partial or full termination of the lease in profit or loss; or
- (2) making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Short-term leases and leases of low-value assets

The Group considers a lease that, at the commencement date of the lease, has a lease term of 12 months or less, and does not contains any purchase option as a short-term lease; and a lease for which the value of the individual underlying asset is not more than RMB30,000 when it is new as a lease of low-value assets. If the Group subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. The Group does not recognise the right-of-use assets and lease liabilities for short-term leases and of low-value assets. The Group recognises lease payments on short-term leases and leases of low-value assets in the costs of the related asset or profit or loss on a straight-line basis over the lease term.

As lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, except that a lease is classified as an operating lease at the inception date. The Group, as an intermediate lessor, classifies the sublease by reference to the right-of-use asset arising from the head lease.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Variable lease payments that are not included in the measurement of lease receivables are charged to profit or loss as incurred.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Sale and leaseback transactions

The Group assess and determine whether the assets transferred in sale and lease back transactions is sales activity in accordance with Note III. 25.

As a seller-lessee

For assets transferred in sale and lease back transactions constitutes a sale, the Group, as a seller-lessee, measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained, and recognises only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For assets transferred in sale and lease back transactions doesn't constitute a sale, the Group, as a lessee, continues to recognise the transferred asset, and recognises a financial liability which equals to the transfer proceeds and accounts for the financial liability in accordance with Note III.9.

III. Significant accounting policies and estimates (continued)

31. Leases (applicable to 2020)

A finance lease is a lease that transfers substantially all the risks and rewards of ownership of an asset. An operating lease is a lease other than a finance lease.

As lessee of an operating lease

Lease payments under an operating lease are recognised by a lessee on a straight-line basis over the lease term, and either included in the cost of the related asset or charged to profit or loss. Contingent rents are charged to profit or loss as incurred.

As lessor of an operating lease

Rent income under an operating lease is recognised on a straight-line basis over the lease term, through profit or loss. Contingent rents are charged to profit or loss as incurred.

As lessee of a finance lease

For an asset that is held under a finance lease, at the commencement of the lease term, the leased asset is recognised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, and the minimum lease payment is recognised as the carrying amount of the long-term payables; the difference is accounted as unrecognised finance charge, which is amortised using the effective interest method over each period during the lease term. Contingent rents are charged to profit or loss as incurred.

32. Share repurchase

Considerations and transaction costs paid for repurchase of our equity instruments should be accounted for a deduction from equity. In addition to share-based payment, the issuance (including refinancing), repurchase, sales or cancellations of own equity instruments shall be treated as changes in equity.

33. Profit distribution

The cash dividend is recognised as a liability upon approval in the general meeting of shareholders.

34. Safety production expenses

Safety production expenses provided according to the regulations are included in costs of related products or profit or loss, and credited to the special reserve. They are treated differently when being utilised: (i) the special reserve are debited for those expenditure with the expense nature; or (ii) the cumulative expenditures are capitalised as a fixed asset for those expenditure to be capitalised when the working condition for the

intended use is reached, and at the same time, special reserve are debited with the full depreciation of the fixed asset of the same amount.

35. Fair value measurement

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

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

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

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

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

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

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

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation on each balance sheet date.

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have a significant effect on the amounts recognised in the financial statements:

Operating leases – the Group as lessor

The Group has entered into lease agreements on its investment property portfolio. The Group has determined these leases to be operating leases, based on an evaluation of the terms and conditions of the agreements, that it retains almost all the significant risks and rewards of ownership of these properties.

Division of investment properties and inventories

The properties constructed by the group may be used for sale, rent earning and/or capital appreciation. At the initial stage of construction, the Group classifies the property into inventory or investment property according to the holding purpose. During the period under construction, the properties used for sale after completion are classified as inventories-properties under development and included in current assets, and the properties used to earn rent and/or capital appreciation after completion are classified as investment properties in progress and included in non-current assets. After completion, the properties used for sale are transferred to inventories-completed properties for sale, while the properties used to earn rent and/or capital appreciation are transferred to investment properties.

Division of investment properties and fixed assets

The Group determines whether the property it holds meets the definition of investment property and establishes relevant standards when making judgments. The Group classifies the property held for earning rent or capital appreciation, or both (including

buildings under construction or development for future use for rental) as investment properties. The Group will consider whether the cash flow generated by the property is largely independent of other assets held by the group. Some properties are used to earn rent or capital appreciation, and the remaining part is used to produce goods, provide services or operation and management. If the part used to earn rent or capital appreciation can be sold or leased separately, the Group measures that part separately. If not, the property will be classified as investment property only if the part used for producing goods, providing labor services or operation and management is not significant. When determining whether the importance of auxiliary services is sufficient to make the property not meet the recognition conditions of investment property, the Group will make a separate judgment based on individual property benchmark.

Determination method of construction contract performance schedule

The Group determines the performance progress of the construction contract according to the input method. Specifically, the Group determines the performance progress according to the proportion of the accumulated actual construction cost in the estimated total cost. The accumulated actual cost includes the direct cost and indirect cost incurred in the process of the Group transferring goods to customers. The construction contract price with the customer is determined based on the construction cost. The proportion of the actual construction cost to the estimated total cost can truly reflect the performance progress of the construction service. In view of the long lifetime of the construction contract and the possibility of spanning several accounting periods, the Group will review and revise the budget with the progress of the construction contract, and adjust the revenue recognition amount accordingly.

Business model

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods to include evaluation and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates (continued)

Judgements (continued)

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including when assessing the modification of the time value of money, the judgement on whether there is any significant difference from the benchmark cash flow and whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

Whether a contract is, or contains, a lease

The Group signed the lease agreement on equipments for some engineering construction projects. The Group believes that, based on the agreement, there is no identified asset, or the supplier has the substantive right to substitute the underlying asset throughout the period of use. Therefore, the agreement does not contain a lease, and the Group treats it as acceptance of a service.

Lease term – A lease contract that contains an option to extend the lease

The Group determines the lease term as the non-cancellable period of a lease, together with the periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option. Some of the Group's lease contracts contain the option to extend the lease in the next few years. While assessing whether it is reasonably certain to exercise an option to extend the lease, the Group considers all relevant facts and circumstances that create an economic incentive for it to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date of the lease until the exercise date of the option. The Group believes, considering the more favourable contractual terms and conditions for the optional periods compared with market rates, significant leasehold improvements undertaken (or expected to be undertaken) over the term of the contract, significant costs relating to the termination of the lease, the importance of that underlying asset to the Group's operations, the non-availability of suitable alternatives, conditionality associated with exercising the option and the high likelihood that those conditions will exist, it is reasonably certain to exercise an option to extend the lease and therefore the lease term includes the periods covered by an option to extend the lease.

Revenue from sales of real estate

According to the accounting policies described in Note III. 25, the Group's revenue from real estate development business is recognised when the control over properties is transferred to the customer. According to the terms under the sales contract and laws and regulations applicable to the contract, the control over properties can be transferred within a certain period of time or at a certain point of time. Where goods produced during the Group's performance of the contract are irreplaceable and the Group is entitled to collect payments for the part of the performance that has been completed so far during the entire contract period, revenue is recognised over a certain period of time based on the progress of performance obligation fulfilment during the contract period. Otherwise, revenue is recognised when the customer obtains the physical ownership of goods or the legal ownership of completed properties, and the Group obtains the present right to receive payment and probably recovers the contract consideration.

Due to the restriction of real estate sales contract, the Group's properties generally have no alternative use. However, whether the Group has the enforcement right to collect the part that has been completed so far and use the method of recognising income over a period of time depends on the agreement of each contract term and the relevant law applicable to the contract. In order to assess whether the Group has obtained the enforcement right on the part that has been performed, the Group reviews its contract terms, relevant local laws, and takes into account the opinions of local regulatory authorities when necessary, and needs to make a lot of judgments.

When the Group signs a sales contract with a properly buyer, according to the requirements of some banks, if the buyer needs to obtain a mortgage loan from the bank to pay the house money, the Group will enter into a tripartite mortgage guarantee loan agreement with the buyer and the bank. The Group will provide phased joint liability guarantee for mortgage loans issued by banks to the properly buyer. The phased joint liability guarantee will be released after the properly buyer has completed the house ownership certificate and completed the real estate mortgage registration procedures. The Group only needs to provide guarantee to the bank for the outstanding mortgage loan of the buyer within the guarantee period. The bank will only claim against the Group if the buyer defaults and fails to repay the mortgage loan.

According to the Group's historical experience in selling similar developed products, the Group believes that during the period of phased joint liability guarantee, the ratio of the Group's guarantee liability to the bank due to the buyer's failure to repay the mortgage loan is very low, and the Group can claim the advance payment paid by the buyer for undertaking the guarantee of phased joint liability. In the case of non-repayment by the buyer, the Group can avoid loss by giving priority to the relevant property according to the relevant purchase contract. Therefore, the Group believes that the financial guarantee has no significant impact on the recognition of sales revenue of development products.

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates (continued)

Judgements (continued)

Equity instruments

Equity instruments such as non-cumulative preference shares and perpetual bonds issued by the Group do not need to be settled by the Group's own equity instruments, excluding the contractual obligations to deliver cash or other financial assets to other parties, or to exchange financial assets or financial liabilities with other parties under potential adverse conditions. Therefore, the Group calculates them as other equity instruments.

Estimation uncertainty

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

Impairment of financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments and contract assets. The Group is required to perform significant judgements and estimations and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the impairment allowance may also not be representative of the actual impairment loss in the future.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indications of impairment for all non-current assets other than financial assets at the end of the reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The

calculation of the fair value less costs of disposal based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated. Testing the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows, credit risk, volatility and discount rates, and hence they are subject to uncertainty.

Construction and service contracts

Recognition of revenue and expenses from construction and service contracts requires management to make relevant estimates. If losses are expected to occur in construction and service contracts, such losses should be recognised as current costs. The management of the Group estimates the possible losses based on the construction and service contract budget. Due to the characteristics of housing construction, infrastructure construction, and design businesses, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. The Group reviews and revises the estimates of both contract revenue and contract costs in each contract budget as the contract progresses.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement from the management is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates (continued)

Estimation uncertainty (continued)

Land appreciation tax

The Group is required to pay land appreciation tax in accordance with tax laws on the value-added portion of property sales. The provision for land appreciation tax is the best estimate made by the management based on the understanding of relevant tax laws and regulations. The actual land appreciation tax liability must be determined by the tax authority when the land appreciation tax is settled. The Group has not yet determined its land appreciation tax settlement and taxation plans for certain real estate development projects with tax authorities. The final land appreciation tax calculation result may be different from the amount initially recorded, and any difference will affect the land appreciation tax expenditure and related provision amount during the period when the difference is realised.

Confirmation and allocation of properties under development

The cost of real estate construction is recorded as inventory during the construction period, and will be carried forward to the income statement after real estate sales revenue is confirmed. Before the final settlement of project costs and other related real estate development costs, such costs need to be estimated by the management of the Group based on budgeted costs and development progress. The Group's real estate development is generally carried out in stages, and the cost directly related to the development of a certain period is recorded as the cost of that period. The common costs of different stages are allocated to each stage according to the saleable area. If the final settlement of the project cost and the related cost allocation are different from the initial estimate, the increase or decrease of the project cost and other costs will affect the profit and loss in the future years.

Inventory impairment

The Group's inventory is measured at the lower of cost and net realisable value. The net realisable value of inventory refers to the estimated selling price of the inventory minus the estimated cost, estimated selling expenses and relevant taxes and fees at the time of

completion. The management's calculation of the net realisable value of inventories involves the estimation of estimated selling prices, estimated costs to be incurred by the time of completion, estimated selling expenses and relevant taxes. Changes in these estimates will affect the book value of inventories and the profit and loss of future changes.

Measurement of defined benefit obligations

The Group recognised the supplementary allowances and benefits paid to certain retired and early retirement employees as liabilities. The amount of these welfare expenses and liabilities are determined using actuarial valuations conducted by independent professional actuaries. Independent professional actuaries evaluate the actuarial status of the Group's retirement plan every year. These actuarial valuations involve assumptions made on discount rates, retirement benefit inflation rates and other factors. In view of its long-term nature, the above estimates are uncertain.

Useful lives and residual values of fixed assets

After considering the residual value of the fixed assets, the Group accrues depreciation within the estimated useful life. The Group regularly reviews the estimated useful life and residual value of related assets to determine the amount of depreciation expenses that will be included in each reporting period. The useful life and residual value of assets are determined by the Group based on the past experience of similar assets and combined with expected technological changes. If the previous estimate changes significantly, the depreciation expense will be adjusted in the future period.

Lessee's incremental borrowing rate

If the interest rate implicit in the lease cannot be readily determined, the Group measures the lease liability at the present value of the lease payments discounted using the lessee's incremental borrowing rate. According to the economic environment, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate, then adjusts the observable interest rate based on its own circumstances, underlying assets, lease terms and amounts of lease liabilities to determine the applicable incremental borrowing rate.

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates

Changes in accounting policies

The New Leases Standard

In 2018, the MOF issued revised *Accounting Standard for Business Enterprises No. 21 – Leases* (the “New Leases Standard”). The New Leases Standard introduces a single model similar to the current accounting treatment of finance leases, requiring the lessor to recognise right-of-use assets and lease liabilities for all the leases, except for short-term leases and leases of low-value assets, and recognise depreciation and interest expense, respectively. The Group has accounted for leases under the revised leases standard since 1 January 2021. As a practical expedient, the Group did not reassess whether a contract is, or contains, a lease at the date of initial application. According to the transitional requirements, the Group did not restate comparative information. Instead, the Group recognised the cumulative effect of the initial application of the New Leases Standard as an adjustment to the opening balance of retained earnings of 2021 at the date of initial application:

- (1) the Group recognised the right-of-use asset and the lease liabilities at the amount of the carrying amount of the lease asset and lease liability under the original standards applicable at the date of initial application for leases previously classified as finance leases;
- (2) for leases previously classified as operating leases, the Group recognised lease liabilities based on the present value of the remaining lease payments discounted at the incremental borrowing rate at the date of initial application, and measured right-of-use assets based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised;
- (3) the Group applied Note III, 18 to perform its impairment test of right-of-use assets and account for the impairment.

For operating leases of low-value assets and operating leases for which the lease term ends within 12 months before initial application, the Group applied a simplified approach and did not recognise the right-of-use assets and lease liabilities. For leases previously classified as operating leases, the Group also applied the available practical expedients wherein it:

- (1) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- (2) used hindsight in determining the lease term where the contract contained options to extend or terminate the lease;
- (3) relied on its assessment of whether leases are onerous applying Note III, 18 immediately before the date of initial application as an alternative to performing an impairment review, and adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognised in the balance sheet immediately before the date of initial application; and
- (4) accounted for the changes in leases before the date of initial application based on the final arrangement for such changes.

As an intermediate lessor, the Group reassessed subleases that were classified as operating leases before and are ongoing at the date of initial application, to determine whether each sublease should be classified as an operating lease or a finance lease applying the New Leases Standard. The Group performed this assessment at the date of initial application on the basis of the remaining contractual terms and conditions of the head lease and sublease at that date. For subleases that were classified as operating leases before but finance leases applying the New Leases Standard, the Group accounted for the sublease as a new finance lease entered into at the date of initial application. Except for these, the Group did not adjust the leases for which it is an intermediate lessor.

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The New Leases Standard (continued)

The Group reconciled the outstanding minimum lease payments for significant operating leases disclosed in 2020 financial statements with lease liabilities included in the balance sheet as at 1 January 2021 based on the present value of the minimum lease payments discounted using the incremental borrowing rate of the Group as the lessee as at 1 January 2021 as follows:

Minimum lease payments for significant operating leases as at 31 December 2020	6,963,695
Less: Lease payments under simplified method	1,570,057
Including: Short-term leases	1,031,392
Leases with lease term that ends within 12 months	533,761
Leases of low-value assets with lease term that ends in more than 12 months	4,904
	5,393,638
Weighted average incremental borrowing rate	4.70%
Discounted operating lease commitments as at 1 January 2021	4,966,671
Add: Finance lease payables as at 31 December 2020	314,428
Lease liabilities as at 1 January 2021	5,281,099

The effect of implementation of the New Leases Standard on the balance sheet as at 1 January 2021 is as follows:

Consolidated balance sheet

	Carrying amount	Under the original standard	Effect
Prepayments	41,926,900	42,243,346	(316,446)
Fixed assets	38,553,509	39,126,960	(573,451)
Right-of-use assets	6,010,770	–	6,010,770
Long-term prepaid expenses	944,507	1,098,709	(154,202)
Current portion of non-current liabilities	88,819,816	88,146,285	673,531
Lease liabilities	4,423,410	–	4,423,410
Long-term payables	17,369,990	17,500,260	(130,270)

Company balance sheet

	Carrying amount	Under the original standard	Effect
Prepayments	7,970,853	7,975,589	(4,736)
Right-of-use assets	430,279	–	430,279
Current portion of non-current liabilities	9,024,111	8,918,702	105,409
Lease liabilities	320,134	–	320,134

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The New Leases Standard (continued)

The impact of the implementation of the new lease standard on the financial statements for the six-month period ending 30 June 2021 is as follows:

Consolidated balance sheet

	Carrying amount	Under the original standard	Effect
Prepayments	35,673,464	35,679,451	(5,987)
Fixed assets	40,202,981	40,475,283	(272,302)
Right-of-use assets	5,114,965	–	5,114,965
Long-term prepaid expenses	990,059	1,119,090	(129,031)
Deferred tax assets	17,096,011	16,934,173	161,838
Current portion of non-current liabilities	78,580,019	76,802,889	1,777,130
Lease liabilities	3,088,138	–	3,088,138
Long-term payables	17,231,254	17,355,299	(124,045)
Deferred tax liabilities	5,670,447	5,532,165	138,282
Retained earnings	247,531,519	247,541,541	(10,022)

Consolidated income statement

	Carrying amount	Under the original standard	Effect
Cost of sales	838,152,505	838,199,288	(46,783)
General and administrative expenses	16,468,874	16,493,358	(24,484)
Research and development expenses	13,857,924	13,858,319	(395)
Finance expenses	5,096,920	4,991,680	105,240
Income tax expenses	11,644,405	11,667,961	(23,556)

Company balance sheet

	Carrying amount	Under the original standard	Effect
Prepayments	7,226,720	7,221,688	5,032
Right of use assets	371,444	–	371,444
Deferred tax assets	902,289	901,257	1,032
Current portion of non-current liabilities	9,131,088	9,029,553	101,535
Lease liabilities	279,068	–	279,068
Retained earnings	46,857,955	46,861,050	(3,095)

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The New Leases Standard (continued)

Company income statement

	Carrying amount	Under the original standard	Effect
Cost of sales	45,965,774	45,965,799	(25)
General and administrative expenses	614,432	619,701	(5,269)
Finance expenses	1,206,167	1,196,746	9,421
Income tax expenses	(108,604)	(107,572)	(1,032)

In addition, the cash paid by the Group for repayment of the principal and interest of the lease liability is included in the statement of cash flows as cash outflows from financing activities, and the payments for short-term leases and leases of low-value assets accounted for using the practical expedients and variable lease payments not included in the measurement of the lease liability are still included in cash outflows from operating activities.

Consolidated statement of cash flows

	Carrying amount	Under the original standard	Effect
Net cash flows used in operating activities	(49,744,103)	(50,568,688)	824,585
Net cash flows from financing activities	65,536,133	66,360,718	(824,585)

Company statement of cash flows

	Carrying amount	Under the original standard	Effect
Net cash flows from operating activities	4,530,074	4,477,809	52,265
Net cash flows used in financing activities	(12,507,198)	(12,454,933)	(52,265)

The social capital party changes the accounting treatment of the public-private partnership (PPP) project contract

PPP contract refers to the agreement signed by both the Group and government according to laws and regulations, such agreement shall possess the following features (referred as "dual features"):

- (1) the Group, as a delegate of government, provides public products and services by employing assets of PPP projects in the operating period stipulated by the agreement;
- (2) the Group shall be compensated for the public products and services provided in the operating period stipulated by the agreement.

Such agreement shall meet the following criteria (referred as "dual controls"):

- (1) the nature, object and price of public products and services provided by the Group using assets of PPP projects are controlled by government;
- (2) When the PPP contract is terminated, government will control the significant residual interests of PPP projects through ownership, usufruct or other legal rights.

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The social capital party changes the accounting treatment of the public-private partnership (PPP) project contract (continued)

According to the “Accounting Standards for Business Enterprises Interpretation No. 14” (hereinafter referred to as “Interpretation No. 14”), the social capital party providing construction services (including construction and reconstruction and expansion, the same below) or contracting to other parties shall be in accordance with the “Accounting Standards for Business Enterprises No. 14-Revenue” determines whether its identity is the main responsible person or an agent, and performs accounting treatments to confirm contract assets. According to the agreement of the PPP project contract, the social capital party provides multiple services (such as providing both PPP project asset construction services and post-completion operation services and maintenance services), it shall follow the provisions of the “Accounting Standards for Business Enterprises No. 14-Revenue”, identify the individual performance obligations in the contract, and allocate the transaction price to each performance obligation in accordance with the relative proportion of the stand-alone selling price of each performance obligation.

For the borrowing cost incurred during the construction of PPP projects, the social capital party should measure such borrowing cost in accordance to “Accounting Standards for Business Enterprises No. 17 Borrowing Costs”. For the part recognized as intangible assets in the following circumstance, the social capital party should capitalized related borrowing costs when they meet the criteria of capitalization, and transfer to intangible assets as PPP projects reach the prospective serviceable condition. For borrowing costs other than mentioned above, the social capital party should expensed them as incurred.

Consolidated balance sheet

	Carrying amount	Under the original standard	Effect
Accounts receivable	161,126,144	160,441,814	684,330
Current portion of non-current assets	76,402,494	77,936,729	(1,534,235)
Long-term receivables	100,090,041	177,642,042	(77,552,001)
Other non-current assets	217,675,104	139,945,933	77,729,171
Retained earnings	231,280,493	231,953,228	(672,735)

The change in accounting policy illustrated above has no impact on company financial statements.

According to the agreement of the PPP project contract, the private partner has the right to collect fees from those who obtain public products and services during the operation of the project, but if the amount of the fees is uncertain, this right does not constitute an unconditional right to receive cash. When the asset reaches the intended working condition, the consideration amount of the relevant PPP project asset or the confirmed construction income amount is recognized as an intangible asset, and the accounting treatment is carried out in accordance with the “Accounting Standards for Business Enterprises No. 6 Intangible Assets”. According to the agreement of the PPP project contract, the private partner shall have the right to collect the consideration in the private partner if it meets the conditions for the right to receive a determinable amount of cash (or other financial assets) during the project operation period (this right depends only on the passage of time) are recognise that determinable amount of cash as receivables, and are accounted for in accordance with the “Accounting Standards for Business Enterprises No. 22 Recognition and Measurement of Financial Instruments”. The social capital party shall, when the PPP project assets reach the expected working condition, recognise the difference between the consideration amount of the relevant PPP project assets or the confirmed construction income amount exceeding the right to receive a determinable amount of cash (or other financial assets) as intangible assets.

The Group will begin accounting treatment in accordance with the above regulations from 1 January 2021. According to the convergence regulations, the information for comparable periods will not be adjusted. The cumulative impact of the implementation of the above regulations and the current standards on the first day will be adjusted and retained at the beginning of the year on the effective date of this interpretation. The amount of income and other related items in the financial statements.

The impact of Executive Interpretation No. 14 on the balance sheet items on 1 January 2021 is as follows:

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The social capital party changes the accounting treatment of the public-private partnership (PPP) project contract (continued)

The impact of Executive Interpretation No. 14 on the financial statements for the six-month period ending 30 June 2021 is as follows:

Consolidated balance sheet

	Carrying amount	Under the original standard	Effect
Accounts receivable	184,383,313	183,765,362	617,951
Current portion of non-current assets	88,849,529	87,669,467	1,180,062
Long-term receivables	94,811,185	181,063,807	(86,252,622)
Other non-current assets	240,005,749	156,297,300	83,708,449
Retained earnings	247,531,519	248,277,679	(746,160)

Consolidated income statement

	Carrying amount	Under the original standard	Effect
Revenue	936,715,963	934,975,655	1,740,308
Cost of sales	838,152,505	836,412,197	1,740,308
Asset impairment losses	204,265	205,142	(877)
Credit impairment losses	3,466,779	3,461,339	5,440
Finance expenses	5,096,920	5,028,058	68,862

The change in accounting policy illustrated above has no impact on company financial statements.

Accounting treatment of contract changes resulting from benchmark rate reform

According to the accounting standards explanation for enterprises No. 14, the Group recalculates the actual interest rate base on the revised future cash flow which is changed only due to the reform of the benchmark interest rate directly leading to the change in the determination basis of the contractual cash flow of financial assets or financial liabilities calculated by using the effective interest rate method with same economically equivalent impact, and measures financial assets and financial liabilities based on this actual interest rate in subsequent period. In case of other changes in financial assets or financial liabilities at the same time, the Group shall first make accounting treatment for the changes caused by the reform of the benchmark interest rate in accordance with the above provisions, and then evaluate whether other changes lead to the termination of recognition of the financial assets or financial liabilities. If the determination basis of future lease payments is changed solely due to bench rate reform and the determination basis is economically equivalent before and after the change, the Group, as a lessee, adjusts discounted rate based on the changed determination basis of lease payments due to the benchmark rate reform, discounts changed lease payments by adjusted discounted rate and adjusts book value of lease liabilities and right of use assets correspondingly.

Since 1 January 2021, the Group will conduct accounting treatment in accordance with the above provisions. According to the convergence provisions, the information of comparable periods will not be adjusted. The difference between the implementation of the above provisions and the current standards on the first day of implementation will be included in retained earnings at the beginning of this year and other related accounting subjects in financial statements.

Changes in the presentation of financial statements

According to the Question and Answer on the implementation of enterprise accounting standards issued by the Ministry of Finance in December 2020, the Group reclassified the impairment loss of contract assets originally included in the "credit impairment losses" in the income statement to "asset impairment losses". The change in accounting policy has no impact on the net profit and the equity both on the consolidated and the company financial statements.

IV. Taxation

1. Main taxes and rates

Value-added tax	–	Taxable income is calculated at the corresponding tax rate as output tax, and the value-added tax is calculated on the basis of the difference after deducting the input tax allowed to be deducted in the current period. The applicable tax rates of the Group for the year ended 31 December 2020 included 13%, 9%, 6%, 5% and 3%.
City maintenance and construction tax	–	According to the “Regulations on Issues Related to the Pilot Reform of Business Tax to Value-Added Tax” issued by the Ministry of Finance and the State Administration of Taxation in 2016, the Group calculates tax payable at 3% and 5% of taxable income for old projects (refer to projects initially built before 1 April 2016) in the construction industry based on simple tax calculation methods and in the real estate development industry, respectively.
Corporate income tax	–	Calculated and paid at 7% or 5% of the actual turnover tax paid.
Education surcharge	–	The Group’s corporate income tax in Mainland China is calculated and paid at 25% of the taxable income (except for the tax incentives described in Note IV.2). The corporate income tax in Hong Kong is calculated and paid at 16.5% of the taxable income. For other overseas regions, the taxable income shall be 0 to 35% of the taxable income.
Land appreciation tax	–	Calculated and paid at 3% of the actual turnover tax paid.
Real estate tax	–	If the Group transfers land use rights and the property rights of buildings or other attachments on the ground for a fee, the land appreciation tax is calculated and paid at a four-tier progressive tax rate of 30% to 60%.
	–	Real estate tax is levied at 1.2% of the original value of the property or 12% of the rental income.

2. Preferential tax treatments

The corporate income tax preferences enjoyed by the Group are as follows:

(1) Preferential tax treatment for key high and new technological enterprises encouraged and supported by the state

According to the income tax law and other relevant regulations, the Group’s subsidiaries recognised as key high and new technological enterprises encouraged and supported by the state are as follows:

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction City Planning Development Co., Ltd.	GR202011006190	15%
China Municipal Engineering Northwest Design and Research Institute Co., Ltd.	GR201862000089	15%
China Construction First Bureau Group Construction Development Co., Ltd.	GR202011001749	15%
China Construction First Bureau Huajiang Company	GR201811004821	15%
Beijing China Construction Research Institute Co., Ltd.	GR202011006430	15%
Beijing Zhongjian Architectural Design Institute Co., Ltd.	GR201911007163	15%
China Architecture Shanghai Design Institute Co., Ltd.	GR201831000884	15%
China State Construction Northeast Architectural Design Institute Co., Ltd.	GR202021001043	15%
China State Construction Intelligent Technology Co., Ltd.	GR202011001520	15%
China Construction Zhongyuan Architectural Design Institute Co., Ltd.	GR201941001453	15%
China Construction Seventh Engineering Division. Co., Ltd.	GR201941000445	15%
China State Construction Technology (Fuzhou) Co., Ltd.	GR202035000126	15%
Xiamen China Construction Northeast Architectural Design Co., Ltd.	GR202035100542	15%
China Construction Strait Construction Development Co., Ltd.	GR201935001105	15%
China State Construction Technology Henan Co., Ltd.	GR201941000149	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

- (1) Preferential tax treatment for key high and new technological enterprises encouraged and supported by the state (continued)

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction Science And Industry Co., Ltd.	GR202044202198	15%
The Third Construction Engineering Company Ltd. of China Construction	GR201811004750	15%
China Construction Second Bureau First Construction Engineering Co., Ltd.	GR201811005369	15%
China Construction Second Engineering Bureau Co., Ltd.	GR202011005634	15%
China Construction Second Bureau Decoration Engineering Co., Ltd.	GR202011000990	15%
China Construction Second Bureau Installation Engineering Co., Ltd.	GR201811000600	15%
China Construction Second Bureau Second Construction Engineering Co., Ltd.	GR202044203757	15%
China Construction Fifth Bureau Building Energy Saving Technology Co., Ltd.	GR201843001367	15%
China Construction Buer Curtain Wall Decoration Co., Ltd.	GR201843000020	15%
China Construction Fifth Bureau Decoration Curtain Wall Co., Ltd.	GR201843000763	15%
China Construction Fifth Bureau Third Construction Co., Ltd.	GR201843000691	15%
China Construction Technology Hunan Co., Ltd	GR201843000026	15%
China Construction Fifth Bureau Installation Engineering Co., Ltd.	GR202043002082	15%
China Construction Fifth Bureau East China Construction Co., Ltd.	GR201931004205	15%
China Construction Fifth Engineering Bureau Co., Ltd.	GR202043000761	15%
Civil Engineering Co., Ltd. of China Construction Fifth Engineering Division	GR201943000622	15%
China Construction Fifth Bureau Landscape Co., Ltd.	GR201843000182	15%
China Construction Wuzhou Engineering Equipment Co., Ltd.	GR202032006648	15%
China State Construction Electronic Engineering Co., Ltd.	GR201911005213	15%
China Construction Xinjiang Installation Co., Ltd.	GR202065000255	15%
China Construction Eighth Bureau Second Construction Co., Ltd.	GR201837001149	15%
China Construction Eighth Bureau Third Construction Co., Ltd.	GR201832008670	15%
China Construction Eighth Bureau Fourth Construction Co., Ltd.	GR201837100283	15%
China Construction Eighth Engineering Division. Co., Ltd.	GR201931000151	15%
Wuxi Tianyu Civil Defense Architecture Design and Research institute Co., Ltd.	GR202032011349	15%
First Construction Co., Ltd. of China Construction Eighth Engineering Division	GR202037003064	15%
China Construction Technology (Jinan) Co., Ltd.	GR202037001173	15%
China Construction Eighth Bureau Decoration Engineering Co., Ltd.	GR201831000637	15%
Shanghai CSCEC Dongfu Investment Development Co., Ltd.	GR201931000710	15%
China Construction Eighth Bureau Rail Transport Construction Co., Ltd.	GR202032012507	15%
China Construction Eighth Bureau Southeast Construction Co., Ltd.	GR202051003475	15%
Civil Engineering Co., Ltd. of China Construction Sixth Engineering Division	GR201912001530	15%
China Construction Sixth Bureau Construction Development Co., Ltd.	GR201812000759	15%
China Construction Bridge Co., Ltd.	GR201951100648	15%
Decoration Engineering Co., Ltd. of China Construction Sixth Engineering Division	GR201912002245	15%
China Construction Fourth Bureau First Construction Engineering Co., Ltd.	GR201844005132	15%
China Construction Fourth Engineering Co., Ltd.	GR201952000201	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

- (1) Preferential tax treatment for key high and new technological enterprises encouraged and supported by the state (continued)

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China State Construction Fourth Engineering Bureau Group Co., Ltd.	GR201944005866	15%
China Construction Fourth Bureau Third Construction Engineering Co., Ltd.	GR201852000186	15%
China Construction Fourth Bureau Civil Engineering Co., Ltd.	GR202044205254	15%
Sixth Construction Co., Ltd. of China Construction Fourth Engineering Division	GR201934001377	15%
China Construction Fourth Bureau (Jieyang) Investment and Construction Co., Ltd.	GR201852000109	15%
China Building Decoration Group Co., Ltd.	GR201911003518	15%
China State Construction Oriental Decoration Co., Ltd.	GR201831000692	15%
Southwest China Architecture Design and Research Institute Co., Ltd.	GR202051002428	15%
China Construction Infrastructure Co., Ltd.	GR202011000318	15%
China State Construction Engineering Industry Technology Research Institute	GR201811001379	15%
China Construction Xinjiang Construction Engineering Group Fifth Construction	GR201965000091	15%
China Construction Xinjiang Construction Engineering Group First Construction	GR201965000169	15%
China Construction Xinjiang Construction Engineering (Group) Co., Ltd.	GR201865000092	15%
China Construction Xinjiang Construction Engineering Group Third Construction Engineering Co., Ltd.	GR202065000046	15%
China West Construction Hunan Co., Ltd.	GR201943000494	15%
China Construction Commodity Concrete Co., Ltd.	GR201842000632	15%
China Construction West Construction New Material Technology Co., Ltd.	GR201951000934	15%
Xinjiang Institute of Building Research (Limited Liability Company)	GR202065000035	15%
Shanghai Haida Communication Co., Ltd.	GR201831001128	15%
China Construction Port and Shipping Bureau Group Co., Ltd.	GR201831003631	15%
China State Construction Built Port Group	GR202037100401	15%
China State Construction Technology (Shenshan Special Cooperation Zone) Co., Ltd.	GR202044204908	15%
China Construction Technology Chengdu Co., Ltd.	GR201951000045	15%
China State Construction Technology Group Co., Ltd.	GR202044206081	15%
China State Construction Technology (Beijing) Co., Ltd.	GR202011001695	15%
China State Construction Technology Changchun Co., Ltd.	GR201922000666	15%
China Construction Railway Investment and Construction Group Co., Ltd.	GR201811008129	15%
Guizhou China Construction Architecture Research and Design Institute Co., Ltd.	GR202052000333	15%
Hong Kong Huayi Design Consultants (Shenzhen) Co., Ltd.	GR202044204944	15%
Shenzhen Hailong Construction Technology Co., Ltd.	GR201844201581	15%
Anhui Hailong Construction Industry Co., Ltd.	GR201834001125	15%
Heshan Tianshan Metal Material Products Co., Ltd.	GR201944006890	15%
Shandong Hailong Construction Technology Co., Ltd.	GR201937001855	15%
Shenzhen Xinghai IOT Technology Co., Ltd.	GR202044200845	15%
First Construction Co., Ltd. of China Construction Third Engineering Division	GR201842000496	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

- (1) Preferential tax treatment for key high and new technological enterprises encouraged and supported by the state (continued)

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
Second Construction Co., Ltd. of China Construction Third Engineering Division	GR202042002204	15%
Third Construction Co., Ltd. of China Construction Third Engineering Division	GR202042001764	15%
China Construction Third Engineering Design Co., Ltd.	GR201942000474	15%
China Construction Sixth Engineering Division Co., Ltd.	GR201912000220	15%
China Construction Sixth Engineering Installation Co., Ltd.	GR202012001086	15%
China Construction Engineering Design Group Corporation Limited	GR202011003894	15%
Shenzhen Overseas Decoration Engineering Co., Ltd.	GR202044206222	15%
Beijing Construction Engineering Quality Sixth Inspection Institute Co., Ltd.	GR201911001810	15%
China Construction Third Bureau Group Co., Ltd.	GR201942000706	15%
China Construction Third Bureau Installation Engineering Co., Ltd.	GR201942002292	15%
China State Construction Technology Wuhan Co., Ltd.	GR202042001219	15%
China Construction Third Bureau Intelligent Technology Co., Ltd.	GR201842001070	15%
China Construction First Bureau Group Decoration Engineering Co., Ltd.	GR202011004486	15%
Guangdong Zhongjian New Building Components Co., Ltd.	GR201844001975	15%
China Construction Fourth Bureau Fifth Construction Engineering Co., Ltd.	GR202044204395	15%
China Construction Third Bureau Urban Construction Co., Ltd.	GR202022000413	15%
Langfang Zhongjian Machinery Co., Ltd.	GR202013003092	15%
China Construction Southwest Survey, Design and Research Institute Co., Ltd.	GR202051000142	15%
China Construction Underground Space Co., Ltd.	GR201951002244	15%
China Construction Dongshe Geotechnical Engineering Co., Ltd.	GR202021001224	15%
China Construction Zhongxin Construction Engineering Co., Ltd.	GR202037101613	15%
Beijing China Construction Engineering Consultants Co., Ltd.	GR201911000724	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

(2) Preferential tax policy related with Western Development Strategies and Xinjiang region

Company Name	Preferential Policy (Note)	Effective tax rate
Xi'an Xingchu Construction Co., Ltd.	Cai Shui [2020] No. 23	15%
Chongqing Maohe Infrastructure Construction Co., Ltd.	Cai Shui [2020] No. 23	15%
Haidong Underground Tube Construction and Operation Management Co., Ltd.	Cai Shui [2020] No. 23	15%
Chongqing Kaizhou China Construction Tube Installation Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Tunnel Construction Co., Ltd.	Cai Shui [2020] No. 23	15%
Chongqing Jinsha Yangtze River Bridge Construction Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Zunyi Xipu Development Co., Ltd.	Cai Shui [2020] No. 23	15%
China Northwest design and Research Institute Co., Ltd.	Cai Shui [2020] No. 23	15%
China Northwest design and Research Institute Co., Ltd. Chongqing Branch	Cai Shui [2020] No. 23	15%
Sichuan Southwest Construction Management and Consulting China Northwest design and Research Institute Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Southwest Consulting Co., Ltd.	Cai Shui [2020] No. 23	15%
Shihezi Tube Construction and Investment Co., Ltd.	Cai Shui [2020] No. 23	15%
Yanqi Xiqingjiyuan Construction Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Wuzhou Infrastructure Investment Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Technology Mianyang Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Silk Road Construction and Investment Co., Ltd.	Cai Shui [2020] No. 23	15%
Shihezi Western Construction Co., Ltd.	Cai Shui [2020] No. 23	15%
Xinjiang Construction Engineering Quality and Safety Detection Center	Cai Shui [2020] No. 23	15%
China Construction Communications Engineering (Xizang) Co., Ltd.	Cai Shui [2020] No. 23	15%
China Construction Communications Engineering Group Co., Ltd. and its subsidiaries	Cai Shui [2020] No. 23	15%
Shanxi China Construction Northwest Engineering Supervision Co., Ltd.	Cai Shui [2020] No. 23	15%

Note: According to the Notice Concerning the Continuation of the Western Development Enterprise Income Tax Policies (Ministry of Finance Notice No. 23 of 2020), the eligible enterprises are entitled 15% preferential income tax rate.

V. Notes to the consolidated financial statements

1. Cash and bank balances

	30 June 2021	31 December 2020
Cash on hands	135,365	132,591
Cash at banks	284,162,201	288,574,473
Other cash and bank balances	9,666,630	7,150,126
Total	293,964,196	295,857,190

Other cash and bank balances represents deposits for bank acceptance notes, guarantee deposits and deposits for migrant workers' wages, etc.

As at 30 June 2021, the amount of fixed deposit with maturity of more than 3 months in the Group's bank deposits is RMB3,228,142 thousand (31 December 2020: RMB6,684,616 thousand).

Restricted cash and bank balances mainly represents reserves with Central Bank, deposits for bank acceptance notes, guarantee deposits, pre-sale supervision fund and mortgage deposits. As of 30 June 2021, the restricted cash and bank balances is RMB19,409,564 thousand (31 December 2020: RMB21,310,994 thousand).

As at 30 June 2020, the offshore deposits of the Group amounted to RMB37,412,231 thousand (31 December 2020: RMB31,500,940 thousand). The amount deposited abroad and restricted in remittance recovery is RMB2,158,170 thousand (31 December 2020: RMB2,019,638 thousand).

Short term time deposits are made for varying periods of between one day and one year depending on the immediate cash requirements of the Company, and earn interest at the respective short term time deposit rates.

2. Financial assets held for trading

	30 June 2021	31 December 2020
Financial assets at fair value through profit or loss		
Debt investments	521,885	214,859
Equity investments	28,076	29,600
Total	549,961	244,459

Note 1: The fair value of an investment in debt instrument held for trading is mainly determined based on the trading price published by the financial institution in which it trades on the last trading day of the current period.

Note 2: The fair value of an investment in equity instrument held for trading is determined based on the closing price of the last trading day of the current period of the stock exchange in which the instrument trades.

3. Notes receivable

	30 June 2021	31 December 2020
Commercial acceptance bills	28,317,101	31,989,282
Less: Impairment allowance	–	–
Total	28,317,101	31,989,282

The pledged notes receivable are as follows:

	30 June 2021	31 December 2020
Commercial acceptance bills	2,221,437	2,028,537

As at 30 June 2021 and 31 December 2020, the notes receivable that were pledged by the Group to banks for borrowings are presented in details in Note V. 68.

V. Notes to the consolidated financial statements (continued)

3. Notes receivable (continued)

Commercial acceptance bills which had not matured but had been endorsed to other parties are as follows:

	30 June 2021		31 December 2020	
	Derecognised	Recognised	Derecognised	Recognised
Commercial acceptance bills	–	13,892,765	–	14,402,188

Regardless of whether there is a significant financing component or not, the impairment provision of the Group's notes receivables are measured based on the lifetime ECL. After evaluation, the Group believes that the commercial acceptance notes held do not have significant credit risk, and the ECLs amount is insignificant.

4. Accounts receivable

(1) The ageing of accounts receivable is analysed as follows:

	30 June 2021	31 December 2020
Within 1 year	148,840,138	122,961,573
1-2 years	30,293,020	34,556,970
2-3 years	14,644,977	14,180,793
3-4 years	7,939,597	6,803,561
4-5 years	5,739,244	2,645,944
Over 5 years	5,259,363	5,082,973
Subtotal	212,716,339	186,231,814
Less: Impairment allowance	(28,333,026)	(25,790,000)
Total	184,383,313	160,441,814

(2) Provision for impairment:

Accounts receivable and impairment allowance are disclosed by category:

	30 June 2021				Carrying value
	Gross carrying amount		Impairment allowance		
	Amount	Ratio (%)	Amount	Ratio for impairment (%)	
Impairment of individually accrued	61,506,358	28.91	14,518,934	23.61	46,987,424
Impairment of collectively accrued by credit risk portfolio	151,209,981	71.09	13,814,092	9.14	137,395,889
Total	212,716,339	100.00	28,333,026	13.32	184,383,313

	31 December 2020				Carrying value
	Gross carrying amount		Impairment allowance		
	Amount	Ratio (%)	Amount	Ratio for impairment (%)	
Impairment of individually accrued	54,492,592	29.26	13,322,049	24.45	41,170,543
Impairment of collectively accrued by credit risk portfolio	131,739,222	70.74	12,467,951	9.46	119,271,271
Total	186,231,814	100.00	25,790,000	13.85	160,441,814

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment: (continued)

As at 30 June 2021, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio	Reasons
Company 1	2,833,535	1,051,960	37.13%	Recovery possibility
Company 2	1,643,000	1,643,000	100.00%	Recovery possibility
Company 3	1,112,041	251,052	22.58%	Recovery possibility
Company 4	980,800	980,800	100.00%	Recovery possibility
Company 5	844,352	353,588	41.88%	Recovery possibility
Other	54,092,630	10,238,534	18.93%	Recovery possibility
Total	61,506,358	14,518,934		

As at 31 December 2020, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio	Reasons
Company 1	2,621,863	811,436	30.95%	Recovery possibility
Company 2	1,643,000	1,643,000	100.00%	Recovery possibility
Company 3	1,136,490	232,024	20.42%	Recovery possibility
Company 4	980,800	980,800	100.00%	Recovery possibility
Company 5	844,352	353,588	41.88%	Recovery possibility
Other	47,266,087	9,301,201	19.68%	Recovery possibility
	54,492,592	13,322,049		

The accounts receivable with impairment allowance collectively accrued by credit risk portfolio are as follows:

Portfolio 1

	30 June 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	27,937,681	2.02	565,307	18,771,108	2.00	375,423
1-2 years	5,441,805	5.00	272,090	6,147,525	5.00	307,376
2-3 years	3,102,534	15.00	465,380	2,305,610	15.00	345,842
3-4 years	650,931	30.00	195,279	591,134	30.00	177,340
4-5 years	307,398	45.00	138,329	295,105	45.00	132,797
Over 5 years	228,391	100.00	228,391	244,208	100.00	244,208
Total	37,668,740		1,864,776	28,354,690		1,582,986

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment: (continued)

Portfolio 2

	30 June 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	2,455,204	6.00	147,312	3,155,015	6.00	189,301
1-2 years	496,420	12.00	59,570	588,659	12.00	70,639
2-3 years	263,000	25.00	65,750	240,065	25.00	60,016
3-4 years	223,391	45.00	100,526	37,907	45.00	17,058
4-5 years	11,824	70.00	8,277	4,293	70.00	3,005
Over 5 years	100,712	100.00	100,712	102,860	100.00	102,860
Total	3,550,551		482,147	4,128,799		442,879

Portfolio 3

	30 June 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	76,386,492	4.50	3,437,235	66,510,054	4.50	2,992,951
1-2 years	18,788,102	10.00	1,879,167	19,743,156	10.00	1,974,316
2-3 years	7,805,073	20.00	1,560,999	7,190,056	20.00	1,438,011
3-4 years	3,186,629	40.00	1,274,652	2,275,042	40.00	910,017
4-5 years	1,455,080	65.00	945,802	1,173,241	65.00	762,607
Over 5 years	2,369,314	100.00	2,369,314	2,364,184	100.00	2,364,184
Total	109,990,690		11,467,169	99,255,733		10,442,086

The movements in impairment allowance for accounts receivable are as follows:

For the six months ended 30 June 2021:

Balance at the end of prior year	Changes in accounting policies	Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
25,790,000	12,430	25,802,430	7,296,946	(4,465,499)	(218,986)	(81,865)	28,333,026

2020

Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
23,804,177	15,060,518	(12,166,489)	(902,942)	(5,264)	25,790,000

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment: (continued)

The major amounts reversal or collection for the six months ended 30 June 2021 are as follows:

	Reason for reversal/collection	Basis and rationality for determining the provision for impairment	Amount of reversal/collection	Way of collection
Company 1	Accounts receivable of project collected	Individually accrued	55,505	Cash
Company 2	Accounts receivable of project collected	Individually accrued	36,934	Cash
Company 3	Accounts receivable of project collected	Individually accrued	35,692	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	34,964	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	34,000	Cash
Others	Accounts receivable of project collected	Individually and Collectively accrued	4,268,404	Cash
Total			4,465,499	

(3) As at 30 June 2021, the five largest accounts receivable according to customers are analysed as follows:

	Amount	Amount of Impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	9,531,938	2,992,733	4.48%

As at 31 December 2020, the five largest accounts receivable according to customers are analysed as follows:

	Amount	Amount of Impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	7,541,356	3,719,461	4.05%

For the six months ended 30 June 2021, the amount of accounts receivable derecognised by the Group due to the transfer of financial assets was RMB12,952,565 thousand (2020: RMB45,613,400 thousand), and the related expenses were RMB683,493 thousand (2020: RMB2,200,204 thousand).

On 30 June 2021 and 31 December 2020, accounts receivable that were pledged by the Group to banks for borrowings are presented in details Note V, 68.

5. Accounts receivable financing

	30 June 2021	31 December 2020
Bank acceptance bills	4,996,742	3,788,082

The Group discounts and endorses some bank acceptance bills according to the needs of daily capital management. Therefore, bank acceptance bills are classified as financial assets measured at fair value and their changes included in other comprehensive income.

Accounts receivable financing that have been endorsed or discounted on the balance sheet date but not overdue are as follows:

	30 June 2021		31 December 2020	
	Derecognised	Recognised	Derecognised	Recognised
Bank acceptance bills	1,195,421	1,369,186	1,883,153	1,110,596

As at 30 June 2021 and 31 December 2020, the Group measured impairment allowance based on the expected credit loss of the entire lifetime. The bank acceptance bills held by the assessment was not subject to significant credit risk, and the amount of expected credit loss was not significant.

V. Notes to the consolidated financial statements (continued)

6. Prepayments

The ageing analysis of prepayments is as follows:

	30 June 2021		31 December 2020	
	Carrying amount	Percentage of total balance	Carrying amount	Percentage of total balance
Within 1 year	32,359,144	90.71	37,140,758	87.92
1-2 years	1,737,867	4.87	2,166,342	5.13
2-3 years	671,332	1.88	2,056,042	4.87
Over 3 years	905,121	2.54	880,204	2.08
	35,673,464	100.00	42,243,346	100.00

As at 30 June 2021, prepayments aged more than 1 year amounted to RMB3,314,320 thousand (31 December 2020: RMB5,102,588 thousand), mainly including advances to subcontractors and prepayments for land use rights, where the project is not completed, or land use permit has not been obtained.

As at 30 June 2021, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	10,081,181	28.26%

As at 31 December 2020, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	15,441,353	36.55%

7. Other receivable

	30 June 2021	31 December 2020
Other receivable	79,768,052	54,626,721

The ageing analysis of other receivables is as follows:

	30 June 2021	31 December 2020
Within 1 year	62,905,868	38,773,389
1 to 2 years	12,796,053	13,761,941
2 to 3 years	7,133,951	5,615,868
3 to 4 years	1,933,136	1,249,108
4 to 5 years	799,212	663,427
Over 5 years	1,408,992	1,322,441
Sub-total	86,977,212	61,386,174
Less: Impairment allowance	(7,209,160)	(6,759,453)
Total	79,768,052	54,626,721

V. Notes to the consolidated financial statements (continued)

7. Other receivable (continued)

Nature of other receivables are as follows:

	30 June 2021	31 December 2020
Deposits and petty cash receivable	40,226,713	20,848,096
Advances receivable	20,553,605	14,017,240
Receivables from related parties (Note X. 6)	5,689,432	6,958,959
Deposit receivable	3,148,576	3,118,642
Others	17,358,886	16,443,237
Sub-total	86,977,212	61,386,174
Less: Impairment allowance	(7,209,160)	(6,759,453)
Total	79,768,052	54,626,721

Changes in impairment allowance recognised for the 12-month ECLs and lifetime ECLs on other receivables are as follows:

For the six months ended 30 June 2021

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the period	2,024,990	4,734,463	6,759,453
Changes due to the opening balance			
– Transfer to Stage 3	(25,541)	25,541	–
– Transfer to Stage 1	4,821	(4,821)	–
Provision	286,027	1,007,255	1,293,282
Reversal	(175,461)	(498,320)	(673,781)
Write-off	(21,783)	(120,206)	(141,989)
Others	(21,351)	(6,454)	(27,805)
Closing balance of the period	2,071,702	5,137,458	7,209,160

2020

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the year	1,653,840	5,427,482	7,081,322
Changes due to the opening balance			
– Transfer to Stage 3	(65,252)	65,252	–
– Transfer to Stage 1	50,584	(50,584)	–
Provision	1,353,313	817,053	2,170,366
Reversal	(928,508)	(912,504)	(1,841,012)
Write-off	(25,231)	(583,929)	(609,160)
Others	(13,756)	(28,307)	(42,063)
Closing balance of the year	2,024,990	4,734,463	6,759,453

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

The gross carrying amount of other receivables contributed to changes in the impairment allowance are as follows:

For the six months ended 30 June 2021

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets Lifetime expected credit losses	
Opening balance of the period	48,757,796	12,628,378	61,386,174
Changes due to the opening balance			
– Transfer to Stage 3	(104,887)	104,887	–
– Transfer to Stage 1	20,518	(20,518)	–
Provision	28,582,943	9,053,904	37,636,847
Reversal	(6,947,927)	(4,674,816)	(11,622,743)
Write-off	(21,783)	(120,206)	(141,989)
Others	(256,030)	(25,047)	(281,077)
Closing balance of the period	70,030,630	16,946,582	86,977,212

2020

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets Lifetime expected credit losses	
Opening balance of the year	47,855,701	12,412,142	60,267,843
Changes due to the opening balance			
– Transfer to Stage 3	(1,390,253)	1,390,253	–
– Transfer to Stage 1	177,612	(177,612)	–
Provision	16,723,566	2,031,629	18,755,195
Reversal	(14,550,517)	(2,319,865)	(16,870,382)
Write-off	(25,231)	(583,929)	(609,160)
Others	(33,082)	(124,240)	(157,322)
Closing balance of the year	48,757,796	12,628,378	61,386,174

The major amounts reversal or collection for the six months ended 30 June 2021 is as follows:

	Reason for reversal/ collection	Receivable collected	Amount of reversal/ collection	Way of collection
Company 1	Receivable collected	Individually accrued	20,565	Cash
Company 2	Receivable collected	Individually accrued	15,512	Cash
Company 3	Receivable collected	Collectively accrued	14,884	Cash
Company 4	Receivable collected	Individually accrued	12,168	Cash
Company 5	Receivable collected	Collectively accrued	11,696	Cash
Others	Receivable collected	Individually and Collectively accrued	598,956	Cash
Total			673,781	

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

As at 30 June 2021, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Ageing	Impairment allowance Amount
Company 1	18,000,000	20.70	Cash deposit	Within 1 year	–
Company 2	1,601,523	1.84	Account current	Within 1 year	64,061
Company 3	1,125,658	1.29	Cash deposit	Within 1 year	22,513
Company 4	919,431	1.06	Account current	Within 1 year	36,777
Company 5	807,432	0.93	Cash deposit	Within 1 year, 1 to 2 years	16,190
Total	22,454,044	25.82			139,541

As at 31 December 2020, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Ageing	Impairment allowance Amount
Company 1	1,596,657	2.60	Account current	Within 1 year	63,866
Company 2	1,135,984	1.85	Account current	Within 1 year	11,360
Company 3	1,125,658	1.83	Cash deposit	Within 1 year, 1 to 2 years	25,513
Company 4	918,000	1.50	Account current	Within 1 year, 1 to 2 years	47,040
Company 5	790,500	1.29	Cash deposit	Within 1 year	15,810
Total	5,566,799	9.07			163,589

8. Inventories

	30 June 2021			31 December 2020		
	Carrying amount	Impairment provision	Net value	Carrying amount	Impairment provision	Net value
Properties under development	581,066,769	(2,919,708)	578,147,061	575,666,522	(3,537,411)	572,129,111
Completed properties for sale	94,588,439	(1,109,481)	93,478,958	79,177,264	(557,024)	78,620,240
Raw materials	24,130,989	(17,803)	24,113,186	20,157,082	(17,803)	20,139,279
Work in progress	866,143	–	866,143	702,632	–	702,632
Finished goods	3,912,179	(1,145)	3,911,034	3,292,729	(60,411)	3,232,318
Others	241,832	–	241,832	301,748	–	301,748
Total	704,806,351	(4,048,137)	700,758,214	679,297,977	(4,172,649)	675,125,328

As at 30 June 2021 and 31 December 2020, the inventories that were pledged by the Group to banks for borrowings are presented in details in Note V, 68.

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows:

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	30 June 2021	31 December 2020
Beijing Daji Critical Reform Project	January 2003	December 2025	43,707,456	19,946,661	19,941,813
Beixin'an Shantytowns Renovation Project	July 2014	August 2022	30,360,089	11,388,808	10,964,057
Beixin'an Area B 673B Plot	June 2021	September 2023	10,580,950	9,147,298	7,191,143
Beijing Fengtai Zaojia Village Project	December 2019	September 2022	11,013,343	9,067,486	9,026,767
Beijing Yizhuang Smart City Project	December 2020	December 2022	11,329,343	8,608,386	8,465,780
Hong Kong Kai Tak 6575 Plot Project	October 2019	June 2023	11,106,502	8,222,323	7,845,832
Jianguo East Road 69th Street	July 2022	June 2025	35,754,365	8,194,452	2,947,874
Jinan Zhonghai Huashanlongcheng Project	July 2014	July 2022	50,021,918	6,889,390	5,762,069
Shanghai Hongkou District Duolun Road Project	November 2015	December 2025	10,940,594	6,861,830	5,727,704
Splendid Capital of China Construction	August 2018	August 2021	9,500,000	6,682,703	6,368,569
Beijing Yinghai Second House Project	November 2019	December 2021	11,120,266	6,493,885	6,655,173
Shenzhen Zhonghai Huideli Garden	March 2020	June 2022	6,782,835	5,892,896	5,896,908
Chongqing Shili Yangtze River Project	July 2019	September 2021	5,819,310	5,819,310	5,676,283
Zhuheng Land Reserve 2020-06 Lot	March 2021	December 2024	13,570,701	5,522,343	5,446,240
Zhongjian Star City	January 2019	June 2023	7,542,810	5,432,267	5,179,597
Wenhan Lake Project	October 2020	June 2023	6,447,025	5,319,942	5,027,679
Zhongjian Bo Mansion	September 2018	December 2024	7,744,760	5,306,438	5,345,412
Guangzhou Haizhu Daganwei land Project	February 2020	June 2022	7,219,271	5,292,757	5,819,840
Tianjin Park City	May 2013	December 2022	16,813,110	5,243,246	4,658,130
Beijing Lichun Lake Villa	July 2018	December 2021	8,098,912	5,080,139	4,649,489
Beijing Shijingshan Shougang Park Project	March 2019	June 2021	6,267,173	4,999,488	4,743,854
Guangzhou Nanzhou Road Project	March 2021	October 2023	5,757,869	4,747,071	4,612,555
Beijing Jinzhan Project	September 2020	December 2021	6,534,900	4,568,522	4,900,729
Guiyang Zhonghai Yingshan Lake Project	February 2020	December 2022	6,626,460	4,421,893	4,249,586
Ningbo Haishugaotang Project	December 2019	December 2022	5,500,000	4,413,809	4,159,824
Beijing Company Rice Field Project	November 2020	December 2022	5,602,640	4,275,391	4,199,387
Construction Zhenlu Project Phase II	October 2021	June 2024	6,218,820	4,184,208	–
China Construction Luming Mansion	April 2021	December 2023	7,129,000	4,142,624	1,047,800
Nanjing Xiyuan Mansion	July 2018	December 2021	9,200,000	4,039,504	3,755,828

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows: (continued)

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	30 June 2021	31 December 2020
Beijing Shougangyuan Phase III Project	August 2020	June 2022	5,027,540	3,987,936	3,871,233
Zhonghai Chunlang Garden	April 2021	April 2023	5,514,270	3,877,614	–
Changsha Group A Project	October 2020	May 2022	6,000,000	3,806,850	3,603,204
Mirror of Sky Project	October 2020	June 2022	5,772,150	3,796,464	1,872,797
Chengdu Qinhuang Temple 667 Project	July 2018	July 2024	20,618,446	3,786,872	4,717,380
Dalian CITIC Harbour City	January 2013	December 2023	10,000,000	3,774,076	5,967,414
Dalian Zhonghai Park Uptown Project	November 2019	December 2021	5,595,980	3,715,021	3,313,806
Kai Tak No. 6603	October 2021	March 2025	5,662,945	3,655,721	3,608,982
246 Xiangshan's Island Project	December 2020	June 2025	6,460,000	3,611,897	3,495,340
Zhonghai Beilong Lake Construction	September 2021	April 2024	5,315,110	3,593,062	–
Kangqiao Town Zitong Village	December 2017	December 2022	22,000,000	3,462,395	484,119
China Construction Fudi Star City	December 2014	December 2024	5,177,050	3,296,342	497,327
Zhongjian Yuhu No.1	January 2018	December 2024	5,600,000	3,226,155	2,701,863
Beijing Shougangyuan Phase II Project	April 2020	June 2021	7,659,878	3,208,302	5,793,189
ChangzhouHongken Project	January 2021	September 2023	5,058,279	3,206,781	–
Shenzhen Zhonghai Minzhi Project	March 2021	April 2023	4,264,120	3,176,862	3,085,106
Fuzhou Zhonghai Ziyu Garden	July 2018	September 2021	3,106,672	3,105,916	3,003,361
Shenyang East Consulate Project	October 2020	October 2022	4,666,580	3,100,868	2,964,851
Zhonghai Songshan Lake Garden	January 2021	December 2022	4,524,794	3,077,030	2,856,055
Zhongjian Tianfu Mansion Phase I	July 2018	December 2024	9,796,000	5,007,088	4,953,608
Shanghai Xiaokunshan Phase II	November 2019	November 2021	3,473,850	3,060,566	2,924,364
Zhengzhou Zhonghai Ground 13#	May 2020	December 2021	4,094,830	3,012,530	3,101,924
Hangzhou Zhonghai Cuiyuan Project	March 2019	December 2021	4,300,676	3,009,161	3,215,471
COA 99 Hudson	February 2016	August 2021	5,619,347	3,005,454	3,153,988
Dalian Taigu Square Project	December 2021	December 2027	4,000,000	2,999,786	2,999,786
Shenyang Zhonghai Huideli	January 2021	June 2022	4,268,144	2,893,433	2,620,731
Zhengzhou Zhonghai Markham Mansion	March 2018	December 2021	3,229,000	2,893,307	2,807,376
Beijing Gongchen Street Office Project	November 2020	June 2022	4,635,540	2,865,583	2,808,840
Changsha Wenjin Famous Garden	December 2019	December 2021	6,064,421	2,778,361	4,435,268
Shenzhen Longgang Baohe Project	August 2020	June 2022	2,765,286	2,765,286	1,881,556
Wuhan Zhongjian Grand Mansion (K2/K4)	June 2019	October 2025	26,996,960	2,712,901	2,374,818
Shanghai Hongqi Village	August 2018	December 2022	16,370,270	2,705,500	5,649,873
Beijing Zhongjian Guowangfu Project	December 2013	December 2021	4,000,000	2,697,440	2,385,168
Suzhou Yundong Project	April 2020	December 2021	3,820,000	2,684,208	2,538,545

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of properties under development are as follows: (continued)

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	30 June 2021	31 December 2020
Tianjin Meilin Road Project	November 2019	December 2021	3,207,121	2,660,028	2,796,351
Kunming Dongbaisha River Ground A2	April 2020	December 2021	3,217,100	2,636,289	2,245,072
Tianjin Eco-City Project	June 2018	October 2022	3,249,670	2,631,784	2,398,613
Shanghai Shenggang College Project	July 2021	December 2023	4,897,830	2,512,431	–
Wuhan Zuoling Project	June 2020	May 2022	4,949,630	2,485,999	2,777,922
Fangshanyin	January 2021	December 2022	3,104,399	2,462,385	2,304,086
Taiyuan North Lihua Project	December 2020	May 2023	4,130,130	2,427,601	2,384,308
Kunshan 137 Plot Project	April 2021	June 2024	4,423,710	2,405,576	–
Taiyuan Comprehensive Reform Zone Yangzhuang Project	October 2020	December 2021	6,509,280	2,365,117	2,083,118
Southwest Forestry University Project	April 2021	October 2022	3,756,500	2,315,400	279,416
Shanghai Minle Affordable Housing Project	November 2011	December 2021	22,231,871	2,296,740	1,575,215
Kafu Project	March 2018	December 2021	2,854,214	2,275,770	2,132,379
Taiyuan Beihan Village Urban Reform Project	May 2019	December 2021	5,263,003	2,273,650	2,348,705
Xujiang'an Garden	January 2021	December 2021	3,364,040	2,235,337	2,113,581
Tianjin City Plaza	March 2014	December 2025	22,926,270	2,225,411	7,183,919
Nanshanyin Project	September 2021	August 2023	3,300,000	2,220,083	–
Tongxin Lake A Plot	April 2021	November 2023	4,020,930	2,218,727	–
Jinan Railway Vocational and Technical College D-2BX plot	January 2019	January 2022	3,240,153	2,210,404	2,054,547
Chengdu Zhonghai Yinghui Road Project	January 2021	June 2022	2,993,699	2,208,826	1,394,806
Ningbo Huaishu Plot	August 2020	July 2022	2,913,921	2,203,950	2,097,821
Hongqi Village E03-03 Plot	July 2020	March 2023	3,003,900	2,166,191	2,000,696
Shijiazhuang Zhonghai • Yunjin	June 2020	August 2022	3,564,029	2,155,925	2,241,600
Universe Times	January 2021	September 2022	3,250,320	2,127,442	2,022,853
Chongqing China Construction Jinhe City	April 2018	June 2022	4,910,000	2,091,479	1,978,475
China Construction Binjiang Star City	October 2018	December 2024	5,836,371	2,089,920	890,324
Chongqing Guanyinqiao D plots	March 2021	June 2023	3,165,865	2,084,210	1,024,603
China Overseas Jincheng International Project	December 2018	September 2021	3,473,330	2,063,118	1,939,774
Yantai Zhonghai Chang'an Yunjin Community	December 2019	June 2022	3,214,620	2,061,744	1,855,229
Chongqing Geneva Project	September 2012	December 2024	15,716,018	2,036,206	2,029,082
Harbin Zhonghai Yunlu Mansion Phase II	April 2021	December 2022	2,916,720	2,023,073	1,874,412
China Construction YinghuaYue Mansion	April 2020	June 2023	3,632,165	2,021,371	1,804,882
Others				209,112,744	247,881,468
Total				581,066,769	575,666,522

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of completed properties held for sale are as follows:

For the six months ended 30 June 2021

Project Name	Completion time of the latest phase	31 December 2020	Additions	Deductions	30 June 2021
Dalian CITIC Harbour City	June 2021	1,489,925	2,548,062	(1,162,553)	2,875,434
No.9 Mansion	June 2021	278,378	2,415,164	(401,854)	2,291,688
Shanghai Jiufengli Phase I Project	March 2019	2,048,480	–	(7,165)	2,041,315
537 Greenwich Mansion	January 2021	–	2,263,218	(387,359)	1,875,859
Nanjing Xiyuan Mansion	December 2020	2,858,267	–	(1,002,524)	1,855,743
Zhonghai Wanjin Xian	June 2021	–	1,794,813	–	1,794,813
Tianjin City Plaza	June 2021	692,248	4,373,605	(3,290,643)	1,775,210
Zhonghaixi Garden	June 2021	279,672	1,518,365	(88,153)	1,709,884
Yuelin Xi Coast	June 2021	–	2,467,039	(757,901)	1,709,138
Zhonghai Wansongjiuli	June 2021	673,848	793,582	(61,183)	1,406,247
Xingang City Mansion Apartment Project	March 2021	–	1,501,426	(96,138)	1,405,288
Chengdu Zhonghai Yunlushijia	June 2021	1,535,749	218,436	(355,517)	1,398,668
Tianjin Park City	June 2020	1,496,828	–	(129,102)	1,367,726
Kunming Zhonghai Yunzhu	June 2021	774,228	823,989	(235,453)	1,362,764
Huangdao District Double Star Tire Old Factory Development Project	May 2021	–	4,019,771	(2,682,547)	1,337,224
Wangjing House	June 2021	454,738	1,502,896	(629,069)	1,328,565
Jinan Bright Yuefu Project	June 2021	1,426,833	47,624	(160,772)	1,313,685
Foshan Yunlu Residence	June 2021	1,178,304	302,382	(241,030)	1,239,656
Zhonghai Yunzhu	June 2021	1,204,698	45,905	–	1,250,603
Zhonghai Yonghexi'an Mansion	November 2019	1,297,432	3,755	(103,080)	1,198,107
Zhaoqing Zhonghai New City Mansion	September 2019	1,213,385	–	(38,674)	1,174,711
Jiangsu Runjiangfu Project	June 2021	1,533,001	13,350	(374,553)	1,171,798
Changchun Zhonghai Jincheng	June 2021	–	1,661,434	(536,946)	1,124,488
Runshan Mansion	June 2021	–	1,574,754	(489,786)	1,084,968
Zhonghai Universe World	June 2021	604,742	866,572	(402,510)	1,068,804
Zhongjian • No.7 Yard Project	June 2021	978,367	53,909	–	1,032,276
Jilin Changchun Zhonghai Prosperity City D	June 2021	223,760	1,694,058	(918,885)	998,933
Jinan Zhonghai Huashanlongcheng Project	June 2021	1,411,543	815,108	(1,261,115)	965,536
Jilin Changchun Zhonghai Shengshi City C	December 2020	985,917	–	(35,245)	950,672
Zhonghai Shijihui Garden	June 2021	1,005,918	26,152	(85,216)	946,854
Chongqing Lixianghu Project	December 2019	1,014,458	–	(95,437)	919,021
Macquarie Parklands	May 2021	–	1,609,693	(692,825)	916,868
Mingzhu Park No. 7 Project	June 2021	–	1,414,557	(579,188)	835,369
Kowloon Peak	June 2015	789,057	4	(12,154)	776,907
Dalian Zhonghai Muyun Mountain	June 2021	196,111	1,199,974	(645,367)	750,718
Changchun High-tech Zone Extraordinary Street	June 2021	–	1,672,394	(938,346)	734,048
Zhengzhou Zhonghaiyiyuan	June 2021	745,546	123,407	(139,682)	729,271
China State Construction Splendid World Zone B and C	June 2021	–	2,362,884	(1,654,473)	708,411

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of completed properties held for sale are as follows: (continued)

For the six months ended 30 June 2021 (continued)

Project Name	Completion time of the latest phase	31 December 2020	Additions	Deductions	30 June 2021
Beijing Shougang Park Phase II Project	January 2021	–	3,448,626	(2,750,531)	698,095
Zhonghai Wanjin Mansion	December 2020	850,194	–	(163,434)	686,760
Zhonghai Huating	May 2021	–	2,010,929	(1,327,146)	683,783
Lot 12-41, No. 1 Yulu Road, Hangzhou	December 2020	676,175	13,813	(10,831)	679,157
Lot No. 42, No. 1 Royal Road, Hangzhou	December 2020	674,724	4,585	(3,797)	675,512
Fuzhou Zhonghai Phoenix Xi'an	February 2021	615,157	213,580	(159,832)	668,905
China-Construction-Chi Cube (Hefei China Construction Industrial Base)	June 2021	872,237	–	(212,853)	659,384
Plot F of Chongqing Guanyin Bridge	December 2019	699,572	12,455	(86,161)	625,866
Yuelu Mountain	June 2021	581,949	200,890	(157,887)	624,952
Goya Park Project	June 2021	552,047	132,150	(62,958)	621,239
Nanchang Zhonghai Yangguang Rose Garden	June 2020	767,772	13,560	(162,567)	618,765
Guangzhou Zhonghai Xueshili	June 2021	–	2,630,858	(2,025,882)	604,976
Yunlu Mansion	January 2021	–	1,051,526	(475,161)	576,365
Chengdu Zhonghai Jinjiangcheng	December 2020	667,641	–	(98,326)	569,315
Hangzhou C19 Project	June 2020	819,557	–	(251,375)	568,182
Zhonghai Hongzhu Project	December 2019	594,988	–	(29,965)	565,023
Jilin Changchun Zhonghai Shang College Phase I	March 2021	202,331	1,127,347	(769,668)	560,010
Zhonghai Jinjia Huating	June 2018	584,992	–	(28,011)	556,981
Fuzhou Zhonghai Jinxi Mansion	December 2019	609,938	1,786	(63,207)	548,517
Wuxi Zhonghai Huanyu World	June 2021	228,424	3,241,276	(2,938,513)	531,187
Guiyang Dayingpo Zhongjian Huafu Project ADEF District	December 2017	698,900	6,590	(192,783)	512,707
Jinan Zhongjian Changqinghu Project	October 2020	501,117	–	–	501,117
Foshan Markham Mansion	December 2020	610,938	5,412	(121,149)	495,201
Urban Resident Resettlement Project	June 2021	697,633	147,705	(353,046)	492,292
COA 99 Hudson	June 2021	766,033	173,827	(452,928)	486,932
China State Construction Binjiang Star City	June 2021	283,887	749,395	(560,358)	472,924
Tsingdao Linxishijia Project	June 2021	571,287	37,068	(139,292)	469,063
Zhonghai • Shangwan	December 2020	556,404	–	(88,370)	468,034
Chongqing International Community Project	October 2015	524,171	2,534	(78,714)	447,991
Changsha Zhongjian Jiangshan No.1	March 2021	190,686	657,707	(403,517)	444,876
Chengdu Zhonghai Luhui Mansion	June 2021	88,211	941,353	(591,453)	438,111
Chongqing Zhongjian Longxitai	June 2021	563,640	40,929	(176,568)	428,001
Guangzhou Zhonghai Jinyuhuating	June 2021	423,829	–	(11,319)	412,510
Beixin'an Shantytowns Renovation Project	January 2021	374,907	33,499	–	408,406
Chongqing Dayang Stone Block L	June 2021	557,502	377,445	(534,741)	400,206
Zhonghai Lichun Lake Villa	December 2020	399,516	–	–	399,516
Chengdu Zhonghai Yunlushijia	June 2021	1,256,707	1,174,182	(2,036,108)	394,781
Jilin Changchun Zhonghai • Shangxue Mansion Phase III	December 2020	549,452	–	(159,445)	390,007
B-4 Project of Zhonghai No. 9 Mansion	June 2021	–	414,675	(27,672)	387,003

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

The details of completed properties held for sale are as follows: (continued)

For the six months ended 30 June 2021 (continued)

Project Name	completion time of the latest phase	31 December 2020	Additions	Deductions	30 June 2021
Yantai Zhonghai Wanjin Community	June 2021	–	452,474	(80,138)	372,336
Zhonghai Jialong Tianfuli Project	June 2021	115,954	744,073	(493,788)	366,239
Nanchang Zhonghai Jincheng Garden	June 2021	441,441	161,258	(248,439)	354,260
Zhonghai City Phase IX	December 2020	721,580	–	(369,832)	351,748
Fuzhou Zhonghai Jincheng Garden	December 2019	361,286	10,380	(27,420)	344,246
Shanghai Jianguoli Project	June 2021	237,058	4,018,244	(3,928,552)	326,750
Chongqing Zhongjian Yuhe City (Phase I)	January 2021	326,454	476,969	(476,969)	326,454
Zhengzhou Zhonghai Wanjinxi'an	January 2021	311,129	112,957	(101,526)	322,560
Plots 126 and 127 of Zhonghai Cuijingyuan	June 2021	218,550	214,264	(116,409)	316,405
Chengdu CITIC City Right Bank Phase I	December 2018	376,622	–	(69,757)	306,865
Dabu Lychee Hill Project	December 2020	1,272,252	–	(967,318)	304,934
Others		26,790,987	62,059,694	(68,154,961)	20,695,720
Total		79,177,264	128,844,297	(113,433,122)	94,588,439

Movements in the carrying amount of inventories are as follows:

For the six months ended 30 June 2021

	1 January 2021	Additions	Deductions	30 June 2021
Properties under development	575,666,522	132,898,969	(127,498,722)	581,066,769
Completed properties held for sale	79,177,264	128,844,297	(113,433,122)	94,588,439
Raw materials	20,157,082	281,993,864	(278,019,957)	24,130,989
Work in progress	702,632	2,251,086	(2,087,575)	866,143
Finished goods	3,292,729	23,997,976	(23,378,526)	3,912,179
Others	301,748	2,329,735	(2,389,651)	241,832
Total	679,297,977	572,315,927	(546,807,553)	704,806,351

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

Movements in the carrying amount of inventories are as follows: (continued)

2020

	31 December 2019	Additions	Deductions	31 December 2020
Properties under development	489,478,279	317,783,688	(231,595,445)	575,666,522
Completed properties held for sale	67,414,180	216,342,332	(204,579,248)	79,177,264
Raw materials	22,474,381	522,878,924	(525,196,223)	20,157,082
Work in progress	1,133,413	2,894,359	(3,325,140)	702,632
Finished goods	2,487,860	43,730,456	(42,925,587)	3,292,729
Others	129,615	2,723,831	(2,551,698)	301,748
Total	583,117,728	1,106,353,590	(1,010,173,341)	679,297,977

Movements in the impairment provision of inventories are as follows:

For the six months ended 30 June 2021

	1 January 2020	Increase during the period		Decrease during the period			30 June 2021
		Accrual	Others	Reversal	Write-off	Others	
Properties under development	3,537,411	–	(592,584)	–	–	(25,119)	2,919,708
Completed properties held for sale	557,024	853	592,584	(39,705)	–	(1,275)	1,109,481
Raw materials	17,803	–	–	–	–	–	17,803
Finished goods	60,411	–	–	(59,266)	–	–	1,145
Total	4,172,649	853	–	(98,971)	–	(26,394)	4,048,137

2020

	1 January 2019	Increase during the year		Decrease during the year			31 December 2020
		Accrual	Others	Reversal	Write-off	Others	
Properties under development	3,580,736	400,000	(372,226)	–	–	(71,099)	3,537,411
Completed properties held for sale	585,909	106,862	372,226	(386,092)	(121,881)	–	557,024
Raw materials	30,933	4,110	–	(39)	(24,514)	7,313	17,803
Finished goods	2,022	59,266	–	(126)	(751)	–	60,411
Others	508	–	–	(508)	–	–	–
Total	4,200,108	570,238	–	(386,765)	(147,146)	(63,786)	4,172,649

Impairment provision of inventories is as follows:

	Net realisable value	Reasons of reversal and write-off during the year
Properties under development	Expected selling price less estimated costs to be incurred at completion, the estimated selling expenses and the relevant taxes and fees	Net realisable value increased or sales realised
Completed properties held for sale		
Raw materials		

V. Notes to the consolidated financial statements (continued)

9. Contract assets

	30 June 2021	31 December 2020
Receivables from Construction projects	172,249,821	139,279,091
Project quality warranty	95,709,070	82,495,557
Receivables from PPP projects	183,260,270	82,535,009
Franchise rights not yet in operation	18,491,848	–
Primary land development	12,239,678	11,103,922
Others	8,298,348	8,548,233
Sub-total	490,249,035	323,961,812
Less: Impairment allowance	(6,062,507)	(5,331,689)
	484,186,528	318,630,123
Less: Contract assets disclosed within Current portion of non-current assets (Note V.10)	(55,861,657)	(39,798,227)
Less: Contract assets disclosed within the other non-current assets (Note V. 24)	(236,542,181)	(137,765,940)
Less: Contract assets disclosed within the intangible assets (Note V. 20)	(18,491,848)	–
	173,290,842	141,065,956
Including: original value of contract assets	175,804,679	143,392,926
impairment allowance of contract assets	(2,513,837)	(2,326,970)

The Group provides construction services to customers and revenue recognised based on performance progress in excess of progress billings is presented as contract assets. Upon settlement with the customers, the Group has an unconditional rights to receivable payments and the amounts recognised as contract assets are reclassified to trade receivables.

Changes in impairment allowance of contract assets are as follows:

For the six months ended 30 June 2021

31 December 2020	Changes in accounting policies	1 January 2021	Provision	Reversal	Other changes	30 June 2021
5,331,689	377,813	5,709,502	854,232	(535,827)	34,600	6,062,507

For the year ended 31 December 2020

1 January 2020	Provision	Reversal	Other changes	31 December 2020
5,584,007	1,594,339	(1,779,231)	(67,426)	5,331,689

The changes in the impairment allowance of the current part of contract assets are as follows:

For the six months ended 30 June 2021

1 January 2021	Provision	Reversal	Other changes	30 June 2021
2,326,970	375,165	(242,810)	54,512	2,513,837

For the year ended 31 December 2020

1 January 2020	Provision	Reversal	Other changes	31 December 2020
2,980,333	327,307	(943,678)	(36,992)	2,326,970

V. Notes to the consolidated financial statements (continued)

9. Contract assets (continued)

Whether the contract assets have significant financing components or not, the impairment allowance is measured according to the expected credit loss for the whole lifetime.

	30 June 2021			
	Gross carrying amount		Impairment allowance	
	Amount	Ratio(%)	Amount	Ratio for impairment (%)
Impairment of individually accrued	24,990,763	14.22	1,529,679	6.12
Impairment of collectively accrued by credit risk portfolio	150,813,916	85.78	984,158	0.65
Total	175,804,679	100.00	2,513,837	1.43

	31 December 2020			
	Gross carrying amount		Impairment allowance	
	Amount	Ratio(%)	Amount	Ratio for impairment (%)
Impairment of individually accrued	20,488,216	14.29	1,536,364	7.50
Impairment of collectively accrued by credit risk portfolio	122,904,710	85.71	790,606	0.64
Total	143,392,926	100.00	2,326,970	1.62

As at 30 June 2021, contract assets individually assessed for expected credit losses are as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire lifetime (%)	Reasons
Company 1	210,724	94,826	45.00	Note
Company 2	174,727	2,310	1.32	Note
Company 3	163,081	99,403	60.95	Note
Company 4	157,930	33,631	21.29	Note
Company 5	127,411	57,335	45.00	Note
Others	24,156,890	1,242,174	5.14	Note
Total	24,990,763	1,529,679		

As at 31 December 2020, contract assets individually assessed for expected credit losses are as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire lifetime (%)	Reasons
Company 1	475,087	3,448	0.73	Note
Company 2	210,724	94,826	45.00	Note
Company 3	160,633	245	0.15	Note
Company 4	151,717	33,632	22.17	Note
Company 5	138,313	99,279	71.78	Note
Others	19,351,742	1,304,934	6.74	Note
Total	20,488,216	1,536,364		

Note: The Group provides construction services to customers above. Due to the shortage of funds of the customers, the Group expected some contract assets are difficult to be settled and impairment allowance is provided accordingly.

The terminated contract assets by the Group are presented in detail in Note V. 4.

As at 30 June 2021 and 31 December 2020, the contract assets that were pledged by the Group to banks for borrowings are presented in detail in Note V, 68.

V. Notes to the consolidated financial statements (continued)

10. Current portion of non-current assets

	30 June 2021	31 December 2020
Current portion of long-term receivables (Note V. 13)	25,868,151	30,009,625
Current portion of contract assets (Note V. 9)	55,861,657	39,798,227
Current portion of debt Investments (Note V. 12)	6,803,605	7,805,981
Current portion of other debt Investments	87,080	182,608
Others	229,036	140,288
Total	88,849,529	77,936,729

11. Other current assets

	30 June 2021	31 December 2020
Input VAT to be credited	42,011,257	39,093,862
Prepaid taxes	36,422,677	29,910,131
Receivables from related parties (Note X.6)	16,983,510	14,963,744
Short term debt investments measured at amortization cost	5,413,433	5,067,518
Others	6,657,182	6,807,172
Sub-total	107,488,059	95,842,427
Less: Impairment allowance	(1,644,723)	(1,531,269)
Total	105,843,336	94,311,158

12. Debt investments

	30 June 2021		
	Carrying amount	Impairment allowance	Net amount
Loans receivable from related parties(Note X.6)	19,678,616	(7,176)	19,671,440
Entrusted loans	678,868	(4,678)	674,190
Including: Entrusted loans from related parties (Note X.6)	377,312	(3,773)	373,539
Others	2,795,940	(5,461)	2,790,479
Sub-total	23,153,424	(17,315)	23,136,109
Less: Debt investments of non-current assets due within one year (Note V.10)	6,804,817	(1,212)	6,803,605
Total	16,348,607	(16,103)	16,332,504
	31 December 2020		
	Carrying amount	Impairment allowance	Net amount
Loans receivable from related parties(Note X.6)	19,183,824	(4,669)	19,179,155
Entrusted loans	1,064,002	(5,816)	1,058,186
Including: Entrusted loans from related parties (Note X.6)	370,923	(3,709)	367,214
Others	2,179,711	(5,742)	2,173,969
Sub-total	22,427,537	(16,227)	22,411,310
Less: Debt investments of non-current assets due within one year (Note V.10)	7,806,980	(999)	7,805,981
Total	14,620,557	(15,228)	14,605,329

V. Notes to the consolidated financial statements (continued)

13. Long-term receivables

	30 June 2021	31 December 2020
Receivables from PPP projects (Note)	–	90,254,972
Receivables from BT projects	55,126,464	59,661,593
Primary land development	30,619,461	30,117,104
Receivables from other construction projects	32,974,874	26,256,240
Project quality warranty	2,526,539	2,417,273
Due from related parties (Note X. 6)	32,189	34,600
Others	698,552	783,974
Sub-total	121,978,079	209,525,756
Less: impairment allowance	1,298,743	1,874,089
Sub-total	120,679,336	207,651,667
Less: due within 1 year (Note V. 10)	25,868,151	30,009,625
Total	94,811,185	177,642,042

Note: According to explanation No.14 issued by the Ministry of Finance, the long-term receivables of PPP projects were adjusted in this period, resulting the amount of PPP project for long-term receivables at the end of the period is Nil.

On 30 June 2021 and 31 December 2020, the Group pledged long-term receivables to banks for borrowings are presented in detail in Note V. 68.

14. Long-term equity investments

	30 June 2021	31 December 2020
Joint ventures	42,987,287	39,920,192
Associates	50,187,315	46,812,925
Sub-total	93,174,602	86,733,117
Less: Impairment allowance	(294,056)	(294,056)
Total	92,880,546	86,439,061

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the six months ended 30 June 2021

(a) Joint venture

	Opening Balance of the period	Movement during the period					Closing balance of the period	Impairment allowance at the end of the period
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note 1)		
Guiheng Investment Co., Ltd.	2,413,091	-	42,507	-	-	-	2,455,598	-
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,452,818	-	-	(154)	-	-	2,452,664	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,925,754	-	(11,078)	-	-	-	1,914,676	292,462
Zunyi Nanhuan Expressway Development Co. Ltd. (Note 2)	1,402,963	37,100	45,540	-	-	-	1,485,603	-
China Construction and Construction Credit Shares No. 9 Urbanization Investment Private Equity Fund	1,230,138	-	-	-	-	-	1,230,138	-
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	1,029,089	244,606	(52,233)	-	-	-	1,221,462	-
Beijing Chenxing International Convention and Exhibition Co., Ltd.	-	1,199,964	-	-	-	-	1,199,964	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,010,136	-	96,439	1,724	-	-	1,108,299	-
China Construction New Urbanization (Xinjiang) Investment Co., Ltd.	826,422	187,097	44,703	-	-	-	1,058,222	-
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,004,347	-	150	(5,081)	-	-	999,416	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd.	947,670	15,321	(12)	(15,716)	-	-	947,263	-
Shanghai Lingang New District Jingang Dongjiu Real Estate Co., Ltd.	911,400	-	(6,191)	-	-	-	905,209	-
China Overseas Southern Airlines Construction & Development Co., Ltd.	825,130	-	5,262	-	-	-	830,392	-
Anhui Bengwu Expressway Investment Management Co., Ltd.	740,658	70,000	-	(1,704)	-	-	808,954	-
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	794,934	-	-	-	-	-	794,934	-
Beijing Nanyue Real Estate Development Co., Ltd.	764,918	-	1,785	-	-	-	766,703	-
China Construction Sharing No. 35 Infrastructure Investment Private Equity Fund	711,320	-	-	-	-	-	711,320	-
Guangdong Guotong Logistics City Co., Ltd.	666,978	31,737	(13,596)	(10,239)	-	-	674,880	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	850,000	(225,000)	26,888	-	(26,888)	-	625,000	-
CSCEC Road & Bridge Group Co., Ltd.	661,819	-	8,748	(425)	-	(48,899)	621,243	-
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	552,906	-	(1,878)	-	-	-	551,028	-
Jinan Zhonghai Dongcheng Real Estate Development Co., Ltd.	525,030	-	11,828	-	-	-	536,858	-
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	533,792	-	215	-	-	-	534,007	-
Shaoteng CSCEC Construction Investment & Development Co. Ltd.	511,373	-	(3,654)	-	-	-	507,719	-
Others	16,627,506	1,377,364	163,862	(14,437)	(154,504)	45,944	18,045,735	1,358
Joint ventures sub-total	39,920,192	2,938,189	359,285	(46,032)	(181,392)	(2,955)	42,987,287	293,820

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the six months ended 30 June 2021 (continued)

(b) Associates

	Opening balance of the period	Movement during the period					Closing balance of the period	Impairment allowance at the end of the period
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note 1)		
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	9,247,852	-	1,034,640	77,931	(299,757)	(141)	10,060,525	-
Anhui Guoyuan Trust Co., Ltd.	3,010,767	-	92,152	(77,422)	-	56,049	3,081,546	-
Jiqing Express Railway Co., Ltd.	2,312,211	-	(28,391)	-	-	-	2,283,820	-
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,662,658	95,000	(48,410)	-	-	-	1,709,248	-
Yunnan Huali expressway investment and Development Co., Ltd.	1,185,000	376,094	-	-	-	-	1,561,094	-
Everbright Securities Co., Ltd.	1,453,184	-	-	-	-	(14,432)	1,438,752	-
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	1,242,936	85,734	-	-	-	-	1,328,670	-
Guangzhou Lihe Real Estate Development Co., Ltd.	1,066,922	-	60,692	-	-	-	1,127,614	-
Xuzhou Line One Rail Transit Investment Development Co., Ltd.	1,090,000	-	-	-	-	-	1,090,000	-
Shandong Qilu Ningliang Expressway Co., Ltd.	1,033,900	-	-	-	-	-	1,033,900	-
Anhui Guoyuan Investment Co., Ltd.	989,025	-	23,989	(15)	-	37	1,013,036	-
Shanghai Jiasheng Real Estate Development Co., Ltd.	987,142	-	11,561	-	-	-	998,703	-
Suzhou Fuyuan Real Estate Co., Ltd.	966,270	-	(18,770)	-	-	-	947,500	-
Taiyuan Zhongyin Railway Co., Ltd.	886,606	-	26,498	-	-	-	913,104	-
Fast Shift Investments Limited	1,032,289	-	64,043	-	(169,099)	(15,648)	911,585	-
Jizheng Expressway Co., Ltd.	-	898,471	-	-	-	-	898,471	-
Jinmao Investment (Changsha) Co., Ltd.	997,925	-	25,734	-	(193,354)	-	830,305	-
Guangzhou fuchuang Real Estate Development Co., Ltd.	669,119	-	(21,588)	-	-	-	647,531	-
Henan Xuxin Expressway Co., Ltd.	576,600	68,463	-	-	-	-	645,063	-
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	612,740	-	5,072	-	-	-	617,812	-
China State Construction Xi'an Urban Construction Investment Co., Ltd.	548,866	-	(4,663)	-	-	-	544,203	-
Nantong Raocheng Expressway Co., Ltd.	-	518,291	-	-	-	-	518,291	-
Liupanshui Dongda highway investment and Development Co., Ltd.	501,602	-	-	(2,554)	-	-	499,048	-
Shanxi International Power Group Real Estate Development Co., Ltd.	494,659	-	-	-	-	-	494,659	-
Others	14,244,652	699,447	172,314	(20,349)	(87,653)	(15,576)	14,992,835	236
Associates sub-total	46,812,925	2,741,500	1,394,873	(22,409)	(749,863)	10,289	50,187,315	236
Total	86,733,117	5,679,689	1,754,158	(68,441)	(931,255)	7,334	93,174,602	294,056

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

2020

(a) Joint ventures

	Opening Balance of the year	Movement during the year					Closing balance of the year	Impairment allowance at the end of the year
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of Cash dividends	Others (Note 1)		
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,302,726	150,610	(53)	(465)	-	-	2,452,818	-
Guiheng Investment Co., Ltd.	2,219,804	-	193,287	-	-	-	2,413,091	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,927,320	-	(1,566)	-	-	-	1,925,754	292,462
Zunyi Nanhuan Expressway Development Co. Ltd. (Note 2)	1,132,736	100,000	170,227	-	-	-	1,402,963	-
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	325,180	704,240	(331)	-	-	-	1,029,089	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,103,558	-	86,814	(678)	(179,558)	-	1,010,136	-
Guizhou Leirong Expressway Investment Management Co., Ltd.	459,486	497,993	-	46,868	-	-	1,004,347	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd.	960,360	-	(13,577)	887	-	-	947,670	-
Shanghai Lingang New District Jingang Dongjiu Real Estate Co., Ltd.	-	911,400	-	-	-	-	911,400	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	1,000,000	(150,000)	74,620	-	(74,620)	-	850,000	-
China Overseas Southern Airlines Construction & Development Co., Ltd.	817,998	-	7,132	-	-	-	825,130	-
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	795,597	-	(663)	-	-	-	794,934	-
Beijing Nanyue Real Estate Development Co., Ltd.	728,933	-	35,985	-	-	-	764,918	-
Anhui Bengwu Expressway Investment Management Co., Ltd.	605,617	135,426	-	(385)	-	-	740,658	-
Guangdong Guotong Logistics City Co., Ltd.	-	661,835	5,139	4	-	-	666,978	-
CSCEC Road & Bridge Group Co., Ltd.	607,293	-	45,381	(247)	-	9,392	661,819	-
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	316,757	240,000	(3,851)	-	-	-	552,906	-
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	528,106	-	5,686	-	-	-	533,792	-
China Construction Haijia (Foshan) Investment and Construction Co., Ltd.	522,661	-	10,985	(6,393)	-	-	527,253	-
Shaotong CSCEC Construction Investment & Development Co. Ltd.	504,445	-	6,928	-	-	-	511,373	-
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	245,681	233,143	-	-	-	-	478,824	-
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd.	488,671	-	(10,850)	-	-	-	477,821	-
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	463,456	-	11,299	(2,199)	-	-	472,556	-
Hebei Road and Bridge Group Co., Ltd.	409,465	-	30,254	(165)	-	-	439,554	-
Others	16,182,466	3,061,271	2,097,169	(104,320)	(1,473,123)	(2,239,055)	17,524,408	1,358
Joint ventures sub-total	34,648,316	6,545,918	2,750,015	(67,093)	(1,727,301)	(2,229,663)	39,920,192	293,820

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

2020 (continued)

(b) Associates

	Opening balance of the year	Movement during the year					Closing balance of the year	Impairment allowance at the end of the year
		Increase/ (Decrease) investment	Investment profits/ (losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note 1)		
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	7,489,769	-	1,676,410	396,722	(309,427)	(5,622)	9,247,852	-
Anhui Guoyuan Trust Co., Ltd.	2,799,221	-	175,143	36,916	(32,966)	32,453	3,010,767	-
Jiqing Express Railway Co., Ltd.	2,082,659	322,490	(92,938)	-	-	-	2,312,211	-
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,302,988	441,915	(82,245)	-	-	-	1,662,658	-
Everbright Securities Co., Ltd.	1,460,733	-	72,704	24,240	(5,136)	(99,357)	1,453,184	-
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	900,000	342,936	-	-	-	-	1,242,936	-
Yunnan Huali expressway investment and Development Co., Ltd.	790,000	395,000	-	-	-	-	1,185,000	-
Xuzhou Line One Rail Transit Investment Development Co., Ltd.	790,000	300,000	-	-	-	-	1,090,000	-
Guangzhou Lihe Real Estate Development Co., Ltd.	931,775	-	286,107	-	(150,960)	-	1,066,922	-
Shandong Qilu Ningliang Expressway Co., Ltd.	1,033,900	-	-	-	-	-	1,033,900	-
Fast Shift Investments Limited	1,155,792	-	416,601	-	(490,372)	(49,732)	1,032,289	-
Jinmao Investment (Changsha) Co., Ltd.	942,442	(150,000)	346,012	-	(140,529)	-	997,925	-
Anhui Guoyuan Investment Co., Ltd.	965,609	-	29,450	(1,560)	(4,273)	(201)	989,025	-
Shanghai Jiasheng Real Estate Development Co., Ltd.	931,354	-	55,788	-	-	-	987,142	-
Suzhou Fuyuan Real Estate Co., Ltd.	-	-	(5,490)	-	-	971,760	966,270	-
Taiyuan Zhongyin Railway Co., Ltd.	-	1,000,000	(113,394)	-	-	-	886,606	-
Guangzhou fuchuang Real Estate Development Co., Ltd.	-	680,000	(10,881)	-	-	-	669,119	-
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	586,430	-	26,310	-	-	-	612,740	-
Henan Xuxin Expressway Co., Ltd.	-	576,600	-	-	-	-	576,600	-
China State Construction Xi'an Urban Construction Investment Co., Ltd.	-	557,846	(8,980)	-	-	-	548,866	-
Liupanshui Dongda highway investment and Development Co., Ltd.	509,644	-	14	(8,056)	-	-	501,602	-
Shanxi International Power Group Real Estate Development Co., Ltd.	494,659	-	-	-	-	-	494,659	-
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	415,000	62,658	-	-	-	-	477,658	-
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	-	419,290	-	-	-	-	419,290	-
Other	14,980,666	(2,209,818)	397,509	(58,861)	(324,251)	562,459	13,347,704	236
Associates sub-total	40,562,641	2,738,917	3,168,120	389,401	(1,457,914)	1,411,760	46,812,925	236
Total	75,210,957	9,284,835	5,918,135	322,308	(3,185,215)	(817,903)	86,733,117	294,056

Note 1: Other changes are mainly caused by the changes in the investee's other equity movement other than other comprehensive income and the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

The movements in impairment allowance of long-term equity investments are as follows:

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
CITIC Baolida Real Estate (Foshan) Co., Ltd.	292,462	–	–	292,462
Others	1,594	–	–	1,594
Total	294,056	–	–	294,056

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
CITIC Baolida Real Estate (Foshan) Co., Ltd.	292,462	–	–	292,462
Others	1,594	–	–	1,594
Total	294,056	–	–	294,056

15. Investments in other equity instruments

	30 June 2021	31 December 2020
Equity investments		
Listed equity investments	1,289,585	1,329,839
Unlisted equity investments	4,284,496	4,508,545
Total	5,574,081	5,838,384

	30 June 2021	31 December 2020
Equity investments		
Cost		
Listed equity investments	1,239,855	1,241,496
Unlisted equity investments	3,676,877	3,899,738
Cumulative changes in fair value		
Listed equity investments	49,730	88,343
Unlisted equity investments	607,619	608,807
Total	5,574,081	5,838,384

For the six months ended 30 June 2021

	Changes in fair value accumulated to other comprehensive income	Fair value	Dividend income of the year		Reasons designated as fair value measurement with changes included in other comprehensive income
			Equity instruments derecognised in the current year	Equity instruments still held	
Listed equity investments	49,730	1,289,585	–	72,459	Non-tradable
Unlisted equity investments	607,619	4,284,496	12	66,946	Non-tradable
Total	657,349	5,574,081	12	139,405	

V. Notes to the consolidated financial statements (continued)

15. Investments in other equity instruments (continued)

2020

	Changes in fair value accumulated to other comprehensive income	Fair value	Dividend income of the year		Reasons designated as fair value measurement with changes included in other comprehensive income
			Equity instruments derecognised in the current year	Equity instruments still held	
Listed equity investments	88,343	1,329,839	–	108,778	Non-tradable
Unlisted equity investments	608,807	4,508,545	18,983	28,385	Non-tradable
Total	697,150	5,838,384	18,983	137,163	

For the six months ended 30 June 2021, the Group disposed of RMB270,522 thousand of other equity instrument investment (2020: RMB643,269 thousand), and a total amount of RMB7,371 thousand has been transferred from other comprehensive income to retained earnings (2020: RMB310,690 thousand).

16. Investment properties

Subsequent measurement under the cost model:

For the six months ended 30 June 2021

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance of the period	61,368,409	16,536,224	29,176,233	107,080,866
Increase during the period	5,289,075	4,360,751	2,497,013	12,146,839
Decrease during the period	(472,491)	(31,562)	(23,503)	(527,556)
Closing balance of the period	66,184,993	20,865,413	31,649,743	118,700,149
Accumulated depreciation and amortisation				
Opening balance of the period	(7,810,724)	(2,125,309)	–	(9,936,033)
Increase during the period	(969,809)	(240,651)	–	(1,210,460)
Decrease during the period	23,252	3,606	–	26,858
Closing balance of the period	(8,757,281)	(2,362,354)	–	(11,119,635)
Impairment allowance				
Opening balance and Closing balance of the period	(21,153)	–	–	(21,153)
Net book value				
At the end of the period	57,406,559	18,503,059	31,649,743	107,559,361
At the beginning of the period	53,536,532	14,410,915	29,176,233	97,123,680

V. Notes to the consolidated financial statements (continued)

16. Investment properties (continued)

Subsequent measurement under the cost model: (continued)

2020

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance of the year	52,236,824	13,167,211	18,862,716	84,266,751
Increase during the year	11,525,091	3,419,310	10,537,506	25,481,907
Decrease during the year	(2,393,506)	(50,297)	(223,989)	(2,667,792)
Closing balance of the year	61,368,409	16,536,224	29,176,233	107,080,866
Accumulated depreciation and amortisation				
Opening balance of the year	(6,100,476)	(1,865,118)	–	(7,965,594)
Increase during the year	(1,889,510)	(264,155)	–	(2,153,665)
Decrease during the year	179,262	3,964	–	183,226
Closing balance of the year	(7,810,724)	(2,125,309)	–	(9,936,033)
Impairment allowance				
Opening balance of the year	–	–	–	–
Increase during the year	(21,988)	–	–	(21,988)
Decrease during the year	835	–	–	835
Closing balance of the year	(21,153)	–	–	(21,153)
Net book value				
At the end of the year	53,536,532	14,410,915	29,176,233	97,123,680
At the beginning of the year	46,136,348	11,302,093	18,862,716	76,301,157

Investment properties are leased out to third parties under operating leases.

For the six months ended 30 June 2021, the Group changed the use of houses and buildings with a carrying amount of RMB84,268 thousand (A cost of: RMB94,582 thousand) for self-use and transferred them into fixed assets at the date of change of use; for the year of 2020, the Group changed the houses and buildings with a carrying amount of RMB1,659,677 thousand (A cost of: RMB1,710,402 thousand) for self-use and transferred them into fixed assets at the date of change of use.

For the six months ended 30 June 2021, the Group has not changed the investment; for the year of 2020, the Group changed the investment properties with a carrying amount of RMB25,184 thousand (A cost of: RMB26,667 thousand) to inventory.

For the six months ended 30 June 2021, the Group changed the inventory with a carrying amount of RMB1,071,733 thousand (A cost of: RMB1,071,733 thousand) to lease, and transfers the inventory into investment properties at the date of change of use; for the year of 2020, the Group changed the inventory with a carrying amount of RMB9,047,396 thousand (A cost of: RMB9,047,396 thousand) to lease, and transferred the inventory into investment properties at the date of change of use.

For the six months ended 30 June 2021, the Group changed the fixed assets with a carrying amount of RMB55,159 thousand (A cost of: RMB83,439 thousand) to lease, and transferred from fixed assets to investment properties at the date of change of use; for the year of 2020, the Group changed the fixed assets with a carrying amount of RMB267,317 thousand (A cost of: RMB308,100 thousand) to lease, and transferred from fixed assets to investment properties at the date of change of use.

V. Notes to the consolidated financial statements (continued)

16. Investment properties (continued)

For the six months ended 30 June 2021, the Group's construction in progress project with a carrying amount of RMB5,484,290 thousand (A cost of: RMB5,484,290 thousand) was completed and used for leasing, which was changed to investment properties; for the year of 2020, the Group's construction in progress project with a carrying amount of RMB580,792 thousand (A cost of: RMB580,792 thousand) was completed and used for leasing, which was changed to investment properties.

For the six months ended 30 June 2021, the Group disposed the investment real estate with book value of RMB256,155 thousand with a disposal income of RMB22,447 thousand; In 2020, the Group disposed the investment real estate with a book value of RMB84,622 thousand, with a disposal income of RMB168 thousand.

For the six months ended 30 June 2021 and 31 December 2020, the investment properties that were pledged by the Group to banks for borrowings are presented in details in Note V. 68.

17. Fixed assets

For the six months ended 30 June 2021

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Balance at the end of prior year	30,767,917	17,847,582	3,171,989	18,430,426	70,217,914
Changes in accounting policies	–	(710,394)	(342)	–	(710,736)
Opening balance of the period	30,767,917	17,137,188	3,171,647	18,430,426	69,507,178
Purchases	218,634	526,140	171,638	1,225,719	2,142,131
Transfers from construction in progress (Note V. 18)	2,068,641	63,095	1,567	567,984	2,701,287
Other addition	229,611	679,698	55,091	242,259	1,206,659
Disposals or retirements	(193,134)	(924,337)	(117,889)	(376,609)	(1,611,969)
Other decrease	(284,672)	(226,159)	(40,615)	(557,062)	(1,108,508)
Closing balance of the period	32,806,997	17,255,625	3,241,439	19,532,717	72,836,778
Accumulated depreciation					
Balance at the end of prior year	(5,604,515)	(10,334,216)	(2,104,659)	(12,819,797)	(30,863,187)
Changes in accounting policies	–	137,189	96	–	137,285
Opening balance of the period	(5,604,515)	(10,197,027)	(2,104,563)	(12,819,797)	(30,725,902)
Depreciation accrued during the period	(443,372)	(607,359)	(150,676)	(1,662,612)	(2,864,019)
Other additions	(38,380)	(42,467)	(30,043)	(106,670)	(217,560)
Disposals or retirements	46,519	572,289	98,236	357,906	1,074,950
Other decrease	101,995	42,499	16,726	160,536	321,756
Closing balance of the period	(5,937,753)	(10,232,065)	(2,170,320)	(14,070,637)	(32,410,775)
Impairment allowance					
Opening balance of the period	(211,876)	(12,979)	(2,877)	(35)	(227,767)
Other additions	–	(7)	–	(1)	(8)
Disposals or retirements	1,042	1,133	2,512	–	4,687
Other decrease	66	–	–	–	66
Closing balance of the period	(210,768)	(11,853)	(365)	(36)	(223,022)
Net book value					
At the end of the period	26,658,476	7,011,707	1,070,754	5,462,044	40,202,981
At the beginning of the period	24,951,526	6,927,182	1,064,207	5,610,594	38,553,509

V. Notes to the consolidated financial statements (continued)

17. Fixed assets (continued)

2020

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the year	28,359,820	17,923,910	3,259,952	16,023,119	65,566,801
Purchases	920,868	1,636,531	354,680	2,489,299	5,401,378
Transfers from construction in progress (Note V. 18)	1,687,035	466,702	2,799	918,810	3,075,346
Other addition	1,243,128	892,425	275,494	1,471,489	3,882,536
Disposals or retirements	(316,748)	(800,162)	(402,894)	(1,256,555)	(2,776,359)
Other decrease	(1,126,186)	(2,271,824)	(318,042)	(1,215,736)	(4,931,788)
Closing balance of the year	30,767,917	17,847,582	3,171,989	18,430,426	70,217,914
Accumulated depreciation					
Opening balance of the year	(4,878,782)	(9,840,821)	(2,184,862)	(10,818,006)	(27,722,471)
Depreciation accrued during the year	(830,444)	(1,510,098)	(273,854)	(3,457,089)	(6,071,485)
Other additions	(175,183)	(644,351)	(220,832)	(432,869)	(1,473,235)
Disposals or retirements	82,682	631,724	326,843	1,106,330	2,147,579
Other decrease	197,212	1,029,330	248,046	781,837	2,256,425
Closing balance of the year	(5,604,515)	(10,334,216)	(2,104,659)	(12,819,797)	(30,863,187)
Impairment allowance					
Opening balance of the year	(213,151)	(39,819)	(28,508)	(8,356)	(289,834)
Impairment accrued during the year	(2,745)	(5,001)	(163)	–	(7,909)
Other additions	–	(1,986)	(5,394)	–	(7,380)
Disposals or retirements	2,805	33,399	24,367	8,190	68,761
Other decrease	1,215	428	6,821	131	8,595
Closing balance of the year	(211,876)	(12,979)	(2,877)	(35)	(227,767)
Net book value					
At the end of the year	24,951,526	7,500,387	1,064,453	5,610,594	39,126,960
At the beginning of the year	23,267,887	8,043,270	1,046,582	5,196,757	37,554,496

Fixed assets held under a finance lease are as follows:

31 December 2020

	Cost	Accumulated depreciation	Impairment allowance	Net book value
Machinery and equipment	710,394	(137,189)	–	573,205
Motor vehicles	342	(96)	–	246
	710,736	(137,285)	–	573,451

The carrying amount of operating leased fixed assets are as follows:

As at 30 June 2021, the fixed assets with a carrying amount of RMB120,208 thousand, and a cost of RMB193,619 thousand are leased out under operating leases (31 December 2020: a carrying amount of 159,348 thousand, and a cost of RMB247,937 thousand).

As at 30 June 2021 and 31 December 2020, the fixed assets that were pledged by the Group to banks for borrowings are presented in details in Note V, 68.

V. Notes to the consolidated financial statements (continued)

18. Construction in progress

	30 June 2021			31 December 2020		
	Carrying amount	Impairment allowance	Net book value	Carrying amount	Impairment allowance	Net book value
Construction in progress	5,764,955	250,945	5,514,010	11,184,034	(250,945)	10,933,089

The movements of significant projects of construction in progress are as follows:

For the six months ended 30 June 2021:

	Budgeted amount	Opening balance of the period	Additions	Transfer to fixed assets (Note V. 17)	Other transferred out (Note)	Closing balance of the period	Source of funds	Proportion of investment to budget (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	2,152,390	1,923,147	183,457	(1,877,941)	(119,869)	108,794	Self-funding and loan	98
Shanghai Zhongjian Yuelan Mountain Project	1,473,684	936,438	51,970	-	(988,408)	-	Self-funding	67
CSCEC Jinxiutiandi Construction Project	1,290,670	895,968	86,075	-	(982,043)	-	Self-funding and loan	76
Songjiang Building Construction Project	1,395,072	839,821	206,978	-	(1,046,799)	-	Self-funding and loan	75
Wanning Jinxin Grand Hyatt	1,313,996	714,036	59,895	-	-	773,931	Self-funding and loan	59
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd.	732,208	626,476	65,439	-	-	691,915	Self-funding	94
Songjiang Yunzhu Shenlan Construction Project	383,163	369,439	10,302	-	(379,741)	-	Self-funding	99
Zhonghai Huanyu City Construction Project	545,042	348,621	50,881	-	-	399,502	Self-funding and loan	73
Others	N/A	4,530,088	2,109,061	(823,346)	(2,024,990)	3,790,813	N/A	N/A
Total		11,184,034	2,824,058	(2,701,287)	(5,541,850)	5,764,955		

2020

	Budgeted amount	Opening balance of the year	Additions	Transfer to fixed assets (Note V. 17)	Other transferred out (Note)	Closing balance of the year	Source of funds	Proportion of investment to budget (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	2,152,390	1,515,607	410,646	-	(3,106)	1,923,147	Self-funding and loan	89
Shanghai Zhongjian Yuelan Mountain Project	1,473,684	792,545	143,893	-	-	936,438	Self-funding	64
CSCEC Jinxiutiandi Construction Project	1,290,670	650,106	245,862	-	-	895,968	Self-funding and loan	69
Songjiang Building Construction Project	1,395,072	559,191	280,630	-	-	839,821	Self-funding	60
Wanning Jinxin Grand Hyatt	1,313,996	610,566	103,470	-	-	714,036	Self-funding	54
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd.	632,208	420,767	205,709	-	-	626,476	Self-funding	99
Songjiang Yunzhu Shenlan Construction Project	383,163	344,140	25,299	-	-	369,439	Self-funding and loan	96
Zhonghai Huanyu City Construction Project	545,628	217,024	131,597	-	-	348,621	Self-funding	64
Others	N/A	5,228,388	3,506,995	(3,075,346)	(1,129,949)	4,530,088	Self-funding and loan	N/A
Total		10,338,334	5,054,101	(3,075,346)	(1,133,055)	11,184,034		

Note: Other transferred out mainly include the situation that the construction in progress is used for leasing and transferred to investment properties after the completion of construction in progress.

V. Notes to the consolidated financial statements (continued)

18. Construction in progress (continued)

The movements of significant projects of construction in progress are as follows:

For the six months ended 30 June 2021:

	Progress	Accumulated amount of interest capitalised	Including: Interest capitalised during the period	Capitalisation rate during the period (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	98%	11,577	30,851	5.78
Zhonghai Huanyu City Construction Project	73%	10,199	–	–
Songjiang Building Construction Project	99%	6,303	–	–
Others	N/A	30,274	34,249	N/A
Total		58,353	65,100	

2020

	Progress	Accumulated amount of interest capitalised	Including: Interest capitalised during the year	Capitalisation rate during the year (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	89%	187,417	63,556	5.78
CSCEC Jinxiutiandi Construction Project	69%	115,270	43,455	4.50
Songjiang Building Construction Project	96%	6,303	2,718	4.75
Others	N/A	59,383	29,282	N/A
Total		368,373	139,011	

As at 30 June 2021 and 31 December 2020, the construction in progress that were pledged by the Group to banks for borrowings are presented in details in Note V, 68.

V. Notes to the consolidated financial statements (continued)

18. Construction in progress (continued)

Impairment allowance of construction in progress:

For the six months ended 30 June 2021

Opening balance of the period	Increase during the period	Decrease during the period	Increase during the period	Reason
250,945	–	–	250,945	The book value is higher than the recoverable amount

2020

Opening balance of the year	Increase during the year	Decrease during the year	Increase during the year	Reason
252,521	–	(1,576)	250,945	The book value is higher than the recoverable amount

19. Right of use assets

For the six months ended 30 June 2021

	Buildings	Machinery and equipment	Motor vehicles	Other equipments	Total
Cost					
Balance at the end of prior year	–	–	–	–	–
Changes in accounting policies	4,302,926	1,610,259	15,633	219,237	6,148,055
Opening balance of the period	4,302,926	1,610,259	15,633	219,237	6,148,055
Increase during the period	597,577	56,254	1,077	2,199	657,107
Decrease during the period	(429,787)	(60,881)	(4,066)	(61,705)	(556,439)
Closing balance of the period	4,470,716	1,605,632	12,644	159,731	6,248,723
Accumulated depreciation					
Balance at the end of prior year	–	–	–	–	–
Changes in accounting policies	–	(137,189)	(96)	–	(137,285)
Opening balance of the period	–	(137,189)	(96)	–	(137,285)
Increase during the period	(805,208)	(213,768)	(3,557)	(28,868)	(1,051,401)
Decrease during the period	38,861	6,794	458	8,815	54,928
Closing balance of the period	(766,347)	(344,163)	(3,195)	(20,053)	(1,133,758)
Net book value					
At the end of the period	3,704,369	1,261,469	9,449	139,678	5,114,965
At the beginning of the period	4,302,926	1,473,070	15,537	219,237	6,010,770

V. Notes to the consolidated financial statements (continued)

20. Intangible assets

For the six months ended 30 June 2021

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the period	7,737,009	19,218,420	889,987	705,353	28,550,769
Increase during the period	115,304	3,411,339	63,177	15,581	3,605,401
Decrease during the period	(23,307)	–	(11,110)	(23,587)	(58,004)
Closing balance of the period	7,829,006	22,629,759	942,054	697,347	32,098,166
Accumulated amortisation					
Opening balance of the period	(1,146,804)	(1,440,217)	(486,611)	(346,581)	(3,420,213)
Increase during the period	(89,771)	(73,713)	(61,462)	(12,251)	(237,197)
Decrease during the period	5,024	–	1,547	18,879	25,450
Closing balance of the period	(1,231,551)	(1,513,930)	(546,526)	(339,953)	(3,631,960)
Impairment allowance					
Opening balance of the period	(1,618,899)	(952,660)	–	–	(2,571,559)
Increase during the period	–	–	–	–	–
Closing balance of the period	(1,618,899)	(952,660)	–	–	(2,571,559)
Net book value					
Closing balance of the period	4,978,556	20,163,169	395,528	357,394	25,894,647
Opening balance of the period	4,971,306	16,825,543	403,376	358,772	22,558,997

2020

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the year	7,451,478	12,806,517	726,921	694,476	21,679,392
Increase during the year	372,766	6,411,903	183,483	12,311	6,980,463
Decrease during the year	(87,235)	–	(20,417)	(1,434)	(109,086)
Closing balance of the year	7,737,009	19,218,420	889,987	705,353	28,550,769
Accumulated amortisation					
Opening balance of the year	(1,024,490)	(1,237,277)	(399,338)	(322,234)	(2,983,339)
Increase during the year	(149,236)	(202,940)	(101,485)	(25,447)	(479,108)
Decrease during the year	26,922	–	14,212	1,100	42,234
Closing balance of the year	(1,146,804)	(1,440,217)	(486,611)	(346,581)	(3,420,213)
Impairment allowance					
Opening balance of the year	(1,334,236)	(952,660)	–	–	(2,286,896)
Decrease during the year	(284,663)	–	–	–	(284,663)
Closing balance of the year	(1,618,899)	(952,660)	–	–	(2,571,559)
Net book value					
Closing balance of the year	4,971,306	16,825,543	403,376	358,772	22,558,997
Opening balance of the year	5,092,752	10,616,580	327,583	372,242	16,409,157

As at 30 June 2021, the Group reported the franchise rights of RMB18,491,848 thousand that have not yet been operated in the contract assets in the intangible assets – franchise rights.

As at 30 June 2021 and 31 December 2020, the intangible assets that were pledged by the Group to banks for borrowings are presented in details in Note V, 68.

V. Notes to the consolidated financial statements (continued)

21. Goodwill

For the six months ended 30 June 2021

The invested entity	Opening balance of the period	Increase during the period	Other movements (Note)	Closing balance of the period
China Overseas Land & Investment Ltd. ("China Overseas Land & Investment")	1,429,449	–	(22,018)	1,407,431
China State Construction Development Holdings Limited ("State Construction Development")	487,548	–	(7,510)	480,038
Plaza Construction LLP	98,722	–	(1,344)	97,378
Finqnciere Groupe Betom	58,403	–	1,004	59,407
China Construction Sixth Engineering Division Water Conservancy and Hydropower Construction Group	42,797	–	–	42,797
CSCEC Zhong Huan Engineering Co., Ltd.	40,103	–	–	40,103
Yueyang Hecheng Construction Investment	27,027	–	–	27,027
China State Construction Built Port Group	15,583	–	–	15,583
Jimsar County Tianyu Huaxin Cement Development Co., Ltd.	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Hubei Civil Air Defense Construction Design Institute	11,563	–	–	11,563
Yunnan Long Hydropower Base	11,163	–	–	11,163
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Chongqing Zhonghai Investment Co., Ltd	10,650	–	(164)	10,486
Changsha Rail China Construction Xinhe Real Estate Co., Ltd.	–	10,094	–	10,094
Others	73,629	–	–	73,629
Sub-Total	2,344,942	10,094	(30,032)	2,325,004
Less: Impairment allowance	54,681	–	–	54,515
Total	2,290,261	–	–	2,270,489

V. Notes to the consolidated financial statements (continued)

21. Goodwill (continued)

2020

The invested entity	Opening balance of the year	Increase during the year	Other movements (Note)	Closing balance of the year
China Overseas Land & Investment Ltd. ("China Overseas Land & Investment")	1,498,889	–	(69,440)	1,429,449
China State Construction Development Holdings Limited ("State Construction Development")	511,232	–	(23,684)	487,548
Plaza Construction LLP	105,551	–	(6,829)	98,722
Finqnciere Groupe Beton	–	59,210	(807)	58,403
China Construction Sixth Engineering Division Water Conservancy and Hydropower Construction Group	42,797	–	–	42,797
CSCEC Zhong Huan Engineering Co., Ltd.	40,103	–	–	40,103
Yueyang Hecheng Construction Investment	27,027	–	–	27,027
China State Construction Built Port Group	15,583	–	–	15,583
Jimsar County Tianyu Huaxin Cement Development Co., Ltd.	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Hubei Civil Air Defense Construction Design Institute	11,563	–	–	11,563
Yunnan Long Hydropower Base	11,163	–	–	11,163
Chongqing Zhonghai Investment Co., Ltd	11,167	–	(517)	10,650
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Others	73,121	515	(7)	73,629
Sub-Total	2,386,501	59,725	(101,284)	2,344,942
Less: Impairment allowance	39,073			54,681
Total	2,347,428			2,290,261

Changes in impairment allowance of goodwill are as follows:

For the six months ended 30 June 2021

	Opening balance of the period	Accrued this period	Other movements (Note)	Closing balance of the period
Jimsar County Tianyu Huaxin Cement Development Co., Ltd	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Chongqing Zhonghai Investment Co., Ltd.	10,650	–	(164)	10,486
CSCEC Zhong Huan Engineering Co., Ltd.	12,031	–	–	12,031
Others	4,257	–	(2)	4,255
Total	54,681	–	(166)	54,515

V. Notes to the consolidated financial statements (continued)

21. Goodwill (continued)

Changes in impairment allowance of goodwill are as follows: (continued)

2020

	Opening balance of the year	Accrued this year	Other movements (Note)	Closing balance of the year
Jimsar County Tianyu Huaxin Cement Development Co., Ltd	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Chongqing Zhonghai Investment Co., Ltd.	11,167	–	(517)	10,650
CSCEC Zhong Huan Engineering Co., Ltd.	–	12,031	–	12,031
Others	163	4,101	(7)	4,257
Total	39,073	16,132	(524)	54,681

Note: Other movements are mainly due to changes in exchange rates.

The measurement basis and main assumptions for the recoverable amounts of the above asset groups are as follows:

The recoverable amount of an asset group is the higher of its fair value less costs to sell and the present value of the future cash flows estimated to be derived from the asset or the asset group.

For the asset group or portfolio of China Overseas Land & Investment and China State Construction Development, the present value of the future cash flows of the asset group were higher than the book value, and there was no impairment of the relevant goodwill.

22. Long-term prepaid expenses

For the six months ended 30 June 2021

	Balance at the end of prior year	Changes in accounting policies	Opening balance of the period	Increase	Amortisation	Other decrease	Closing balance of the period
Expenditure on improvement of leased fixed assets	444,600	–	444,600	57,535	(64,067)	(7,993)	430,075
Office rent	154,202	(154,202)	–	–	–	–	–
Decoration cost	255,297	–	255,297	70,776	(39,606)	–	286,467
Others	244,610	–	244,610	98,649	(58,438)	(11,304)	273,517
Total	1,098,709	(154,202)	944,507	226,960	(162,111)	(19,297)	990,059

	Opening balance of the year	Increase	Amortisation	Other decrease	Closing balance of the year
Expenditure on improvement of leased fixed assets	417,141	149,747	(117,334)	(4,954)	444,600
Office rent	66,650	129,265	(40,062)	(1,651)	154,202
Decoration cost	218,649	112,276	(70,959)	(4,669)	255,297
Others	233,360	88,067	(68,945)	(7,872)	244,610
Total	935,800	479,355	(297,300)	(19,146)	1,098,709

V. Notes to the consolidated financial statements (continued)

23. Deferred tax assets/liabilities

Deferred tax assets and liabilities without taking into consideration the offsetting of balances:

	30 June 2021		31 December 2020	
	Deductible temporary differences and losses	Deferred tax assets	Deductible temporary differences and losses	Deferred tax assets
Deferred tax assets				
Impairment allowance of assets	32,728,163	5,935,231	30,577,354	5,588,024
Elimination of intra group unrealised profit	7,137,838	1,701,961	4,075,148	937,061
Accrued expenses	28,200,129	6,898,480	27,335,649	6,690,580
Accrued liabilities	2,763,278	470,667	2,968,722	503,219
Deductible losses	12,740,195	3,045,619	15,192,233	3,333,024
Discounted long-term receivables	117,566	19,709	145,351	24,251
Tax differences on lease liabilities	3,970,858	747,716	–	–
Others	2,068,971	503,443	1,745,180	417,610
Total	89,726,998	19,322,826	82,039,637	17,493,769

	30 June 2021		31 December 2020	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Depreciation of fixed assets	361,320	74,414	364,073	74,825
Fair value adjustment of business combinations involving enterprises not under common control	11,822,400	2,947,927	14,864,768	3,445,441
Changes in fair value of financial assets	647,956	133,969	621,625	170,550
Gain from special restructuring of subsidiaries (Note 1)	1,179,437	294,859	1,179,437	294,859
Withholding tax for dividends (Note 2)	3,841,939	192,097	4,226,760	211,338
Revenue from BT/BOT projects	4,495,069	1,123,748	7,108,179	1,777,045
Tax differences on right of use assets	3,807,895	724,160	–	–
Others	9,743,803	2,406,088	5,649,216	1,326,419
	35,899,819	7,897,262	34,014,058	7,300,477

Note 1: According to Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Treatment of Enterprise Reorganization (Cai Shui [2009] No. 59), deferred tax liabilities are recognised by the Company and other related subsidiaries for the difference between tax base and accounting base of equity investment arising from reorganization of West Construction.

Note 2: According to the arrangement between Mainland China and Hong Kong Special Administrative Region over income taxes to avoid double taxation and tax evasion, signed between Mainland China and Hong Kong, withholding tax for dividends are provided by domestic subsidiaries, domestic associates and domestic joint ventures of the subsidiaries of China Overseas Land & Investment and China State Construction International Holdings Limited ("China State Construction International") for profit estimated to be distributed to the subsidiaries of China Overseas Land & Investment and China State Construction International at the tax rate of 5%.

V. Notes to the consolidated financial statements (continued)

23. Deferred tax assets/liabilities (continued)

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offsetting:

	30 June 2021		31 December 2020	
	Offsetting amount	Net amount after offsetting	Offsetting amount	Net amount after offsetting
Deferred tax assets	2,226,815	17,096,011	1,244,327	16,249,442
Deferred tax liabilities	2,226,815	5,670,447	1,244,327	6,056,150

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognised are listed as follows:

	30 June 2021	31 December 2020
Deductible temporary differences	22,770,724	22,128,260
Deductible tax losses	18,513,783	17,403,113
Total	41,284,507	39,531,373

Deductible tax losses that are not recognised as deferred tax assets will expire in the following years:

	30 June 2021	31 December 2020
2021	995,912	1,703,333
2022	986,475	1,528,760
2023	2,048,895	2,454,912
2024	4,556,670	4,861,870
2025	5,724,847	6,854,238
2026	4,200,984	–
Total	18,513,783	17,403,113

24. Other non-current assets

	30 June 2021	31 December 2020
Contract assets (Note V. 9)	238,733,550	139,278,678
Including: PPP project	164,953,058	68,652,381
Warranty deposit	44,674,124	41,814,329
Other	29,106,368	28,811,968
Input VAT to be verified	930,435	859,779
Prepayment of purchase of long-term assets	605,356	499,457
Others	1,928,853	820,763
Sub-total	242,198,194	141,458,677
Less: Impairment allowance	(2,192,445)	(1,512,744)
Total	240,005,749	139,945,933

As at 30 June 2021, the impairment allowance of the above contract assets is RMB2,191,369 thousand (31 December 2020: RMB1,512,738 thousand).

V. Notes to the consolidated financial statements (continued)

25. Impairment allowance of assets

For the six months ended 30 June 2021

	Balance at the end of prior year	Changes in accounting policies	Opening balance of the period	Provision for the period	Decrease during the period		Other movement	Closing balance of the period
					Reversal	Transfer/ Write-off		
Impairment allowance of accounts receivable	25,790,000	12,430	25,802,430	7,296,946	(4,465,499)	(218,986)	(81,865)	28,333,026
Impairment allowance of other receivables	6,759,453	-	6,759,453	1,293,282	(673,781)	(141,989)	(27,805)	7,209,160
Impairment allowance of other current assets	1,531,269	-	1,531,269	113,454	-	-	-	1,644,723
Impairment allowance of current portion of non-current assets	1,941,013	44,260	1,985,273	135,047	(269,571)	-	(94,142)	1,756,607
Impairment allowance of other non-current assets	1,512,744	333,553	1,846,297	435,177	(88,680)	(96)	(253)	2,192,445
Other ECLs provisions	1,200	-	1,200	-	-	-	-	1,200
Impairment allowance of debt investments	15,228	-	15,228	3,159	(1,828)	-	(456)	16,103
Impairment allowance of long-term receivables	1,425,700	(379,301)	1,046,399	78,315	(219,214)	-	(7,961)	897,539
Impairment allowance of contract assets	2,326,970	-	2,326,970	375,165	(242,810)	-	54,512	2,513,837
Impairment provision for write-down of inventories	4,172,649	-	4,172,649	853	(98,971)	-	(26,394)	4,048,137
Impairment allowance of long-term equity investments	294,056	-	294,056	-	-	-	-	294,056
Impairment allowance of fixed assets	227,767	-	227,767	-	-	(4,687)	(58)	223,022
Impairment allowance of construction in progress	250,945	-	250,945	-	-	-	-	250,945
Impairment allowance of investment properties	21,153	-	21,153	-	-	-	-	21,153
Impairment allowance of intangible assets	2,571,559	-	2,571,559	-	-	-	-	2,571,559
Impairment allowance of goodwill	54,681	-	54,681	-	-	-	(166)	54,515
Total	48,896,387	10,942	48,907,329	9,731,398	(6,060,354)	(365,758)	(184,588)	52,028,027

2020

	Opening balance of the year	Provision for the year	Decrease during the year		Other movement	Closing balance of the year
			Reversal	Transfer/ Write-off		
Impairment allowance of accounts receivable	23,804,177	15,060,518	(12,166,489)	(902,942)	(5,264)	25,790,000
Impairment allowance of other receivables	7,081,322	2,170,366	(1,841,012)	(609,160)	(42,063)	6,759,453
Impairment allowance of other current assets	1,483,067	88,981	-	-	(40,779)	1,531,269
Impairment allowance of current portion of non-current assets	846,270	1,097,130	(146,869)	(565)	145,047	1,941,013
Impairment allowance of other non-current assets	1,995,266	311,506	(720,788)	(28,920)	(44,320)	1,512,744
Other ECLs provisions	637,280	15,602	(651,221)	(461)	-	1,200
Impairment allowance of debt investments	40,282	4,213	(29,359)	-	92	15,228
Impairment allowance of long-term receivables	916,396	725,467	(144,689)	(1,500)	(69,974)	1,425,700
Impairment allowance of contract assets	2,980,333	327,307	(943,678)	-	(36,992)	2,326,970
Impairment provision for write-down of inventories	4,200,108	570,238	(386,765)	(147,146)	(63,786)	4,172,649
Impairment allowance of long-term equity investments	294,056	-	-	-	-	294,056
Impairment allowance of fixed assets	289,834	7,909	-	(68,761)	(1,215)	227,767
Impairment allowance of construction in progress	252,521	-	-	(1,576)	-	250,945
Impairment allowance of investment properties	-	20,844	-	(835)	1,144	21,153
Impairment allowance of intangible assets	2,286,896	284,663	-	-	-	2,571,559
Impairment allowance of goodwill	39,073	16,132	-	-	(524)	54,681
Total	47,146,881	20,700,876	(17,030,870)	(1,761,866)	(158,634)	48,896,387

V. Notes to the consolidated financial statements (continued)

26. Short-term borrowings

	30 June 2021	31 December 2020
Unsecured borrowings	70,334,254	24,576,438
Guaranteed borrowings	2,588,647	2,333,204
Pledged borrowings	1,821,073	2,278,532
Mortgaged borrowings	46,190	128,922
Total	74,790,164	29,317,096

The annual interest rate for the above borrowings varied from 0.28% to 10.00% (31 December 2020: 0.30% to 10.00%).

As at 30 June, 2021, the Group had a short-term loan principal of RMB4,907 thousand pledged by the letter of credit (31 December 2020: RMB21,455 thousand).

As at 30 June 2021 and 31 December 2020, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in details in Note V.68.

27. Notes payable

	30 June 2021	31 December 2020
Commercial acceptance bills	1,508,366	523,567
Bank acceptance bills	6,579,499	4,742,025
Total	8,087,865	5,265,592

28. Accounts payable

	30 June 2021	31 December 2020
Payables for projects and for real estate development	257,464,317	255,909,264
Payables for purchase of materials	174,398,733	167,173,727
Payables for services	60,925,364	56,022,419
Rent payable	17,076,693	15,554,843
Others	10,684,531	7,726,712
Total	520,549,638	502,386,965

As at 30 June 2021, accounts payable over 1 year with a carrying amount of RMB136,519,989 thousand (31 December 2020: RMB135,390,290 thousand) are mainly payables for projects, which are unsettled as the projects have not been completed or settled.

29. Advances from customers

	30 June 2021	31 December 2020
Others	722,871	607,427

As at 30 June 2020, advances from customers over 1 year with a carrying amount of RMB17,079 thousand (31 December 2020: RMB10,766 thousand) are mainly for advance rent receipts.

30. Contract liabilities

	30 June 2021	31 December 2020
Amount due to customers for contract work	62,386,712	68,341,670
Advances for projects	47,336,595	47,925,275
Advances for sale of properties	205,929,082	188,243,091
Others	4,172,244	4,969,016
Total	319,824,633	309,479,052

V. Notes to the consolidated financial statements (continued)

30. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows:

Project name	30 June 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Beixinan Shanty Town Repair Housing Placement Project	8,533,194	8,257,204	August 2022	45
Shenzhen Zhonghai Huideli Project	7,380,575	5,776,902	June 2022	94
Beijing Shougangyuan Project	5,503,702	5,969,360	June 2021	65
Changsha Wenjinmingyuan Phase II-Estate	4,852,709	3,155,384	December 2021	89
Chongqing International Community Shilichangjiang	4,761,540	3,054,813	December 2021	83
Guangzhou Haizhu Daganwei Plot Project	4,537,853	1,224,600	June 2022	100
Beijing Yinghai Project Phase II&III	4,247,157	2,221,414	December 2021	49
Zhongjian Xingguangcheng Ground KT1	3,559,835	3,532,473	June 2023	100
Shenzhen Zhonghai Sunshine Oak Park	3,418,543	991,401	June 2022	100
Beijing Lichun Lake project	3,296,519	2,868,644	June 2021	40
Zhengzhou Zhonghai Yundinghu Residence	3,211,384	517,522	December 2022	85
Hangzhou Zhonghai Cuiyuan Project	2,985,612	2,762,362	December 2020	97
Changsha Hurun Home	2,774,436	337,395	December 2022	63
Shanghai Zhongjian Langyue Project	2,512,434	2,213,995	September 2021	97
Zhongxin Jinxiutiandi Ground C-0203	2,452,050	1,685,236	June 2022	70
Dalian Park Uptown Project	2,438,921	1,159,874	April 2022	48
Jinan Zhonghai Huashanlongcheng Project	2,214,770	856,019	December 2022	39
Foshan Zhonghai Longwan Peninsula Garden	2,070,514	362,851	June 2023	72
Suzhou Yundong Project	2,006,412	1,226,871	December 2021	76
Beijing Shougang Park Phase III	1,985,241	736,341	June 2022	82
Ningbo Yijiangyuanjing	1,844,158	601,950	June 2022	92
Zhonghai No.9 Mansion	1,795,998	1,771,446	December 2021	99
Wuhan Zhongjian Fudixincheng	1,795,174	1,736,522	December 2022	66
Beijing Company Marigold Project	1,768,533	265,878	December 2021	39
Suzhou Gangtian Road Project	1,765,080	2,284,234	June 2021	100
Taiyuan CSCEC International Community No.1	1,763,949	1,877,884	June 2021	100
Wuhan Zhongjian Xingguangcheng Ground KT2	1,748,615	1,057,796	June 2023	100
Ningbo Zhonghai Xinzhiyuanjing	1,746,744	188,148	March 2023	46
Guangxi Zhongjian Yonghefu Project	1,737,342	1,294,712	June 2023	82
Shijiazhuang Zhonghai Yunjin Project	1,717,554	1,172,366	August 2022	47
Hefei Xinzhan District Modian Homeland Phase II A, E Block Project	1,710,107	590,694	April 2022	75
Hangzhou Zhonghai Wanglu	1,673,065	914,420	November 2021	79
Changsha Zhongjian Jinghecheng Project	1,653,283	2,713,003	June 2022	99
Sudi Ground WG-25#	1,629,543	1,571,953	September 2021	88
Shanghai China Construction Yifu Lanting	1,605,051	-	December 2023	54
Wuhan Zhongjian Bo Mansion	1,569,532	2,896,925	September 2024	60
Shanghai China Construction Yuelanshan Project	1,566,907	992,720	September 2021	54
Wuhan New Era Business Center	1,557,121	1,568	December 2022	50
Tianjin Lot 055 Project	1,525,934	849,096	December 2021	65

V. Notes to the consolidated financial statements (continued)

30. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	30 June 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Huinan Minle Project, Pudong, Shanghai	1,506,101	1,343,987	June 2021	80
Beijing Zhonghai Huanyu World Phase IV	1,504,705	–	December 2023	21
Beijing Fengtai Village	1,439,849	318,486	September 2022	32
Nanjing Lion Dam	1,429,117	–	November 2021	90
Jinan Zhangma Xindong Station Land #A4	1,427,155	1,060,221	September 2022	99
Taihu Town Project in Tongzhou District, Beijing	1,390,210	1,238,326	October 2021	99
Suzhou Huanhu Era	1,350,020	638,955	December 2021	60
Changsha China Construction Yuhe City	1,340,290	238,856	December 2023	24
Wuhan CSCEC Jinxiu cultural city phase I	1,327,066	1,325,259	June 2021	100
Chongqing Zhongjian Yuhu No.1	1,322,565	1,699,115	December 2024	55
Changchun Zhonghai Longxi B	1,289,046	1,205,463	September 2021	100
Hefei Modian Jiayuan Phase II Plot D	1,261,394	433,637	June 2022	100
Zhuhai Zhonghai Guanlan Garden	1,253,303	374,670	September 2021	90
Tianjin Qianjiangyuan Project	1,231,892	1,005,836	October 2022	44
Shenyang Hepingzhimen Phase III	1,174,554	2,726,108	December 2021	96
Shanghai Hongqi Village Project	1,136,244	4,159,187	June 2021	63
Jinan Zhongjian Changqinghu	1,131,181	832,666	May 2021	99
Tianjin 080 Plot Project	1,113,845	888,601	April 2022	80
Jinan Guoxi Terrace Phase II	1,113,018	733,589	January 2022	70
Hefei China Construction Kaiyuan Yuhu Project	1,111,813	904,819	June 2022	97
Shanghai Zhonghai Jiufengli Project	1,081,769	156,141	March 2022	79
Chongqing Zhongjian Yuhecheng Project	1,075,322	799,009	June 2022	92
Tianjin Xinli No.1	1,074,472	631,936	August 2022	51
Zhengzhou Zhonghairuyuan	1,051,157	694,045	December 2020	43
China Construction Splendid Mansion	1,047,146	526,524	July 2021	20
China Construction Yueqian Yaju	1,040,628	567,821	March 2022	57
Urumqi China Construction Ziyun Pavilion Phase II Project	1,031,635	373,401	June 2020	100
Qingdao Huangdao District Double Star Tire Old Factory Land Development Project Plot G	1,022,488	–	September 2021	92
Wuhan Zhonghailianhua Lake Project	840,652	1,613,937	September 2021	88
Chongqing CSCEC Hushan impression	824,761	685,070	August 2021	98
Changde Zhongjian Binjiangfu	731,111	446,723	June 2022	100
Changzhou Xihuayayuan	716,678	2,164,500	June 2021	95
Shenyang Hepingzhimen Ground 5# (Phase I)	711,705	324,609	October 2022	96
Changsha CSCEC Jiangshan No. 1	612,500	1,008,777	June 2021	94
Shared property house, The 19th block of Houshayu Town, Shunyi District, Beijing	604,262	2,267,599	December 2021	100
Chengdu Tianfu CSCEC Mansion No.1	563,102	127,412	December 2024	70
Zhuzhou Zhongjian Yuexitai Project	529,370	1,141,084	December 2021	70
Chongqing Zhongjian Yuhecheng (Phase I)	524,904	1,063,270	December 2021	82
Tsingtao Jiaodong International Airport Project Ground B	357,061	190,252	December 2022	100

V. Notes to the consolidated financial statements (continued)

30. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	30 June 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Yunnan Kunming Three Gorges Building and Wu'ai Community	268,305	1,407,007	May 2021	79
Zhonghai Huanyu Ara Project	252,362	4,593,965	November 2021	77
Zhengzhou No. 7 Institute of China Construction	243,088	10,141	December 2021	98
Nanjing Chengnangongguan Project	224,898	138,141	April 2020	95
Wuhan Zhongjian Royal Star City	208,393	64,386	December 2023	40
Shenyang Banshanhuafu Project	133,786	285,685	June 2020	98
Dongguan Zhonghai Huating	113,492	1,308,108	June 2021	73
Nanjing Zuoan Lanting	73,000	2,119	December 2020	100
Changsha CSCEC Yuehe Town	67,663	585,054	December 2020	100
Dalian Zhongxin Haigangcheng Phase II	66,014	393,031	October 2020	93
Project TianZuan	43,965	184,544	December 2020	100
Zunyi Zhongjian Xingfucheng Phase II-Estate	71,043	177,633	June 2020	88
Chengdu Zhonghai Yunlushijia	37,083	1,496,224	June 2021	71
Wuhan Zhongjian Big Mansion	32,581	70,102	October 2025	99
CSCEC Yichang Star Land #C	27,018	40,574	December 2020	100
Kunming Lanting Project	24,101	18,899	December 2020	90
Tianjin City Square Phase III	17,176	3,056,093	December 2025	42
Tianjin Lanhewan	16,881	69,170	December 2020	90
Shanghai Jianguoli Phase II-Estate	14,563	3,290,270	November 2021	98
Areas B and C of China Construction Jinxiu Tiandi	12,939	1,712,641	June 2021	90
Zhuhai Huanyucheng	11,452	84,920	June 2020	100
Beijing Zhonghai Yunxi Project	9,760	13,486	January 2021	66
Jinan CSCEC International Community	1,735	1,532,945	October 2022	78
Hangzhou Xiangqifang Project	1,115	1,648,176	July 2020	99
Beijing Zhonghai Yunzhu	1,070	90,070	November 2020	63
Harbin Zhonghaiheyuan	28	1,231,887	December 2020	96
Xiamen Zhonghai Xinglinluwan Project	-	2,578,051	December 2020	97
Dalian Zhonghai Yunlu Mansion	-	2,294,927	June 2021	90
Wuhan Zhongjian Yipinlanjun Project	-	33,482	December 2020	100
Wuxi Zhonghai Huanyutianxia	-	2,329,346	December 2020	96
Shanghai Huideli Project	-	1,499,905	June 2021	100
Shenyang Hepingzhimen Ground 1#,Phase 1, Zone 2.2	-	24,494	June 2021	99
Zhengzhou Zhonghai Hubinshijia South Area	-	1,780,283	June 2021	100
Others	55,744,389	46,595,465		
Total	205,929,082	188,243,091		

Note: Most of the above projects are phased development projects. The estimated completion time is the last phase of completion, and the pre-sale ratio is the proportion of the contracted area of the housing area that meets the sales conditions at the end of each year.

V. Notes to the consolidated financial statements (continued)

31. Employee benefits payable

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Short-term employee benefits payable	7,962,165	45,936,678	(47,394,079)	6,504,764
Defined contribution plans payable (Defined contribution plans)	218,775	3,395,959	(3,442,431)	172,303
Termination benefits payable (Note V.40)	19,620	3,381	(3,351)	19,650
Total	8,200,560	49,336,018	(50,839,861)	6,696,717

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Short-term employee benefits payable	7,474,848	75,080,672	(74,593,355)	7,962,165
Defined contribution plans payable (Defined contribution plans)	259,374	4,189,747	(4,230,346)	218,775
Termination benefits payable (Note V. 40)	23,640	11,511	(15,531)	19,620
Total	7,757,862	79,281,930	(78,839,232)	8,200,560

Short-term employee benefits payable are as follows:

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Salaries, bonuses, allowances and subsidies	6,523,052	37,613,277	(39,168,785)	4,967,544
Staff welfare	18,178	2,994,368	(2,987,587)	24,959
Social security	94,698	1,618,261	(1,633,047)	79,912
Including: Medical insurance	79,526	1,447,951	(1,462,818)	64,659
Work injury insurance	9,938	113,321	(112,329)	10,930
Maternity insurance	5,234	56,989	(57,900)	4,323
Supplementary commercial insurance	1,013	370,479	(368,165)	3,327
Housing funds	106,886	2,033,102	(2,071,477)	68,511
Union running costs and employee education costs	1,125,082	822,353	(720,269)	1,227,166
Other short-term benefits	93,256	484,838	(444,749)	133,345
Total	7,962,165	45,936,678	(47,394,079)	6,504,764

V. Notes to the consolidated financial statements (continued)

31. Employee benefits payable (continued)

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Salaries, bonuses, allowances and subsidies	6,192,039	60,825,365	(60,494,352)	6,523,052
Staff welfare	19,766	5,388,159	(5,389,747)	18,178
Social security	122,542	2,556,747	(2,584,591)	94,698
Including: Medical insurance	105,044	2,310,229	(2,335,747)	79,526
Work injury insurance	8,261	125,821	(124,144)	9,938
Maternity insurance	9,237	120,697	(124,700)	5,234
Supplementary commercial insurance	9,336	147,359	(155,682)	1,013
Housing funds	109,601	3,838,600	(3,841,315)	106,886
Union running costs and employee education costs	1,000,494	1,725,485	(1,600,897)	1,125,082
Other short-term benefits	21,070	598,957	(526,771)	93,256
Total	7,474,848	75,080,672	(74,593,355)	7,962,165

Defined contribution plans payable are as follows:

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Basic pension insurance	172,828	2,776,874	(2,822,897)	126,805
Contribution to annuity	36,972	522,736	(524,967)	34,741
Unemployment insurance	8,975	96,349	(94,567)	10,757
Total	218,775	3,395,959	(3,442,431)	172,303

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Basic pension insurance	181,653	3,150,687	(3,159,512)	172,828
Contribution to annuity	59,880	934,377	(957,285)	36,972
Unemployment insurance	17,841	104,683	(113,549)	8,975
Total	259,374	4,189,747	(4,230,346)	218,775

V. Notes to the consolidated financial statements (continued)

32. Taxes and surcharges payable

	30 June 2021	31 December 2020
Land appreciation tax	31,620,918	31,639,156
Corporate income tax	19,024,202	22,138,259
Value-added tax	8,910,717	8,122,847
Individual income tax	678,218	1,022,897
Urban maintenance and construction tax	419,100	411,697
Educational surcharge	235,644	227,765
Business tax	28,647	41,768
Others	321,680	422,484
Total	61,239,126	64,026,873

33. Other payables

	30 June 2021	31 December 2020
Dividends payable	5,540,669	782,432
Other payables	116,942,989	117,490,810
Total	122,483,658	118,273,242

Dividends payable

	30 June 2021	31 December 2020
Dividends payable to non-controlling interests	5,223,369	462,132
Preference shares/perpetual bond dividends payable	317,300	320,300
Total	5,540,669	782,432

Other payables

	30 June 2021	31 December 2020
Guarantees payable	31,197,967	29,220,877
Project financing payables	31,417,397	36,530,879
Deposits payable	7,434,091	6,296,231
Payables for advances and construction incentives	23,595,996	19,590,381
Payments due to restricted stock incentive object	4,153,295	4,206,903
Others	19,144,243	21,645,539
Total	116,942,989	117,490,810

As at 30 June 2021, other payables over 1 year with a carrying amount of RMB36,522,486 thousand (31 December 2020: RMB35,120,396 thousand) are mainly guarantees payable and project financing payables, which were unsettled due to the incompleteness of projects.

V. Notes to the consolidated financial statements (continued)

34. Current portion of non-current liabilities

	30 June 2021	31 December 2020
Current portion of long-term borrowings (Note V. 36)	45,651,509	46,275,177
Current portion of bonds payable (Note V. 37)	20,245,221	30,106,372
Current portion of long-term payables (Note V. 39)	10,717,838	11,314,629
Current portion of lease liabilities (Note V. 38)	1,823,357	–
Others	142,094	450,107
Total	78,580,019	88,146,285

35. Other current liabilities

	30 June 2021	31 December 2020
VAT output to be transferred	72,262,306	65,945,114
Absorption deposits (Note X. 5)	7,597,200	2,313,213
Short term financing bonds (Note 1)	7,000,000	–
Borrowing funds (Note 2)	6,000,000	–
Estimated liabilities	1,985,167	1,981,758
Including: Estimated contract losses	1,165,294	1,362,324
Product quality assurance	458,741	480,392
Pending litigation	305,387	66,045
Others	58,101	71,570
Total	94,902,774	70,311,655

Note 1: The information of short-term financing bills is listed as follows:

	Issuance date	Maturity	Opening balance	In current period	Ending balance	Annual interest rate (%)
21 China Construction Second Engineering Division.Corp. Ltd SCP002	11 June 2021	90 days	–	2,000,000	2,000,000	2.22
21 China Construction Seventh Engineering Division.Corp. Ltd SCP005	17 March 2021	120 days	–	1,000,000	1,000,000	2.99
21 China Construction Seventh Engineering Division.Corp. Ltd SCP006	19 March 2021	180 days	–	1,000,000	1,000,000	3.09
21 China Construction Seventh Engineering Division.Corp. Ltd SCP008	13 April 2021	120 days	–	1,000,000	1,000,000	2.73
21 China Construction Seventh Engineering Division.Corp. Ltd SCP009	23 April 2021	180 days	–	500,000	500,000	2.90
21 China Construction Seventh Engineering Division.Corp. Ltd SCP010	5 June 2021	60 days	–	500,000	500,000	2.45
21 China Construction Seventh Engineering Division.Corp. Ltd SCP011	5 June 2021	120 days	–	500,000	500,000	2.55
21 China Construction Seventh Engineering Division.Corp. Ltd SCP012	24 June 2021	90 days	–	500,000	500,000	2.50
Total			–	7,000,000	7,000,000	

Note 2: As at 30 June 2021, the amount of funds borrowed by China State Construction Finance Co., Ltd. in the interbank lending market was RMB6,000,000 thousand (31 December 2020: Nil). The annual interest rate of the above borrowed funds was 2.30% to 3.40%, the value date was 28 June 2021, and the maturity date was 5 July 2021. There were no mortgage or guarantee terms.

V. Notes to the consolidated financial statements (continued)

36. Long-term borrowings

	30 June 2021	31 December 2020
Unsecured borrowings	243,181,846	222,827,945
Guaranteed borrowings	15,417,192	9,401,699
Pledged borrowings	96,318,404	85,201,557
Mortgage borrowings	16,497,183	21,741,014
Subtotal	371,414,625	339,172,215
Less: Long-term borrowings due within 1 year (Note V.34)		
Including: Unsecured borrowings	(38,109,334)	(37,015,423)
Guaranteed borrowings	(1,782,133)	(1,936,446)
Pledged borrowings	(4,402,970)	(5,798,189)
Mortgage borrowings	(1,357,072)	(1,525,119)
Total	325,763,116	292,897,038

As at 30 June 2021, the annual interest rate of long-term borrowings (including current portion of long-term borrowings) varied from 1.20% to 7.00% (31 December 2020: 1.23% to 7.00%).

On 30 June 2021, the group had RMB18,958,087 thousand long-term loan principal pledged by future income rights and the project franchise (31 December 2020: RMB15,153,181 thousand).

At 30 June 2021 and 31 December 2020, the group has mortgaged or pledged various assets to the bank as security for borrowings that are presented in detail in Note V.68.

37. Bonds payables

	30 June 2021	31 December 2020
Corporate bonds	32,271,778	33,821,517
Non-public targeted bond financing instruments	78,243,932	82,777,698
Others	5,300,996	2,289,628
Subtotal	115,816,706	118,888,843
Less: Bonds payable due within 1 year (Note V.34)	(20,245,221)	(30,106,372)
Total	95,571,485	88,782,471

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 30 June 2021, the amount of bonds payable is as follows:

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the period	Issuance during the period	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the period
No. 4579 guaranteed note of Hong Kong in 2012	USD700 million	15-Nov-12	10 years	USD700 million	4,575,930	-	89,617	2,980	(75,556)	(70,354)	4,522,617
No. 4580 guaranteed note of Hong Kong in 2012	USD300 million	15-Nov-12	30 years	USD300 million	1,943,858	-	52,020	213	(66,785)	(29,510)	1,899,796
Bi-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-13	10 years	USD500 million	3,304,713	-	86,513	1,628	(99,248)	(50,249)	3,243,357
C-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-13	30 years	USD500 million	3,268,148	-	102,609	286	(91,884)	(49,958)	3,229,201
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	8-May-14	10 years	USD700 million	4,614,376	-	133,984	(730)	(135,127)	(70,621)	4,541,882
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11-Jun-14	20 years	USD500 million	3,253,288	-	103,746	671	(105,071)	(49,756)	3,202,992
First medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million	29-Apr-15	5 years	RMB100 million	7,947	-	-	-	(7,947)	-	-
Second medium-term note of China Construction Eighth Engineering Division Co., Ltd. in 2015	RMB1.6 billion	17-Aug-15	5 years	RMB1.6 billion	16,613	-	-	-	(16,613)	-	-
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion	19-Nov-15	6 years	RMB7 billion	3,439,691	-	74,712	-	(110,667)	-	3,403,716
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion	19-Nov-15	7 years	RMB1 billion	10,267	-	-	-	(10,267)	-	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2016	RMB1 billion	15-Jan-16	5 years	RMB1 billion	416,925	-	675	(8,472)	(409,128)	-	-
First medium-term note in 2016	RMB3 billion	11-Apr-16	5 years	RMB3 billion	3,034,180	-	53,556	264	(3,088,000)	-	-
CSCEC I IN 2106	USD500 million	14-Jun-16	5 years	USD500 million	3,264,487	-	39,488	(2,167)	(3,273,656)	(28,052)	-
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion	22-Aug-16	10 years	RMB6 billion	6,152,201	-	97,206	-	(249,407)	-	6,000,000
First medium-term note of China Construction Sixth Engineering Division Co., Ltd. in 2016	RMB500 million	24-Aug-16	5 years	RMB500 million	505,316	-	8,700	273	-	-	514,789
First medium-term note of West Construction in 2016	RMB700 million	27-Sep-16	5 years	RMB700 million	705,990	-	13,761	700	-	-	720,471
CSCEC I IN 2207	USD500 million	5-Jul-17	5 years	USD500 million	3,301,999	-	49,020	(2,184)	(93,671)	(30,824)	3,224,340
CSCEC I IN 2707	USD500 million	5-Jul-17	10 years	USD500 million	3,294,580	-	56,527	(1,640)	(113,052)	(29,225)	3,207,190
A-level guaranteed note of Hong Kong in 2017	USD650 million	29-Nov-17	5 years	USD650 million	3,624,670	-	61,609	1,681	(61,948)	(55,700)	3,570,512
Bi-level guaranteed note of Hong Kong in 2017	USD250 million	29-Nov-17	10 years	USD250 million	1,642,368	-	32,152	568	(32,330)	(25,212)	1,617,546
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion	5-Feb-18	3 years	RMB3 billion	3,069,759	-	17,266	-	(3,087,025)	-	-
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion	17-Apr-18	5 years	RMB1 billion	1,034,354	-	25,205	(14,745)	(35,555)	-	1,009,259
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2018	RMB700 million	24-Apr-18	3 years	RMB700 million	726,537	-	12,176	137	(738,850)	-	-

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 30 June 2021, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the period	Issuance during the period	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the period
No. 4475 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-18	5 years	USD750 million	4,951,294	-	102,329	2,426	(90,851)	(75,876)	4,889,322
No. 4476 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-18	10 years	USD750 million	4,966,747	-	114,367	1,513	(128,421)	(75,651)	4,878,555
First medium-term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million	23-Jul-18	5 years	RMB500 million	511,178	-	12,645	-	-	-	523,823
First medium-term note in 2018	RMB5 billion	15-Aug-18	5 years	RMB5 billion	5,114,358	-	86,274	756	-	-	5,201,388
Second medium-term note in 2018	RMB5 billion	15-Aug-18	5 years	RMB5 billion	5,114,358	-	86,274	756	-	-	5,201,388
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion	19-Oct-18	6 years	RMB3.5 billion	3,565,531	-	73,166	-	(138,697)	-	3,500,000
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2018	RMB2 billion	8-Nov-18	3 years	RMB2 billion	2,017,386	-	50,148	-	-	-	2,067,534
Third medium-term note of China Construction Fourth Engineering Division Co. Ltd. in 2018	RMB2 billion	22-Nov-18	3 years	RMB2 billion	2,009,544	-	42,133	-	-	-	2,051,677
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion	23-Jan-19	6 years	RMB2 billion	2,067,645	-	36,269	-	(103,914)	-	2,000,000
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion	23-Jan-19	7 years	RMB1.5 billion	1,536,238	-	29,397	-	(65,635)	-	1,500,000
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million	10-Apr-19	5 years	RMB300 million	310,307	-	7,066	-	(14,250)	-	303,123
First medium-term note of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million	20-Jun-19	3+N years	RMB800 million	821,622	-	23,108	370	(45,840)	-	799,260
No. 4437 guaranteed note of Hong Kong in 2019	HKD2 billion	15-Jul-19	5.5 years	HKD2 billion	1,710,356	-	100,500	577	(45,453)	(25,925)	1,740,055
No. 4438 guaranteed note of Hong Kong in 2019	USD450 million	15-Jul-19	10 years	USD450 million	2,988,422	-	26,902	558	(35,371)	(45,562)	2,934,949
No. 40076 guaranteed note of Hong Kong in 2019	USD294 million	27-Nov-19	10 years	USD294 million	1,973,321	-	15,538	904	(32,482)	(29,632)	1,907,649
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 01	RMB88 million	20-Dec-19	3.082 years	RMB88 million	91,585	-	10,291	-	(77,347)	-	24,529
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 02	RMB129 million	20-Dec-19	6.088 years	RMB129 million	134,255	-	2,516	-	(5,255)	-	131,516
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 03	RMB149 million	20-Dec-19	9.085 years	RMB149 million	155,070	-	2,907	-	(6,070)	-	151,907
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 04	RMB174 million	20-Dec-19	12.09 years	RMB174 million	181,089	-	3,394	-	(7,089)	-	177,394

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 30 June 2021, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the period	Issuance during the period	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the period
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 05	RMB201 million	20-Dec-19	15.088 years	RMB201 million	209,189	-	3,921	-	(8,189)	-	204,921
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 06	RMB234 million	20-Dec-19	18.096 years	RMB234 million	243,533	-	4,565	-	(9,533)	-	238,565
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 07	RMB271 million	20-Dec-19	21.093 years	RMB271 million	282,041	-	5,287	-	(11,041)	-	276,287
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 08	RMB315 million	20-Dec-19	24.099 years	RMB315 million	327,833	-	6,145	-	(12,833)	-	321,145
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 09	RMB365 million	20-Dec-19	27.096 years	RMB365 million	379,870	-	7,120	-	(14,870)	-	372,120
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 10	RMB274 million	20-Dec-19	29.104 years	RMB274 million	285,163	-	5,345	-	(11,163)	-	279,345
No. 40177 guaranteed note of Hong Kong in 2020	USD300 million	2-Mar-20	5 years	USD300 million	1,972,538	-	12,347	1,228	(15,527)	(30,181)	1,940,405
No. 40178 guaranteed note of Hong Kong in 2020	USD500 million	2-Mar-20	10 years	USD500 million	3,261,612	-	23,825	1,387	(11,984)	(50,123)	3,224,717
No. 40179 guaranteed note of Hong Kong in 2020	USD200 million	2-Mar-20	15 years	USD200 million	1,314,775	-	10,831	129	(8,059)	(20,158)	1,297,518
First term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3,701 billion	28-Apr-20	18 years	RMB3,701 billion	3,706,541	-	21,108	-	(81,990)	-	3,695,659
First public Corporate Bond of China State Construction International Group Co., Ltd. to professional investors in 2020	RMB2 billion	28-Jul-20	3 years	RMB2 billion	2,025,943	-	35,107	686	(25,203)	-	2,036,533
First public Corporate Bond of China Overseas Property Group Co., Ltd. for housing leasing to professional investors in 2020	RMB2 billion	13-Aug-20	6 years	RMB2 billion	2,024,711	-	33,448	-	(68,159)	-	2,000,000
Second term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3 billion	17-Aug-20	18 years	RMB3 billion	3,005,982	-	26,700	-	(82,750)	-	2,999,932
First medium-term note of China State Construction International Investments Limited in 2020	RMB500 million	26-Oct-20	3 years	RMB500 million	503,072	-	8,610	-	-	-	511,682
First public Corporate Bond of China Overseas Property Group Co., Ltd. to professional investors in 2020	RMB2.4 billion	6-Nov-20	3 years	RMB2.4 billion	2,411,787	-	42,645	-	(54,432)	-	2,400,000
First medium-term note of China Overseas Property Group Co., Ltd. in 2020	RMB1.5 billion	10-Dec-20	3 years	RMB1.5 billion	1,503,150	-	28,221	-	(31,371)	-	1,500,000

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 30 June 2021, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the period	Issuance during the period	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the period
21 China Overseas MTN001	RMB1.5 billion	13-Jan-21	3 years	RMB1.5 billion	-	1,500,000	23,450	-	(23,450)	-	1,500,000
CITIC Securities-China Overseas Commercial Management No. 3 ABS	RMB1.01 billion	23-Mar-21	3 years	RMB1.01 billion	-	1,000,714	10,598	-	-	-	1,011,312
21 CSCEC Investment MTN001	RMB1 billion	27-May-21	3 years	RMB1 billion	-	1,000,000	2,933	-	-	-	1,002,933
21 China Overseas 01	RMB2 billion	11-Jun-21	3 years	RMB2 billion	-	2,000,000	2,708	-	(2,708)	-	2,000,000
21 China Overseas 02	RMB1 billion	11-Jun-21	5 years	RMB1 billion	-	1,000,000	1,479	-	(1,479)	-	1,000,000
CITIC Securities-Chengdu China Overseas International Center Green ABS 01	RMB1.6 billion	23-Jun-21	18 years	RMB1.6 billion	-	1,600,000	28,363	-	(17,754)	-	1,610,609
CITIC Securities-Chengdu China Overseas International Center Green ABS 02	RMB501 million	23-Jun-21	18 years	RMB501 million	-	501,000	346	-	-	-	501,346
Subtotal					118,888,843	8,601,714	2,280,888	(9,247)	(13,102,923)	(842,569)	115,816,706
Less: bonds payable due within one year					(30,106,372)						(20,245,221)
Total					88,782,471						95,571,485

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows:

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
No. 4503 guaranteed note of Hong Kong in 2010	USD1 billion	10-Nov-10	10 years	USD1 billion	6,907,323	-	324,027	6,593	(7,295,346)	57,403	-
Guaranteed note in 2012	HKD1.5 billion	28-Jun-12	10 years	HKD1.5 billion	1,326,631	-	40,924	1,532	(1,376,578)	7,491	-
No. 4579 guaranteed note of Hong Kong in 2012	USD700 million	15-Nov-12	10 years	USD700 million	4,807,969	-	71,750	6,117	(88,008)	(221,898)	4,575,930
No. 4580 guaranteed note of Hong Kong in 2012	USD300 million	15-Nov-12	30 years	USD300 million	2,023,007	-	227,042	431	(213,552)	(93,070)	1,943,858
USD100,000 thousand privately raised bonds off Agricultural Bank of China Hong Kong Branch in 2013	USD100 million	20-Aug-13	7 years	USD100 million	696,114	-	18,122	289	(722,450)	7,925	-
B-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-13	10 years	USD500 million	3,450,404	-	255,327	3,297	(245,831)	(158,484)	3,304,713
C-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-13	30 years	USD500 million	3,439,700	-	148,210	574	(162,775)	(157,561)	3,288,148
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	8-May-14	10 years	USD700 million	4,841,034	-	284,456	(1,492)	(286,898)	(222,724)	4,614,376
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11-Jun-14	20 years	USD500 million	3,410,370	-	223,168	1,346	(224,672)	(156,924)	3,253,288
First medium-term note in 2015	RMB3 billion	24-Apr-15	5 years	RMB3 billion	3,094,748	-	44,716	35	(3,139,499)	-	-
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2015	RMB100 million	24-Apr-15	5 years	RMB100 million	103,718	-	1,757	6	(105,481)	-	-
Second medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million	29-Apr-15	5 years	RMB100 million	107,947	-	-	-	(100,000)	-	7,947
Second medium-term note of China Construction Eighth Engineering Division Co., Ltd. in 2015	RMB1.6 billion	17-Aug-15	5 years	RMB1.6 billion	823,853	-	38,400	-	(843,640)	-	18,613
Second medium-term note in 2015	RMB2 billion	5-Nov-15	5 years	RMB2 billion	2,010,651	-	63,084	65	(2,073,800)	-	-
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion	19-Nov-15	7 years	RMB7 billion	3,420,557	-	73,834	-	(64,700)	-	3,438,691
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion	19-Nov-15	5 years	RMB1 billion	1,004,536	-	21,072	-	(1,015,341)	-	10,267
CSCEC FII N2011	USD500 million	19-Nov-15	6 years	USD500 million	3,486,702	-	89,806	(14,157)	(3,552,622)	(9,729)	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2015	RMB4 billion	9-Dec-15	5 years	RMB4 billion	1,022,365	-	50,333	6,077	(1,078,995)	-	-
First medium-term note of China Construction First Building (Group) Corporation Limited, in 2015	RMB600 million	21-Dec-15	5 years	RMB600 million	606,449	-	15,631	-	(622,080)	-	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2016	RMB1 billion	15-Jan-16	5 years	RMB1 billion	402,302	-	21,003	2,395	(8,775)	-	416,925
First medium-term note in 2016	RMB3 billion	11-Apr-16	5 years	RMB3 billion	3,056,589	-	84,625	966	(108,000)	-	3,034,180
CSCEC IIN2106	USD500 million	14-Jun-16	5 years	USD500 million	3,485,146	-	(4,971)	(93,172)	(215,788)	3,264,387	3,264,387
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion	23-Aug-16	10 years	RMB6 billion	6,066,768	-	312,368	-	(226,923)	-	6,152,201
First medium-term note of China Construction Sixth Engineering Division Co., Ltd. in 2016	RMB500 million	24-Aug-16	5 years	RMB500 million	505,316	-	17,400	500	(17,400)	-	505,816

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
First medium-term note of West Construction in 2016	RMB700 million	27-Sep-16	5 years	RMB700 million	705,914	-	27,866	-	(27,790)	-	705,990
First medium-term note in 2017	RMB5 billion	18-Apr-17	3 years	RMB5 billion	5,163,109	-	70,178	1,712	(5,234,999)	-	-
CSCCEC II N2206	USD500 million	6-Jul-17	5 years	USD500 million	3,625,873	-	100,074	(4,463)	(100,074)	(219,411)	3,301,999
CSCCEC II N2706	USD500 million	6-Jul-17	10 years	USD500 million	3,519,085	-	120,779	(3,322)	(120,779)	(221,193)	3,294,580
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2017	RMB100 million	30-Oct-17	3 years	RMB100 million	202,408	-	12,718	144	(215,270)	-	-
A-level guaranteed note of Hong Kong in 2017	USD550 million	29-Nov-17	5 years	USD550 million	3,797,404	-	132,009	3,513	(132,471)	(175,585)	3,624,870
B-level guaranteed note of Hong Kong in 2017	USD250 million	29-Nov-17	10 years	USD250 million	1,720,343	-	68,894	1,182	(69,135)	(79,516)	1,642,368
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion	5-Feb-18	3 years	RMB3 billion	3,151,430	-	143,169	-	(224,840)	-	3,069,759
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion	17-Apr-18	5 years	RMB1 billion	1,033,847	-	60,911	507	(60,911)	-	1,034,354
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2018	RMB700 million	24-Apr-18	3 years	RMB700 million	726,247	-	38,850	290	(38,850)	-	726,537
No. 4475 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-18	5 years	USD750 million	5,201,210	-	146,313	4,968	(161,887)	(239,310)	4,951,294
No. 4476 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-18	10 years	USD750 million	5,192,784	-	317,218	3,084	(307,741)	(238,598)	4,966,747
First medium-term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million	23-Jul-18	5 years	RMB500 million	511,178	-	25,500	-	(25,500)	-	511,178
First medium-term note in 2018	RMB5 billion	15-Aug-18	5 years	RMB5 billion	5,031,338	-	265,904	52,116	(235,000)	-	5,114,358
Second medium-term note in 2018	RMB5 billion	15-Aug-18	5 years	RMB5 billion	5,031,338	-	265,904	52,116	(235,000)	-	5,114,358
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion	22-Oct-18	6 years	RMB3.5 billion	3,527,233	-	134,492	-	(96,194)	-	3,565,531
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2018	RMB2 billion	8-Nov-18	3 years	RMB2 billion	2,013,587	-	83,200	839	(80,240)	-	2,017,386
Third medium-term note of China Construction Fourth Engineering Division Co. Ltd. in 2018	RMB2 billion	22-Nov-18	3 years	RMB2 billion	2,008,147	-	85,197	-	(83,800)	-	2,009,544
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion	23-Jan-19	6 years	RMB2 billion	2,065,027	-	138,830	-	(136,212)	-	2,067,645
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion	23-Jan-19	7 years	RMB1.5 billion	1,552,705	-	74,374	-	(90,841)	-	1,536,238
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million	10-Apr-19	5 years	RMB300 million	310,268	-	14,289	-	(14,250)	-	310,307
First medium-term note of CSCCEC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million	20-Jun-19	3+N years	RMB800 million	821,133	-	45,219	1,110	(45,840)	-	821,622
No. 4437 guaranteed note of Hong Kong in 2019	HKD2 billion	15-Jul-19	5.5 years	HKD2 billion	1,787,773	-	76,134	1,197	(72,961)	(81,767)	1,710,356
No. 4438 guaranteed note of Hong Kong in 2019	USD450 million	15-Jul-19	10 years	USD450 million	3,151,573	-	85,089	1,152	(105,696)	(143,696)	2,988,422

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
No. 40076 guaranteed note of Hong Kong in 2019	USD750 million	27-Nov-19	10 years	USD750 million	2,020,796	-	138,530	1,873	(94,420)	(83,458)	1,973,321
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 01	RMB88 million	20-Dec-19	3.082 years	RMB88 million	88,114	-	3,471	-	-	-	91,585
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 02	RMB129 million	20-Dec-19	6.088 years	RMB129 million	129,167	-	5,088	-	-	-	134,255
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 03	RMB149 million	20-Dec-19	9.085 years	RMB149 million	149,193	-	5,877	-	-	-	155,070
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 04	RMB174 million	20-Dec-19	12.09 years	RMB174 million	174,225	-	6,864	-	-	-	181,089
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 05	RMB201 million	20-Dec-19	15.088 years	RMB201 million	201,260	-	7,929	-	-	-	209,189
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 06	RMB234 million	20-Dec-19	18.096 years	RMB234 million	234,303	-	9,230	-	-	-	243,533
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 07	RMB271 million	20-Dec-19	21.093 years	RMB271 million	271,350	-	10,691	-	-	-	282,041
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 08	RMB315 million	20-Dec-19	24.099 years	RMB315 million	315,407	-	12,426	-	-	-	327,833
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 09	RMB365 million	20-Dec-19	27.096 years	RMB365 million	365,472	-	14,398	-	-	-	379,870
China Construction Third Engineering Bureau Co., Ltd.-Shijian Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 10	RMB274 million	20-Dec-19	28.104 years	RMB274 million	274,354	-	10,809	-	-	-	285,163
No. 40177 guaranteed note of Hong Kong in 2020	USD300 million	2-Mar-20	5 years	USD300 million	-	1,962,996	37,080	2,142	(23,784)	(5,896)	1,972,538
No. 40178 guaranteed note of Hong Kong in 2020	USD500 million	2-Mar-20	10 years	USD500 million	-	3,271,661	21,418	2,412	(13,738)	(20,141)	3,261,612
No. 40179 guaranteed note of Hong Kong in 2020	USD200 million	2-Mar-20	15 years	USD200 million	-	1,308,664	17,019	224	(10,916)	(216)	1,314,775
First term of CMB5 of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3,701 billion	28-Apr-20	18 years	RMB3,701 billion	-	3,698,040	24,403	-	(15,902)	-	3,706,541

V. Notes to the consolidated financial statements (continued)

37. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
First public Corporate Bond of China State Construction International Group Co., Ltd. to professional investors in 2020	RMB2 billion	29-Jul-20	3 years	RMB2 billion	-	1,995,686	29,665	592	-	-	2,025,943
First public Corporate Bond of China Overseas Property Group Co., Ltd. for housing leasing to professional investors in 2020	RMB2 billion	14-Aug-20	6 years	RMB2 billion	-	2,000,000	24,711	-	-	-	2,024,711
Second term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3 billion	17-Aug-20	18 years	RMB3 billion	-	3,000,100	16,885	-	(11,003)	-	3,005,982
First medium-term note of China State Construction International Investments Limited, in 2020	RMB500 million	28-Oct-20	3 years	RMB500 million	-	500,000	3,072	-	-	-	503,072
First public Corporate Bond of China Overseas Property Group Co., Ltd. to professional investors in 2020	RMB2.4 billion	9-Nov-20	3 years	RMB2.4 billion	-	2,400,000	11,787	-	-	-	2,411,787
First medium-term note of China Overseas Property Group Co., Ltd. in 2020	RMB1.5 billion	10-Dec-20	3 years	RMB1.5 billion	-	1,500,000	3,150	-	-	-	1,503,150
Subtotal					126,075,612	21,637,147	5,467,841	132,991	(31,742,602)	(2,682,146)	118,885,843
Less: bonds payable due within one year					(26,479,014)						(30,106,372)
Total					99,596,598						88,782,471

Note: Others are mainly caused by change of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)**38. Lease liabilities**

	30 June 2021
Buildings	3,676,721
Machinery and equipment	917,620
Motor vehicles	9,793
Other equipments	307,361
Subtotal	4,911,495
Less: Non-current liabilities due within one year (Note V. 34)	(1,823,357)
Total	3,088,138

39. Long-term payables

Long-term payables

	30 June 2021	31 December 2020
Project quality warranty payable	21,127,061	22,710,864
Payables for finance leases	—	1,114,428
Payables for minority interest financing	2,753,626	1,542,377
Payables for leasing companies	1,201,774	570,125
Others	2,866,631	2,877,095
Subtotal	27,949,092	28,814,889
Less: Current portion of long-term payables (Note V. 34)	(10,717,838)	(11,314,629)
Total	17,231,254	17,500,260

40. Long-term employee benefits payable

	30 June 2021	31 December 2020
Net defined benefit liability (a)	1,886,580	1,955,040
Long-term termination benefits (b)	55,960	64,000
Subtotal	1,942,540	2,019,040
Less: Termination benefits expected to be paid within one year (Note V.31)	(19,650)	(19,620)
Total	1,922,890	1,999,420

V. Notes to the consolidated financial statements (continued)

40. Long-term employee benefits payable (continued)

(a) Net defined benefit liability

The Company pays supplementary retirement benefits for its employees who retired on or before 31 March 2007 in addition to the contribution made to statutory insurance schemes. Such supplementary retirement benefits are defined benefit plans. The present value of the defined benefit plan obligation is calculated annually by the external independent actuary Towers Watson Consulting Company based on the interest rate of the national debt similar to the obligation period and currency, using the expected cumulative benefit unit method.

The principal actuarial assumptions used as at the balance sheet date are as follows:

	30 June 2021	31 December 2020
Discount rate	3.25%	3.25%
Annual growth rate of living expenses for the family dependents of deceased employees	4.50%	4.50%
Annual growth rate of average medical expenses	8.00%	8.00%
Annual growth rate of supplementary welfare for retired employees	0.00%	0.00%
Mortality rate	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)

The quantitative sensitivity analysis for significant assumptions used is as follows:

30 June 2021

	Increase %	decrease in defined benefit obligations	Decrease %	Increase in defined benefit obligations
Discount rate	0.25	(35,730)	0.25	37,090

31 December 2020

	Increase %	decrease in defined benefit obligations	Decrease %	Increase in defined benefit obligations
Discount rate	0.25	(37,510)	0.25	38,950

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the balance sheet date. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised in profit or loss in respect of the plan are as follows:

	For the six months ended 30 June 2021	2020
Past service cost	–	100,530
Net interest	30,170	57,660
Net cost of post-employment benefits	30,170	158,190
Recognised in administrative expenses	–	100,530
Recognised in finance expenses	30,170	57,660
Total	30,170	158,190

V. Notes to the consolidated financial statements (continued)

40. Long-term employee benefits payable (continued)

(a) Net defined benefit liability (continued)

Movements in the present value of defined benefit obligations are as follows:

	For the six months ended 30 June 2021	2020
Opening balance	1,955,040	1,984,467
Included in profit or loss		
Past service cost	–	100,530
Net interest	30,170	57,660
Included in other comprehensive income		
Actuarial losses	–	44,020
Other changes		
Benefits paid	(98,630)	(231,637)
Closing balance	1,886,580	1,955,040

(b) Long-term termination benefits

Some of the Group's employees early retired. At the balance sheet date, the main actuarial assumptions used to determine the Group's early retirement benefits payable are as follows:

	30 June 2021	31 December 2020
Discount rate	2.75%	2.75%
Annual growth rate of living expenses for the family dependents of deceased employees	4.50%	4.50%
Annual growth rate of average medical expenses	8.00%	8.00%
Mortality rate	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)	Move three years backward annuity life chart of China's Life Insurance Industry of man/women (Year 2010-2013)

Early retirement benefits recognised in profit or loss are as follows:

	For the six months ended 30 June 2021	2020
General and administrative expenses	960	(220)
Financial expenses	740	1,830
	1,700	1,610

41. Provisions

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Pending litigations	3,111,987	179,820	(62,408)	3,229,399
Warranties	1,184,850	359,000	(353,051)	1,190,799
Estimated contract losses	1,445,363	244,137	(471,832)	1,217,668
Others	89,218	16,795	–	106,013
Subtotal	5,831,418	799,752	(887,291)	5,743,879
Less: Current portion of provisions	(1,981,758)			(1,985,167)
Total	3,849,660			3,758,712

V. Notes to the consolidated financial statements (continued)

42. Deferred income

	30 June 2021	31 December 2020
Government grant	636,370	463,753
Others	4,302	18,737
Total	640,672	482,490

As at 30 June 2021, government grants related to liabilities were as follows:

	Opening balance of the period	Increase during the period	Amount recognised in other income during the period	Amount recognised in non-operating income during the period	Other changes during the period	Closing balance of the period	Related to assets/ Related to income
Government Compensation for Workshop Construction of Guangdong Construction Base Co., Ltd.	142,003	-	-	-	-	142,003	Related to assets
Henan Province Puyang City National Highway G240 Fanxian, S304 Puyang Baikun Yellow River Bridge Government Compensation	-	100,000	-	-	-	100,000	Related to assets
Government Compensation for Demolition of Tangshan Fengrun District Linyin Road West Side Land	77,408	-	(2,497)	-	-	74,911	Related to assets
Government Compensation for Demolition of Guiyang Dayingpo Renovation Project	72,631	-	(1,185)	-	-	71,446	Related to assets
Huinan Minle House External Wall Maintenance Subsidy	-	53,604	-	-	-	53,604	Related to assets
Compensation for Tianjin Steel Structure Land	32,466	-	-	-	(379)	32,087	Related to assets
Others	139,245	54,092	(31,941)	(751)	1,674	162,319	Related to assets and income
Total	463,753	207,696	(35,623)	(751)	1,295	636,370	

As at 31 December 2020, government grants related to liabilities were as follows:

	Opening balance of the year	Increase during the year	Amount recognised in other income during the year	Amount recognised in non-operating income during the year	Other changes during the year	Closing balance of the year	Related to assets/ Related to income
Government Compensation for Workshop Construction of Guangdong Construction Base Co., Ltd.	118,314	28,860	(5,171)	-	-	142,003	Related to assets
Government Compensation for Demolition of Tangshan Fengrun District Linyin Road West Side Land	82,432	-	-	(5,024)	-	77,408	Related to assets
Government Compensation for Demolition of Guiyang Dayingpo Renovation Project	75,001	-	(2,370)	-	-	72,631	Related to assets
Compensation for Tianjin Steel Structure Land	33,224	-	-	(758)	-	32,466	Related to assets
Others	131,528	90,692	(43,510)	(9,996)	(29,469)	139,245	Related to assets and income
Total	440,499	119,552	(51,051)	(15,778)	(29,469)	463,753	

V. Notes to the consolidated financial statements (continued)

43. Other non-current liabilities

	30 June 2021	31 December 2020
Exchangeable bonds in 2016 (Note 1)	4,505,415	4,421,322
Prepaid investment of convertible bonds in 2015 (Note 2)	1,499,611	1,520,302
VAT output to be transferred	2,095,504	920,352
Contract liabilities over one year	578,394	634,526
Total	8,678,924	7,496,502

Note 1: The Group's subsidiary China Overseas Finance Investment (Cayman) V Limited (here in after "the issuer") publicly issued exchangeable bonds of USD1.5 billion on Hong Kong Stock Exchange on 6 January 2016. The bonds are guaranteed by China Overseas Holdings Limited, and the maturity date is 5 January 2023. Related clauses are as follows:

- (1) The bondholder is entitled to apply for redemption of bonds at 111.54% of par value on 5 January 2020;
- (2) In cases of the change of guarantor, or delisting or restricted trading of China Overseas Land & Investment Ltd. on Hong Kong Stock Exchange, bond holders have the right to require the issuer to redeem the bonds readily;
- (3) Bond holders have the right to apply for redemption on maturity date at 121.07% of par value;
- (4) During the exchange period from 15 February 2016 to 8 work days before maturity date, bond holders have the right to exchange the bonds for ordinary shares of China Overseas Land & Investment Ltd., the par value of which is HKD0.10, at the price of HKD41.50 per share;
- (5) At any time from 5 January 2020 to 7 work days before maturity date, if the stock price of China Overseas Land & Investment Ltd. during 15 trading days is continuously higher than 130% of early redemption price set in the agreement divided by exchange rate, the issuer has the right to carry out exchange in the full (not partial) amount, and should release notice in no more than 3 days after the matter occurs.

Exchangeable bonds in 2016 were recognised as financial liabilities at fair value through profit or loss in the first place and disclosed in other non-current liabilities.

Note 2: Related information regarding prepaid investment of convertible bonds in 2015:

Strategic Capital, LLC, a subsidiary of the Group, received a prepaid investment of USD300 million from Riton Holdings Corporation Limited, a wholly-owned subsidiary of Guoxin International Investment Co., Ltd. As at 30 June 2021, under the convertible bond framework agreement entered into by both parties, and the relevant conversion clauses under the framework agreement have not yet been determined, and Strategic Capital, LLC has redeemed a total of US\$67 million.

44. Paid-in capital

For the six months ended 30 June 2021

	Opening balance of the period	Movement during the period	Closing balance of the period
		Others	
Shares not subjected to trading restriction	41,253,603	(609,020)	40,644,583
Shares subjected to trading restriction	711,469	592,116	1,303,585
Total	41,965,072	(16,904)	41,948,168

2020

	Opening balance of the year	Movement during the year	Closing balance of the year
		Others	
Shares not subjected to trading restriction	41,141,075	112,528	41,253,603
Shares subjected to trading restriction	834,555	(123,086)	711,469
Total	41,975,630	(10,558)	41,965,072

V. Notes to the consolidated financial statements (continued)

45. Other equity instruments

For the six months ended 30 June 2021

	Opening balance of the period		Increase during the period		Decrease during the period		Closing balance of the period	
	amount	net book value	amount	net book value	amount	net book value	amount	net book value
Perpetual Bond (b)	-	10,000,000	-	-	-	-	-	10,000,000

2020

	Opening balance of the year		Increase during the year		Decrease during the year		Closing balance of the year	
	amount	net book value	amount	net book value	amount	net book value	amount	net book value
Preference Share (a)	150,000,000	14,975,410	-	-	150,000,000	14,975,410	-	-
Perpetual Bond (b)	-	6,000,000	-	10,000,000	-	6,000,000	-	10,000,000
Total		20,975,410		10,000,000		20,975,410		10,000,000

(a) Preference Share

The Company obtained approval on its non-public issue preference shares (Guozi Chanquan ([2014] No. 436) from the SASAC and permission about its non-public issue preference shares (Zhengjian Approval [2014] No. 1419) from China Securities Regulatory Commission on 10 June 2014 and 25 December 2014, respectively, which approved the Company to non-publicly issue preference shares to qualified investors, with total shares no more than 300,000,000 and initial issued shares no less than 150,000,000, at the issue price of RMB100 per share. During the period of 5 years commencing from the first value date of each tranche, the Company is entitled to redeem and cancel all or part of the preference shares of such tranche at the dividend payment date of such shares each year. The holders have no redemption right to sell them back to the Company. Unless the mandatory interest payment events whose occurrence can be decided by the Company itself incurred, the Company's meeting of shareholders is empowered to decide to cancel all or part of dividends of preference shares, which will not constitute a default by the Company, and the dividends of preference shares issued at the time will not be accumulated. The Company received an actual amount of RMB14,975,410 thousand after deducting related transaction expenses from the total amount collected by initial issuance of 150,000,000 preference shares on 2 March 2015, and classified such amount as other equity instruments.

The dividends of preference shares the Company decided to pay will be paid annually. Dividend payment date is the day of 1 year commencing from the payment deadline for the issuance of preference shares, while the dividend payment date for the initially issued preference shares is 2 March. If such date is a legal holiday or non-working day, it will be postponed to the next working day, and dividends payable will not bear interest during the postponement. Preference shares issued at the time are at fixed dividend rate attached with one-time rate raise arrangement. Nominal dividend rate of the initially issued preference shares is determined to be and kept at 5.80% for the 1st to 5th dividend accrual years through enquiry method. From the 6th dividend accrual year, if the Company does not exercise all of the rights of redemption, dividend rate per share will be 2 percentage points higher than that of the 1st to 5th dividend accrual years, and will remain the same after the adjustment in the 6th dividend accrual year.

The aforementioned mandatory interest payment events comprise of one of the two circumstances below occurring within 12 months before dividend payment date: (1) Distribution of dividends to ordinary shareholders (including cash, shares, the combination of cash and shares and other legitimate patterns); (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by equity incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares).

Pursuant to the resolution on the redemption of 150,000,000 unlisted preference shares of China Construction Co., Ltd., which were approved at the first extraordinary general meeting of the Company in 2020 dated 19 February 2020, the Company redeemed all preference shares held by all the preference shareholders of the Company on 2 March 2020. After this redemption, the number of preference shares of the Company is zero.

As at 30 June 2021, the Company had no outstanding preference shares (31 December 2020: Nil).

V. Notes to the consolidated financial statements (continued)

45. Other equity instruments (continued)

(b) Perpetual Bond

- (1) On 6 March 2018, the Company entered into a perpetual bond contract with China Credit Trust Co., Ltd., of which the value date was 7 March 2018 and the bond can be redeemed by the Company on 6 September 2018 and thereafter. The amount of the bond was RMB6 billion and the actual amount received was RMB6 billion. According to the clauses of the contract, unless an event triggered by an accelerated repayment mechanism that can be decided by the Company or by the redemption rights occurs, the perpetual debt will survive for a long period of time, or unless a compulsory interest payment event occurs that can be decided by the Company. The Company may defer the current interest and all interest that has been deferred on each interest payment day at its own discretion. Payment is made on the next interest payment day and is not subject to any number of deferred interest payments. The Company credits the perpetual debt to other equity instruments.

The nominal interest rate of the medium-term notes will be fixed in the first 2 years with annual interest rate of 6.5%. The annual interest rate will be reset to the current benchmark interest rate plus initial interest-rate spread (i.e. the variance between nominal interest rate and benchmark interest rate at the issue date) and 200 basis points every 2 years from the third interest-bearing year, if the Company did not exercise the Right of redemption. The final rested interest rate will not exceed 10%.

The accelerated repayment mechanism mentioned previously include: (a) One of the following situations occurs before the deferred payment of investment income and its fruits is completed (1) Distribution of dividends to ordinary shareholders. (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares). (b) Events of breach of contract for perpetual bond.

The aforementioned mandatory interest payment events comprise one of circumstances below occurring within 12 months before dividend payment date: (1) Distribution of dividends to ordinary shareholders; (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares).

On 6 March 2020, which is the expiry date of the investment period after the second interest payment date of the perpetual bond, the Company exercised the Right of redemption at the face value and the interest payable in accordance with the terms of the issuance, and fully redeemed bonds held by the holders.

- (2) During the period from 1 April 2020 to 2 April 2020, the Company issued the 2020 first-phase medium-term notes of which the value date was 3 April 2020, and it can be redeemed by the Company on 3 April 2023 and there after. The total issuance amount was RMB4,000,000 thousand, and the actual amount received was RMB4,000,000 thousand. The value date of issuance from 9 April to 10 April 2020 is 13 April 2020, and it can be issued on 13 April 2023. The second-phase medium-term notes can be redeemed on 3 April 2023 and beyond and thereafter has a total issuance of RMB3 billion, and the actual receipt of RMB3 billion. The value date of the company's issuance from 16 April to 17 April 2020 is 20 April 2020, the 2020 third-phase medium-term notes, which can be redeemed on and after 20 April 2023, have a total issuance of RMB3 billion, and actually received RMB3 billion. According to the issuance terms of the batch of medium-term notes, the batch of medium-term notes will last for a long time before being redeemed by the Company. On the third and every subsequent interest payment date of the batch of medium-term notes, the company has the right to redeem the batch of medium-term notes (hereinafter referred to as Right of "redemption") at face value plus interest payable (including all deferred interest and its yield). Investors of this batch of medium-term notes have no right to sell back. Unless there is a compulsory interest payment event that can be determined by the company to control whether it occurs, on each interest payment date of the batch of medium-term notes, the company can choose to include the current interest and all interest and its fruits that have been deferred in accordance with the terms. Interest is deferred to the next interest payment date, and is not subject to any restrictions on the number of deferred interest payments. The company accounts for the amount actually received after deducting the relevant transaction costs from the total issuance as other equity instruments.

The coupon rate of this batch of medium-term notes remained unchanged for the first three interest-bearing years. The annual interest rate of the first phase of medium-term notes in 2020 is 3.29%, and the annual interest rate of the second phase of medium-term notes in 2020 is 3.10%. The annual interest rate of the third-phase medium-term notes is 3.09%. If the Company does not exercise the Right of redemption, the annual interest rate will be reset every 3 years based on the current benchmark interest rate plus the initial spread plus 300 basis points from the fourth interest calculation year. Among them, the initial spread is the difference between the coupon rate and the initial benchmark interest rate.

The aforementioned compulsory interest payment event refers to one of the following circumstance occurring within 12 months before the interest payment date: (1) Dividend distribution to ordinary shareholders (except for the profit paid by a wholly state-owned enterprise); (2) Reduction of registered capital. The issuer promises that there is no hidden compulsory dividend.

As of 30 June 2021, the carrying amount of the perpetual bonds issued by the Company was RMB10,000,000 thousand (31 December 2020: RMB10,000,000 thousand).

V. Notes to the consolidated financial statements (continued)

46. Capital reserves

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Capital premium	8,697,898	–	(20,130)	8,677,768
Others	1,567,853	478,350	(23,679)	2,022,524
Total	10,265,751	478,350	(43,809)	10,700,292

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Capital premium	10,377,619	582,530	(2,262,251)	8,697,898
Others	1,649,991	511,805	(593,943)	1,567,853
Total	12,027,610	1,094,335	(2,856,194)	10,265,751

Note: Increase in share premium is mainly due to the second batch of second-phase restricted stocks unlocked on 29 December 2019, the third batch of second-phase restricted stocks unlocked on 29 December 2020, the first batch of third-phase restricted stocks unlocked on 26 December 2020 (as described in Note XI), and the impact on changes in the shareholding ratio of subsidiaries. The changes in other capital reserve were mainly due to the share option expenses recognized, and changes in the equity of the investee accounted for under the equity method other than the changes recorded in comprehensive income and profit distribution.

47. Other comprehensive income

Accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated balance sheet:

For the six months ended 30 June 2021

	1 January 2021	Increase/decrease	30 June 2021
Remeasurement gains or losses of a defined benefit plan	(243,903)	–	(243,903)
Change in the fair value of other equity investments	(828,927)	(279,664)	(1,108,591)
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(892,534)	(137,922)	(1,030,456)
Change in the fair value of other debt investments	(16,246)	(10,121)	(26,367)
Exchange differences on translation of foreign currency financial statements	802,209	62,529	864,738
Total	(1,179,401)	(365,178)	(1,544,579)

2020

	1 January 2020	Increase/decrease	31 December 2020
Remeasurement gains or losses of a defined benefit plan	(199,879)	(44,024)	(243,903)
Change in the fair value of other equity investments	214,612	(1,043,539)	(828,927)
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(987,607)	95,073	(892,534)
Change in the fair value of other debt investments	6,579	(22,825)	(16,246)
Exchange differences on translation of foreign currency financial statements	(810,450)	1,612,659	802,209
Total	(1,776,745)	597,344	(1,179,401)

V. Notes to the consolidated financial statements (continued)

47. Other comprehensive income (continued)

Amount of other comprehensive income:

For the six months ended 30 June 2021

	Before tax	Less: Reclassification of other comprehensive income to profit or loss	Less: Income tax	Attributable to owners of the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss					
Change in the fair value of other equity investments	(404,153)	7,371	(131,745)	(279,664)	(115)
Other comprehensive income that may be reclassified to profit or loss					
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss	(68,441)	–	–	(137,922)	69,481
Change in the fair value of other debt investments	(16,126)	–	–	(10,121)	(6,005)
Exchange differences on translation of foreign currency financial statements	17,899	–	–	62,529	(44,630)
Total	(470,821)	7,371	(131,745)	(365,178)	18,731

2020

	Before tax	Less: Reclassification of other comprehensive income to profit or loss	Less: Income tax	Attributable to owners of the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss					
Remeasurement gains or losses of a defined benefit plan	(44,020)	–	–	(44,024)	4
Change in the fair value of other equity investments	(1,047,553)	310,690	(314,779)	(1,043,539)	75
Other comprehensive income that may be reclassified to profit or loss					
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss	322,308	–	–	95,073	227,235
Change in the fair value of other debt investments	(34,829)	–	–	(22,825)	(12,004)
Exchange differences on translation of foreign currency financial statements	1,427,345	–	–	1,612,659	(185,314)
Total	623,251	310,690	(314,779)	597,344	29,996

V. Notes to the consolidated financial statements (continued)

48. Specialised reserves

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Safety production funds	135,769	15,213,394	(15,191,335)	157,828

2020

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Safety production funds	88,474	26,513,826	(26,466,531)	135,769

49. Surplus reserves

For the six months ended 30 June 2021

	Opening balance of the period	Increase during the period	Closing balance of the period
Statutory surplus reserve	10,101,632	–	10,101,632

2020

	Opening balance of the year	Increase during the year	Closing balance of the year
Statutory surplus reserve	7,716,149	2,385,483	10,101,632

According to the provisions of the Company Law and the Company's Articles of Association, the Company appropriates 10% of the net profit to the statutory surplus reserve. Where the accumulated amount of the surplus reserve reaches 50% or more of the Company's registered capital, further appropriation is not required.

When approved, the statutory surplus reserve can be used to make up for accumulated losses or converted to the paid-in capital.

V. Notes to the consolidated financial statements (continued)

50. Retained earnings

	For the six months ended 30 June 2021	2020
Retained earnings at the beginning of the year before adjustment	231,953,228	197,541,411
Adjustments (Note 1)	(672,735)	–
Retained earnings at the beginning of the period/year after adjustment	231,280,493	197,541,411
Net profit attributable to owners of the parent	25,642,823	44,944,250
Other comprehensive income included in the previous year	7,371	310,690
Others	(78,596)	(58,965)
Less: Appropriation for statutory surplus reserve (Note V. 49)	–	2,385,483
Ordinary share dividends payable (Note 2)	9,006,272	7,763,538
Dividends payable to other equity holders (Note 3)	314,300	402,574
Appropriation to general reserve (Note 4)	–	232,563
Retained earnings at the end of period/year	247,531,519	231,953,228

Note 1: In 2021, due to the change in accounting policy, the undistributed profit at the beginning of the period was reduced by RMB672,735 thousand.

Note 2: According to the resolution at the General Meeting of Shareholders dated 13 May 2021, the Company proposed a cash dividend of RMB0.2147 (before tax) per share to the shareholders on 30 June 2021, multiplied by the number which resulted in the total amount of RMB9.006 billion (2020: RMB7.764 billion) of shares of 41.948 billion before the implementation of the profit distribution plan.

Note 3: As stated in Note V. 45, according to the resolution of the General Meeting of Shareholders on May 13, 2021, the Company's payment of 2020 cash dividends to ordinary shareholders was one of the mandatory interest payment events stipulated in the perpetual bond clauses of the 2021 three-phase medium-term notes (total RMB10,000,000 thousand), which required the Company to pay the dividends on the most recent perpetual bond interest date (the first phase of the 2020 mid-term notes is 3 April 2022, the second phase of medium-term notes is 13 April 2022, and the third phase of 2020 mid-term notes is 20 April 2022). Therefore, the Company accrued a total dividend of RMB314,300 thousand on perpetual bonds ended 30 June 2021 (2020: RMB402,574 thousand).

Note 4: Appropriation to general reserve

China State Construction Finance Co., Ltd., a subsidiary of the company:

In accordance with the requirements of the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20), financial institutions (including financial companies) should provide general risk reserve for assets bearing risks and losses at the balance sheet date. The general reserve shall be appropriated from net profit as profit distribution with an appropriation ratio not lower than 1.5% of risk assets at the end of year. If it's difficult for financial institutions to appropriate 1.5% general reserve at one time, it can also be made in years but principally not more than 5 years. The general risk reserve of China State Construction Finance Co., Ltd. in 2020 was RMB285,584 thousand, of which the amount attributable to shareholders of the parent company was RMB228,467 thousand. As a result of fully withdrawn, there was no provision for the general reserve during the six months ended 30 June 2021.

China State Construction Commercial Factoring Co., Ltd., a subsidiary of the company:

According to the "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Management of Commercial Factoring Enterprises" issued by the General Office of the China Banking and Insurance Regulatory Commission (issued by the Office of the China Banking and Insurance Regulatory Commission [2019] No. 205), China State Construction Commercial Factoring Co., Ltd. accrues the risk reserve. The general risk reserve is when the financing factoring funds are overdue, bad or in the event of unforeseen risks, in order to maintain the funds for the normal operation of the enterprise, the risk reserve should not be less than 1% of the balance at the end of the financial factoring business. The general risk reserve of China State Construction Commercial Factoring Co., Ltd. in 2020 was RMB4,096 thousand. It was fully withdrawn on 31 December 2020. As a result of fully withdrawn, there was no provision for the general reserve during the six months ended 30 June 2021.

V. Notes to the consolidated financial statements (continued)

51. Revenue and cost of sales

	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	revenue	cost	revenue	cost
Revenue from main operations	935,489,101	837,136,143	727,003,982	647,401,468
Revenue from other operations	1,226,862	1,016,362	1,183,785	977,705
Total	936,715,963	838,152,505	728,187,767	648,379,173

Revenue is as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Revenue from contracts with customers	933,591,428	725,830,165
Rentals	3,124,535	2,357,602
Total	936,715,963	728,187,767

For breakdown of operating income by main operating regions and main product types, please refer to Note 14.1.

Revenue is as follows:

For the six months ended 30 June 2021

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	584,809,407	191,898,714	145,745,351	4,501,840	8,533,789	935,489,101
Revenue recognized at a point of time	–	–	127,240,813	–	4,470,101	131,710,914
Revenue recognized over time	584,809,407	191,898,714	16,204,170	4,501,840	3,626,274	801,040,405
Rentals	–	–	2,300,368	–	437,414	2,737,782
Revenue from other operations	–	–	–	–	1,226,862	1,226,862
Including: Rentals	–	–	–	–	386,753	386,753
Total	584,809,407	191,898,714	145,745,351	4,501,840	9,760,651	936,715,963

For the six months ended 30 June 2020

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	464,365,337	144,408,601	108,624,505	3,935,982	5,669,557	727,003,982
Revenue recognized at a point of time	–	–	93,054,130	–	1,099,447	94,153,577
Revenue recognized over time	464,365,337	144,408,601	13,795,711	3,935,982	4,216,228	630,721,859
Rentals	–	–	1,774,664	–	353,882	2,128,546
Revenue from other operations	–	–	–	–	1,183,785	1,183,785
Including: Rentals	–	–	–	–	229,056	229,056
Total	464,365,337	144,408,601	108,624,505	3,935,982	6,853,342	728,187,767

As at 30 June 2021, part of the Group's project contracting business is still in the process of operation, and the remaining performance obligations is related to the progress of the corresponding contract, and will be recognised as revenue according to the progress of performance in the future performance period.

V. Notes to the consolidated financial statements (continued)**52. Taxes and surcharges**

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Land appreciation tax	4,058,388	3,254,081
Urban maintenance and construction tax	893,658	820,187
Educational surcharge	446,640	356,231
Business tax	4,820	23,577
Others	1,363,294	1,140,146
Total	6,766,800	5,594,222

53. Selling and distribution expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Advertising and communication fees	1,066,582	895,837
Operating expenses	1,109,837	561,627
Employee benefits	708,488	530,739
Others	215,757	135,944
Total	3,100,664	2,124,147

54. General and administrative expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Employee benefits	11,725,792	9,780,657
Office and travelling expenses	959,286	774,613
Lease expenses	964,194	912,013
Depreciation and amortisation	956,574	649,206
Service fees of specialist agency	352,169	309,728
Others	1,510,859	1,155,753
Total	16,468,874	13,581,970

55. Research and development expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Materials, fuels and power of consumption	8,309,489	5,974,886
Employee benefits	3,511,707	1,786,209
Maintenance and Lease expenses	568,716	435,626
Research service fee	477,886	93,397
Design and testing costs	133,153	158,002
Others	856,973	551,841
Total	13,857,924	8,999,961

V. Notes to the consolidated financial statements (continued)

56. Finance expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Interest expenses	11,651,014	11,654,092
Less: Interest income	(1,680,920)	(1,545,420)
Less: Capitalised amount of interest	(5,072,089)	(5,304,018)
Commission charges	1,084,366	1,065,314
Foreign exchange	(909,057)	547,708
Discounted long-term receivables/payables and others	23,606	43,724
Total	5,096,920	6,461,400

The Group capitalizes the borrowing costs incurred for the acquisition, construction or production of assets that meet the capitalization conditions. The capitalized amount of borrowing costs for the six months ended 30 June 2021 was RMB5,072,089,000 (for the six months ended 30 June 2020: RMB5,304,018,000), which is included inventory, construction in progress, and intangible assets.

57. Investment income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Long-term equity investment income under the equity method	1,754,158	3,090,860
Investment loss from disposal of financial assets measured at amortized cost	(683,493)	(853,615)
Investment income or loss from disposal of long-term equity investments	15,033	–
Investment income from financial assets held for trading	7,223	14,827
Investment income obtained during the holding period of debt investment	419,609	442,637
Dividend income from other equity instruments	139,417	89,373
Investment income obtained during the holding period of other debt investments	1,835	19,880
Others	130,880	723,105
Total	1,784,662	3,527,067

58. Losses/Gains from changes in fair value

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Financial assets held for trading		
Investment in debt instrument held for trading	7,712	(12,123)
Investment in equity instrument held for trading	2,203	19,795
Financial liabilities held for trading		
Others	(152,533)	191,900
Total	(142,618)	199,572

V. Notes to the consolidated financial statements (continued)

59. Credit impairment losses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Losses from impairment of accounts receivable	(2,831,447)	(1,975,973)
Losses from impairment of other receivables	(619,501)	(359,217)
Losses from impairment of other current assets	(113,454)	(110,750)
(Losses)/reversal from impairment of debt investments	(1,331)	9,056
Reversal/(losses) from impairment of long-term receivables	140,899	(830,586)
Other	(41,945)	(155,895)
Total	(3,466,779)	(3,423,365)

60. Asset impairment losses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Reversal from write-down of inventories	98,118	169,264
Losses from impairment of contract assets	(132,355)	(319,394)
Losses from impairment of other assets	(170,028)	(241,401)
Total	(204,265)	(391,531)

61. Non-operating income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Non-recurring profit or loss for the six months ended 30 June 2021
Government grants not related to the ordinary course of business	61,000	55,236	61,000
Accounts payable exemption	53,321	290,111	53,321
Liquidated damages	46,204	48,580	46,204
Gains on penalties and fines	36,049	24,376	36,049
Gains from damage and retirement of non-current assets	14,237	12,484	14,237
Others	340,519	264,745	340,519
Total	551,330	695,532	551,330

Details of government grants:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Related to income/assets
Steady growth in the construction industry awards	28,353	–	related to income
Compensation collected on Deping Road (Youyi Avenue-Tuanjian Avenue)	–	4,635	related to income
Others	32,647	50,601	related to income and assets
Total	61,000	55,236	

V. Notes to the consolidated financial statements (continued)

62. Non-operating expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020	Non-recurring profit or loss for the six months ended 30 June 2021
Litigation Estimated Liabilities	162,233	45,983	162,233
Forfeiture loss	32,133	13,064	32,133
Late fees	25,107	25,419	25,107
Loss on damage and retirement of non-current assets	13,259	16,689	13,259
Liquidated damages	15,301	10,304	15,301
Donations	6,304	12,785	6,304
Others	187,014	56,044	187,014
Total	441,351	180,288	441,351

63. Expenses by nature

The supplemental information for the total amount of cost of sales, selling and distribution expenses, general and administrative expenses, and research and development expenses which categorised by nature is as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Subcontracting cost	298,964,378	222,352,077
Labor expenditure	142,994,804	116,096,717
Consumed raw materials	185,269,632	161,813,165
Changes in inventories of finished goods and work in progress	102,327,296	73,305,817
Other construction cost	66,126,050	44,163,401
Employee benefits	49,336,018	36,180,455
Cost of sales from other products	13,591,590	8,748,061
Depreciation and amortization expenses	5,525,188	4,547,976
Others	7,445,011	5,877,582
	871,579,967	673,085,251

64. Income tax expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Current tax	12,806,386	10,982,181
Deferred tax	(1,161,981)	(142,104)
	11,644,405	10,840,077

V. Notes to the consolidated financial statements (continued)

64. Income tax expenses (continued)

The reconciliation between income tax expenses and profit before income taxes is as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Profit before income tax	51,725,913	43,774,877
Tax at the applicable (25%) tax rate	12,931,478	10,943,719
Effect of preferential tax rates for certain subsidiaries	(1,667,051)	(1,155,490)
Income not subjected to tax	(885,195)	(947,650)
Weighted deduction of expenditure on research	(656,653)	(702,868)
Expenses not deductible for tax	815,960	1,209,379
Unrecognised deductible tax losses	903,486	690,186
Tax losses utilised from prior periods	(193,737)	(190,729)
Utilization of deductible losses for which no deferred tax assets was recognised in prior periods	(5,468)	(126,219)
Taxable temporary differences for which no deferred tax assets was recognised in current periods	341,953	333,615
Deductible temporary differences resulting from rehearsal or recognition of previously unrecognised deferred tax assets in current periods	(148,968)	(258,065)
Adjustments of tax expenses for prior periods	208,600	1,044,199
Tax expense at the Group's effective tax rate	11,644,405	10,840,077

65. Earnings per share

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	RMB/share	RMB/share
Basic earnings per share		
Continuing operations	0.62	0.47
Diluted earnings per share		
Continuing operations	0.61	0.46

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the year.

The numerator of the diluted earnings per share is determined based on the current net profit attributable to ordinary shareholders of the Company after adjusting the following factors: (1) the interest of the diluted potential ordinary shares that have been recognised as expenses in the current period; (2) the income or expenses of dilution potential ordinary that will be generated when the shares are converted; and (3) the income tax impact related to the above adjustments.

The denominator of the diluted earnings per share is equal to the sum of the following two items: (1) the weighted average number of issued ordinary shares of the parent company in the basic earnings per share; and (2) the increase of the weighted average number of ordinary shares, assuming the conversion of dilutive potential ordinary shares into ordinary shares.

When calculating the weighted average of the number of ordinary shares increased by the conversion of diluted potential ordinary shares into issued ordinary shares, the diluted potential ordinary shares issued in the previous period are assumed to be converted at the beginning of the current period; the current diluted potential ordinary shares issued, assuming the conversion on the issue date.

V. Notes to the consolidated financial statements (continued)

65. Earnings per share (continued)

The calculation of basic earnings per share is as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Revenue		
Net profit attributable to ordinary shareholders of the Company	25,642,823	19,839,785
Less: The effect of other equity instruments dividends (Note 1)	(314,300)	(402,574)
The effect of restricted shares (Note 2)	(277,477)	(131,622)
	25,051,046	19,305,589
Shares		
Weighted average number of ordinary shares outstanding (in units of 1000 shares) (Note 3)	40,583,254	41,150,209
Basic earnings per share (RMB/share)	0.62	0.47

Note 1: In accordance with the relevant clauses and regulations of preference shares and perpetual bonds as stated in Note V. 45, in calculating the basic earnings per share, the dividends of other equity instruments included in the net profit attributable to shareholders of the parent company is deducted. The accrued dividends of perpetual bonds with a value date of 3 April 2020 amounted to RMB132 million in 2020, The accrued dividends of perpetual bonds with a value date of 13 April 2020 amounted to RMB93 million for the six months ended 30 June 2021, The accrued dividends of perpetual bonds with a value date of 20 April 2020 amounted to RMB89 million for the six months ended 30 June 2021, the above was RMB314 million in total. (for the six-month period ended 30 June 2020 RMB403 million).

Note 2: As stated in Note XI, the granting of the third batch of restricted shares to the third batch incentive targets in accordance with the third batch incentive plan on 26 December 2018. On 23 December 2020, the grant of restricted stocks for the fourth phase of incentive objects will be completed in accordance with the fourth batch incentive plan. In accordance with the relevant stipulations in Explanation of Accounting Standards for Business Enterprises No.7 issued by the Ministry of Finance in 2015, the Company deducted net profits attributable to restricted shares, which are expected to be unlocked in the future from net profits attributable to shareholders of the Company in calculating the basic earnings per share. The net profits attributable to restricted shares which are expected to be unlocked in the future was about RMB280 million and RMB130 million for the six months ended 30 June 2021 and the six months ended 30 June 2020 respectively.

Note 3: As stated in Note XI, in accordance with the regulations of the third batch incentive plans and the fourth batch incentive plan, whether the unlocked shares granted could be listed and circulated depended on whether the restricted shares met the unlocking conditions at the unlocking date. Therefore, the impacted amount of the restricted shares not yet meeting the unlocking conditions and those invalid restricted shares were deducted from weighted average number of outstanding ordinary shares in calculating the basic earnings per share.

The calculation of diluted earnings per share is as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Consolidated net profit attributable to ordinary shareholders of the Company used for calculating diluted earnings per share	24,801,652	18,933,486
Weighted average number of ordinary shares outstanding used for calculating diluted earnings per share (in units of 1000 shares)	40,583,254	41,150,209
Diluted earnings per share (RMB/share)	0.61	0.46

For the six months ended 30 June 2021, the restricted shares outstanding and the share options issued by the Company's subsidiary China Overseas Holdings Limited have no dilutive effects in calculating the earnings per share. However, the convertible bond issued by the Company's subsidiary China Overseas Holdings Limited has dilutive effects on consolidated net profit attributable to ordinary shareholders of the Company.

V. Notes to the consolidated financial statements (continued)

66. Notes to the consolidated cash flow statement

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Cash received relating to other operating activities		
Deposits and warrant received and returned by third party	6,886,868	5,481,120
Deposits absorbed by China State Construction Finance Co. Ltd	5,283,987	4,439,558
Receivables, Taxes withheld and construction reward	3,756,215	5,990,604
Other receivables received and returned	2,147,615	2,748,184
Restricted cash	1,901,430	1,920,292
Interest income	809,939	1,360,274
Others	785,420	639,395
Total	21,571,474	22,579,427
Cash paid relating to other operating activities		
Deposits and warrant paid and refunded to third party	25,334,067	7,631,461
Other payables paid to third party	12,698,564	7,926,892
Others	4,506,016	2,153,319
Total	42,538,647	17,711,672
Cash received relating to other investing activities		
Repayment of loans from related parties	5,311,119	9,297,843
Repayment of fixed deposits which would mature after three months	4,447,177	140,000
Repayment of loans from co-operative corporation and projects	2,041,950	758,159
Others	870,982	–
Total	12,671,228	10,196,002
Cash payment relating to other investing activities		
Loan to related parties	5,507,585	5,958,322
Payment to co-operative corporation and projects	1,454,861	1,954,737
Others	990,703	995,560
Total	7,953,149	8,908,619
Cash received relating to other financing activities		
Received from financing	11,555,070	10,954,550
Total	11,555,070	10,954,550
Cash payment relating to other financing activities		
Repayment of loans	19,406,383	26,108,161
Rental payment	824,585	–
Lease fee for fixed assets held under finance leases	–	77,563
Total	20,230,968	26,185,724

V. Notes to the consolidated financial statements (continued)

67. Supplementary information to the consolidated cash flow statement

(1) Supplementary information to the consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Net profit	40,081,508	32,934,800
Add: Impairment allowance	204,265	391,531
Credit impairment losses	3,466,779	3,423,365
Depreciation of fixed assets	2,864,019	3,242,619
Depreciation of use-right assets	1,051,401	–
Depreciation of investment properties	1,210,460	971,509
Amortisation of intangible assets	237,197	202,560
Amortisation of long-term prepaid expenses	162,111	131,288
Profit from disposal of fixed assets, intangible assets and other long-term assets	(137,893)	(12,763)
Finance expenses	4,822,494	6,756,746
Losses/(Gains) from changes in fair value	142,618	(199,572)
Investment income	(1,784,662)	(3,527,067)
Increase in deferred tax assets	(1,743,218)	(1,741,889)
Increase in deferred tax liabilities	581,237	1,599,785
Increase in inventories	(22,913,162)	(32,694,539)
Decrease of restricted cash	1,901,430	1,920,292
Increase in operating receivables	(102,708,701)	(96,547,919)
Increase in operating payables	22,903,024	12,493,300
Others	(85,010)	10,748
Net cash flows used in operating activities	(49,744,103)	(70,645,206)

Changes in cash and cash equivalents

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Closing balance of cash	271,326,490	254,586,396
Less: Opening balance of cash	267,861,580	271,727,808
Net increase/(decrease) in cash and cash equivalents	3,464,910	(17,141,412)

(2) Cash and cash equivalents

	30 June 2021	31 December 2020
Cash		
Including: Cash on hand	135,365	132,591
Cash at bank that can be readily drawn on demand	270,670,517	266,847,584
Other cash that can be readily drawn on demand	520,608	881,405
Cash and cash equivalents at the end of the period/year	271,326,490	267,861,580

V. Notes to the consolidated financial statements (continued)

68. Assets with restricted ownership

	30 June 2021	31 December 2020	
Cash and bank balances	19,409,564	21,310,994	Note 1
Notes receivable	2,221,437	2,028,537	Note 2
Accounts receivable	456,588	292,907	Note 2
Inventories	14,739,611	35,753,943	Note 2
Contract assets	31,553,994	19,816,568	Note 2
Investment properties	16,414,204	8,510,788	Note 2
Fixed assets	233,163	279,032	Note 2
Construction in progress	–	1,334,754	Note 2
Intangible assets	7,971,552	6,005,584	Note 2
Long-term receivables	89,543,965	73,822,238	Note 2
Total	182,544,078	169,155,345	

Note 1: Cash and bank balances with restricted ownership or use rights mainly include central bank reserves, bank acceptance bill deposits, guarantee deposits, real estate pre-sale supervision funds, mortgage deposits and etc. As of 30 June 2021, the balance of restricted cash and bank balances was RMB19,409,564 thousand (31 December 2020 RMB21,310,994 thousand).

Note 2: On 30 June 2021 and 31 December 2020 the Group pledged or mortgaged notes receivable, accounts receivable, inventories, contract assets, investment properties, fixed assets, construction in progress, intangible assets and long-term receivables to banks for borrowings.

69. The foreign currency monetary items

	30 June 2021			31 December 2020		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash and Bank balance						
USD	2,123,027	6.4601	13,714,967	2,260,783	6.5249	14,751,383
HKD	14,372,391	0.8321	11,959,267	10,565,201	0.8416	8,891,673
MOP	1,961,187	0.8074	1,583,462	2,009,855	0.8175	1,643,056
EUR	196,194	7.6862	1,507,986	224,311	8.0250	1,800,096
DZD	33,480,999	0.0480	1,607,088	30,868,277	0.0494	1,524,893
SGD	200,713	4.8027	963,964	275,741	4.9314	1,359,789
GBP	25,474	8.9410	227,763	25,270	8.8903	224,658
Others	N/A	N/A	4,537,882	N/A	N/A	3,437,673
Total			36,102,379			33,633,221
Accounts receivable						
HKD	12,327,161	0.8321	10,257,431	12,167,109	0.8416	10,239,839
USD	769,519	6.4601	4,971,170	719,277	6.5249	4,693,210
XAF	73,733,865	0.0117	862,686	73,636,060	0.0122	898,360
DZD	6,833,280	0.0480	327,997	15,563,398	0.0494	768,832
SGD	70,151	4.8027	336,914	78,324	4.9314	386,247
AED	620,556	1.7587	1,091,372	632,509	1.7761	1,123,399
Others	N/A	N/A	2,224,847	N/A	N/A	2,417,030
Total			20,072,417			20,526,917

V. Notes to the consolidated financial statements (continued)

69. The foreign currency monetary items (continued)

	30 June 2021			31 December 2020		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Other receivables						
USD	136,618	6.4601	882,566	97,000	6.5249	632,915
HKD	710,053	0.8321	590,835	564,804	0.8416	475,339
XAF	1,429,284	0.0117	16,723	1,197,401	0.0122	14,608
Others	N/A	N/A	933,290	N/A	N/A	1,577,895
Total			2,423,414			2,700,757
Current portion of non-current assets						
HKD	1,495,203	0.8321	1,244,158	909,125	0.8416	765,120
USD	43,619	6.4601	281,783	56,283	6.5249	367,241
THB	24,237	0.2015	4,884	27,866	0.2179	6,072
Others	N/A	N/A	362,247	N/A	N/A	318,940
Total			1,893,072			1,457,373
Debt investments						
HKD	10,479,159	0.8321	8,719,708	10,470,438	0.8416	8,811,921
EUR	2,634	7.6862	20,245	2,634	8.0250	21,138
Total			8,739,953			8,833,059
Long-term receivables						
HKD	487,650	0.8321	405,774	528,501	0.8416	444,786
XAF	14,389,504	0.0117	168,357	14,389,504	0.0122	175,552
USD	10,534	6.4601	68,051	12,317	6.5249	80,367
Others	N/A	N/A	2,189	N/A	N/A	1,394
Total			644,371			702,099
Short-term borrowings						
USD	306,777	6.4601	1,981,810	282,856	6.5249	1,845,607
Others	N/A	N/A	1,929,831	N/A	N/A	1,030,693
Total			3,911,641			2,876,300
Accounts payable						
USD	967,006	6.4601	6,246,955	712,963	6.5249	4,652,012
HKD	7,609,427	0.8321	6,331,804	7,676,618	0.8416	6,460,642
DZD	56,964,431	0.0480	2,734,293	58,055,954	0.0494	2,867,964
AED	445,748	1.7587	783,937	1,889,796	1.7761	3,356,467
SGD	335,359	4.8027	1,610,629	364,128	4.9314	1,795,661
MOP	1,262,468	0.8074	1,019,317	1,596,727	0.8175	1,305,324
PKR	1,332,186	0.0408	54,353	1,573,517	0.0407	64,042
Others	N/A	N/A	4,805,581	N/A	N/A	4,180,944
Total			23,586,869			24,683,056

V. Notes to the consolidated financial statements (continued)

69. The foreign currency monetary items (continued)

	30 June 2021			31 December 2020		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Other payables						
USD	742,001	6.4601	4,793,401	234,534	6.5249	1,530,311
HKD	1,279,322	0.8321	1,064,524	1,938,932	0.8416	1,631,805
XAF	17,123,490	0.0117	200,345	17,655,935	0.0122	215,402
PKR	188,832	0.0408	7,704	2,348,152	0.0407	95,570
Others	N/A	N/A	6,046,441	N/A	N/A	4,571,074
Total			12,112,415			8,044,162
Current portion of non-current liabilities						
USD	203	6.4601	1,311	836,374	6.5249	5,457,257
HKD	1,353,158	0.8321	1,125,963	6,869,303	0.8416	5,781,205
Others	N/A	N/A	77,984	N/A	N/A	1,406,937
Total			1,205,258			12,645,399
Long-term borrowings						
HKD	91,935,053	0.8321	76,499,158	95,025,457	0.8416	79,973,425
USD	821,012	6.4601	5,303,820	247,801	6.5249	1,616,877
GBP	200,000	8.9410	1,788,200	200,133	8.8903	1,779,242
SGD	–	4.8027	–	47,493	4.9314	234,207
Others	N/A	N/A	–	N/A	N/A	240,558
Total			83,591,178			83,844,309
Bonds payable						
USD	9,364,209	6.4601	60,493,727	8,789,597	6.5249	57,351,241
HKD	–	0.8321	–	2,026,488	0.8416	1,705,492
Total			60,493,727			59,056,733
Long-term payables						
HKD	1,144,082	0.8321	951,991	1,261,321	0.8416	1,061,528
AED	1,419,161	1.7587	2,495,878	503,614	1.7761	894,469
MOP	599,452	0.8074	483,998	469,565	0.8175	383,869
SGD	57,449	4.8027	275,910	51,907	4.9314	255,974
USD	1,038	6.4601	6,706	1,540	6.5249	10,048
Others	N/A	N/A	394,548	N/A	N/A	319,136
Total			4,609,031			2,925,024
Other non-current liabilities						
USD	695,087	6.4601	4,490,332	671,606	6.5249	4,382,162
Others	N/A	N/A	63,399	N/A	N/A	76,938
Total			4,553,731			4,459,100

VI. Changes of consolidation scope

- The entities which were not significant to the Group were included in the consolidation scope through business combination not under common control for the six months ended 30 June 2021.
- There was no entity newly included in the consolidation scope through business combination under common control for the six months ended 30 June 2021.
- The entities which were excluded from the consolidated scope due to disposal of subsidiaries for the six months ended 30 June 2021 were not significant to the Group.

VII. Interests in other entities

1. Interests in subsidiaries

Significant subsidiaries obtained through incorporation:

	Main operation Location	Place of registration	Nature of business	Registered capital	Shareholding Percentage (%)	
					Direct	Indirect
The significant subsidiaries acquired through establishing or investment						
China Overseas Holdings Limited	Hong Kong	Hong Kong	Investment	RMB31.03 billion	100.00	–
China Overseas Land & Investment Limited	Hong Kong	Hong Kong	Real Estate Investment and Development	HKD1.095 billion	–	56.08
China State Construction International	Hong Kong	Cayman Islands	Construction and Installation	HKD1.5 billion	–	64.81
China Overseas Property Holdings Ltd.	Hong Kong	Cayman Islands	Property Management	HKD30 million	–	61.18
China Construction First Group Corporation Limited	Beijing	Beijing	Construction and Installation	RMB10 billion	100.00	–
China Construction Second Engineering Bureau Ltd.	Beijing	Beijing	Construction and Installation	RMB10 billion	100.00	–
China Construction Third Engineering Bureau Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction and Installation	RMB5.04 billion	100.00	–
China Construction Fourth Engineering Division Corp., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction and Installation	RMB8 billion	100.00	–
China Construction Fifth Engineering Division Corp., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction and Installation	RMB10 billion	100.00	–
China Construction Sixth Engineering Division Corp., Ltd.	Tianjin	Tianjin	Construction and Installation	RMB4.28 billion	100.00	–
China Construction Seventh Engineering Division Corp., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Construction and Installation	RMB6 billion	100.00	–
China Construction Eighth Engineering Division Corp., Ltd.	Shanghai	Shanghai	Construction and Installation	RMB13.50 billion	100.00	–
China Construction Engineering Design Group Corporation Limited	Beijing	Beijing	Engineering Prospecting and Design	RMB510 million	100.00	–
China Construction Decoration Group Co., Ltd.	Beijing	Beijing	Industrial Decoration	RMB1 billion	50.00	50.00
China Construction Fangcheng Investment & Development Group Co., Ltd.	Beijing	Beijing	Infrastructure Construction	RMB5 billion	100.00	–
The significant subsidiaries acquired through a business combination not involving under common control						
China State Construction Development Holdings Limited (Note)	Hong Kong	Cayman Islands	Construction and Installation	HKD0.1 billion	–	47.89
China State Construction Harbour Construction Co., Ltd.	Shanghai	Shanghai	Infrastructure Construction	RMB1.33 billion	70.00	–
Tuxiana Corp.	Wanning, Hainan	The British Virgin Islands	Real Estate Development and Investment	USD1	–	55.99
CITIC Real Estate Group Co., Ltd.	Beijing	Beijing	Real Estate Development and Investment	RMB10.49 billion	–	55.99
The significant subsidiaries acquired through a business combination involving entities under common control						
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	Wulumuqi, Xinjiang	Wulumuqi, Xinjiang	Construction and Installation	RMB3.5 billion	85.00	–
China West Construction Group Co., Ltd.	Chengdu, Sichuan	Wulumuqi, Xinjiang	Construction Materials	RMB1.26 billion	12.29	45.50
Shenzhen China Overseas Investing Management Co., Ltd.	Hong Kong	Shenzhen	Real Estate Development and Operation	RMB2.65 billion	100.00	–
China State Construction Finance Co., Ltd.	Beijing	Beijing	Finance	RMB10 billion	80.00	–

Note: The Group holds 47.89% of shares of Far East Global Group Ltd. The board of directors has the rights to determine the relevant activities of Far East Global Group Ltd. The Group holds 74.06% of voting rights of Far East Global Group Ltd. according to the proportion of the board of directors.

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Significant subsidiaries involving non-controlling interest:

For the six months ended 30 June 2021

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Ltd.	43.92%	8,545,170	117,352	132,506,563
China State Construction International	35.19%	1,295,294	–	20,776,834
West Construction Co., Ltd.	42.21%	153,509	42,607	3,410,790
China State Construction Finance Co., Ltd.	20.00%	76,646	51,401	2,510,155

2020

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Ltd.	44.00%	17,931,523	5,045,049	128,003,879
China State Construction International	35.34%	3,169,849	826,143	21,128,649
West Construction Co., Ltd.	42.21%	331,022	40,239	3,304,528
China State Construction Finance Co., Ltd.	20.00%	120,575	40,516	2,483,080

The summarised financial information of the above subsidiaries which progress necessary adjustments in accordance with the company's accounting policies is set out below. The amounts disclosed are before inter-company eliminations:

	China Overseas Land & Investment Ltd.	China State Construction International Holdings Ltd.	West Construction Co., Ltd.	China State Construction Finance Co., Ltd.
30 June 2021				
Current Assets	658,121,967	80,856,545	23,774,729	35,551,473
Non-current Assets	132,023,193	80,020,430	4,102,424	57,912,536
Total Assets	790,145,160	160,876,975	27,877,153	93,464,009
Current Liabilities	311,090,578	64,019,912	16,956,195	80,906,132
Non-current Liabilities	191,607,897	44,825,287	623,848	7,102
Total Liabilities	502,698,475	108,845,199	17,580,043	80,913,234
Revenue	108,369,356	30,348,743	12,374,436	1,446,249
Net Profit	18,117,067	2,929,125	419,374	383,231
Total Comprehensive Income	17,264,405	3,459,303	417,443	392,381
Cash flow from/(used in) operating activities	3,478,826	(807,129)	(2,035,348)	(13,924,053)

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Significant subsidiaries involving non-controlling interest: (continued)

The summarised financial information of the above subsidiaries which progress necessary adjustments in accordance with the company's accounting policies is set out below. The amounts disclosed are before inter-company eliminations (continued):

	China Overseas Land & Investment Ltd.	China State Construction International Holdings Ltd.	West Construction Co., Ltd.	China State Construction Finance Co., Ltd.
2020				
Current Assets	631,691,450	74,517,932	20,484,986	49,508,084
Non-current Assets	124,340,915	78,955,851	3,348,630	62,248,763
Total Assets	756,032,365	153,473,783	23,833,616	111,756,847
Current Liabilities	300,167,208	65,093,611	13,726,379	99,341,446
Non-current Liabilities	180,347,534	42,765,015	50,802	—
Total Liabilities	480,514,742	107,858,626	13,777,181	99,341,446
Revenue	187,012,838	55,568,034	23,423,096	2,640,190
Net Profit	36,880,626	5,131,456	945,990	602,877
Total Comprehensive Income	36,564,040	7,469,599	943,287	602,877
Cash flow from/(used in) operating activities	9,697,382	(3,824,677)	633,114	(7,773,500)

Perpetual bonds of subsidiaries are as follows:

As of 30 June 2021, the balance of perpetual bonds and renewable loans issued by Company's subsidiaries (hereinafter collectively referred to as the "subsidiary perpetual bonds") amounted to RMB77,562,954 thousand (31 December 2020: RMB76,740,046 thousand). The perpetual bonds of these subsidiaries exist for a long time, and the subsidiaries of the Company can decide whether to redeem and repay them. Unless there is a compulsory interest payment event that can be determined and controlled to occur by the Company's subsidiary, on each interest payment date, the Company's subsidiaries can choose to postpone the current interest and all deferred interest to the next interest payment date and is not subject to any restrictions on the number of deferred interest payments. The Group accounted for these perpetual bonds as non-controlling shareholders' equity.

Debt-to-equity swaps of subsidiaries are as follows:

In December 2019, some of the Company's subsidiaries entered into capital increase agreements and shareholder agreements with a number of third-party investors. In accordance with the Capital Increase Agreement and the Shareholder Agreement (collectively referred to as the "Agreement"), third-party investors increase their capital in cash to the subsidiaries of such subsidiaries (hereinafter referred to as "the underlying company"), and upon completion of the capital increase, the shareholding of the Company's subsidiaries in the underlying company decreases, but there is no loss of control over the underlying company. The agreement stipulates that the profit distribution of the underlying company shall be determined by the shareholders' meeting, that the exit method of the third-party investor shall be agreed with the controlling shareholder of the target company, and that the controlling shareholder of the target company shall have the right to acquire or designate other parties to acquire the shares of the target company held by the third party investor after the expiration of a certain period ("investment period") from the date of payment of the investment price. In the event of a specific situation or the expiry of the investment period of the underlying company, a third-party investor may make a request to the subsidiary of the Company to acquire the shares of the underlying company held by the Company's subsidiaries, and if the subsidiary of the Company does not choose to acquire such shares, the annual expected dividend ratio will up to until the agreed upper limit of the dividend ratio. However, if the shareholders of the underlying company will not pay dividends it do not constitute a breach of contract; A third party investor can transfer all or part of its equity interest in the underlying company to any third part or increase the voting rights of third-party investors in the shareholders' meeting or board of directors of the underlying company in order to achieve the joint control of the underlying company with the Company's subsidiaries. The above-mentioned arrangement does not constitute a contractual obligation of the Company or its subsidiaries to deliver cash or other financial assets to other parties or to exchange financial assets or financial liabilities with other parties under potential adverse conditions, and the Company shall therefore account for such capital increases as the equity of the underlying company. As of 31 December, 2019, third-party investors increased their capital in the underlying company totalling RMB15,600,000 thousand. These transactions resulted in an increase of RMB15,606,801 thousand in non-controlling shareholders' equity in the Group's consolidated financial statements as at 31 December 2019. As of 31 December, 2020, third-party investors increased their capital in the underlying company totalling RMB7,200,000 thousand. The relevant clauses in the Capital Increase Agreement and Shareholders Agreement in 2020 are consistent with the above clauses. These transactions resulted in an increase of RMB7,200,458 thousand in non-controlling shareholders' equity in the Group's consolidated financial statements as at 31 December 2020.

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Debt-to-equity swaps of subsidiaries are as follows (continued):

For the six months ended 30 June 2021, third-party investors paid in capital of RMB600,000 thousand in total to the underlying company. The relevant clauses in the Capital Increase Agreement and Shareholders Agreement this year are consistent with the above clauses. This year these transactions resulted in an increase in non-controlling shareholders' equity in the Group's consolidated financial statements of RMB608,250 thousand as at 30 June 2021.

2. Interests in joint ventures and associates

	Main operation location	Place of registration	Nature of business	Registered capital	Percentage of Shares (%)		Accounting treatment
					Direct	Indirect	
Associates							
Overseas Oceans	Hong Kong	Hong Kong	Real Estate Investment and Development	5,579,100	-	38.32	Equity method

The summarised financial information in respect of Overseas Oceans adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements is as follows:

	30 June 2021	31 December 2020
Current Assets	175,519,183	160,985,732
Including: Cash and cash equivalents	16,722,631	20,543,265
Non-current Assets	7,220,012	6,427,765
Total Assets	182,739,195	167,413,497
Current Liabilities	121,405,154	110,189,045
Non-current Liabilities	31,520,855	29,988,070
Total Liabilities	152,926,009	140,177,115
Non-controlling Interests	3,559,206	3,103,157
Attributable to shareholders of the Company	26,253,980	24,133,225
Net assets calculated by the percentage of shares holding	10,060,525	9,247,852
Book value of investment	10,060,525	9,247,852
The fair value of investment in associated companies that have publicly quoted prices	4,927,900	4,617,437
	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Revenue	25,737,715	16,109,339
Income tax expenses	(2,103,492)	(2,291,114)
Net Profit	2,991,356	2,081,390
Other Comprehensive Income/(loss)	203,370	(272,694)
Total Comprehensive Income	3,194,726	1,808,696
Dividends received	-	-

VII. Interests in other entities (continued)

2. Interests in joint ventures and associates (continued)

A summary of financial information of the joint ventures and Associates that are not individually material to the Group is as follows:

	For the six months ended 30 June 2021	For the year ended 31 December 2020
Joint Ventures		
Total book value of investment	42,693,467	39,626,372
Subtotals by the percentage of share holding		
Net Profit (Note 1)	359,285	2,750,015
Other Comprehensive loss (Note 1)	(46,032)	(67,093)
Total Comprehensive Income	313,253	2,682,922
Associates		
Total book value of investment	40,126,554	37,564,837
Subtotals by the percentage of share holding		
Net Profit (Note 1)	360,233	1,491,710
Other Comprehensive loss (Note 1)	(100,340)	(7,321)
Total Comprehensive Income	259,893	1,484,389

Note 1: Both the net profit and other comprehensive income have considered the fair value of the identifiable assets and liabilities at the time the investment is obtained and the adjustment effects of the unified accounting policy.

3. Interests in consolidated structured entities

As at 30 June 2021, the main consolidated structured entities which set up by the Group's subsidiary China State Construction Fund Management Ltd. amounted to RMB12,378,963 thousand, and the Group's subscribed amount is RMB4,576,093 thousand. As at 30 June 2021, the Group's paid-in amount is RMB4,318,750 thousand and other parties is RMB6,907,800 thousand. The Group classified other parties' paid-in amount as non-controlling interests. The Group has no obligation and intention to provide financial supporting to these structured entities.

4. Interests in non-consolidated structured entities

As at 30 June 2021, the non-consolidated structured entities China State Construction Fund Management Ltd. participated in is amounted to RMB35,294,455 thousand, and the Group's subscribed amount is RMB8,546,180 thousand and other parties is RMB26,748,275 thousand. The Group has no control power over these special purpose vehicles, thus The Group cannot consolidate them. As at 30 June 2021, the Group's paid-in amount is RMB4,770,870 thousand and classified as long-term equity investments. The largest risk exposure of the Group is the paid-in amount as at the balance sheet date. The Group has no obligation and intention to provide financial supporting to these structured entities.

VIII. Financial instruments and related risks

1. Financial instruments by category

Carrying amounts of each category of financial instruments at the balance sheet date are as follows:

30 June 2021

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Required by the standard		Required by the standard	Designated	
Cash and bank balances	–	293,964,196	–	–	293,964,196
Financial assets held for trading	549,961	–	–	–	549,961
Notes receivable	–	28,317,101	–	–	28,317,101
Accounts receivable	–	184,383,313	–	–	184,383,313
Accounts receivable financing	–	–	4,996,742	–	4,996,742
Other receivables	–	79,768,052	–	–	79,768,052
Current portion of non-current assets	–	32,671,756	87,080	–	32,758,836
Other current assets	–	20,926,204	–	2,541,825	23,468,029
Debt investments	–	16,332,504	–	–	16,332,504
Other debt investments	–	–	255,566	–	255,566
Long-term receivables	–	94,811,185	–	–	94,811,185
Investments in other equity instruments	–	–	–	5,574,081	5,574,081
Other non-current financial assets	335,510	–	–	–	335,510
Total	885,471	751,174,311	5,339,388	8,115,906	765,515,076

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Required by the standard		
Short-term loans	–	74,790,164	74,790,164
Notes payable	–	8,087,865	8,087,865
Accounts payable	–	520,549,638	520,549,638
Other payables	–	122,483,658	122,483,658
Current portion of non-current liabilities	–	76,614,568	76,614,568
Other current liabilities	–	20,597,200	20,597,200
Long-term borrowings	–	325,763,116	325,763,116
Bonds payable	–	95,571,485	95,571,485
Long-term payables	–	17,231,254	17,231,254
Other non-current liabilities	4,505,415	1,499,611	6,005,026
Total	4,505,415	1,263,188,559	1,267,693,974

VIII. Financial instruments and related risks (continued)

1. Financial instruments by category (continued)

Carrying amounts of each category of financial instruments at the balance sheet date are as follows: (continued)

31 December 2020

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Required by the standard		Required by the standard	Designated	
Cash and bank balances	–	295,857,190	–	–	295,857,190
Financial assets held for trading	244,459	–	–	–	244,459
Notes receivable	–	31,989,282	–	–	31,989,282
Accounts receivable	–	160,441,814	–	–	160,441,814
Accounts receivable financing	–	–	3,788,082	–	3,788,082
Other receivables	–	54,626,721	–	–	54,626,721
Current portion of non-current assets	–	37,815,606	182,608	–	37,998,214
Other current assets	–	18,592,319	–	2,906,177	21,498,496
Debt investments	–	14,605,329	–	–	14,605,329
Other debt investments	–	–	356,377	–	356,377
Long-term receivables	–	177,642,042	–	–	177,642,042
Investments in other equity instruments	–	–	–	5,838,384	5,838,384
Other non-current financial assets	335,510	–	–	–	335,510
Total	579,969	791,570,303	4,327,067	8,744,561	805,221,900

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Required by the standard		
Short-term loans	–	29,317,096	29,317,096
Notes payable	–	5,265,592	5,265,592
Accounts payable	–	502,386,965	502,386,965
Other payables	–	118,273,242	118,273,242
Current portion of non-current liabilities	–	87,696,178	87,696,178
Other current liabilities	–	2,313,213	2,313,213
Long-term borrowings	–	292,897,038	292,897,038
Bonds payable	–	88,782,471	88,782,471
Long-term payables	–	17,500,260	17,500,260
Other non-current liabilities	4,421,322	1,520,302	5,941,624
Total	4,421,322	1,145,952,357	1,150,373,679

VIII. Financial instruments and related risks (continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2021, the book value of bank acceptance and commercial acceptance bills approved and discounted by the Group was RMB15,261,951 thousand (31 December 2020: RMB15,512,784 thousand). In the View of the Group, the Group retains almost all of its risks and remuneration, including the risk of default associated with it, and therefore continues to fully recognise it and the settled accounts payable or short-term borrowings associated with it. After endorsement or discount, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. As of 30 June 2021, the Group's book value of its settled accounts payable or short-term borrowings received totalled RMB15,261,951 thousand (31 December 2020: RMB15,512,784 thousand).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As of 30 June 2021, the book value of the Group's endorsed and discounted but not yet due bank acceptance bill was RMB1,195,421 thousand (31 December 2020: RMB1,883,153 thousand). On 30 June 2021, its maturity date is 1 to 12 months. According to the relevant provisions of the "Negotiable Instruments Law", if the acceptance bank refuses to pay, its holder has the right to claim against the group ("continuing involvement"). The Group believes that the group has transferred almost all of its risks and rewards, therefore, the book value of its and related settled accounts payable is derecognized. The maximum loss and undiscounted cash flow of continued involvement and repurchase is equal to its book value. The Group believes that the continued involvement in fair value is not significant.

During the six-month period ended 30 June 2021, the Group did not recognise gains or losses on the transfer date. There was no income or expenses recognised in the current year and accumulatively due to the Group's continued involvement in the derecognized financial assets.

3. Risks of financial instruments

The Group's activities expose it to a variety of financial risks: mainly include credit risk, liquidity risk and market risk (including interest rate risk, currency risk and equity instrument price risk). The Group's financial instrument mainly includes cash and bank balances, equity investments, debt investments, loans, bills receivable and accounts receivable, receivables financing, bills payable and accounts payable. The risks related to the financial instruments, and the risk management strategies adopted by the Group to reduce these risks are as follows.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks, covering market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operating activities to decide whether to update the risk management policies and systems. The risk management of the Group is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and avoids related risks through close cooperation with other business departments of the Group. The internal audit department of the Group conducts regular audits on risk management controls and procedures, and reports the audit results to the audit committee of the Group.

The Group diversifies the risk of financial instruments through appropriate diversified investment and business portfolios, and formulates corresponding risk management policies to reduce the risk of concentration in any single industry, specific region or specific counterparty.

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Since the counterparties of monetary funds, bank acceptance bills receivable are banks with good reputations and high credit ratings, these financial instruments have low credit risks.

Other financial assets of the Group include notes receivable, accounts receivable, financial assets held for trading, other receivables, debt investments, long-term receivable, other debt investments, other equity instrument investments, and other non-current financial assets. The credit risk of these financial assets stems from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

VIII. Financial instruments and related risks (continued)

3. Risks of financial instruments (continued)

Credit risk (continued)

The maximum credit risk exposure that the Group faces on each balance sheet date is the total amount collected from customers minus the amount of impairment allowances.

The Group also faces credit risks due to the provision of financial guarantees, as disclosed in Note XII. 2 for details.

Since the Group only conducts transactions with recognised and reputable third parties, there is no need for collateral. Credit risk is centralized and managed according to customers/counterparties, geographic regions and industries. Because the Group's accounts receivable customer base is relatively wide, Therefore, there is no significant concentration of credit risk within the Group.

The judgment criteria for the significant increase of credit risk

The Group evaluates on each balance sheet date whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. When determining whether the credit risk has increased significantly since the initial recognition, the Group considers whether it is necessary to pay unnecessary additional costs or efforts can be made to obtain reasonable and based information, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk ratings, and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group determines the change in the risk of default during the expected life of the financial instrument by comparing the risk of default on the balance sheet date of the financial instrument with the risk of default on the initial recognition date.

When one or more of the following quantitative and qualitative standards are triggered, the Group believes that the credit risk of financial instruments has increased significantly:

- (1) The quantitative standard is mainly that the probability of default in the remaining lifetime of the reporting day has increased by more than a certain percentage compared with the initial confirmation;
- (2) The qualitative standards are mainly the major adverse changes in the debtor's business or financial situation, the list of early warning customers, etc.

Definition of credit-impaired assets

In order to determine whether credit impairment has occurred, the standard used by the Group is consistent with the internal credit risk management objectives for relevant financial instruments, while considering

quantitative and qualitative indicators. The main consideration when the Group assesses whether a debtor has credit impairment The following factors:

- (1) The issuer or debtor has major financial difficulties;
- (2) The debtor breached the contract, such as defaulting or overdue payment of interest or principal;
- (3) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives the debtor a concession that the debtor would not make under any other circumstances;
- (4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- (5) The issuer or debtor's financial difficulties caused the disappearance of the active market for the financial asset;
- (6) A financial asset is purchased or originated at a significant discount, and the discount reflects the fact that credit losses have occurred.

The credit impairment of financial assets may be caused by a combination of multiple events, and may not be caused by a separately identifiable event.

Expected credit loss measurement parameters

Based on whether the credit risk has increased significantly and whether the financial asset has been credit-impaired, the Group measures the provision for impairment of different assets based on the 12-month ECLs or the lifetime ECLs. The key parameters for expected credit loss measurement include the probability of default, loss given default and default risk exposure. The Group establishes the model of probability of default, loss given default and default risk exposure based on statistics of historical data (such as the counterparty's rating, guarantee method and type of pledges, repayment method, etc.) and forward-looking information.

The relevant definitions are as follows:

- (1) The probability of default refers to the possibility that the debtor will not be able to satisfy its repayment obligations in the next 12 months or throughout the remaining lifetime. The probability of default of the Group is adjusted against the results of the credit loss model as well as the forward-looking information, to reflect the probability of default of the debtor in the current macroeconomic environment.
- (2) The loss given default is the Group's expectation on the extent of loss of default risk exposure. The loss given default varies by the types of counterparties, the manner and priority of recourse, and the collateral. The loss given default is the percentage of exposure loss at the time of default and is calculated over 12 months or lifetime; and
- (3) The default risk exposure is the amount payable to the Group at the time of default over the next 12 months or lifetime.

VIII. Financial instruments and related risks (continued)

3. Risks of financial instruments (continued)

Credit risk (continued)

Expected credit loss measurement parameters (continued)

The assessment of a significant increase in credit risk and the calculation of expected credit losses involve forward-looking information. Through historical data analysis, the Group has identified key economic indicators that affect the credit risks and expected credit losses of various business types. The impact of these economic indicators on the probability of default and the loss rate of default varies with different business types.

The exposure to credit risk

As at 30 June 2021 and 31 December 2020, the exposure to credit risk of notes receivable, accounts receivable, accounts receivable financing, other receivable, contract assets, debt investments and long-term receivable refers to Note V.3, 4, 5, 7, 9, 12, and 13.

Liquidity risk

The Group uses circular liquidity planning tools to manage the risk of funding shortfalls. The facility takes into account both the maturity date of its financial instruments and the expected cash flows from the Group's operations.

The objective of the Group is to maintain a balance between sustainability and flexibility in financing through the use of a variety of financing instruments. As at 30 June 2021 and 31 December 2020, the Group's financial liabilities were mainly due within one year.

The tables below summarise the maturity profile of the Group's financial liabilities and other liabilities based on contractual undiscounted payments and earliest payment date required by related parties for the maximum amount under financial guarantee contracts:

30 June 2021

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	76,222,246	–	–	–	76,222,246
Notes payable	8,087,865	–	–	–	8,087,865
Accounts payable	520,549,638	–	–	–	520,549,638
Other payables	122,483,658	–	–	–	122,483,658
Other current liabilities	20,623,790	–	–	–	20,623,790
Long-term borrowings	59,758,847	86,255,745	180,274,239	119,559,355	445,848,186
Bonds payable	26,204,529	4,068,226	12,204,677	111,646,999	154,124,431
Lease liabilities	1,823,357	1,726,786	1,385,451	872,360	5,807,954
Long-term payables	10,717,838	15,039,111	3,194,900	132,887	29,084,736
Other non-current liabilities	–	–	6,997,964	–	6,997,964
Financial guarantee contracts	88,202,715	390,500	311,300	3,500,000	92,404,515
Total	934,674,483	107,480,368	204,368,531	235,711,601	1,482,234,983

31 December 2020

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	29,753,230	–	–	–	29,753,230
Notes payable	5,265,592	–	–	–	5,265,592
Accounts payable	502,386,965	–	–	–	502,386,965
Other payables	118,273,242	–	–	–	118,273,242
Other current liabilities	2,321,309	–	–	–	2,321,309
Long-term borrowings	58,637,680	75,728,382	166,073,850	104,139,890	404,579,802
Bonds payable	47,299,825	4,555,942	21,270,929	99,006,795	172,133,491
Long-term payables	11,314,629	13,172,142	4,883,129	146,705	29,516,605
Other non-current liabilities	–	–	7,039,339	–	7,039,339
Financial guarantee contracts	88,988,726	830,358	214,850	3,500,000	93,533,934
Total	864,241,198	94,286,824	199,482,097	206,793,390	1,364,803,509

Note: The above-mentioned long-term borrowings, bonds payable, lease liabilities and long-term payables all include the parts due within one year.

VIII. Financial instruments and related risks (continued)

3. Risks of financial instruments (continued)

Market risk

Interest rate risk

The Group's interest rate risk arises from interest bearing borrowings including borrowings, bonds payable. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk.

The Group manages interest costs by maintaining an appropriate mix of fixed and variable rate debt. As at 30 June 2021, the Group's interest bearing borrowings with fixed rates amounts to RMB261,531,175 thousand (31 December 2020: RMB207,600,058 thousand), and floating rates interest bearing borrowings amounts to RMB331,475,085 thousand (31 December 2020: RMB292,999,141 thousand).

The Group's finance department at its headquarters continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding floating rate borrowings, which could have a material adverse effect on the Group's financial position. The management of the Group makes decisions with reference to the latest market conditions. The Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. For the six-month ended 30 June 2021 and 2020 the Group did not enter into any significant interest rate swap agreements.

As at 30 June 2021, if the borrowing interest rate calculated at floating interest rate had been 50 basis points higher/lower, with all other variables held constant, the Group's net profit would have been decreased/increased by approximately RMB748 million (31 December 2020: approximately RMB1,167 million).

Currency risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions is denominated in RMB. The Group's confirmed foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in US dollars and HK dollars) are subject to foreign exchange risks. The Group's finance department at its headquarters is responsible for monitoring the foreign currency transactions and the scale of foreign currency assets and liabilities to minimize foreign exchange risks;. The Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. During the six-month ended 30 June 2021 and 2020, the Group did not enter into any significant forward exchange contracts or currency swap contracts.

As at 30 June 2021, for Group's all kinds of foreign currency financial assets and foreign currency financial liabilities, if RMB appreciation or devaluation against foreign currency were 10%, other factors remain unchanged, the Group would increase or decrease by approximately RMB9.577 billion (31 December 2020: about RMB9.788 billion).

Equity instrument price risk

The Group's equity instrument price risks mainly arise from various types of equity instrument investments, and there is a risk of changes in equity instrument prices.

As at 30 June 2021, if the expected price of various types of equity instrument investments of the Group increased or decreased by 10% and other factors remained unchanged, the Group's net profit would increase or decrease by approximately RMB28,174 thousand (31 December 2020: approximately RMB27,949 thousand), other comprehensive income would increase or decrease by approximately RMB628,902 thousand (31 December 2020: approximately RMB696,888 thousand).

VIII. Financial instruments and related risks (continued)

4. Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support business development and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk profile of related assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to owners, return capital to owners or issue new shares. The Group is not subject to external mandatory capital requirements. No changes in the objectives, policies or processes for managing capital were made during the six-month ended 30 June 2021 and year 2020.

The Group's total capital is the shareholders' equity shown in the consolidated balance sheet. The Group uses the gearing ratio to monitor its capital. The debt to assets ratio refers to the consolidated balance sheet total liabilities divided by total assets. The debt to assets ratio of the Group at the 30 June 2021 and 31 December 2020 was as follows:

	30 June 2021	31 December 2020
Total liabilities	1,750,203,103	1,615,078,738
Total assets	2,351,232,414	2,192,173,839
Debt to assets ratio	74.44%	73.67%

IX. Disclosure of fair value

1. Assets and liabilities measured at fair value

30 June 2021

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading				
Debt investments	521,885	–	–	521,885
Equity investments	28,076	–	–	28,076
Accounts receivables financing	–	–	4,996,742	4,996,742
Other current assets				
Investment in listed equity instrument	2,541,825	–	–	2,541,825
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	300,000	300,000
Non-current assets due within one year	87,080	–	–	87,080
Other investment in debenture instrument	255,566	–	–	255,566
Other investment in equity instrument				
Investment in listed equity instrument	1,289,585	–	–	1,289,585
Investment in non-listed equity instrument	–	–	4,284,496	4,284,496
Total financial assets	4,724,017	–	9,616,748	14,340,765
Recurring fair value measurements				
Other non-current liabilities	–	4,505,415	–	4,505,415
Total financial liabilities	–	4,505,415	–	4,505,415

IX. Disclosure of fair value (continued)**1. Assets and liabilities measured at fair value (continued)**

2020

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading				
Debt investments	214,859	–	–	214,859
Equity investments	29,600	–	–	29,600
Accounts receivables financing	–	–	3,788,082	3,788,082
Other current assets				
Investment in listed equity instrument	2,906,177	–	–	2,906,177
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	300,000	300,000
Non-current assets due within one year	182,608	–	–	182,608
Other investment in debenture instrument	356,377	–	–	356,377
Other investment in equity instrument				
Investment in listed equity instrument	1,329,839	–	–	1,329,839
Investment in non-listed equity instrument	–	–	4,508,545	4,508,545
Total financial assets	5,019,460	–	8,632,137	13,651,597
Recurring fair value measurements				
Other non-current liabilities	–	4,421,322	–	4,421,322
Total financial liabilities	–	4,421,322	–	4,421,322

2. Valuation of fair value**Fair value of financial instruments**

The illustration below is the disclosure on comparison between the fair value and the carrying amount for each class of financial assets and financial liabilities other than financial instruments where the difference between the carrying amount and the fair value is insignificant:

	Carrying amounts		Fair value	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Bonds payable	95,571,485	88,782,471	100,706,026	95,718,907

The fair value of bonds payable quoted in an active market is determined at the quoted market price, and categorised within Level 1 of the fair value hierarchy. The fair value of bonds payable not quoted in an active market is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

IX. Disclosure of fair value (continued)

2. Valuation of fair value (continued)

Fair value of financial instruments (continued)

Management has assessed that the fair value of cash and bank balances, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable and other payables. Given the short term maturities, the fair value approximate to the carrying value.

The Group's finance department headed by the person in charge of the accounting institution is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The person in charge of the accounting institution reports directly to the person in charge of accounting work and the audit committee. At each reporting date, the finance department analyses the movements in the value of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the person in charge of accounting work.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

Long-term receivables, long-term borrowings, debt investments, bonds payable, etc., adopt the future cash flow discount method to determine the fair value, and use the market yield of other financial instruments with similar contractual terms, credit risks and remaining maturity as the discount rate. As of 30 June 2021 and 31 December 2020, the fair value of long-term receivables, long-term borrowings and debt investments approximated to the carrying amount. The default risk of long-term borrowings was evaluated as insignificant.

The fair value of listed equity instrument investment is determined at the market price. For investment in unlisted equity instruments, valuation models such as discounted cash flow models and market-comparable company models are used to estimate fair value, and the assumptions used are not supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are the most appropriate value on the balance sheet date.

3. Unobservable inputs

The valuation models used are mainly discounted cash flow models and market-comparable company models. The input value of valuation techniques mainly include future cash flows, price-to-book ratio and price-earnings ratio of companies of the same category.

4. Reconciliation of fair value measurements

Reconciliation of recurring fair value measurements within Level 3 is as follows:

For the six-month ended 30 June 2021:

	Opening balance of the period	Total gains or losses during the period		Purchases	Sales	Closing balance of the period	Changes in unrealised gains or losses included in profit or loss for assets held at end of the period
		Included in profit or loss	Included in other comprehensive income				
Accounts receivable financing	3,788,082	-	-	5,117,590	(3,908,930)	4,996,742	-
Other non-current financial assets							
Investment in stock	35,510	-	-	-	-	35,510	-
Investment in fund	300,000	-	-	-	-	300,000	-
Other investment in equity instrument							
Investment in unlisted equity instrument	4,508,545	66,958	(1,188)	233,161	(456,022)	4,284,496	-
Total	8,632,137	66,958	(1,188)	5,350,751	(4,364,952)	9,616,748	-

IX. Disclosure of fair value (continued)**4. Reconciliation of fair value measurements (continued)**

2020

	Opening balance of the year	Total gains or losses during the year		Purchases	Sales	Closing balance of the year	Changes in unrealised gains or losses included in profit or loss for assets held at end of the year
		Included in profit or loss	Included in other comprehensive income				
Financial assets held for trading							
Debt investments	5,705	996	-	-	(6,701)	-	-
Accounts receivable financing	3,674,166	-	-	5,671,235	(5,557,319)	3,788,082	-
Other non-current financial assets							
Investment in stock	35,510	-	-	-	-	35,510	-
Investment in fund	15,000	-	-	300,000	(15,000)	300,000	-
Other investment in equity instrument							
Investment in unlisted equity instrument	6,409,181	28,385	(451,259)	605,341	(2,054,718)	4,508,545	-
Total	10,139,562	29,381	(451,259)	6,576,576	(7,633,738)	8,632,137	-

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, gains and losses included in profit or loss that relate to financial assets and non-financial assets are as follows:

	For the six-month ended 30 June 2021	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised gains included in profit or loss	66,958	-
Changes in unrealised losses included in profit or loss for assets held at end of period	-	-
	2020	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised gains included in profit or loss	29,381	-
Changes in unrealised gains or losses included in profit or loss for assets held at end of year	-	-

5. Fair value level conversion

During the six months ended 30 June 2021, the fair value level of the equity instrument or debt investment continuously measured at fair value has no change. During the year of 2020, due to ban lifting of restricted shares, the fair value level of the listed equity instrument investment of other current assets continuously measured at fair value has changed from level 2 to level 1.

X. Related party relationships and transactions**1. Parent**

	Registered address	Nature of business	Registered capital	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)
CSCEC	Beijing	Investment holding	10 billion	56.33	56.33

The Company's ultimate controlling party is State-owned Assets Supervision and Administration Commission of the State Council.

2. Subsidiaries

The company's important subsidiaries refer to Note VII. 1.

X. Related party relationships and transactions (continued)

3. Joint ventures and associates

Except the general information and other related information of joint ventures and associates set out in Note VII. 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows:

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (Note 4)					
Clear Elegant Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	30.00
Luminous Dream Limited (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	30.00
Gainable Development Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	20.00
Marble Edge Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	18.00
Sunrise JV Limited	Hong Kong, China	Hong Kong, China	Other business	No	50.00
Top Colour Development Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	34.00
Anhui Bengwu Expressway Investment Management (Note 1)	Anhui, China	Anhui, China	Infrastructure construction business	No	70.00
Beijing Nanyue Real Estate Development Co., Ltd. (Note 1)	Beijing, China	Beijing, China	Real estate investment and development business	No	35.00
Cangzhou Bohai New Area China Construction Port Construction Management Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	90.00
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	30.00
Dazhou Dahuan Development Management Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	65.80
Dalian CSCEC sponge City Construction Development (Note 1)	Liaoning, China	Liaoning, China	Infrastructure construction business	No	49.00
Danjiangkou Haijia Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	60.00
Dongguan Jiafang Real Estate Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	32.50
Dongguan Zhonghai Century City Education Technology	Guangdong, China	Guangdong, China	Other business	No	50.00
Ezhou Chuangu Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	50.00
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	49.00
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Guangzhou Hong Land Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Guangzhou SuiHai Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	25.00
Guiheng Investment Co., Ltd.	Chongqing, China	Hong Kong, China	Real estate investment and development business	No	50.00
Guizhou Leirong Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	68.90
Guizhou Zhengxi Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
Guangzhou XingLv Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 4)					
China Resources (Tai) Land Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Huizhou Zhongjian municipal fifth Road Investment (Note 3)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	100.00
China Construction Jingmen 207 Highway Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	52.00
Leading Investment Co., Ltd. (Note 1)	Jiangsu, China	Hong Kong, China	Real estate investment and development business	No	51.00
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	80.00
Mianyang Zhongjian Kefa Guanliang road investment and Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Housing construction business	No	37.18
Nanjing Kang Real Estate Development Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	49.00
Qingdao Fangchen Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fangchuan Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fanghui Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fangqian Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Songmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao tengmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qufu Nishan cultural tourism real estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	50.00
Rizhao Zhongjian Transportation Service Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	26.50
Sanya Bihai Jincheng Business Management Co., Ltd. (Note 1)	Hainan, China	Hainan, China	Real estate investment and development business	No	17.00
Xiamen Yongjing Bay Real Estate Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Real estate investment and development business	No	20.00
Shandong China Overseas Huachuang Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Shenzhen Shenshan special cooperation zone Zhongpu Infrastructure Investment Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	64.00
Sichuan Huayou Zhonglan Energy Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Other business	No	12.00
TEDA Group Co., Ltd. (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	33.00
Tianjin Chuangliang Investment Management Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	34.00
Tianjin Chuangqing Investment Management Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	51.00
Tianjin Shunji Real Estate Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Real estate investment and development business	No	12.50

X. Related party relationships and transactions (continued)**3. Joint ventures and associates (continued)**

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 4)					
Tianjin Wanjiang Real Estate Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Real estate investment and development business	No	33.40
Tianjin Yingchao Real Estate Development Co., Ltd.	Tianjin, China	Tianjin, China	Real estate investment and development business	No	50.00
Tongxiang Haoli Enterprise Management Co., Ltd. (Note 1)	Zhejiang, China	Zhejiang, China	Other business	No	25.00
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Other business	No	65.34
Xi'an Chuxin investment and Construction Co., Ltd. (Note 1)	Shanxi, China	Shanxi, China	Infrastructure construction business	No	49.00
Xi'an Hehui Xingshang Properties Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Xiangtan Haijia Construction Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	51.00
Hing Chong Enterprise Co., Ltd.	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xinggui Investment Co., Ltd.	Zhejiang, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xuzhou Metro Line Three Investment Development Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	44.44
Xuancheng Haijia Lancheng Real Estate Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	65.00
Young Yue Investment Co., Ltd. (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	45.00
Yinchuan Shenyang Road Underground Comprehensive Pipe Gallery Construction Management Co., Ltd. (Note 1)	Ningxia, China	Ningxia, China	Infrastructure construction business	No	70.00
Changsha Yida Chuangzhi Property Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Real estate investment and development business	No	49.00
Changsha CSCEC Urban Investment Pipe Gallery Construction Investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	66.94
Changsha Zhongjian International Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	65.00
Changsha China Construction Future Technology City Investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	51.00
Zhaotong Zhongjian Construction Investment Development Co., Ltd. (Note 1)	Yunnan, China	Yunnan, China	Infrastructure construction business	No	51.00
China Shipping Hecai (Beijing) Equity Investment Fund Management Co., Ltd. (Note 1)	Beijing, China	Beijing, China	Other business	No	55.00
Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	45.00
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	90.00
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Infrastructure construction business	No	48.90
CSCEC Chengdu rail transit investment and Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
CSCEC Dacheng Construction Co., Ltd.	Beijing, China	Beijing, China	Housing construction business	No	50.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 4)					
China Construction International (Xiangyang) Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Housing construction business	No	70.00
China Construction Haijia (Foshan) Investment and Construction Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Other business	No	80.00
China State Construction Technology Hubei Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Housing construction business	No	60.00
Construction Technology Jingmen Co., Ltd.	Hubei, China	Hubei, China	Other business	No	50.00
CSCEC Road & Bridge Group Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	51.00
China Construction Third Bureau Hubei Dadong Lake Deep Tunnel Engineering Construction and Operation Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	55.00
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (Note 1)	Shanxi, China	Shanxi, China	Infrastructure construction business	No	22.50
China State Construction Zhanjiang Avenue Investment and Construction Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	70.10
China Construction Zhengda Technology Co., Ltd.	Beijing, China	Beijing, China	Infrastructure construction business	No	50.00
China Overseas Polytec Real Estate (Foshan) Co., Ltd. (Formerly known as CITIC Polytec Real Estate (Foshan) Co., Ltd.)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Chongqing Qingneng Yuehe Real Estate Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Real estate investment and development business	No	49.00
Zunyi South Ring Expressway Development Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
Shangqiu Yunheng Urban Construction Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	7.61
China State Construction Development and Construction (Foshan) Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	80.00
Putian Haijia Real Estate Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Infrastructure construction business	No	60.00
Xiangyang Loop Line Speed-up Transformation Construction and Operation Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Other business	No	39.00
Qinghai Zhengping Jiayi Highway Construction Co., Ltd. (Note 1)	Qinghai, China	Qinghai, China	Real estate investment and development business	No	25.57
Nanjing China Construction Fifth Bureau Lishui Development Zone Affordable Housing Investment Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	51.00
Ezhou City Cultural and Sports Investment Construction and Operation Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	47.50
China Overseas Southern Airlines Construction and Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Qingdao Caimao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
China State Construction Communications Construction Group Linfen Jinhe Road and Bridge Engineering Co., Ltd. (Note 1)	Shanxi, China	Shanxi, China	Infrastructure construction business	No	20.00
Changchun Hairun Rongcheng Real Estate Development Co., Ltd.	Jilin, China	Jilin, China	Real estate investment and development business	No	50.00
Suzhou Wujiang Taihai Real Estate Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	44.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 4)					
Investment and Construction of Haigang New City in Shenzhen-Shantou Special Cooperation Zone Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	64.00
Sichuan Dehui Expressway Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Real estate investment and development business	No	20.00
China Construction Third Bureau Wuhan Jiangnan Sixth Bridge Connection Engineering Construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	50.00
Tianque Real Estate Development Co., Ltd., Pengjiang District, Jiangmen City	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Lu'an Haijia Lancheng Real Estate Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	51.00
Associates (Note 4)					
Sanmenxia National Highway 310 South Moving Project Construction Management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	40.00
Hebei Xiong'an Citizen Service Center Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	50.50
Hubei Trading Xiangyang North Expressway Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	20.00
Wuhan Huangxiahe Airport River Environment Comprehensive Treatment Construction Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	42.20
Hebei Chenghong Pipe Gallery Engineering Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	5.00
Guangzhou Lihe Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Suzhou Xinghui West Ring Road Construction Co., Ltd.	Anhui, China	Anhui, China	Infrastructure construction business	No	30.93
Liupanshui Dongda highway investment and Development Co., Ltd. (Note 2)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	50.00
Shandong Qilu Ningliang Expressway Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	49.00
Suzhou Junda National Road 206 Construction Co., Ltd.	Anhui, China	Anhui, China	Housing construction business	No	20.00
China Construction Haoyun Co., Ltd.	Hebei, China	Hebei, China	Other business	No	35.00
China Construction Haoyun Co., Ltd.	Hebei, China	Hebei, China	Other business	No	35.00
Haikou Qiyue Urban Construction Co., Ltd. (Note 2)	Hainan, China	Hainan, China	Infrastructure construction business	No	2.00
Qingdao Yuefu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	100.00
Qingdao Zefu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	100.00
Jinan Taihui Real Estate Development Co Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	33.00
Jiangmen Pengjiang Hebang Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Qingdao Changming Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	22.50

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 4)					
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	40.00
Xinjiang China Construction Urban Construction Investment Co., Ltd.	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00
Wuhan Binjiang Infrastructure Construction Development Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	35.00
Guangzhou Bisen Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	14.28
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	Henan, China	Henan, China	Other business	No	30.00
Henan Xuxin Expressway Co., Ltd.	Henan, China	Henan, China	Housing construction business	No	30.00
China Construction Third Bureau Xiangyang Yuliangzhou Ecological Construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Other business	No	45.00
China State Construction Wuhan Qingling Pipe Gallery Construction and Operation Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Infrastructure construction business	No	9.00
Wuhan Wuyang Expressway Investment Management Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	30.00
Wenzhou China Construction Steel Structure Olympic Sports Project Management Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	15.00
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	Guangxi, China	Guangxi, China	Infrastructure construction business	No	46.67
Chengdu Changtuo Dongjin Construction Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	1.00
Zhengzhou Yirongyijian Supply Chain Management Co., Ltd. (Note 2)	Henan, China	Henan, China	Sales materials	No	18.00
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	Shandong, China	Shandong, China	Leasing business	No	30.00
Beijing China Construction Zhongchao Concrete Co., Ltd.	Beijing, China	Beijing, China	Other business	No	30.00
Sichuan Xijianshantui Logistics Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	30.00
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	Beijing, China	Beijing, China	Housing construction business	No	30.00
Sichuan Xijianzhonghe Machinery Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	44.44
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	20.00
Jinmao investment (Changsha) Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	20.00
Nanjing CSCEC Gubei Urban Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	45.00
Suzhou Fu Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	34.00
Guangzhou Ivrong Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	16.66
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	32.36
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	Chongqing, China	Chongqing, China	Real estate investment and development business	No	45.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 4)					
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00
Guangzhou Zengcheng run Yu Real Estate Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00
Duyun Yinhe Real Estate Development Co., Ltd.	Guizhou, China	Guizhou, China	Real estate investment and development business	No	33.33
Hanzhong Xinghan City Parking Lot Construction Management Co., Ltd. (Note 2)	Shanxi, China	Shanxi, China	Other business	No	18.00
Chengdu Chuantou Airport Construction Co., Ltd.	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
Putian Zhongjian Mulan Construction Development Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	49.90
China Construction Third Bureau Ezhou Guang'an Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Baoding China Construction Industrial Investment Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	15.00
China Construction Third Bureau Rongchang Chengdu Tianfu New District Construction Investment Co., Ltd.	Sichuan, China	Sichuan, China	Real estate investment and development business	No	46.00
Xiamen Haitou Construction Technology Co., Ltd.	Fujian, China	Fujian, China	Other business	No	30.00
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
China Construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Infrastructure construction business	No	10.00
China State Construction Xi'an Urban Construction Investment Co., Ltd.	Shanxi, China	Shanxi, China	Infrastructure construction business	No	30.00
Xiamen Junyi Properties Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
CCCC Jijiao Expressway Investment Development Co., Ltd.	Hebei, China	Hebei, China	Infrastructure construction business	No	21.00
Yunnan Huali expressway investment and Development Co., Ltd.	Yunnan, China	Yunnan, China	Infrastructure construction business	No	46.00
Guangzhou Fuchuang Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	34.00
China Construction Third Engineering Bureau Xianning Big Continent Lake ecological construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	45.00
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	Guangxi, China	Guangxi, China	Infrastructure construction business	No	40.00
Changsha Xirong Real Estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	33.00
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Shandong, China	Shandong, China	Leasing business	No	30.00
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	25.00
Nanyang Zhongjian Jinrui Urban Construction Development Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	20.00
Wuhan Zhongxia Road Construction Engineering Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	5.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 4)					
China Construction Third Engineering Bureau Jingzhou Huanchang Lake construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	20.00
Hangzhou Chengtuo Wulin Investment Development Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00
Qingdao China Construction Eighth Bureau Education Development Co., Ltd.	Shandong, China	Shandong, China	Other business	No	38.65
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.	Hubei, China	Hubei, China	Other business	No	30.00
Zhangjiagang Xinmao Investment and Construction Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	20.00
Urumqi Linkong Construction Infrastructure Co., Ltd.	Xinjiang, China	Xinjiang, China	Other business	No	49.00
Ganzhou Hangyu Construction Co., Ltd. (Note 2)	Jiangxi, China	Jiangxi, China	Real estate investment and development business	No	2.10
Hong Kong and Kowloon Concrete Co., Ltd.	Hong Kong, China	Hong Kong, China	Sales materials	No	31.50
Panzhuhua China Construction Third Bureau Government Service Center Project Construction Development Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	9.00
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	Hebei, China	Hebei, China	Infrastructure construction business	No	49.00
China State Construction Xi'an Urban Construction Investment Co., Ltd.	Shanxi, China	Shanxi, China	Housing construction business	No	28.57
Shangqiu China Construction Cloud City Urban Construction Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	9.00
Dongguan Jiangpan New Town Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	30.00
Xiamen Haimao Real Estate Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	25.00
Jinjiang Zhongyun Sports Construction Development Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Infrastructure construction business	No	10.00
Shanghai Jiasheng Real Estate Development Co., Ltd.	Shanghai, China	Shanghai, China	Real estate investment and development business	No	49.00
Jinyu Jiaying Nanjing Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	30.00
Xianyi International Co., Ltd.	Hong Kong, China	Hong Kong, China	Other business	No	30.00
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	40.00
Chengdu Beichen Tianchen Real Estate Co., Ltd.	Sichuan, China	Sichuan, China	Real estate investment and development business	No	20.00
Wuhan Chenzhan Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Wuhan Chenfa Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	33.00
Zhangzhou Zhan Environmental Technology Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Other business	No	19.00
Xinyu Huancheng Road Construction Investment Co., Ltd. (Note 2)	Jiangxi, China	Jiangxi, China	Infrastructure construction business	No	10.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 4)					
China Construction Third Engineering Bureau Shiyan Aviation Road Construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	45.00
Beijing Jianyan Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	49.00
Putian Puyang University Construction Co., Ltd.	Fujian, China	Fujian, China	Housing construction business	No	32.90
Macau Cement Works Co., Ltd.	Macao, China	Macao, China	Sales materials	No	31.34
Suzhou Mudu Zhongxin land Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	35.00
CSCEC Wuhan Yangsigang Road and Bridge Construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	40.00
China Construction Third Engineering Bureau Yichang City Pipe Gallery Construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	41.29
Haikou Tuoyi Real Estate Co., Ltd.	Hainan, China	Hainan, China	Real estate investment and development business	No	20.00
Xuchang Chenheng Real Estate Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	39.00
Beijing Hui Guang Enterprise Management Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Real estate investment and development business	No	16.52
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	50.00
Jinan Hongbi Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Fujian Jiangkou Suanxi CSCEC Strait Infrastructure Investment and Development Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Real estate investment and development business	No	5.00
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	20.10
Haizhou Investment Co., Ltd.	Hong Kong, China	Hong Kong, China	Other business	No	49.00
Jiqing High Speed Railway Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	8.40
Luzhou Yangtze River Second Bridge Construction Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	10.00
Panjin Xinjian Construction Co., Ltd.	Liaoning, China	Liaoning, China	Infrastructure construction business	No	45.85
Xinjiang China Construction Urban Construction Investment Co., Ltd.	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00
Shantou CSCEC new urbanization Investment Co., Ltd.	Guangdong, China	Guangdong, China	Infrastructure construction business	No	36.77
Shanghai Fuhong Real Estate Co., Ltd. (Note 3)	Shanghai, China	Shanghai, China	Real estate investment and development business	No	100.00
Xuzhou No.1 Line Rail Transit Investment Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	38.30
Liuzhou China Construction Steel Structure Ecological Garden Construction Co., Ltd.	Guangxi, China	Guangxi, China	Infrastructure construction business	No	21.82
Zhoukou Xintong Urban Construction Development Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	30.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 4)					
Suining Donghu Green Water Ecological Environment Investment and Construction Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	39.00
Beijing National Alpine Skiing Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Other business	No	12.00
Xiangyang Fancheng Ring Greenway and Park Construction Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Infrastructure construction business	No	16.00
Shandong Zhongjian Material Equipment Co., Ltd.	Shandong, China	Shandong, China	Other business	No	30.00
Changsha Rail China Construction Xinhe Real Estate Co., Ltd. (Note 3)	Hunan, China	Hunan, China	Real estate investment and development business	No	100.00

Note 1: The Group's shareholding ratio in some of the aforementioned joint ventures is less than 50% or more than 50%. Major business decisions made by the board of directors of these companies or similar institutions can only be approved after the unanimous consent of all investors; or according to the provisions of the articles of association of these companies, major business decisions must be approved by representatives of more than two-thirds of the voting rights. These decisions can be passed only if the Group and other shareholders agree unanimously. The Group has no substantial control over these companies, so these companies are accounted for as joint ventures.

Note 2: For invested companies with a shareholding ratio of less than 20%, the Group has the right to participate in their business decision-making by appointing directors to the board of directors of these companies, and has a significant influence; for invested companies with a shareholding ratio of not less than 50%, According to the provisions of the articles of association of these companies on the decision-making mechanism for major operations and financial decisions, they cannot be controlled or jointly controlled, but the Group can only exercise significant influence. Therefore, these companies are accounted for as associates.

Note 3: Due to the acquisition of these companies' equity, on 30 June 2021, the Group has included them in the scope of consolidation.

Note 4: The aforementioned joint ventures include joint ventures and their subsidiaries, and associates include associates and their subsidiaries.

4. Other related parties

	Relationship with the group
Beijing Zhongjian Qiming Enterprise Management Co., Ltd	Controlled by the same parent company
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	Controlled by the same parent company
CSCEC Electronic Commerce Co., Ltd.	Controlled by the same parent company
China Construction Environmental Energy Technology Co., Ltd.	Controlled by the same parent company
China construction Aluminum New materials Chengdu Co., Ltd.	Controlled by the same parent company
China construction Aluminum New materials Henan Co., Ltd.	Controlled by the same parent company
China construction aluminum New materials Co., Ltd.	Controlled by the same parent company
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	Controlled by the same parent company
China State Construction Asset Management Co., Ltd.	Controlled by the same parent company
China Automobile Material Trade Co., Ltd.	Controlled by the same parent company
China Construction Aluminum New Materials Fujian Co., Ltd.	Controlled by the same parent company
Liyang China State Construction Water Co., Ltd.	Controlled by the same parent company
Beijing Zhongyi Chengjian Property Management Co., Ltd.	Controlled by the same parent company
SIPG Bayport Terminal Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanggang group Ruitai Development Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanggang group Ruixiang Real Estate Development Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanghai International Port (Group) Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties****(1) Related party goods and services transactions***Purchase of goods and accepting services from related parties*

	Nature of the transaction	For the six-month period ending 30 June 2021	For the six-month period ending 30 June 2020
CSCEC Electronic Commerce Co., Ltd.	Purchase of goods	1,255,366	866,329
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	Purchase of goods	141,913	899,102
Macau Cement Works Co., Ltd.	Purchase of goods	–	40,453
Gangjiu Concrete Co., Ltd.	Purchase of goods	130,888	24,342
Others	Purchase of goods and Accepting services	36,277	16,377
Total		1,564,444	1,846,603

(2) Contract engineering and projects sub-contracted out*Contract engineering*

	Nature of the transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Guizhou leirong Expressway Investment Management Co., Ltd.	Contract engineering	2,206,682	475,127
CSCEC Xi'an Xingfu forest belt construction investment Co., Ltd.	Contract engineering	2,067,133	985,431
Jiqing High Speed Railway Co., Ltd.	Contract engineering	1,881,734	547,170
CSCEC Wuhan Huangxiaohe airport river water environment comprehensive treatment construction and Operation Co., Ltd.	Contract engineering	1,057,989	233,906
Shantou CSCEC new urbanization Investment Co., Ltd.	Contract engineering	925,886	–
CCCC Jijiao Expressway Investment Development Co., Ltd.	Contract engineering	909,756	554,061
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	Contract engineering	888,443	–
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	Contract engineering	779,704	–
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	Contract engineering	768,125	650,953
Yunnan Huali expressway investment and Development Co., Ltd.	Contract engineering	735,890	–
Xuzhou Rail Transit Investment Development Co., Ltd.	Contract engineering	592,924	717,555
Shandong Qilu ningliang Expressway Co., Ltd.	Contract engineering	508,293	852,002
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	Contract engineering	451,594	23,384
Guangzhou Lihe Real Estate Development Co., Ltd.	Contract engineering	436,847	134,807
Hangzhou Chengtuo Wulin Investment Development Co., Ltd.	Contract engineering	425,334	519,550
Guangzhou fuchuang Real Estate Development Co., Ltd.	Contract engineering	403,450	–
China State Construction Zhanjiang Avenue Investment and Construction Co., Ltd.	Contract engineering	394,410	106,070
Qingdao China Construction Eighth Bureau Education Development Co., Ltd.	Contract engineering	385,195	–

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(2) Contract engineering and Projects sub-contracted out (continued)***Contract engineering (continued)*

	Nature of the transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Sichuan Dehui Expressway Co., Ltd.	Contract engineering	384,023	35,960
Changsha Yida Chuangzhi Property Development Co., Ltd.	Contract engineering	379,981	82,561
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	Contract engineering	373,872	730,335
China Construction eco-environmental group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	Contract engineering	371,090	621,695
Wuhan Wuyang Expressway Investment Management Co., Ltd.	Contract engineering	360,902	13,024
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.	Contract engineering	354,893	–
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd.	Contract engineering	326,503	387,004
Zhangjiagang Xinmao Investment and Construction Co., Ltd.	Contract engineering	320,123	59,702
Urumqi Linkong Construction Infrastructure Co., Ltd.	Contract engineering	318,031	–
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	Contract engineering	312,881	998,235
Anhui Bengwu Expressway Investment Management Co., Ltd.	Contract engineering	306,785	57,741
Shangqiu Zhongjian Yuncheng Urban Construction Development Co., Ltd.	Contract engineering	291,649	807,331
Xinjiang China Construction Urban Construction Investment Co., Ltd.	Contract engineering	280,401	–
Ganzhou Hangyu Construction Co., Ltd.	Contract engineering	274,189	231,185
Hebei Chenghong pipe gallery Engineering Co., Ltd.	Contract engineering	270,320	–
China Construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd.	Contract engineering	265,660	225,197
Nanjing China Construction Fifth Bureau Lishui Development Zone Affordable Housing Investment Co., Ltd.	Contract engineering	265,248	–
Xiangyang Loop Line Speed-up Transformation Construction and Operation Co., Ltd.	Contract engineering	258,194	–
Henan Xuxin Expressway Co., Ltd.	Contract engineering	253,971	–
Shenzhen-Shantou Special Cooperation Zone Haigang New City Investment and Construction Co., Ltd.	Contract engineering	252,788	–
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	Contract engineering	252,024	158,633
China Construction Jingmen 207 Highway Construction Co., Ltd.	Contract engineering	246,448	155,796
Hubei Trading Xiangyang North Expressway Co., Ltd.	Contract engineering	240,487	–
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd.	Contract engineering	237,917	217,271
China Construction International (Xiangyang) Construction Co., Ltd.	Contract engineering	232,231	123,168

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(2) Contract engineering and Projects sub-contracted out (continued)***Contract engineering (continued)*

	Nature of the transaction	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Chengdu Chuantou Airport Construction Co., Ltd.	Contract engineering	224,295	266,314
Xi'an Chuxin investment and Construction Co., Ltd.	Contract engineering	222,544	396,021
Guangzhou XingLv Real Estate Development Co., Ltd.	Contract engineering	220,843	–
Nanyang Zhongjian Jinrui Urban Construction Development Co., Ltd.	Contract engineering	219,539	56,243
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd.	Contract engineering	218,486	55,262
Luzhou Yangtze River Second Bridge Construction Co., Ltd.	Contract engineering	201,009	171,284
CSCEC Xi'an comprehensive pipe gallery Investment Development Co., Ltd.	Contract engineering	166,254	323,576
China Construction Third Engineering Bureau Jingzhou Huanchang Lake construction and Operation Co., Ltd.	Contract engineering	159,509	456,362
Xuzhou Rail Transit Investment Development Co., Ltd.	Contract engineering	149,332	196,748
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	Contract engineering	136,332	270,346
Zunyi South Ring Expressway Development Co., Ltd.	Contract engineering	108,000	124,216
CSCEC Wuhan Qingling pipe gallery construction and Operation Co., Ltd.	Contract engineering	105,944	237,286
Zhangzhou Zhanyuan Environmental Technology Co., Ltd.	Contract engineering	102,204	302,042
Jinjiang zhongyun Sports Construction Development Co., Ltd.	Contract engineering	96,042	243,554
Wuhan Zhongxia Road Construction Engineering Co., Ltd.	Contract engineering	90,286	194,994
Xinyu Huancheng Road Construction Investment Co., Ltd.	Contract engineering	86,866	323,922
China Construction Third Engineering Bureau Shiyan aviation road construction and Operation Co., Ltd.	Contract engineering	70,871	302,975
Xianning Dazhou lake ecological construction and Operation Co., Ltd.	Contract engineering	64,274	413,424
Beijing Jiayan Real Estate Development Co., Ltd.	Contract engineering	61,189	309,704
CSCEC Wuhan Yangsigang Road and Bridge Construction and Operation Co., Ltd.	Contract engineering	51,449	120,171
Putian Puyang University Construction Co., Ltd.	Contract engineering	26,816	275,434
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	Contract engineering	23,289	236,531
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	Contract engineering	2,791	172,381
Huizhou Zhongjian Municipal Fifth Road Investment Co., Ltd.	Contract engineering	–	745,752
SIPG BAYPORT TERMINAL CO. LTD	Contract engineering	–	355,770
Zhuzhong Investment Co., Ltd.	Contract engineering	–	210,785
Others	Contract engineering	8,907,179	8,412,479
Total		34,965,343	25,878,430

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(2) Contract engineering and Projects sub-contracted out (continued)***Projects sub-contracted out*

	Nature of the transaction	For the six-month ending 30 June 2021	For the six-month ending 30 June 2020
CSCEC-Dacheng Construction Ltd.	projects sub-contracted out	377,739	49,313
CSCEC Road & Bridge Group Co., Ltd.	projects sub-contracted out	63,236	131,116
China Construction E-commerce Co., Ltd.	projects sub-contracted out	46,373	32,266
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	projects sub-contracted out	19,431	110,026
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	projects sub-contracted out	5,988	16,384
Others	projects sub-contracted out	10,075	89,170
Total		522,842	428,275

(3) Related party leasing*As lessor*

	Types of leased assets	For the six months ended 30 June 2021	For the six months ended 30 June 2020
China Construction Group	Buildings	286	286
China Construction Aluminum New Materials Co., Ltd.	Office Building	187	–
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	Office Building	178	1,442
China Construction Environmental Energy Technology Co., Ltd.	Office Building	–	621
China Construction E-commerce Co., Ltd.	Office Building	–	164
Total		651	2,513

As lessee

	Types of leased assets	For the six months ended 30 June 2021	For the six months ended 30 June 2020
China Construction Aluminum New Materials Chengdu Co., Ltd.	Materials	43,236	22,848
Sichuan Xijianshantui Logistics Co., Ltd.	Transport equipment	31,645	22,207
Sichuan Xijianzhong Machinery Co., Ltd.	Transport equipment	20,153	26,260
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Machinery equipment	11,017	91,653
Others	Office buildings, etc	25,622	14,968
Total		131,673	177,936

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(4) Related party guarantee***Offering guarantee to related parties*

For the six-month period ending 30 June 2021

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guangzhou Bison Real Estate Development Co., Ltd.	172,530	11 December 2018	31 December 2021	No
Guangzhou Bison Real Estate Development Co., Ltd.	71,386	26 December 2018	25 December 2021	No
Guangzhou Lihe Real Estate Development Co., Ltd.	280,000	22 April 2019	21 April 2022	No
Guangzhou Lihe Real Estate Development Co., Ltd.	180,000	29 June 2020	28 June 2023	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	192,090	13 November 2018	29 November 2021	No
Changsha Xirong Real Estate Co., Ltd.	125,070	1 July 2020	31 December 2021	No
Chongqing Jiayi Real Estate Development Co., Ltd.	131,300	20 November 2020	20 November 2025	No
Chongqing Jiayi Real Estate Development Co., Ltd.	25,500	9 February 2021	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	32,500	16 March 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	135,150	14 April 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	22,350	21 March 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	175,000	5 July 2017	15 March 2022	No
Total	1,542,876			

For the six-month period ending 30 June 2020

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guangzhou Lihe Real Estate Development Co., Ltd.	511,520	13 July 2018	21 May 2021	No
Guangzhou Lihe Real Estate Development Co., Ltd.	280,000	28 April 2020	21 April 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	16,300	3 January 2017	20 July 2020	No
Chongqing Jiayi Real Estate Development Co., Ltd.	78,500	20 January 2017	13 October 2021	No
Chongqing Jiayi Real Estate Development Co., Ltd.	42,500	16 March 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	175,000	5 July 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	135,150	14 April 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	39,850	21 March 2017	15 March 2022	No
Guangzhou Bison Real Estate Development Co., Ltd.	71,393	23 July 2019	2 December 2020	No
Guangzhou Bison Real Estate Development Co., Ltd.	49,980	22 January 2019	2 December 2020	No
Guangzhou Bison Real Estate Development Co., Ltd.	21,420	26 December 2018	2 December 2020	No
Guangzhou Bison Real Estate Development Co., Ltd.	62,832	2 January 2019	1 January 2021	No
Guangzhou Bison Real Estate Development Co., Ltd.	108,528	11 December 2018	1 February 2021	No
Guangzhou Bison Real Estate Development Co., Ltd.	32,815	2 February 2019	1 February 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	233,240	13 November 2018	29 November 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	59,976	1 March 2019	29 November 2021	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	49,980	11 April 2019	10 April 2022	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	16,660	28 June 2019	10 April 2022	No
Guangzhou Lvrong Real Estate Development Co., Ltd.	99,960	30 September 2019	29 September 2022	No
Changsha Xirong Real Estate Co., Ltd.	138,153	29 July 2019	23 June 2021	No
Total	2,223,757			

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties***Capital borrowings*

For the six-month period ending 30 June 2021

	Borrowing amount	Starting date	Ending date
Qingdao Tengmao Real Estate Co., Ltd.	170,842	12 April 2021	11 April 2022
Jinmao Investment (Changsha) Co., Ltd.	114,000	1 January 2021	24 June 2022
Qingdao Fangqian Real Estate Co., Ltd.	45,165	12 April 2021	11 April 2022
Qingdao Songmao Real Estate Co., Ltd.	42,071	12 April 2021	11 April 2022
Qingdao Caimao Real Estate Co., Ltd.	26,532	12 April 2021	11 April 2022
Qingdao Fangchuan Real Estate Co., Ltd.	24,301	12 April 2021	11 April 2022
Qingdao Fangchen Real Estate Co., Ltd.	19,800	12 April 2021	11 April 2022
Qingdao Fanghui Real Estate Co., Ltd.	12,600	12 April 2021	11 April 2022
Total	455,311		

For the six-month period ending 30 June 2020

	Borrowing amount	Starting date	Ending date
Luminous Dream Limited	1,044,780	20 January 2020	No fixed maturity date
Suzhou Maolong Real Estate Development Co., Ltd.	663,000	31 March 2020	31 December 2020
Guangzhou Lihe Real Estate Development Co., Ltd.	350,735	26 February 2020	31 December 2022
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	350,000	13 January 2020	No fixed maturity date
Shanghai Jiasheng Real Estate Development Co., Ltd.	309,786	23 January 2020	30 June 2021
Putian Haijia Real Estate Co., Ltd.	170,000	1 January 2020	No fixed maturity date
Zhonghai Hongyanghaifu (Hefei) Real Estate Development Co., Ltd.	135,000	19 June 2020	No fixed maturity date
Jinmao Investment (Changsha) Co., Ltd.	100,000	28 June 2020	28 June 2021
Qingdao Tengmao Real Estate Co., Ltd.	32,400	19 May 2020	No fixed maturity date
Jiangmen Pengjiang Tianque Real Estate Development Co., Ltd.	25,000	1 April 2020	No fixed maturity date
Xingchuang Enterprise Co., Ltd.	15,000	14 May 2020	No fixed maturity date
China Construction Development and Construction (Foshan) Co., Ltd.	10,880	1 January 2020	No fixed maturity date
Dongguan Jiangpan Xincheng Real Estate Development Co., Ltd.	9,600	20 April 2020	No fixed maturity date
Total	3,216,181		

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties (continued)***Funds lent*

For the six-month period ending 30 June 2021

	Loan amount	Starting date	Ending date
Haizhou Investment Co., Ltd.	3,183,040	7 January 2021	31 July 2021
Xiamen Haimao Real Estate Co., Ltd.	2,307,500	11 June 2021	31 December 2022
Chongqing Qingneng Yuehe Real Estate Co., Ltd.	204,779	20 April 2021	21 August 2022
Baoding China Construction Industrial Investment Co., Ltd.	183,569	6 April 2021	31 December 2021
Baoding China Construction Industrial Investment Co., Ltd.	180,250	6 April 2021	31 December 2021
Jinjiang Zhongyun Sports Construction Development Co., Ltd.	31,500	18 June 2021	No fixed maturity date
China Construction Aluminum New Materials Chengdu Co., Ltd.	30,000	29 March 2021	28 March 2022
China Construction Environmental Energy Technology Co., Ltd.	26,000	11 May 2021	10 May 2022
Putian Puyang University Construction Co., Ltd	22,900	7 January 2021	8 March 2034
Zhengzhou Public Zhongcheng Road and Bridge Construction Management Co., Ltd.	21,635	10 March 2021	9 March 2022
Suzhou Wujiang Taihai Real Estate Co., Ltd.	20,000	23 June 2021	22 June 2022
China Construction Environmental Energy Technology Co., Ltd.	20,000	15 June 2021	14 June 2022
Wuhan Chenfa Real Estate Development Co., Ltd.	14,000	30 April 2021	29 October 2021
Putian Jiangkou Suanxi CSCEC Strait Infrastructure Investment and Development Co., Ltd.	12,580	22 January 2021	No fixed maturity date
Wuhan Chenzhan Real Estate Development Co., Ltd.	10,800	28 June 2021	27 June 2022
China Construction Aluminum New Materials Chengdu Co., Ltd.	10,000	26 May 2021	25 May 2022
China Construction Aluminum New Materials Chengdu Co., Ltd.	10,000	29 June 2021	28 June 2022
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	8,000	26 March 2021	No fixed maturity date
Jinyu Jiaying Nanjing Real Estate Development Co., Ltd.	6,000	28 January 2021	28 January 2024
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	4,560	21 June 2021	20 September 2021
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	3,533	1 January 2021	31 December 2021
Wuhan Chenzhan Real Estate Development Co., Ltd.	2,400	30 April 2021	29 October 2021
Wuhan Chenfa Real Estate Development Co., Ltd.	2,000	28 June 2021	27 June 2022
Total	6,315,046		

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties (continued)***Fund lent (continued)*

For the six-month period ending 30 June 2020

	Loan amount	Starting date	Ending date
Shanghai Fuhong Real Estate Co., Ltd.	1,132,856	1 January 2020	30 June 2020
Jinan Zhonghai Dongcheng Real Estate Development Co., Ltd.	527,080	22 January 2020	No fixed maturity date
Guiheng Investment Co., Ltd.	290,000	4 January 2020	31 May 2020
China Construction Water Affairs Environmental Protection Co., Ltd.	250,000	16 April 2020	15 April 2021
China Construction Group	200,000	16 March 2020	16 June 2020
China Construction Group	200,000	15 June 2020	30 June 2020
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	85,780	8 May 2020	31 December 2020
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	26,514	31 January 2020	No fixed maturity date
Marble Edge Limited	18,485	2 January 2020	No fixed maturity date
Jinan Hongbi Real Estate Co., Ltd.	20,000	1 January 2020	30 June 2020
China Construction e-commerce Co., Ltd.	20,000	12 May 2020	11 May 2021
Dragon Star H.K. Investments Limited	16,223	13 January 2020	No fixed maturity date
Xinggui Investment Co., Ltd.	15,000	14 May 2020	No fixed maturity date
TEDA Group Co., Ltd.	12,302	15 January 2020	No fixed maturity date
China construction aluminum new materials Chengdu Co., Ltd.	10,000	22 June 2020	21 June 2021
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	8,580	20 February 2020	31 December 2020
Meaning International Limited	8,127	1 January 2020	31 December 2020
Putian Puyang University Construction Co., Ltd.	3,000	12 March 2020	No fixed maturity date
Ultra Keen Holdings Limited	2,414	31 March 2020	No fixed maturity date
Total	2,846,361		

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(6) A takes deposits**

For the six months ended 30 June 2021

	1 January 2021	Increase in the current period	Decrease in the current period	30 June 2021
China State Construction Group	234,683	5,289,342	(366,813)	5,157,212
CSCEC Electronic Commerce Co., Ltd.	1,291,496	1,603,557	(1,282,843)	1,612,210
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	674,551	28,834	–	703,385
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	75,644	152,659	(182,225)	46,078
China Construction Environmental Energy Technology Co., Ltd.	2,000	142,063	(102,115)	41,948
China Construction Aluminum New Materials Co., Ltd.	4,554	29,326	(23,534)	10,346
China Construction Aluminum New Materials Chengdu Co., Ltd.	11,358	157,633	(159,256)	9,735
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	9,521	9,977	(10,949)	8,549
China State Construction Asset Management Co., Ltd.	5,848	14	–	5,862
China Construction Haoyun Co., Ltd.	595	2	–	597
China Automobile Material Trade Co., Ltd.	182	401	–	583
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	298	199,999	(200,000)	297
China Construction Aluminum New Materials Henan Co., Ltd.	1,946	25,386	(27,131)	201
Nanjing CSCEC Gubei Urban Development Co., Ltd.	172	160,000	(160,000)	172
CSCEC Dacheng Construction Co., Ltd.	365	15,669	(16,009)	25
Total	2,313,213	7,814,862	(2,530,875)	7,597,200

For the six months ended 30 June 2020

	1 January 2020	Increase in the current period	Decrease in the current period	30 June 2020
China Construction Group	14,136	5,513,287	(1,545,246)	3,982,177
China Construction E-commerce Co., Ltd.	315,902	834,140	(433,366)	716,676
China Construction Water Affairs Environmental Protection Co., Ltd.	438,078	1,184,461	(997,221)	625,318
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	34,489	60,772	(68,719)	26,542
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	2,357	20,033	(2,410)	19,980
China Construction Aluminum New Materials Chengdu Co., Ltd.	–	15,777	–	15,777
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	1,110	29,815	(21,592)	9,333
China construction aluminum new materials Co., Ltd.	–	6,951	–	6,951
CSCEC aluminum new materials Co., Ltd.	10,023	3,017	(6,500)	6,540
China Construction Haoyun Co., Ltd.	100,000	146	(95,559)	4,587
CSCEC Dacheng Construction Co., Ltd.	52,498	135,736	(187,157)	1,077
China Automobile Trade Co., Ltd.	582	1	(246)	337
Nanjing CSCEC Gubei Urban Development Co., Ltd.	6,781	4,009	(10,571)	219
Total	975,956	7,808,145	(3,368,587)	5,415,514

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)**

(7) Transfer of related parties assets

	Nature of the transaction	For the six-month period ending 30 June 2021	For the six-month period ending 30 June 2020
China Oversea Grand Oceans Group LTD	Trade mark use right	166,600	160,570

(8) Other related parties transactions

	For the six-month period ending 30 June 2021	For the six-month period ending 30 June 2020
Key management's remuneration	5,603	1,663

6. Amounts due from related parties

(1) Notes receivable

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Qingdao Fangqian Real Estate Co., Ltd.	120,138	—	60,418	—
Qingdao tengmao Real Estate Co., Ltd.	31,000	—	1,327	—
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	15,910	—	21,000	—
Qingdao Fanghui Real Estate Co., Ltd.	4,469	—	14,565	—
Qingdao Fangchen Real Estate Co., Ltd.	1,807	—	5,429	—
Changsha China Construction Future Technology City Investment Co., Ltd.	—	—	28,000	—
Others	18,952	—	7,345	—
Total	192,276	—	138,084	—

(2) Accounts receivable

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,411,551	(63,520)	794,470	(35,751)
CSCEC New Urbanization (Xinjiang) Investment Co., Ltd.	778,272	(41,586)	661,443	(23,990)
Shangang Group Ruitai Development Co., Ltd.	426,440	(72,698)	227,629	(53,143)
China Construction International (Xiangyang) Construction Co., Ltd.	424,446	—	488,312	—
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	404,668	(126,907)	415,308	(125,448)
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	354,848	—	184,464	—
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	325,670	(16,284)	707,622	(15,846)
Chengdu Changtuo Dongjin Construction Co., Ltd.	300,183	(6,004)	167,903	(3,358)
Xuzhou Line 1 Rail Transit Investment Development Co., Ltd.	279,306	(55,861)	508,188	(50,819)
Zhaotong Zhongjian Construction Investment Development Co., Ltd.	254,079	(62,546)	248,403	(37,467)
Xuzhou Metro Line Three Investment Development Co., Ltd.	227,078	(22,708)	256,857	(24,812)
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd.	220,819	(11,041)	220,819	(11,041)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(2) Accounts receivable (continued)**

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Cangzhou CSCEC Bohai Investment Logistics Park Construction Development Co., Ltd.	146,521	(14,652)	146,521	(14,652)
Cangzhou Bohai New Area China Construction Port Construction Management Co., Ltd.	134,455	(68,706)	134,455	(68,706)
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	113,581	(5,111)	14,995	(675)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	107,653	(7,594)	146,168	(6,578)
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	105,528	(4,749)	–	–
China Construction Communications Construction Group Linfen Jinhe Road and Bridge Engineering Co., Ltd.	103,052	(17,784)	97,530	(15,603)
Liupanshui Dongda Highway Investment and Development Co., Ltd.	102,862	(10,286)	109,562	(10,956)
Jiqing High Speed Railway Co., Ltd.	102,165	(6,315)	258,102	(15,955)
China Construction Third Bureau Wuhan Jiangnan Sixth Bridge Connection Engineering Construction and Operation Co., Ltd.	101,901	(4,586)	–	–
Dazhou Dahuan Development Management Co., Ltd.	98,299	(4,915)	98,299	(4,915)
Hebei Chenghong Pipe Gallery Engineering Co., Ltd.	97,679	(2,027)	38,185	(1,718)
Xuchang Chenheng Real Estate Co., Ltd.	89,648	(1,089)	2,814	(137)
Xiangtan Haijia Construction Co., Ltd.	78,731	–	78,731	–
Guangzhou Lihe Real Estate Development Co., Ltd.	73,145	(9,719)	21,513	(2,813)
Shangang group Ruixiang Real Estate Development Co., Ltd.	71,312	(3,209)	100,634	(4,529)
China Construction Third Bureau Xiangyang Yuliangzhou Ecological Construction and Operation Co., Ltd.	67,870	–	–	–
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	67,336	(3,044)	–	–
Lu'an Haijia Blue City Real Estate Co., Ltd.	60,955	(12)	72,054	(12)
Guangzhou Zengcheng Runyu Estate Co., Ltd.	60,903	(2,438)	–	–
Liyang China State Construction Water Co., Ltd.	59,812	–	43,607	–
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd.	57,457	(3,488)	–	–
Dalian CSCEC sponge City Construction Development Co., Ltd.	56,570	(3,292)	112,665	(8,394)
DuYun Galactic Real Estate Development Co., Ltd.	56,122	(6,929)	56,322	(6,770)
Putian Haijia Real Estate Co., Ltd.	56,030	–	50,377	–
Anhui Bengwu Expressway Investment Management Co., Ltd.	55,893	(6,187)	249,790	(6,187)
Hanzhong Xinghan City Parking Lot Construction Management Co., Ltd.	54,143	(1,083)	118,907	(2,498)
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	47,507	(2,138)	23,744	(1,150)
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	44,000	(1,980)	60,552	(2,724)
Putian Zhongjian Mulan Construction Development Co., Ltd.	43,714	(1,967)	10,000	(450)
Jiaozuo Zhongjian South to North Water Diversion Ecological Protection Construction and Operation Co., Ltd.	43,415	(2,339)	4,532	(204)
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	13,979	–	621,229	–
CCCC Jijiao Expressway Investment Development Co., Ltd.	9,023	(406)	7,635	(344)
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	–	–	579,122	(72,606)
Danjiangkou Haijia Construction Co., Ltd.	–	–	184,441	–
Changsha Zhongjian International Development	–	–	168,568	–
Changsha Yida Chuangzhi Property Development Co., Ltd.	–	–	123,500	–
Others	1,692,277	(114,491)	1,044,766	(80,152)
Total	9,480,898	(789,691)	9,660,738	(710,403)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(3) Other receivables**

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China Construction Third Bureau Ezhou Guang'an Real Estate Development Co., Ltd.	1,601,523	(64,061)	1,596,707	(63,867)
Guangzhou fuchuang Real Estate Development Co., Ltd.	919,431	(36,777)	595,777	(23,831)
Guangzhou XingLv Real Estate Development Co., Ltd.	345,223	(13,829)	726,454	(29,068)
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd.	299,757	–	–	–
Xuchang chenheng Real Estate Co., Ltd.	233,333	(11,774)	26,891	(1,076)
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd.	184,980	(7,399)	1,135,984	(11,360)
Baoding China Construction Industrial Investment Co., Ltd.	183,569	(7,210)	85,000	(3,400)
China Construction Third Bureau Rongchang Chengdu Tianfu New District Construction Investment Co., Ltd.	181,287	(181)	181,287	(181)
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	164,369	(9,722)	152,449	(6,260)
Dongguan Zhonghai Century City Education Technology Development Co., Ltd.	95,986	(5,679)	145,986	(11,057)
Suzhou Junda National Road 206 Construction Co., Ltd.	91,804	(13,566)	91,804	(7,824)
Sichuan Huayou Zhonglan Energy Co., Ltd.	85,116	(85,116)	100,000	(100,000)
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd.	81,286	(2,844)	42,165	(1,311)
Xiamen Haitou Construction Technology Co., Ltd.	74,250	(5,198)	74,250	(2,228)
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	59,600	(1,407)	419,569	(4,196)
China Construction Third Engineering Bureau Xiangyang East West Axis Construction and Operation Co., Ltd.	53,242	(4,259)	53,242	(4,259)
Shantou CSCEC new urbanization Investment Co., Ltd.	52,920	(15,876)	52,920	(10,584)
CSCEC Road & Bridge Group Co., Ltd.	52,764	(7,340)	50,806	(4,328)
CCCC Jijiao Expressway Investment & Development Co., Ltd.	51,637	(2,617)	27,274	(1,923)
China Construction Technology Jingmen Co., Ltd.	51,543	(435)	50,886	(509)
Rizhao Zhongjian Transportation Service Co., Ltd.	50,000	(10,000)	50,000	(4,000)
China State Construction Technology Hubei Co., Ltd.	48,980	(2,093)	41,632	(419)
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd.	42,154	(1,349)	8,439	(675)
Shangqiu Yunheng Urban Construction Development Co., Ltd.	41,867	(1,425)	15,800	(632)
China construction Aluminum New materials Fujian Co., Ltd.	41,558	–	21,523	–
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	37,650	(1,506)	369	(30)
Panzhuhua China Construction Third Bureau Government Service Center Project Construction Development Co., Ltd.	35,633	(1,394)	528	(1)
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	30,020	(1,201)	6,468	(6,449)
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd.	23,677	(416)	225,249	(16,875)
Suzhou Fu Real Estate Co., Ltd.	1,798	(75)	645,036	(25,775)
Others	472,475	(29,571)	334,464	(21,690)
Total	5,689,432	(344,320)	6,958,959	(363,808)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(4) Contract assets**

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	675,318	(6,426)	446,269	(6,008)
Hebei xiong'an Citizen Service Center Co., Ltd.	475,144	(2,376)	514,776	(3,646)
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	454,718	(2,336)	848,360	(3,823)
CSCEC Wuhan Huangxiaohu Airport River Water Environment Comprehensive Treatment Construction and Operation Co., Ltd.	212,262	(5,761)	1,326	(1,326)
Hubei Trading Xiangyang North Expressway Co., Ltd.	184,878	(1,399)	70,591	–
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	160,073	(800)	83,421	(458)
Hebei Chenghong Pipe Gallery Engineering Co., Ltd.	155,946	(5,215)	335,659	(7,320)
Zunyi South Ring Expressway Development Co., Ltd.	140,537	(703)	253,247	(825)
Wuhan Binjiang Infrastructure Construction Development Co., Ltd.	127,296	(636)	9	(9)
CITIC Polytec Real Estate (Foshan) Co., Ltd.	108,232	(715)	67,306	(484)
Guangzhou Lihe Real Estate Development Co., Ltd.	99,489	(620)	112,526	(556)
China Construction Haoyun Co., Ltd.	76,934	(459)	38,197	(257)
Guangzhou XingLv Real Estate Development Co., Ltd.	65,553	(328)	1,516	(8)
CSCEC Chengdu Rail Transit Investment and Construction Co., Ltd.	62,816	(2,010)	50,968	(1,689)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	58,685	(293)	102,620	(416)
Qingdao Tengmao Real Estate Co., Ltd.	49,769	–	2,878	(9)
Liupanshui Dongda Highway Investment and Development Co., Ltd.	46,573	(233)	46,573	(233)
Shandong Ningliang Expressway Co., Ltd.	41,305	(207)	66,004	(330)
Suzhou Junda National Road 2006 Construction Co., Ltd.	40,989	(269)	143,520	(823)
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	40,343	(306)	–	–
CSCEC New Urbanization (Xinjiang) Investment Co., Ltd.	39,080	(247)	294,093	(1,914)
China State Construction Development and Construction (Foshan) Co., Ltd.	38,656	(193)	–	–
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	27,866	(139)	63,744	(247)
Zhengzhou Public Zhongcheng Road and Bridge Construction Management Co., Ltd.	27,750	(269)	61,619	(261)
Shenzhen Shenshan Special Cooperation Zone Zhongpu Infrastructure Investment Co., Ltd.	23,422	(117)	23,490	(153)
Jiqing High Speed Railway Co., Ltd.	20,131	(101)	237,861	(1,431)
Tianjin Shunji Real Estate Co., Ltd.	16,463	(82)	56,037	(280)
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	15,801	–	–	–
Yinchuan Shenyang Road Underground Comprehensive Pipe Gallery Construction Management Co., Ltd.	13,823	(69)	51,980	(176)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(4) Contract assets (continued)**

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Shangang Group Ruitai Development Co., Ltd.	8,741	(53)	72,396	(298)
Panjin Xinjian Construction Co., Ltd.	7,716	(39)	62,345	(47,778)
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd.	5,794	(32)	155,511	(512)
Xinjiang Zhongjian Construction Investment Development Co., Ltd.	5,070	(123)	89,110	(516)
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	4,026	(20)	3,057	(15)
Haikou Qiyue Urban Construction Co., Ltd.	1,199	(6)	80,557	(376)
Luzhou Yangtze River Second Bridge Construction Co., Ltd.	–	–	125,191	(10,478)
Zhaotong Zhongjian Construction Investment Development Co., Ltd.	–	–	85,006	(16,971)
Shantou CSCEC New Urbanization Investment Co., Ltd.	–	–	84,678	(706)
Wuhan Yangsigang Road and Bridge Construction and Operation Co. Ltd.	–	–	82,194	(252)
China Construction Third Bureau Rongchang Chengdu Tianfu New District Construction Investment Co., Ltd.	–	–	62,005	(62)
Nanjing Kang Real Estate Development Co., Ltd.	–	–	58,282	(264)
Others	696,172	(13,060)	1,237,831	(52,009)
Total	4,228,570	(45,642)	6,172,753	(162,919)

(5) Other current assets

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China State Construction Group	5,500,000	(161,700)	5,500,000	(161,700)
Xiamen Haimao Real Estate Co., Ltd.	2,307,500	–	–	–
Tianjin Chuangqing Investment Management Co., Ltd.	1,127,998	–	1,179,001	–
Tongxiang Haoli Enterprise Management Co., Ltd.	819,340	–	874,340	–
Xinggui Investment Co., Ltd.	766,649	–	778,275	–
Overseas Hongyang	673,823	–	200,404	–
Leading Investment Co., Ltd.	617,124	–	821,098	–
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	541,622	(137,011)	541,622	(81,654)
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	536,664	–	–	–
Top Colour Development Limited	527,238	–	527,183	–

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(5) Other current assets (continued)**

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Tianjin Chuangliang Investment Management Co., Ltd.	449,225	–	449,219	–
Xuchang Chenheng Real Estate Co., Ltd.	416,492	–	751,869	–
Changchun Hairun Rongcheng Real Estate Development Co., Ltd.	382,829	–	–	–
Jinjiang zhongyun Sports Construction Development Co., Ltd.	358,000	–	326,500	–
Jinyu Jiaying Nanjing Real Estate Development Co., Ltd.	300,000	(14,400)	300,000	(14,400)
Tianjin Shun Ji Property Co., Ltd.	278,668	(74,184)	302,668	(49,364)
Tianjin Wanjiang Real Estate Co., Ltd.	189,084	–	189,084	–
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	188,393	–	188,260	–
Shanghai Jiasheng Real Estate Development Co., Ltd.	180,758	–	235,590	–
Jinan Hongbi Real Estate Co., Ltd.	361	(29)	35,361	(2,029)
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	–	–	469,480	(32,864)
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	–	–	450,000	(13,230)
Shangqiu Yunheng Urban Construction Development Co., Ltd.	–	–	10,967	–
Others	821,742	–	832,823	(130)
Total	16,983,510	(387,324)	14,963,744	(355,371)

(6) Long-term receivables

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Hubei Trading Xiangyang North Expressway Co., Ltd.	20,000	(800)	20,000	(60)
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	6,000	(600)	6,000	(600)
Xuzhou Metro Line Three Investment Development Co., Ltd.	4,000	(80)	4,000	(80)
Tianjin Yingchao Real Estate Development Co., Ltd.	1,000	–	1,424	(1)
Beijing Zhongyi Chengjian Property Management Co., Ltd.	612	–	612	–
Cangzhou CSCEC Bohai Investment Logistics Park Construction Development Co., Ltd.	–	–	1,413	(28)
Others	577	(82)	1,151	(74)
Total	32,189	(1,562)	34,600	(843)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(7) Debt Investments**

	30 June 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Clear Elegant Limited	2,538,434	–	2,545,359	–
TEDA Group Co., Ltd.	1,651,593	–	1,673,702	–
Luminous Dream Limited	1,622,899	–	1,639,100	–
Gainable Development Limited	1,351,096	–	1,364,837	–
Marble Edge Limited	1,254,054	–	1,208,615	–
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd.	1,135,984	–	–	–
Qingdao Changming Real Estate Co., Ltd.	828,493	–	841,453	–
Beijing Nanyue Real Estate Development Co., Ltd.	729,714	–	729,714	–
Guangzhou SuiHai Real Estate Co., Ltd.	683,750	–	833,750	–
Hing Chong Enterprise Co., Ltd.	623,530	–	633,284	–
Dazhou Dahuan Development Management Co., Ltd.	611,261	–	612,997	–
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	588,186	–	626,092	–
Ezhou Chuangu Real Estate Development Co., Ltd.	510,565	–	510,565	–
Guangzhou Hong Land Co., Ltd.	370,275	–	616,326	–
Guiheng Investment Co., Ltd.	331,645	–	336,833	–
Guangzhou Zengcheng Runyu Estate Co., Ltd.	315,600	–	315,600	–
Xiamen Yijun Real Estate Co., Ltd.	300,650	–	375,650	–
Xianyi International Co., Ltd.	290,106	–	405,437	–
Changsha Yida Chuangzhi Property Development Co., Ltd.	285,838	–	288,835	–
Xiamen Yongjing Bay Real Estate Co., Ltd.	274,602	–	299,202	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (Note)	273,780	(2,738)	270,264	(2,703)
Jinan Taihui Real Estate Development Co Ltd.	273,517	–	374,167	–
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	225,339	–	216,882	–
Jiangmen Pengjiang Hebang Real Estate Development Co., Ltd.	221,126	–	221,126	–
Chongqing Qingneng Yuehe Real Estate Co., Ltd.	204,779	(614)	390,979	(1,173)
Xiangtan Haijia Construction Co., Ltd.	197,932	–	193,223	–
Chengdu Beichen Tianchen Real Estate Co., Ltd.	167,943	–	222,144	–
Wuhan Chenzhan Real Estate Development Co., Ltd.	164,952	–	154,170	–
Beijing Huiguang Enterprise Management Co., Ltd.	143,688	–	143,688	–
Wuhan Chenfa Real Estate Development Co., Ltd.	142,510	–	129,377	–
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	–	–	301,688	(30)
Changsha Rail China Construction Xinhe Real Estate Co., Ltd.	–	–	126,917	(381)
Sanya Bi Hai Jin Cheng Business Management Co., Ltd.	–	–	84,158	–
Others	1,742,087	(7,597)	868,613	(4,091)
Total	20,055,928	(10,949)	19,554,747	(8,378)

Note: As at 30 June 2021, the entrusted loan amounted RMB273,780 thousand lent to a joint venture of the Group, China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (31 December 2020: RMB270,264 thousand) and China State Construction Xi'an Urban Construction Investment Co., Ltd., an associate of the Group, amounted RMB103,532 thousand (31 December 2020: RMB100,659 thousand), are presented in the entrusted loans of Note V. 12.

X. Related party relationships and transactions (continued)**7. Payables to related parties**

(1) Accounts payable

	30 June 2021	31 December 2020
CSCEC Electronic Commerce Co., Ltd.	1,313,679	760,488
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	253,598	161,059
CSCEC Road & Bridge Group Co., Ltd.	213,948	193,738
CSCEC-Dacheng Construction Ltd.	197,924	209,736
China Construction Eco-environmental Group Co., Ltd. (Formerly known as "China Construction Water Affairs Environmental Protection Co., Ltd.")	124,126	166,239
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	118,042	98,509
China Construction Aluminum New Materials Chengdu Co., Ltd.	70,986	63,682
Beijing China Construction Zhongchao Concrete Co., Ltd.	66,859	61,050
China Construction Technology Jingmen Co., Ltd.	47,351	6,515
China Construction Environmental Energy Technology Co., Ltd.	40,400	32,858
Sichuan Xijianshantui Logistics Co., Ltd.	38,037	44,968
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	34,839	35,031
China Construction Zhengda Technology Co., Ltd.	27,605	26,623
China Construction Aluminum New Materials Henan Co., Ltd.	27,076	26,534
Sichuan Xijianzhonghe Machinery Co., Ltd.	26,074	29,053
Shandong Zhongjian Material Equipment Co., Ltd.	20,048	29,753
Shandong Zhongcheng Machinery Leasing Co., Ltd.	18,863	13,925
Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	—	293,810
Qufu Nishan Cultural Tourism Real Estate Co., Ltd.	—	154,800
Others	83,361	109,153
Total	2,722,816	2,490,990

X. Related party relationships and transactions (continued)**7. Payables to related parties (continued)****(2) Other Payables**

	30 June 2021	31 December 2020
CSCEC Chengdu Rail Transit Investment and Construction Co., Ltd.	1,642,139	3,304,091
Leading Investment Co., Ltd.	1,203,639	593,550
Xinggui Investment Co., Ltd.	1,107,000	762,028
Guangzhou Lihe Real Estate Development Co., Ltd.	1,047,138	716,735
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	903,048	1,111,063
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	895,474	895,474
Hing Chong Enterprise Co., Ltd.	753,000	655,000
Sunrise JV Limited	746,864	881,655
Nanjing CSCEC Gubei Urban Development Co., Ltd.	710,257	930,115
Qingdao tengmao Real Estate Co., Ltd.	296,549	138,818
Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	233,776	–
Suzhou Fuyuan Real Estate Co., Ltd.	214,171	515
China Construction Haijia (Foshan) Investment and Construction Co., Ltd.	213,600	184,000
Xi'an Hehui Xingshang Properties Co., Ltd.	183,765	183,765
Guangzhou Ivrong Real Estate Development Co., Ltd.	167,433	167,433
China State Construction Group	163,349	163,349
Qingdao Songmao Real Estate Co., Ltd. (Note 1)	160,184	118,112
Qufu Nishan Cultural Tourism Real Estate Co., Ltd.	154,800	–
China Overseas Southern Airlines Construction & Development Co., Ltd.	153,000	–
Shantou CSCEC New Urbanization Investment Co., Ltd.	140,397	191,212
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	129,534	–
Qingdao Caimao Real Estate Co., Ltd. (Note 1)	111,704	85,172
Guiheng Investment Co., Ltd.	105,050	105,050
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	104,800	104,888
Shandong China Overseas Huachuang Real Estate Co., Ltd.	83,026	83,026
China Resources (Tai) Land Co., Ltd.	75,000	100,000
Dongguan Jiafang Real Estate Development Co., Ltd.	70,734	71,793
Suzhou Mudu Zhongxin land Co., Ltd.	53,200	112,278
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	24,603	4,618
Young Yue Investment Co., Ltd.	22,500	22,500
China Shipping Hecai (Beijing) Equity Investment Fund Management Co., Ltd.	17,124	132,389
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	–	614,250
Qingdao Yuefu Real Estate Co., Ltd.	–	280,026
Qingdao Zefu Real Estate Co., Ltd.	–	199,549
CSCEC Wuhan Yangsigang Road and Bridge Construction and Operation Co., Ltd.	–	3,415
Others	1,991,480	1,783,354
Total	13,878,338	14,699,223

X. Related party relationships and transactions (continued)**7. Payables to related parties (continued)****(3) Contract Liabilities**

	30 June 2021	31 December 2020
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,319,836	1,331,887
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,030,504	1,075,022
Yunnan Huali Expressway Investment and Development Co., Ltd.	497,900	911,163
China Construction Third Engineering Bureau Dazhou Lake Ecological Construction and Operation Co., Ltd.	292,517	167,794
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	263,559	105,484
Anhui Bengwu Expressway Investment Management Co., Ltd.	258,843	113,028
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	241,123	198,765
Ezhou Chuanggu Real Estate Development Co., Ltd.	217,050	–
Wenzhou China Construction Steel Structure Olympic Sports Project Management Co., Ltd.	203,357	225,681
Xuzhou Metro Line Three Investment Development Co., Ltd.	202,852	114,885
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd.	181,833	256,086
Changsha CSCEC Chengtou Pipe Well Development Investment Co., Ltd.	175,037	188,523
Liuzhou CSCEC Dongcheng Culture Development Co., Ltd.	168,106	84,947
Urumqi Linkong Construction Infrastructure Co., Ltd.	158,997	–
Liuzhou China Construction Steel Structure Ecological Garden Construction Co., Ltd.	147,227	81,382
Zhoukou Xintong Urban Construction Development Co., Ltd.	139,839	231,299
Hebei Chenghong Pipe Gallery Engineering Co., Ltd.	139,728	141,200
Zhengzhou Public Zhongcheng Road and Bridge Construction Management Co., Ltd.	137,000	86,523
China Construction Third Bureau Xiangyang Yuliangzhou Ecological Construction and Operation Co., Ltd.	136,632	–
Shangqiu Yunheng Urban Construction Development Co., Ltd.	135,058	79,927
Suining Donghu Green Water Ecological Environment Investment and Construction Co., Ltd.	129,372	67,400
Zhangzhou Zhan Environmental Technology Co., Ltd.	120,674	66,106
Xuzhou Line 1 Rail Transit Investment Development Co., Ltd.	113,353	354,701
Beijing National Alpine Skiing Co., Ltd.	106,900	125,462
Jiaozuo Zhongjian South to North Water Diversion Ecological Protection Construction and Operation Co., Ltd.	106,175	202,679
Xiangyang Fancheng Ring Greenway and Park Construction Co., Ltd.	106,162	–
Jiqing High Speed Railway Co., Ltd.	102,616	626,044
Chengdu Changtuo Dongjin Construction Co., Ltd.	102,067	148,417
Hangzhou Chengtou Wulin Investment Development Co., Ltd.	57,664	122,589
China Construction Third Engineering Bureau Jingzhou Huanchang Lake Construction and Operation Co., Ltd.	48,708	207,539
Shangang Group Ruitai Development Co., Ltd.	47,748	57,713
Mianyang Zhongjian Kefa Guanlang Road Investment and Construction Co., Ltd.	40,685	115,173

X. Related party relationships and transactions (continued)**7. Payables to related parties (continued)****(3) Contract Liabilities (continued)**

	30 June 2021	31 December 2020
SIPG Bayport Terminal Co., Ltd.	38,075	127,652
Yichang Urban Pipe Gallery Construction and Operation Co., Ltd.	25,431	50,403
China Construction Third Bureau Hubei Dadong Lake Deep Tunnel Engineering Construction and Operation Co., Ltd.	21,241	166,665
Haikou Tuoyi Real Estate Co., Ltd.	1,488	93,806
Wuhan Huangxiaohu Airport River Environment Comprehensive Treatment Construction Operation Co., Ltd.	–	676,033
China State Construction Xi'an Urban Construction Investment Co., Ltd.	–	183,505
Chengdu Beichen Tianchen Real Estate Co., Ltd.	–	104,390
Others	1,325,189	1,666,036
Total	8,540,546	10,555,909

(4) lease liabilities

	30 June 2021
Shandong Zhongcheng Machinery Leasing Co., Ltd.	22,890
Shanghai International Port (Group) Co., Ltd.	22,628
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	1,339
Hebei Xiong'an Citizen Service Center Co., Ltd.	335
Total	47,192

(5) Entrusted loans

	30 June 2021	31 December 2020
China State Construction Group	3,524,910	3,502,322
Jinmao Investment (Changsha) Co., Ltd.	729,000	615,000
Total	4,253,910	4,117,322

(6) Long-term Payables

	30 June 2021	31 December 2020
Sunrise JV Limited	2,400,000	2,400,000
Others	152,835	151,455
Total	2,552,835	2,551,455

XI. Share-based payment

1. Overview

	For the six months ended 30 June 2021	2020
Number of restricted shares unlocked	–	303,016,000
Number of restricted shares forfeited	16,903,667	10,558,200
The remaining term of the contract of the outstanding stock options at the end of the period/year	3.5	4.0

	For the six months ended 30 June 2021	2020
Total amount of employee services in exchange for share based payment	412,960	506,233

The equity-settled share-based payment is as follows:

	For the six months ended 30 June 2021	2020
Accumulated amount of equity-settled share-based payment in capital surplus	2,093,410	1,680,450
Total expenses recognised in equity-settled share-based payment	412,960	506,233

2. Share-based payment plan

(a) Share-based payment by the Company

(1) In accordance with the authorisation of the first extraordinary General Meeting of Shareholders held on 19 December 2016, the Company held the 104th meeting of the first session of the Board of Directors on 29 December 2016, and the Board of Directors approved the resolution of China State Construction Engineering Corp., Ltd. Granted Second Batch Restricted Shares Incentive Plan (A share) ("the second batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 1,575 targets ("the second batch Incentive Targets"). From 23 December 2016 to 27 December 2016, the Company completed the repurchase of 260,130,000 shares ("the second batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 29 December 2016 ("the second batch grant day"). The second batch Incentive Targets' purchase price is RMB4.866 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the second batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 29 December 2018 (the first batch of Phase II), 29 December 2019 (the second batch of Phase II) and 29 December 2020 (the third batch of Phase II) respectively.

In accordance with the authorisation of the third extraordinary General Meeting of Shareholders held on 3 December 2018, the Company held the 15th meeting of the second session of the Board of Directors on 26 December 2018, and the Board of Directors approved the resolution of China State Construction Engineering Corp., Ltd. Granted Third Batch Restricted Shares Incentive Plan (A share) ("the third batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 2,081 targets ("the third batch Incentive Targets"). From 4 December 2018 to 21 December 2018, the Company completed the repurchase of 599,910,000 shares ("the third batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 26 December 2018 ("the third batch grant day"). The third batch Incentive Targets' purchase price is RMB3.468 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the third batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 26 December 2020 (the first batch of Phase III), 26 December 2021 (the second batch of Phase III) and 26 December 2022 (the third batch of Phase III) respectively.

XI. Share-based payment (continued)**2. Share-based payment plan (continued)****(a) Share-based payment by the Company (continued)***(1) (continued)*

In accordance with the authorisation of the third extraordinary General Meeting of Shareholders held on 7 December 2020, the Company held the 50th meeting of the second session of the Board of Directors on 23 December 2020, and the Board of Directors approved the resolution of China State Construction Engineering Corp., Ltd. Granted Third Batch Restricted Shares Incentive Plan (A share) ("the fourth batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 2,765 targets ("the fourth batch Incentive Targets"). From 30 October 2020 to 14 December 2020, the Company completed the repurchase of 912,036,000 shares ("the fourth batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 23 December 2020 ("the fourth batch grant day"). The fourth batch Incentive Targets' purchase price is RMB3.06 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the fourth batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 23 December 2022 (the first batch of Phase IV), 23 December 2023 (the second batch of Phase IV) and 23 December 2024 (the third batch of Phase IV) respectively. If the business achievement or individual performance fail to meet the unlock condition, the unlocked restricted shares will be repurchased by the Company at the grant price and with no interests.

(2) The market price of the second batch of Restricted Shares was RMB9.16 per share at the second batch grant date. The price paid by the second batch Incentive Targets was RMB4.866 per share, considering the influence from gain restrictive, the fair value of the second batch of Restricted Shares granted this time was determined to be RMB2.2118 per share at the second batch grant date. Due to converting reserves into shares approved by the resolution of the general meeting of shareholders on 3 May 2018, the subscription price of the second batch Incentive Targets was adjusted to RMB3.476 per share.

The market price of the third batch of Restricted Shares was RMB5.58 per share at the third batch grant date. The price paid by the third batch Incentive Targets was RMB3.468 per share, based on which, the fair value of the third batch of Restricted Shares granted this time was determined to be RMB2.2112 per share at the third batch grant date.

The market price of the fourth batch of Restricted Shares was RMB5.00 per share at the fourth batch grant date. The price paid by the fourth batch Incentive Targets was RMB3.06 per share, based on which, the fair value of the fourth batch of Restricted Shares granted this time was determined to be RMB1.94 per share at the fourth batch grant date.

(3) In 2020, there are total 303,016,000 shares has been unlocked due to the third batch of Phase II and the first batch of Phase III meet the unlock condition, and the treasury stock decreased by RMB1,051,692 thousand.

(4) Increase/decrease of restricted shares in the reporting period

	For the six months ended 30 June 2021	2020
Number of restricted shares at the beginning of the period/year	1,308,330,603	709,868,803
Number of restricted shares granted in current period/year	–	912,036,000
Number of restricted shares unlocked in current period/year	–	(303,016,000)
Number of restricted shares forfeited in current period/year	(16,903,667)	(10,558,200)
Number of restricted shares at the end of the period/year	1,291,426,936	1,308,330,603

XI. Share-based payment (continued)**2. Share-based payment plan (continued)****(a) Share-based payment by the Company (continued)**

(5) *The impact on the Company's financial position and operating results from restricted shares is as follows:*

	For the six months ended 30 June 2021	2020
Total expenses recognised in equity-settled share-based payment	412,960	506,233
	30 June 2021	31 December 2020
Accumulated amount of equity-settled share-based payment in capital surplus	2,093,410	1,680,450

(b) Share Option Schemes by China Overseas Land & Investment Ltd

On 29 June 2018, China Overseas Land & Investment Ltd offered to grant share options (the "Share Options") to certain eligible persons (collectively, the "Grantees"), to subscribe for a total of 107,320,000 shares, subject to acceptance of the Grantees, under the share option scheme adopted by China Overseas Land & Investment Ltd on 11 June 2018. Out of the 107,320,000 Share Options granted, a total of 2,000,000 Share Options were granted to directors of China Overseas Land & Investment Ltd. The exercise price is HK\$25.85 per share. The Share Options granted will vest on 29 June 2020, 29 June 2021 and 29 June 2022 respectively.

On 29 June 2018, China Overseas Land & Investment Ltd offered to grant share options (the "Share Options") to certain eligible persons (collectively, the "Grantees"), to subscribe for a total of 285,840,000 shares, subject to acceptance of the Grantees, under the share option scheme adopted by China Overseas Land & Investment Ltd on 11 June 2018. Out of the 285,840,000 Share Options granted, a total of 6,300,000 Share Options were granted to directors of China Overseas Land & Investment Ltd. The exercise price is HK\$18.724 per share.

As at 30 June 2021, 371,640,000 share options were granted for the plan (31 December 2020: 378,960,000).

The fair value of the Share Options was determined by the Binomial Options Pricing Model. For the six months ended 30 June 2021, the relevant cost was RMB129,100 thousand arising from staff services. (For the six months ended 30 June 2020: RMB73,058 thousand).

XII. Commitments and Contingencies

1. Commitments

	30 June 2021	31 December 2020
Contracted, but not provided for Capital commitments		
Purchase and construction of non-current assets	6,775,762	4,390,960
Investment commitments	12,632,202	14,413,258
Total	19,407,964	18,804,218

2. Contingencies

	30 June 2021	31 December 2020	
Contingent liabilities arising from pending litigations or arbitrations	6,526,835	7,482,255	Note 1
Contingent liabilities arising from the provision of guarantees	92,404,515	93,533,934	Note 2
Total	98,931,350	101,016,189	

Note 1: As at 30 June 2021 and 31 December 2020, pending litigations in which the Group was the defending party are listed as follows:

	30 June 2021 Disputed value	31 December 2020 Disputed value
China Construction Third Engineering Bureau Co., Ltd.	1,823,313	1,901,742
China Construction Seventh Engineering Division Co., Ltd.	1,168,140	1,309,537
China Construction Eighth Engineering Division Co., Ltd.	664,642	595,222
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	605,214	328,746
The Company	332,976	627,609
Jilin Zhongjian Construction Engineering Co., Ltd.	267,519	599,351
China Overseas Holdings Limited	560,851	402,944
China Construction Engineering Design Group Co., Ltd.	258,618	364,316
China Construction First Building (Group) Co., Ltd.	118,507	327,801
China Construction Fifth Engineering Division Co., Ltd.	175,976	202,533
China Construction Second Engineering Bureau Ltd.	117,449	154,035
China Construction Decoration Group Ltd.	80,649	102,906
China Construction Railway Construction Co., Ltd.	77,785	100,396
China Construction Fourth Engineering Division Co., Ltd.	66,080	349,237
China Construction Railway Investment and Construction Group Co., Ltd.	49,811	53,608
China Construction (Siping) Infrastructure Development Co., Ltd.	37,981	–
China Construction Sixth Engineering Bureau Co., Ltd.	30,649	30,649
China Southwest Geotechnical Investigation & Design Institute Co., Ltd.	23,012	23,012
China Construction (Siping) Infrastructure Development Co., Ltd.	1,050	–
China Northwest design and Research Institute Co., Ltd.	66,613	1,596
China Construction Port and Shipping Bureau Group Co., Ltd.	–	7,015
Total	6,526,835	7,482,255

Note: The above pending litigations are mostly related with project quality, progress payment, etc. Please refer to Note V. 41 for the progress of litigation matters at 30 June 2021 and the confirmed losses of judgment results, and relevant liabilities are not recognized for the event that the potential obligations generated do not meet the conditions for the recognition of provisions for other liabilities and charges.

XII. Commitments and Contingencies (continued)

2. Contingencies (continued)

Note 2: As at 30 June 2021 and 31 December 2020, the Group's external guarantees are listed as follows:

	30 June 2021 Guarantee amount	31 December 2020 Guarantee amount
Mortgage guarantee provided to property owners (Note)	87,361,639	88,071,537
Guarantees for bank loan	5,042,876	5,462,397
Total	92,404,515	93,533,934

Note: The Group provides guarantees to property owners and property owners pledge the houses they have bought when taking loans from banks. For the six months ended 30 June 2021 and for the year of 2020, there was no significant breach of contract from commodity house buyers and the Group considers the risk associated with the guarantee obligation is immaterial.

XIII. Events after the balance sheet date

1. After the balance sheet date, the bonds issued by the subsidiaries of the Group are as follows:

Issuer	Type of bond	Value in issue	Issuance date	Interest rate (%)
China Shipping Enterprise Development Group Co., Ltd.	Corporate bonds	1,000,000	9 July 2021	3.10
China Shipping Enterprise Development Group Co., Ltd.	Corporate bonds	2,000,000	9 July 2021	3.25
China Shipping Enterprise Development Group Co., Ltd.	Corporate bonds	500,000	6 August 2021	2.75
China Shipping Enterprise Development Group Co., Ltd.	Corporate bonds	1,500,000	6 August 2021	3.25
China Construction First Group Co., Ltd.	Ultra short-term financing bonds	2,000,000	14 July 2021	2.17
China Construction Second Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	3,000,000	8 July 2021	2.29
China Construction Fifth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	2,000,000	14 July 2021	2.25
China Construction Sixth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	700,000	13 July 2021	2.75
China Construction Sixth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	800,000	16 August 2021	2.63
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	30 July 2021	2.05
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	5,000,000	7 July 2021	2.05
China West Construction Group Co., Ltd.	Medium-term notes	700,000	18 August 2021	3.35
China Construction Installation Engineering Co., Ltd.	Medium-term notes	300,000	20 August 2021	4.96

2. After the balance sheet date, the entrusted loans provided by China State Construction Group to the Group are as follows:

On 23 July 2021, the second meeting of the third session of the board of directors of the group, and the second meeting of the third session of the board of supervisors passed the proposal that "About China State Construction Group to Provide China State Construction Engineering Corporation Limited Entrusted Loans of RMB1.4 Billion" and "About China State Construction Group To Provide China State Construction Engineering Corporation Limited Entrusted Loans of RMB60 million".

On 26 July 2021, the Group signed the Entrusted Loan Contract with China Construction Group and China State Construction Finance Co., Ltd., and China State Construction Group will provide the Group with an entrusted loan of RMB1.4 billion through China State Construction Finance Co., Ltd.,. The term of loan is 1 year and can be repaid in advance. The loan carries an annual interest rate of 2.99%; The Group signed the Entrusted Loan Contract with China State Construction Group and China State Construction Finance Co., Ltd., China State Construction Group provided the Group with an entrusted loan of RMB60 million through China State Construction Finance Co., Ltd.,. The term of loan is 3 years and can be repaid in advance. The loan carries an annual interest rate of 3.8 %.

XIV. Other important matters

1. Segment reporting

Operating segments

For management purpose, the Group is organised into business units based on their products and has five reportable operating segments as follows:

- (1) Building construction engineering;
- (2) Infrastructure construction and investment;
- (3) Real estate development and investment;
- (4) Prospecting, design, etc.;
- (5) Others.

Management monitors the results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the profit or loss of reportable segment.

The inter-segment transactions are transacted with reference to the prices used for transactions made to third parties at then prevailing market prices.

For the six months ended 30 June 2021

	For the six months ended 30 June 2021							
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	Total
Revenue from external	584,809,407	191,898,714	145,745,351	4,501,840	9,760,651	-	-	936,715,963
Inter-segment revenue	11,258,418	1,693,606	788,115	430,057	2,432,819	-	(16,603,015)	-
Total revenue	596,067,825	193,592,320	146,533,466	4,931,897	12,193,470	-	(16,603,015)	936,715,963
Cost of goods sold	(556,293,792)	(175,853,670)	(109,796,191)	(4,040,205)	(7,805,414)	-	15,636,767	(838,152,505)
Credit impairment losses	(2,640,677)	(592,519)	(136,306)	(31,194)	(66,078)	(5)	-	(3,466,779)
Asset impairment (losses)/ reversal	46,161	(347,738)	95,397	2,942	(1,027)	-	-	(204,265)
Depreciation and amortisation	(2,532,185)	(952,184)	(1,336,409)	(80,533)	(576,915)	(46,962)	-	(5,525,188)
Profit/(loss) before income taxes	12,598,217	8,906,960	30,787,845	(46,757)	2,553,902	(2,108,006)	(966,248)	51,725,913
Less: Income tax expenses								(11,644,405)
Net profit								40,081,508
Total segment assets	558,396,239	490,347,553	963,535,447	11,940,441	309,863,301	162,765,053	(145,615,620)	2,351,232,414
Total segment liabilities	361,376,633	353,904,831	560,892,732	7,378,379	222,997,666	388,484,853	(144,831,991)	1,750,203,103

XIV. Other important matters (continued)

1. Segment reporting (continued)

Operating segments (continued)

For the six months ended 30 June 2020

	For the six months ended 30 June 2020							
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	Total
Revenue from external	464,365,337	144,408,601	108,624,505	3,935,982	6,853,342	-	-	728,187,767
Inter-segment revenue	14,162,197	151,853	1,190,585	85,119	1,664,062	-	(17,253,816)	-
Total revenue	478,527,534	144,560,454	109,815,090	4,021,101	8,517,404	-	(17,253,816)	728,187,767
Cost of goods sold	(447,693,163)	(130,208,084)	(77,921,243)	(3,413,440)	(5,394,976)	-	16,251,733	(648,379,173)
Credit impairment losses	(1,338,445)	(1,449,152)	(157,181)	(36,108)	(442,058)	(421)	-	(3,423,365)
Asset impairment (losses)/ reversal	(305,348)	(216,559)	128,652	(1,313)	3,037	-	-	(391,531)
Depreciation and amortisation	(2,369,207)	(737,155)	(892,471)	(69,438)	(455,949)	(23,756)	-	(4,547,976)
Profit/(loss) before income taxes	10,077,249	7,554,499	28,410,516	(35,874)	952,928	(2,182,358)	(1,002,083)	43,774,877
Less: Income tax expenses								(10,840,077)
Net profit								32,934,800
Total segment assets	600,132,893	431,880,230	778,470,796	12,275,860	243,331,995	308,561,929	(199,205,607)	2,175,448,096
Total segment liabilities	418,155,868	348,854,811	429,659,558	6,703,480	172,366,602	474,859,274	(198,407,137)	1,652,192,456

Other information

Information about products and services

Revenue from external customers

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Building construction engineering	584,809,407	464,365,337
Infrastructure construction and investment	191,898,714	144,408,601
Real estate development and investment	145,745,351	108,624,505
Prospecting and design	4,501,840	3,935,982
Others	9,760,651	6,853,342
Total	936,715,963	728,187,767

Geographic information

Revenue from external customers

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Mainland China	892,418,921	690,298,352
In other countries/geographical regions	44,297,042	37,889,415
Total	936,715,963	728,187,767

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

XIV. Other important matters (continued)

1. Segment information (continued)

Other information (continued)

Geographic information (continued)

Non-current assets

	30 June 2021	31 December 2020
Mainland China	397,167,006	282,535,433
In other countries/geographical regions	30,385,255	30,542,196
Total	427,552,261	313,077,629

The non-current asset information above is based on the locations of the assets and excludes financial assets, long-term equity investments and deferred tax assets.

Information about a major customer

The Group does not rely on one or several major customers.

2. Leases

(1) As lessor

The Group has entered into operating leases on some of its houses and buildings, and the lease term is 1-10 years. All leases include a clause to enable revision of the rental charge on an annual basis according to prevailing market conditions. For the six months ended 30 June 2021, the rental income recognised by the Group on those houses and buildings was RMB3,074,211. Details of the underlying houses and buildings are disclosed in Note V.16 Investment properties.

The Group has also entered into operating leases on idle machinery and equipment, motor vehicles. And the lease term is 1-5 years. The rental income recognised by the Group was RMB50,324 during the period.

Operating leases

The profit or loss relating to operating leases is as follows:

	For the six months ended 30 June 2021
Lease income	3,124,535

The Group had total future minimum lease receivables under non-cancellable leases with its tenants falling due as follows:

	For the six months ended 30 June 2021
Within 1 year, inclusive	3,989,520
1 to 2 years, inclusive	3,248,706
2 to 3 years, inclusive	2,191,771
3 to 4 years, inclusive	1,459,416
4 to 5 years, inclusive	1,115,413
Over 5 years	2,254,656
	14,259,482

For fixed assets leased out under operating leases, refer to Note V.17.

XIV. Other important matters (continued)**2. Leases (continued)****(2) As lessee**

	For the six months ended 30 June 2021
Interest expense on lease liabilities	105,240
Expenses relating to short-term leases accounting for applying practical expedients	1,033,180
Expenses relating to leases of low-value assets accounted for applying practical expedients (other than short-term leases)	1,906
Total cash outflow for leases	1,379,224

The Group has lease contracts for various items of houses and buildings, machinery, vehicles and other equipment used in its operations. Leases of houses and buildings and machinery generally have lease terms of 3-10 years, while those of vehicles and other equipment generally have lease terms of 1.5-3 years. Generally, the Group is restricted from assigning and subleasing the underlying assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments.

Potential future cash outflows not included in the measurement of lease liabilities

The potential future cash outflows that the Group does not include in the measurement of lease liabilities mainly arise from variable lease payments, extension and termination options in lease contracts, residual value guarantees, and risk exposures such as leases that have been promised but not yet commenced.

Extension options and termination options

For the six months ended 30 June 2021, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil.

Finance lease

At 31 December 2020, the balance of the unrecognised finance charge was RMB79,516 thousand, which was amortised using the effective interest method over each period during the lease term. The Group had total future minimum lease payments under non-cancellable leases with its lessors falling due as follows:

	31 December 2020
Within 1 year, inclusive	481,314
1 to 2 years, inclusive	424,735
2 to 3 years, inclusive	287,895
Over 3 years	—
Total	1,193,944

XIV. Other important matters (continued)**2. Leases (continued)****(2) As lessee (continued)***Significant operating leases*

The Group had total future minimum lease payments under non-cancellable leases with its lessors falling due as follows:

	31 December 2020
Within 1 year, inclusive	3,030,470
1 to 2 years, inclusive	1,737,994
2 to 3 years, inclusive	746,716
Over 3 years	1,448,515
Total	6,963,695

Other information relating to leases

For right-of-use assets, refer to Notes V, 19; for practical expedients of short-term leases and leases of low-value assets, refer to Notes III, 30, and for lease liabilities, refer to Notes V, 38 and Notes VIII, 3.

XV. Notes to the Company's financial statements**1. Accounts receivable**

The ageing of accounts receivable is analysed as follows:

	30 June 2021	31 December 2020
Within 1 year	14,824,066	14,956,163
1-2 years	6,373,963	8,151,057
2-3 years	2,965,465	1,257,783
3-4 years	388,426	1,909,386
4-5 years	1,767,419	55,866
Over 5 years	786,665	777,603
Subtotal	27,106,004	27,107,858
Less: Provision for bad debts	(2,730,127)	(2,311,807)
Total	24,375,877	24,796,051

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

Accounts receivable and impairment allowance are disclosed by category:

	30 June 2021			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment allowance individually accrued	12,342,424	45.53	1,338,863	10.85
Impairment allowance accrued by credit risk portfolio	14,763,580	54.47	1,391,264	9.42
Total	27,106,004	100.00	2,730,127	10.07

	31 December 2020			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment allowance individually accrued	11,928,970	44.01	952,099	7.98
Impairment allowance accrued by credit risk portfolio	15,178,888	55.99	1,359,708	8.96
Total	27,107,858	100.00	2,311,807	8.53

As at 30 June 2021, impairment allowance of accounts receivable individually accrued is as follows:

	Ending balance	Provision for bad debt	Provision ratio (%)	Reason of provision
Company 1	1,856,197	669,408	36.06	Recovery possibility
Company 2	463,473	65,196	14.07	Recovery possibility
Company 3	377,151	124,186	32.93	Recovery possibility
Company 4	367,222	49,671	13.53	Recovery possibility
Company 5	359,859	73,347	20.38	Recovery possibility
Other	8,918,522	357,055	4.00	Recovery possibility
	12,342,424	1,338,863		

As at 31 December 2020, impairment allowance of accounts receivable individually accrued is as follows:

	Ending balance	Provision for bad debt	Provision ratio (%)	Reason of provision
Company 1	1,874,817	412,460	22.00	Recovery possibility
Company 2	489,578	61,197	12.50	Recovery possibility
Company 3	387,151	124,186	32.08	Recovery possibility
Company 4	370,659	50,677	13.67	Recovery possibility
Company 5	248,403	37,467	15.08	Recovery possibility
Other	8,558,362	266,112	3.11	Recovery possibility
	11,928,970	952,099		

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

The accounts receivable with impairment allowance accrued by credit risk portfolio are as follows:

Portfolio 1:

	30 June 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	3,018,207	2.00	60,364	2,633,444	2.00	52,669
1-2 years	1,039,225	5.00	51,961	1,022,530	5.00	51,126
2-3 years	312,637	15.00	46,895	372,463	15.00	55,869
3-4 years	29,099	30.00	8,730	1,633	30.00	490
4-5 years	34,621	45.00	15,580	41,868	45.00	18,841
Over 5 years	10,382	100.00	10,382	10,382	100.00	10,382
	4,444,171		193,912	4,082,320		189,377

Portfolio 2:

	30 June 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	1,010,158	6.00	60,610	1,446,424	6.00	86,785
1-2 years	284,560	12.00	34,147	232,130	12.00	27,856
2-3 years	177,961	25.00	44,490	71,975	25.00	17,994
3-4 years	10,774	45.00	4,848	–	45.00	–
4-5 years	–	70.00	–	3,966	70.00	2,776
Over 5 years	2,323	100.00	2,323	253	100.00	253
	1,485,776		146,418	1,754,748		135,664

Portfolio 3:

	30 June 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	5,114,208	4.50	230,139	4,899,150	4.50	220,462
1-2 years	2,140,595	10.00	214,060	3,602,468	10.00	360,247
2-3 years	1,176,156	20.00	235,231	465,325	20.00	93,065
3-4 years	51,950	40.00	20,780	22,726	40.00	9,090
4-5 years	–	65.00	–	996	65.00	648
Over 5 years	350,724	100.00	350,724	351,155	100.00	351,155
	8,833,633		1,050,934	9,341,820		1,034,667

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

Impairment allowance of accounts receivable are as follows:

For the six months ended 30 June 2021:

Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
2,311,807	705,921	(277,356)	(3,126)	(7,119)	2,730,127

For the year ended 31 December 2020:

Opening balance	Provision	Reversal	Other movements	Closing balance
1,829,600	1,122,770	(594,203)	(46,360)	2,311,807

The important reversal amounts for the six months ended 30 June 2021 as follows:

	Reason for reversal/collection	Basis for the impairment allowance	Amount of reversal/collection	Way of collection
Company 1	Accounts receivable of project collected	Collectively accrued	35,692	Cash
Company 2	Accounts receivable of project collected	Collectively accrued	24,028	Cash
Company 3	Accounts receivable of project collected	Individually accrued	22,950	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	16,664	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	15,084	Cash
Others	Accounts receivable of project collected	Individually and Collectively accrued	162,938	Cash
Total			277,356	

As at 30 June 2021, the five largest accounts receivable due to customers are as follows:

	Amount	Amount of provision for bad debts	% of total account receivable
Total amount of the five largest accounts receivable	5,327,359	829,570	19.65

As at 31 December 2020, the five largest accounts receivable due to customers are as follows:

	Amount	Amount of provision for bad debts	% of total account receivable
Total amount of the five largest accounts receivable	4,830,004	607,609	17.82

2. Other receivables

	30 June 2021	31 December 2020
Dividend receivables	1,128,744	1,190,122
Other receivables	20,839,794	20,838,785
Total	21,968,538	22,028,907

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

The ageing analysis of other receivables is as follows:

	30 June 2021	31 December 2020
Within 1 years	13,592,596	15,056,515
1-2 years	4,976,564	5,605,813
2-3 years	2,806,524	1,573,531
3-4 years	880,441	26,589
4-5 years	26,722	257,061
Over 5 years	386,954	203,889
Subtotal	22,669,801	22,723,398
Less: Impairment allowance	(701,263)	(694,491)
Total	21,968,538	22,028,907

Nature of other receivables are as below:

	30 June 2021	31 December 2020
Receivables from related parties	19,754,359	19,777,018
Dividends receivable	1,128,744	1,190,122
Deposits and petty cash receivable	791,346	879,962
Others	995,352	876,296
Subtotal	22,669,801	22,723,398
Less: Impairment allowance	(701,263)	(694,491)
Total	21,968,538	22,028,907

Changes in impairment allowance recognised for the 12-month expected credit losses and lifetime expected credit losses on other receivables are as follows:

For the six months ended 30 June 2021

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	21,586	672,905	694,491
Changes due to the opening balance			
– Transfer to Stage 3	(1,770)	1,770	–
– Transfer to Stage 1	4,743	(4,743)	–
Accrual	15,515	6,461	21,976
Reversal	(8,929)	(5,804)	(14,733)
Other movements	(476)	5	(471)
Closing Balance	30,669	670,594	701,263

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

Changes in impairment allowance recognised for the 12-month expected credit losses and lifetime expected credit losses on other receivables are as follows (continued):

For the year ended 31 December 2020

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	35,688	802,937	838,625
Changes due to the opening balance			
– Transfer to Stage 3	(20,445)	20,445	–
– Transfer to Stage 1	9,886	(9,886)	–
Accrual	12,890	50,859	63,749
Reversal	(12,305)	(181,293)	(193,598)
Write-off	–	(4,203)	(4,203)
Other movements	(4,128)	(5,954)	(10,082)
Closing Balance	21,586	672,905	694,491

The changes in the book value of other receivables that affect the changes in the provision are as follows:

For the six months ended 30 June 2021

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	21,087,107	1,636,291	22,723,398
Changes due to the opening balance			
– Transfer to Stage 3	(11,392)	11,392	–
– Transfer to Stage 1	19,573	(19,573)	–
Addition	148,685	38,524	187,209
Derecognition	(224,178)	(11,195)	(235,373)
Other movements	(5,884)	451	(5,433)
Closing balance	21,013,911	1,655,890	22,669,801

For the year ended 31 December 2020

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit- impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	22,553,131	855,205	23,408,336
Changes due to the opening balance			
– Transfer to Stage 3	(983,000)	983,000	–
– Transfer to Stage 1	18,972	(18,972)	–
Addition	13,458,952	214,246	13,673,198
Derecognition	(13,931,858)	(375,817)	(14,307,675)
Write-off	–	(4,203)	(4,203)
Other movements	(29,090)	(17,168)	(46,258)
Closing balance	21,087,107	1,636,291	22,723,398

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

The important reversal amounts for the six months ended 30 June 2021 are listed as follows:

	Reason for reversal/ collection	Basis and rationality for determining the provision for bad debts	Amount of reversal/ collection	Way of collection
Company 1	Receivable collected	Individually accrued	2,384	Cash
Company 2	Receivable collected	Individually accrued	1,932	Cash
Company 3	Receivable collected	Combination accrued	1,625	Cash
Company 4	Receivable collected	Individually accrued	1,000	Cash
Company 5	Receivable collected	Combination accrued	520	Cash
Others	Receivable collected	Individually and Combination accrued	7,272	Cash
Total			14,733	

As at 30 June 2021, other receivables from the five largest customers are as follows:

	Closing Balance	% of total balance	Relation to the Company	Ageing	Provision for impairment amount
Company 1	1,828,850	8.07	Due from Related parties	Within 2 years	–
Company 2	1,631,494	7.20	Due from Related parties	Within 1 year	–
Company 3	1,273,241	5.62	Due from Related parties	Within 1 year	–
Company 4	1,000,956	4.42	Due from Related parties	1-3 years	–
Company 5	810,836	3.58	Due from Related parties	Within 1 year	–
Total	6,545,377	28.89			–

As at 31 December 2020, other receivables from the five largest customers are as follows:

	Closing Balance	% of total balance	Relation to the Company	Ageing	Provision for impairment amount
Company 1	1,833,215	8.07	Due from Related parties	Within 2 years	–
Company 2	1,623,876	7.15	Due from Related parties	Within 1 year	–
Company 3	1,083,020	4.77	Due from Related parties	Within 1 year	–
Company 4	1,058,251	4.66	Due from Related parties	1-3 years	–
Company 5	772,226	3.39	Due from Related parties	Within 1 year	–
Total	6,370,588	28.04			–

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments

	30 June 2021	31 December 2020
Subsidiaries	188,893,555	174,729,180
– Subsidiaries under direct control (1)	180,624,084	166,788,258
– Subsidiaries under indirect control (2)	8,269,471	7,940,922
Joint ventures (3)	6,659,702	6,420,211
Associates (4)	5,548,760	4,694,469
Subtotal	201,102,017	185,843,860
Less: Impairment allowance	(1,114,938)	(1,114,938)
Total	199,987,079	184,728,922

(1) Subsidiaries under direct control

For the six months ended 30 June 2021

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Overseas Holdings Limited	49,444,328	–	49,444,328	–
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	1,245,175
China Construction Second Engineering Bureau Ltd.	5,209,149	5,000,000	10,209,149	6,046,085
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	2,260,700
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	296,749
China Construction Fifth Engineering Bureau Ltd.	6,413,789	3,982,000	10,395,789	5,182,800
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	120,830
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	618,750
China Construction Eighth Engineering Bureau Ltd.	10,139,151	4,000,000	14,139,151	6,010,240
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	–
Shenzhen China Overseas Investment Management Co., Ltd.	301,537	–	301,537	–
Infrastructure Business of China State Construction	11,194,030	–	11,194,030	830
China State Construction Finance Co., Ltd.	7,924,554	–	7,924,554	205,605
China Construction America, Inc.	3,976,853	–	3,976,853	–
China State Construction Development Co., Ltd.	1,790,637	–	1,790,637	20,490
China Construction Liupanshui Infrastructure Investment and Development Co., Ltd.	800,000	–	800,000	–
China State Construction Thailand Co., Ltd.	656,107	–	656,107	–
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,881,906	–	2,881,906	–
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	76,000	596,630	42,440
China Construction Decoration Group Ltd.	548,375	–	548,375	32,310
China Construction Capital Holding Co., Ltd.	8,305,000	–	8,305,000	221,860
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	1,500,000	–	1,500,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	1,036,096	–	1,036,096	–
China Construction North Investment Co., Ltd.	903,981	–	903,981	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	1,700,000	–	1,700,000	61,180
Others	14,285,578	777,826	15,063,404	876,519
Total	166,788,258	13,835,826	180,624,084	23,242,563

XV. Notes to the Company's financial statements (continued)**3. Long-term equity investments (continued)****(1) Subsidiaries under direct control (continued)**

For the year ended 31 December 2020

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Overseas Holdings Limited	49,444,328	–	49,444,328	9,300,000
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	1,238,830
China Construction Second Engineering Bureau Ltd.	5,209,149	–	5,209,149	1,972,030
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	4,381,770
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	1,290,320
China Construction Fifth Engineering Bureau Ltd.	6,413,789	–	6,413,789	2,677,779
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	759,980
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	1,368,470
China Construction Eighth Engineering Bureau Ltd.	10,139,151	–	10,139,151	3,807,130
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	–
Shenzhen China Overseas Investment Management Co., Ltd.	3,601,537	(3,300,000)	301,537	–
Infrastructure Business of China State Construction	10,194,030	1,000,000	11,194,030	920
China State Construction Finance Co., Ltd.	4,724,554	3,200,000	7,924,554	162,064
China Construction America, Inc.	2,655,833	1,321,020	3,976,853	–
China State Construction Development Co., Ltd.	1,410,947	379,690	1,790,637	–
China Construction Liupanshui Infrastructure Investment and Development Co., Ltd.	800,000	–	800,000	–
China State Construction Thailand Co., Ltd.	656,107	–	656,107	3,984
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,641,967	239,939	2,881,906	91,280
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	–	520,630	75,120
China Construction Decoration Group Ltd.	548,375	–	548,375	53,380
China Construction Capital Holding Co., Ltd.	3,000,000	5,305,000	8,305,000	–
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	1,166,000	334,000	1,500,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	886,096	150,000	1,036,096	–
China Construction North Investment Co., Ltd.	903,981	–	903,981	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	1,200,000	500,000	1,700,000	57,010
Others	13,395,797	889,781	14,285,578	427,309
Total	156,768,828	10,019,430	166,788,258	27,667,376

XV. Notes to the Company's financial statements (continued)**3. Long-term equity investments (continued)****(2) Subsidiaries under indirect control**

For the six months ended 30 June 2021

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	53,600
China West Construction Group Co., Ltd.	942,264	–	942,264	13,963
China Construction Installation Engineering Co., Ltd.	837,305	–	837,305	17,922
CSCEC Technology and Engineering Co., Ltd.	739,664	–	739,664	60,280
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
CSCEC Strait Construction and Development Co., Ltd.	300,000	–	300,000	–
China Construction Tunnel Construction Co., Ltd.	300,000	–	300,000	–
China Construction Electric Power Construction Co., Ltd.	230,000	–	230,000	–
China State Construction Foshan Transportation Joint Investment Co., Ltd.	4,800	–	4,800	–
China Construction Overseas Development (Shanghai) Co., Ltd.	100,000	–	100,000	–
CSCEC Underground Space Co., Ltd.	100,000	–	100,000	–
China Construction Wuhan Construction Investment Co., Ltd.	60,000	(60,000)	–	–
China Construction Bridge Co., Ltd.	300,000	–	300,000	–
Others	2,079,457	388,549	2,468,006	–
Total	7,940,922	328,549	8,269,471	145,765

For the year ended 31 December 2020

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	49,270
China West Construction Group Co., Ltd.	942,264	–	942,264	13,188
China Construction Installation Engineering Co., Ltd.	837,305	–	837,305	3,370
CSCEC Technology and Engineering Co., Ltd. (Formerly known as China Construction Steel Structure Corp. Ltd)	739,664	–	739,664	56,770
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
CSCEC Strait Construction and Development Co., Ltd.	300,000	–	300,000	543,504
China Construction Tunnel Construction Co., Ltd.	300,000	–	300,000	–
China Construction Electric Power Construction Co., Ltd.	230,000	–	230,000	–
China State Construction Foshan Transportation Joint Investment Co., Ltd.	4,800	–	4,800	–
China Construction Overseas Development (Shanghai) Co., Ltd.	100,000	–	100,000	–
CSCEC Underground Space Co., Ltd.	100,000	–	100,000	30,800
China Construction Wuhan Construction Investment Co., Ltd.	60,000	–	60,000	–
China Construction Bridge Co., Ltd.	300,000	–	300,000	–
Others	250,690	1,828,767	2,079,457	–
Total	6,112,155	1,828,767	7,940,922	696,902

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(3) Joint ventures

For the six months ended 30 June 2021

	Opening Balance	Movement during the period				Closing Balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Others	
Zhaotong CSCEC Construction Investment Development Co., Ltd.	511,373	-	(3,654)	-	-	507,719
China Railway Construction Capital Construction Investment Co., Ltd.	425,007	(112,500)	-	-	-	312,507
CSCEC Road & Bridge Group Co., Ltd.	439,554	-	5,832	(284)	-	445,102
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	1,029,089	244,606	(52,233)	-	-	1,221,462
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	323,461	-	129	-	-	323,590
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	369,813	87,934	(4,192)	-	-	453,555
ASEC CEMENT SPA	243,777	-	(216)	-	(6,603)	236,958
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co., Ltd.	268,484	-	-	-	-	268,484
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	460,784	-	-	-	-	460,784
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,220	-	-	-	-	229,220
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	231,613	-	2,935	-	-	234,548
Xuzhou Metro Line Three Investment Development Co., Ltd.	386,000	-	-	-	-	386,000
CSCEC-Dacheng Construction Ltd	147,076	-	(3,333)	-	-	143,743
Qinghai Zhengping Jiaxi Highway Construction Co., Ltd.	294,000	-	-	-	-	294,000
Others	1,060,960	74,913	6,157	-	-	1,142,030
Total	6,420,211	294,953	(48,575)	(284)	(6,603)	6,659,702

2020

	Opening Balance	Movement during the year					Closing Balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
Zhaotong CSCEC Construction Investment Development Co., Ltd.	504,445	-	6,928	-	-	-	511,373
China Railway Construction Capital Construction Investment Co., Ltd.	500,023	(75,000)	(16)	-	-	-	425,007
CSCEC Road & Bridge Group Co., Ltd.	409,465	-	30,254	(165)	-	-	439,554
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	325,180	704,240	(331)	-	-	-	1,029,089
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	320,063	-	3,398	-	-	-	323,461
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	318,458	53,879	(2,524)	-	-	-	369,813
ASEC CEMENT SPA	289,048	-	(545)	-	-	(44,726)	243,777
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co., Ltd.	268,484	-	-	-	-	-	268,484
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	235,092	225,692	-	-	-	-	460,784
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,225	-	(5)	-	-	-	229,220
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	227,360	-	4,253	-	-	-	231,613
Xuzhou Metro Line Three Investment Development Co., Ltd.	100,000	286,000	-	-	-	-	386,000
CSCEC-Dacheng Construction Ltd	94,205	50,000	7,871	-	(5,000)	-	147,076
Qinghai Zhengping Jiaxi Highway Construction Co., Ltd.	58,800	235,200	-	-	-	-	294,000
Chongqing Rail Transit Line 9 Construction and Operation Co., Ltd.	-	-	-	-	-	-	-
Others	577,800	494,866	(61)	-	(11,645)	-	1,060,960
Total	4,457,648	1,974,877	49,222	(165)	(16,645)	(44,726)	6,420,211

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(4) Associates

For the six months ended 30 June 2021

	Opening balance	Movement during the period				Closing balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,662,658	95,000	(48,410)	-	-	1,709,248
Yunnan Huaili Expressway Investment & Development Co., Ltd.	1,185,000	376,094	-	-	-	1,561,094
Xuzhou Metro Line One Investment & Development Co., Ltd.	465,000	-	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	664,335	-	-	-	-	664,335
Anhui Province Yuehuang Expressway Co., Ltd.	224,000	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	95,174	(89,118)	-	-	-	6,056
Liyang Zhongjian Sander Environmental Management Co, Ltd.	146,140	-	149	-	-	146,289
Cangzhou Development Zone Beiqi Industrial Park Investment Center (LP)	28,967	-	465	(1,259)	-	28,173
Xinyu Ring Road Construction Investment Co., Ltd.	60,000	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	19,595	-	-	-	-	19,595
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co., Ltd.	19,600	-	-	-	-	19,600
Zhangzhou Zhan Environmental Technology Co., Ltd.	75,965	-	-	-	-	75,965
Urumqi Linkong Construction Infrastructure Co., Ltd.	-	4,900	-	-	-	4,900
Others	48,035	518,290	(1,620)	-	(200)	564,505
Total	4,694,469	905,166	(49,416)	(1,259)	(200)	5,548,760

2020

	Opening balance	Movement during the year				Closing balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,302,988	441,915	(82,245)	-	-	1,662,658
Yunnan Huaili Expressway Investment & Development Co., Ltd.	790,000	395,000	-	-	-	1,185,000
Xuzhou Metro Line One Investment & Development Co., Ltd.	465,000	-	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	450,000	214,335	-	-	-	664,335
Anhui Province Yuehuang Expressway Co., Ltd.	224,000	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	199,754	(106,053)	1,473	-	-	95,174
Liyang Zhongjian Sander Environmental Management Co, Ltd.	140,880	-	5,260	-	-	146,140
Cangzhou Development Zone Beiqi Industrial Park Investment Center (LP)	75,301	(46,000)	2,929	(3,263)	-	28,967
Xinyu Ring Road Construction Investment Co., Ltd.	60,000	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	19,727	-	(132)	-	-	19,595
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co., Ltd.	19,600	-	-	-	-	19,600
Zhangzhou Zhan Environmental Technology Co., Ltd.	19,000	57,000	(35)	-	-	75,965
Others	378,028	(328,072)	(404)	-	(1,517)	48,035
Total	4,144,278	628,125	(73,154)	(3,263)	(1,517)	4,694,469

XV. Notes to the Company's financial statements (continued)

4. Revenue and cost of sales

	For the six months ended 30 June 2021		For the six months ended 30 June 2020	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	47,680,054	45,952,755	40,678,728	39,714,307
Revenue from other operations	20,067	13,019	27,509	17,761
Total	47,700,121	45,965,774	40,706,237	39,732,068

Revenue is shown as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Revenue from contracts with customers	47,681,481	40,687,338
Rentals	18,640	18,899
Total	47,700,121	40,706,237

As at 30 June 2021 and 2020, the transaction price allocated to the unfulfilled or partially unfulfilled performance obligations is related to the progress of the corresponding contract, and will be recognised as revenue according to the progress of performance in the future performance period.

The breakdown of revenue generated by the contract with customers is as follows:

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Timing of revenue recognition		
Recognise revenue at a point in time		
Others	95,902	9,886
Recognise revenue over time		
Housing construction project	8,794,529	8,013,370
Infrastructure construction and investment	38,777,089	32,586,199
Others	13,961	77,883
Total	47,681,481	40,687,338

5. Investment income

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Investment income from disposal of long-term equity investments under equity method	23,388,328	23,422,476
Investment income from debt investments	206,646	240,910
Investment loss from disposal of long-term equity investments under equity method	(97,991)	(71,348)
Investment income from other equity instrument investments	55,838	4,004
Investment income obtained during the holding period of the held for trading financial assets	1,544	–
Total	23,554,365	23,596,042

The company has no major restrictions on the repatriation of investment income.

SUPPLEMENTARY INFORMATION

For the six months ended 30 June 2021

1. Statement of non-recurring profit or loss

	For the six months ended 30 June 2021
Gains from disposal of non-current assets	137,876
Government grants related with non-daily operations	61,000
In addition to the normal operation of the company's effective hedging business, Income/losses arising from changes in fair value and from disposal/redemption of the financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments	134,015
Interest income from loans to non-financial corporations	70,336
Reversal of the provision on receivables and contract assets for impairment on an individual basis	983,259
Investment income from disposal of subsidiaries	730
Other non-operating income and expenses than the above items	204,868
Subtotal	1,592,084
Impact on income tax	(331,083)
Subtotal	1,261,001
Impact on non-controlling interests (after tax)	(156,557)
Total	1,104,444

The group's recognition of non-recurring profit or loss items shall be carried out in accordance with the provisions of "Explanatory Notice of Corporate Information Disclosure of Public Securities Offering No. 1 – Non-recurring Profit or Loss" (CSRC Announcement No. [2008]43).

2. Return on net assets and earnings per share

For the six months ended 30 June 2021

	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	8.13	0.62	0.61
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	7.77	0.58	0.57

For the six months ended 30 June 2020

	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	6.98	0.47	0.46
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	6.53	0.43	0.43



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