



中國建築股份有限公司

CHINA STATE CONSTRUCTION ENGRG . CORP. LTD

2020

INTERIM REPORT

Stock Code: 601668.SH



Cover Photo: Huoshenshan Hospital of Wuhan



CORPORATE VISION

To be the investment and
construction group with the most
international competitiveness



COPRORATE MISSION

Expanding a happy
living environment

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CHINA SECURITIES REGULATORY COMMISSION
SHANGHAI STOCK EXCHANGE

The Company prepared its 2020 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 2020 Interim Report on the website of the Shanghai Stock Exchange (www.sse.com.cn).

IMPORTANT NOTES

- I. **The Company's Board of Directors, Board of Supervisors and Directors, Supervisors and Senior Management guarantee that information contained in the Interim Report is true, accurate and complete and does not contain any false representations, misleading statements or material omissions, and severally and jointly accept legal responsibility thereof.**
- II. **This Interim Report was passed at the 43rd meeting of the second 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 2020 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 Tian Wei, Head of the Accounting Office (Chief Accounting Officer) guarantee that the financial report set out in this 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. 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 "Potential risks" under Section IV "DISCUSSION AND ANALYSIS OF BUSINESS OPERATION" hereof.

X. 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

CSCEC/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	CSCEC 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)
CSCEC 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 CSCEC 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)
CSC International	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. (formerly known as China Construction Steel Structure Co., Ltd. (中建钢构有限公司))
China Construction Communications	China Construction Communications Engineering Group Co., Ltd. (中建交通建设集团有限公司)
China Construction Science & Technology	China Construction Science & Technology Co., Ltd. (中建科技有限公司)
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, 2020 to June 30, 2020

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
Postal code of the registered address	100037
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 details of changes during the Reporting Period	/

IV. 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 designated by CSRC 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 details of 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

	Name	Ernst & Young Hua Ming LLP (Special General Partnership)
Accounting firm engaged by the Company (domestic)	Office address	Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing, the 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 of last year	Change YoY (%)
Revenue	728,187,767	685,419,315	6.2
Profit before income tax	43,774,877	41,954,380	4.3
Net profit attributable to shareholders of the Company	19,839,785	20,308,445	-2.3
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	18,583,408	19,141,626	-2.9
Net cash flows from operating activities	-70,645,206	-82,896,698	/

	As at the end of the Reporting Period	At the end of 2019	Change (%)
Net assets attributable to shareholders of the Company	277,772,957	277,197,681	0.2
Total assets	2,175,448,096	2,034,451,929	6.9

(II) Key financial indicators

Key financial indicators	Reporting Period (January to June)	Same period of last year	Change YoY (%)
Basic earnings per share (RMB/share)	0.47	0.45	4.44
Diluted earnings per share (RMB/share)	0.46	0.45	2.22
Basic EPS (RMB/share) after deducting non-recurring profit or loss	0.43	0.42	2.38
Weighted average return on net assets (%)	6.98	7.52	-0.54 percentage points
Weighted average return on net assets after deducting non-recurring profit or loss (%)	6.53	7.06	-0.53 percentage points
Net assets per share attributable to ordinary shareholders (RMB/share)	6.38	5.54	15.16

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 (63) “Earnings per share” to the financial statements under Section X “FINANCIAL REPORT” hereof, 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/(losses) from disposal of non-current assets	12,763	/
Government grants recognised through profit or loss (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity)	55,236	Included in non-operating income
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	303,772	/
Reversal of the provision on receivables and contract assets for impairment on an individual basis	849,843	/
Investment income from disposal of subsidiaries	18,104	/
Losses from non-operating activities or occasional matters	67,456	/
Other non-operating income and expenses than the above items	432,594	/
Impact on income tax	-368,160	/
Impact on non-controlling interests (after tax)	-115,231	/
Total	1,256,377	/

X. Miscellaneous

Applicable N/A

SECTION III OVERVIEW OF BUSINESS OPERATIONS

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, CSCEC is a market leader in building construction engineering, infrastructure construction and investment, real estate development and investment, prospecting and design etc. CSCEC is the largest engineering contractor in the world, ranking 18th in Fortune Global 500. The Company ranked among top 3 on the list of Fortune China 500 for eight consecutive years, topped the list of Top 250 Global Contractors published by Engineering News-Record (ENR) for five consecutive years, and ranked among the top 10 in the list of "Top 250 International Contractors" for three consecutive years. CSCEC has been rated as Grade A by the SASAC of the State Council for 15 times in a row. 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, infrastructure and integrated urban construction. Featuring a "four in one" business model integrating planning and design, investment and development, infrastructure construction and building 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.

Tapped 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 R&D on technology of products, prospecting and design, real estate development, construction contracting and equipment manufacturing to property management. Among ultra-high-rise buildings above 300 meters tall in China, those technically sophisticated and structurally complicated are mostly built by CSCEC.

Among the 10 model enterprises selected by SASAC for the "World-class Enterprises Campaign", CSCEC is the only one engaged in a "perfectly competitive market". Its affiliate, the Second Construction Co., Ltd. of China Construction First Group Corporation Limited, is officially included in SASAC's "Two-hundred Campaign"; and China State Decoration is accredited as a pilot company for the fourth mixed-ownership reform of the National Development and Reform Commission (NDRC). In 2020, CSCEC made continuous efforts to transform itself into a world-class company, and continued to deepen reform as a state-owned enterprise (SOE). Guided by the "Three Leading Positions", "Three Pre-eminences" and "Three Models" standards set by SASAC, as well as the "Decision to Accelerate the Establishment of World-class Enterprises" and the "Implementation Plan of the World-class Model Enterprises Campaign", the Company further strengthened the scientific connotation of the strategic objectives of "one creation and five aspects of strength"¹ and clarified the great significance of proposing the strategic goal of "one creation and five aspects of strength". Furthermore, the Company comprehensively benchmarked world-class leaders in the industry, and focused on enhancing technological innovation, improving governance efficiency, deepening the reform as a SOE, integrating into national strategies, enhancing international operations, and accelerating digital transformation, promoting green development, cultivating and expanding new business, and enhancing the guidance of party building. In 2020, the Company has started the preparation of the "14th Five-Year Plan" in an all-round way, which will follow the guidance to "implement the new development concepts and adhere to high-quality development" in order to promote the adjustment of corporate structure, transformation and upgrading. Regarding "one creation and five aspects of strength" as the strategic goal of the "14th Five-Year Plan" to unify thinking and take lead in the future, CSCEC has accelerated "Two-hundred Campaign" reform and "mixed-ownership pilot campaign", pushed forward mixed-ownership reform, optimized its governance structure, and improved relevant incentive and restraint mechanisms, in line with its commitment to establishing CSCEC as a leading global conglomerate with strong value creativity, international competitiveness, industry leadership, brand influence and cultural soft power.

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 capability in value creativity, international competitiveness, industry leadership, brand influence and cultural soft power.

2020

Ranking **18**th
in Fortune Global 500

Ranking among top

3

on the list of
Fortune China 500 for
eight consecutive years

5

consecutive years
Topping the list of Top 250
Global Contractors
published by Engineering
News-Record (ENR) for

3

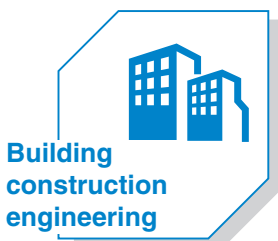
consecutive years
Ranking among the top 10 in
the list of "Top 250
International Contractors" for

15

times in a row
CSCEC has been rated as
Grade A by the SASAC of
the State Council for

A/A2/A (respectively)

The leading global rating agencies
i.e. S&P Global Ratings, Moody's
Investors Service and Fitch Ratings
affirmed CSCEC's ratings as



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, large, professional, cutting-edge, complicated 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 clients, and high-end projects” and an operation strategy prioritizing “low cost competition, and high-quality management”. We have constructed a large number of extremely challenging landmark projects ranging from skyscrapers, large public buildings, clean plants, hotels, hospitals to schools in the civilian and industrial construction sector, representing the highest standard of building 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 enhance the standards of ecological civilization and green development, reduce energy consumption, and create an excellent living environment for the public through industrialized, eco-friendly and intelligent construction, reinforcing people’s sense of gain, spiritual well-being and security.



Placing equal emphasis on construction and investment operations, we completed many 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, talent and management. In addition, the Company rapidly grows to be the best Chinese infrastructure financier and investor in reliance upon 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 and constructed numerous key national and regional projects, with long-term strategic partnerships in respect of infrastructure investment and construction established with a number of provincial, autonomous region, and direct controlled municipal governments and dozens of major cities. Furthermore, infrastructure facilities built by the Company can also be found in dozens of countries and regions worldwide, including North America, Central America, Hong Kong SAR, Macao SAR, Southeast Asia, North Africa, Central and West Africa, South Africa, Middle East, and Central Asia. 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” and for strengthening interconnection between China and countries covered by the Belt and Road Initiative (BRI). As a strong supporter of national strategies caring for the needs of people’s livelihood, CSCEC will continue to broaden its 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.


**Real estate
development
and investment**

China Overseas and CSC Land are the two real estate brands owned by CSCEC. 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 the Guangdong–Hong Kong–Macao Greater Bay Area (GBA), the Yangtze River Delta, the Beijing-Tianjin-Hebei Region and dozens of economically dynamic cities across the country. It boasts a well-established and balanced nationwide strategic business network. CSC Land is the brand used in the property business of the Company's branches. CSCEC has stepped up synergy between internal resources integration and business development to actively promote the vertical integration of a wide variety of operations ranging from investment, property development, design and construction to property operation and services. With excellent construction technology, advanced real estate development concepts and first-class property service quality, it has established a sophisticated investment operation and risk management system in the real estate field, which has formed a unique industrial chain competitive advantage. In addition, the Company has actively innovated products and business models, made a series of major breakthroughs focusing on the public's housing needs, and has been closely involved in the "New Urbanization" campaign to expand a happy living environment and build a more beautiful China.


**Prospecting
and design**

The prospecting and design business arm of CSCEC mainly consists of seven top-rated major prospecting and design service providers and affiliated design entities, with business covering architectural design, urban planning, engineering survey, public utility design, etc. The Company has established itself as a market leader in the construction of ultra-high-rise buildings, airports, hotels, sports facilities and exhibition venues and ancient architects. We currently have over 20,000 high-end technical professionals specializing in construction engineering and design, public utility engineering, engineering survey and geotechnical engineering, outranking all other market players. The Company has made outstanding contributions to development of the sector in terms of design originality, technology innovation and industry standards development.


**Overseas
operations**

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, the Company has accelerated capital operations such as mergers and acquisitions to drive a quantum leap in core business overseas. Adhering to the guiding principle of "prioritizing overseas markets", the Company has strengthened localized business management focusing on integration of resources, and has developed overseas business development strategies from a loftier vantage point and with a strong sense of responsibility to promote business globalization, in line with the objectives of the BRI.

(II) Overview of the industry

In 2020, the growth of China's construction sector decelerated amid an increase in market concentration, and overseas construction project contracting markets started to recover at a moderate pace. Sticking to the proactive fiscal policy, the state government has expanded effective investments, increased investment in strategic emerging industries, stepped up the transformation and upgrading of the construction industry, and promoted information technology (IT) applications in the construction industry on a comprehensive scale, with a shift of the focus to innovation and application of technologies toward the BIM, mobile internet, Internet of Things (IoT) applications, artificial intelligence (AI), big data, and cloud computing. Driven by IT applications, efforts have been made to push forward the "internet +" initiatives, and branch out into innovative construction business and emerging fields. Adhering to the "green development" strategy, the government has worked out a scientific and sound urbanization plan focusing on improving the ecological environment, developed 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.

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.

Steady and healthy development of the real estate market. In 2020, adhering to the regulatory policy that "houses are for living



A total demand for residential properties of

80 billion to 90 billion square meters



MOHURD has launched pilot projects in

15 cities

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 eighty billion to ninety 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 affordable housing and shanty town housing projects, and medical and healthcare, cultural and entertainment, sports and fitness facilities, opening up new opportunities for construction companies. The government has also promoted prefabricated building development and increased the proportion of prefabricated buildings, which is expected 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. In general, the property construction business will see solid development going forward. CSCEC has a proven track record of effective branding, management and technology development in the upscale property construction market, and is well equipped 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 eco-friendly investment, industry and technology platforms that promote Smart Buildings and construction industrialization (prefabricated and modular buildings) within the CSCEC system.

Momentum of infrastructure investment will recover. In 2020, the central government has made important deployment for the construction of urban agglomerations and central cities.

in, not speculation", the central government stepped up efforts to establish a multi-supplier and multi-channel 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. The regulatory policies show no signs of relaxation in the short term, 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 RMB1 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. The central government will ensure steady economic growth in the second half of 2020 by continuously ramping up countercyclical market regulation, and the real estate industry will achieve sound and healthy development guided by the market regulation policy of stabilizing land prices, housing prices and expectations. The COVID-19 outbreak has temporarily suppressed the demand for housing properties, but market demand will not disappear. City-specific real estate market policies will become more targeted and flexible, thus bringing opportunities in regional markets as well as "structural opportunities" across the "housing market system" and the "housing security system".

II. Explanation on Significant Changes in the Company's Major Assets during the Reporting Period

Applicable N/A

During the Reporting Period, there were no significant changes in the Company's major assets.

Among them: overseas assets amount to RMB212.0 billion, accounting for 9.7% of the total assets.

The above data of overseas assets has not been reviewed.

III. 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 is defined as follows:

(I) Market-oriented operating mechanism

As a main body of the market economy, CSCEC will always adhere to the market-oriented operating mechanism, to respect, abide by, adapt to and use 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 customers, and continuously retain and attract customers with high-quality products and value-added services. The Company will always adhere to the concept focused on performance, and pursue excellence in performance by clearly defining objectives, scientifically designing processes and strengthening efficient operations, as well as pursuing the growth at scale supported by profitability. With the efficient utilization and operation of resources, the Company will improve efficiency in turnover of assets, achieve return on assets higher than that of average level of the industry while vigorously promoting economies of scale, and continue to gain higher market share through steady growth. We always pay close attention to cash flow 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 service, and open up new markets, new business and new customer 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 expand a happy living environment.

(II) Direction of globalization

The Company has always been adhering to the international business philosophy, solidly promoting the high-quality development of overseas business, focusing on the integration of domestic and foreign resources, and is committed to becoming a multinational company that allocates resources globally and operates efficiently. To meet the needs of the international market, CSCEC has expanded the scale and accelerated the development through market-based operations, and achieved win-win development based with stakeholders through localized operations. In the face of changes in the global construction industry, CSCEC has always been guided by market demand, working out "CSCEC Solutions" and contributing "CSCEC Intelligence" to provide better solutions and create more value for its clients. The concept of globalization has promoted the Company's transformation from business "going global" to brand "going global". While bringing benefits to itself, the Company has enhanced the level of international management and improved the global talent team, which laid a solid foundation for participating in global competition and cooperation at a higher and deeper level.

(III) Relevant and diversified and vertically integrated expansion

Producing or offering products or services that can continue to secure, serve and satisfy customers, is an important guarantee for the long-term development of the Company. In terms of selecting products (or services), the Company has centered on the diversification based on its existing technological advantages and market advantages. The Company will continue to maintain its traditional advantages in prospecting and design, building 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 clients, and high-end projects", the Company continues to carry out "differentiation-oriented" market operations and competition. Through implementing the "differentiation" strategy, different subordinate enterprises within the Company focus on their respective market segments, either differentiating by professional (specialization), or by regional (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 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 unification of the second-level subordinate enterprises. The second-level subordinate enterprises 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 effectively avoiding 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

The management measures exerted by 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 work efficiency, 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 the standardization of management, technology and works. With the help of information technologies and through the "two integrations" of standardization and informatization, work efficiency is improved, and "bottom line management" is implemented to enhance product quality and reduce operating costs.

(VII) "People-oriented" human resource management

The Company firmly believes that human resource is one of its core competitiveness. For CSCEC, its competitive advantage is best reflected in its large number of talents who are dedicated to the Company and their careers, have faith in that the interests of the team are higher than those of the individuals, have a good knowledge of technology and management and are good at marketing with merits as self-discipline, self-motivation and self-development.

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. Through the full coverage of three aspects, namely career planning, education and training, as well as performance evaluation, the Company intends to establish a salary incentive mechanism that combines individual value creation and ability and shares the solid results of the development of enterprise, while strengthening the attraction and development of talents to better provide strong talent support to its development.

The Company will always adhere to the employment principle of having both ability and morality while deeming virtue as a priority. The Company believes that, "every individual has his/her shortcomings and strengths", and does not pursue perfect talents, but instead follows the concept of "employing people with strengths". The Company adheres to the "performance-based principle", and "evaluates 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, CSCEC 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 by means of internal credit, credit financing, equity financing and asset revitalization, thus forming an industry-financing integration mode with the characteristics of CSCEC. Leveraging 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 engaged, the Company has carried out domestic and overseas capital pooling, loan pooling, bank credit financing, bond financing, equity financing, structured financing, accounts receivable factoring, asset securitization, supply chain financing, financial 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, revitalizing 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 scientific and technological innovations have brought changes in our production and organization models, ensuring our leadership in cost control and providing support for economies of scale and speed to form solid competitiveness in key aspects. During the “13th Five-Year Plan” period, the Company took the lead in undertaking 10 national key R&D projects, ranking first among construction companies, 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 deepening the reform of the science and technology system, the Company improved the system of scientific research and results management, and incentives for R&D talents by granting scientific research personnel the authority to make decisions on the technical route, expanding the authority to adjust the scientific research budget of the undertaking unit, increasing the incentive 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 ultra-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. The Company gained strong scientific and technological strength in these fields, providing powerful impetus for the development of its housing construction, infrastructure, overseas and new business.

The Company has been increasing its investment in science and technology to reinforce the science and technology system. The landscape of innovation platform has taken shape, with 86 high-tech enterprises, 5 national-level technology centers (sub-centers), 59 provincial- and ministerial-level technology centers, and 31 provincial- and ministerial-level innovation platforms (i.e. 5 provincial- and ministerial-level engineering research centers, 23 engineering technology research centers, and 3 provincial- and ministerial-level key laboratories and engineering laboratories). In addition, 10 postdoctoral workstations and 16 other technology innovation platforms have been established. An innovative development mechanism led by independent innovation and combining industry, education and research has been put in place.

(X) Corporate culture: internalized in mind and externalized in practice

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” have been integrated into the rules and management behaviors as part of the soft power of the Company.

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

IV. 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. The Company ranked 18th in Fortune Global 500 and 3rd in Fortune China 500, topped the list of Top 250 Global Contractors published by Engineering News-Record (ENR) for five consecutive years, and ranked among the top 10 in the list of "Top 250 International Contractors" for three consecutive years. CSCEC brand ranked first in the industry in the China Brand Value Evaluation organized by the China Council for Brand Development, and ranked 17th in the "2020 China Top 100 Brand Value List". The Company was presented the 2020 Enterprise of the Year Award by Bosnia-Herzegovina's mainstream media Evening News in recognition of its great contribution to the progress of the Pan-European 5C corridor expressway project in the face of the pandemic, becoming the only foreign company among the winners.

CSCEC has maintained the world's highest credit rating in the industry for six consecutive years (S&P A/Moody's A2/Fitch A, with "stable" outlook). The Company became one of the "2020 High-quality and Integrity Enterprise in Foreign Contracting Projects" in the first selection under the cross-border RMB self-discipline mechanism in Beijing.

The Company has continued to strengthen its management in project safety. In 2020, a total of 62 domestic and foreign projects constructed by CSCEC won the International Safety Awards 2020 unveiled by British Safety Council, including 3 Distinction awards, 28 Merit awards and 31 Pass awards.

The Company continued to harvest in the high-level scientific and technological achievements and enhance its leadership in the industry. During the Reporting Period, the Company was granted 3,233 new patents, including 190 invention patents, and had 262 construction methods recognized at the provincial- and ministerial level. The Company prepared the "Technical Specification for Advanced Geological Forecast of Highway Engineering Tunnel (《公路工程隧道超前地质预报技术规程》)", which was included in the national highway industry standard preparation plan. The 249 scientific and technological achievements accomplished by its subsidiaries have been evaluated, 88 of which, including the "Research and Practice of Construction Engineering Technology for Reuse of Abandoned Mine", have reached the international advanced level and above.

SECTION IV DISCUSSION AND ANALYSIS OF BUSINESS OPERATION

I. Discussion and Analysis of Business Operation

In the first half of 2020, the COVID-19 pandemic brought an unprecedented impact on global economic and social development. Despite increasing downward pressure on China's economy, the phased achievements of pandemic prevention and control as well as stable and orderly economic and social development have guaranteed continued resumption of production and supply, gradual rebound of market demand, strengthened market confidence and steady recovery of national economy. From January to June 2020, China's total investment in fixed assets (excluding rural households) was RMB28.16 trillion, representing a year-on-year decrease of 3.1%; the investment in real estate development was RMB6.28 trillion, representing a year-on-year increase of 1.9%; commercial housing sales in terms of value stood at RMB6.69 trillion, representing a year-on-year decrease of 5.4%; commercial housing sales in terms of floor area totaled 694.04 million square meters, representing a year-on-year decrease of 8.4%; the total output value of the construction industry was RMB10.08 trillion, representing a year-on-year decrease of 0.8%.

In the first half of 2020, when confronted with the sudden outbreak of COVID-19, the Company earnestly implemented the decision-making and deployment of the Central Committee of the Communist Party of China and the State Council as well as the work requirements of the SASAC of the State Council, worked together to overcome difficulties, and coordinated the pandemic prevention and control and business development. During the Reporting Period, the Company adhered to the general principle of improving quality and efficiency, enhancing management, advancing reforms, continuing innovation, actively turning crises into opportunities and looking for opportunities in crises. Under the pressure in the preliminary stage, all business showed a good sign of recovery. In general, the Company encountered extremely unusual challenges in the first half of 2020. All operating results were hard-won.

- 1. The pandemic prevention and control have achieved remarkable results.** When the COVID-19 was raging in early 2020, the Company was entrusted with a mission at a critical stage to build two emergency hospitals for pandemic prevention and control, being "Huoshenshan Hospital" and "Leishenshan Hospital" under extreme conditions. With strong supply chains, rapid construction service capabilities, and systematic prefabricated construction technologies, the Company successfully accomplished this mission. It also organized the compilation and release of relevant standard documents and key technological achievements, filling the technical gaps in the rapid construction of emergency hospitals in China. In the first half of 2020, the Company has built a total of 127 emergency engineering projects across Mainland China, Hong Kong SAR, Macao SAR, Singapore and other places, fully demonstrating the China Speed and China Power. In addition, we adhered to the principle that our employees' life safety and physical health come first, and always fulfilled our responsibilities. No cluster outbreak occurred at any of our institution or project site at home and abroad, and the life safety and physical health of the Company's employees were well protected.
- 2. Active and promising market exploration.** The Company continued to do a good job in marketing and project management, strengthened the connection with high-end regional markets, and the scale of orders increased steadily. During the Reporting Period, the value of new contracts increased by 5.2% year-on-year to RMB1,510.1 billion. Specifically, the housing construction business developed steadily, with the value of new contracts reaching RMB1,061.7 billion, representing a year-on-year increase of 2.6%; the value of new contracts for infrastructure business was RMB261.0 billion, representing a year-on-year increase of 23.6%; the value of new contracts for prospecting and design business was RMB6.8 billion, representing a year-on-year increase of 23.2%; the contract sales of real estate business amounted to RMB180.7 billion, representing a slight decrease of 1.9% year-on-year.
- 3. Steady progress in operating performance.** During the Reporting Period, the Company achieved continuous growth in revenue and profit before income tax with continued sound and stable business development. It achieved revenue of RMB728.2 billion, representing a year-on-year increase of 6.2%, and profit before income tax of RMB43.77 billion, representing a year-on-year increase of 4.3%. The weighted average return on net assets (WARA) was 6.98%; the basic earnings per share (EPS) was RMB0.47, representing a year-on-year increase of 4.4%; financial risks were overall controllable with an eased pressure on cash flows. At the end of the period, the asset-liability ratio was kept at 75.95%, representing a year-on-year decrease of 0.59 percentage points.
- 4. Strong national strategic services.** During the Reporting Period, the Company actively engaged in the national and regional coordinated development strategies such as the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the construction of the GBA, and the integrated development of the Yangtze River Delta. By taking advantages of its nationwide development strategy and concentrating on high-quality resources to make breakthroughs, the Company obtained from the above areas a total of RMB927.5 billion in value of new contracts, accounting for more than 60% of the total value of new contracts; the Company has actively responded to local development strategic plans, strengthened exchanges with senior officers of Shanghai, Jiangsu, Jiangxi, Chongqing, and other provinces and cities, promoted cooperation with State Grid, China Post, China Rong Tong, The Export-Import Bank of China and other corporations and institutions, and realized the coordinated development of enterprises and regional economies.

- 5. In-depth advancement on the reforms and governance.** China Construction Science and Industry and China Construction Science & Technology became the “Innovative Technology Reform Demonstration Enterprise” of the SASAC of the State Council, and initiated and implemented reform ideas and measures. As a unit selected by the SASAC of the State Council for the “Two-hundred Campaign”, the Second Construction Co., Ltd. of China Construction First Group Corporation Limited has achieved substantial results in market-oriented debt-to-equity swaps, optimization of business structure and improvement on operating efficiency. As a pilot company for the fourth batch of mixed-ownership reform of the National Development and Reform Commission (NDRC), China State Decoration optimized and adjusted the overall planning of the mixed-ownership reform, refined and improved the implementation plan, and further broadened the introduction channels of strategic investors. New progress has been made in the reform of the personnel system, and the tenure incentive pilot has been implemented in five secondary units. During the Reporting Period, the Company actively implemented the concept of rule of law, studied the new Securities Law in details, maintained insurance for directors, supervisors and senior management, and continued to improve corporate governance, so as to enhance its ability to prevent and resolve risks, improve the efficiency of corporate governance by law, and promote high-quality development of the Company.
- 6. Continuous breakthroughs in technological innovation capabilities.** The Company actively explores fields such as prefabricated construction, rapid construction, and smart construction to lay the foundation for the expansion of emerging business areas and industrial transformation and upgrading. The Company is one of the first central enterprises in the industry to conduct prefabricated construction business. It has a wide presence in steel structure, precast concrete, etc., and has a competitive advantage in the entire industry chain from design to construction. The production capacity of the Company’s steel structure exceeds 1.2 million tons. The Company’s precast concrete business adheres to the five-in-one business model to drive the development of EPC. It has an advanced fully automatic smart precast factory in China, and has developed and established a green prefabricated building smart construction platform with proprietary intellectual property rights. The total design capacity of prefabricated components reaches 4 million cubic meters per year, which can support the construction of nearly 50 million square meters of buildings. In the field of smart construction, the Company has established a city-level smart parking cloud platform, piloted China’s first 5G smart construction site, and incorporated new technologies into the Company’s development. Meanwhile, the Company has continued to strengthen its advantages in top engineering construction business in the industry, including ultra-high-rise buildings, large-span space structures, and has made further breakthroughs in the R&D and manufacturing of major equipment, large-scale bridge construction technology and other fields. Many technologies such as the factory-style “residential building machine” and super-heavy bridge turning construction have been practically applied in projects, providing favorable support for the Company to consolidate its position in the high-end market.
- 7. A responsible corporate citizen.** The Company’s all three targeted poverty-alleviation counties in Gansu have been lifted from poverty, and the Company has won the highest award in the central unit’s targeted poverty alleviation assessment for three consecutive years. The Company hired more than 26,000 college graduates, and organized 2,000,000 migrant workers to return to work. The Company thoroughly implemented the “Regulation on Ensuring Wage Payment to Migrant Workers” of the State Council and paid migrant workers’ wages in full. It maintained “zero arrears” by paying private enterprise as agreed, reduced or exempted rents, and exempted highway tolls, so as to support small, medium and micro enterprises and individual industrial and commercial households to tide over the difficulties.

The second half of 2020 will be a critical period in the countdown to China’s decisive battle against poverty and decisive victory in building a moderately prosperous society in all respects. It is also a critical period for the Company to successfully complete its “13th Five-Year Plan” and launch the “14th Five-Year Plan”. CSCEC will pay close attention to changes in the domestic and foreign macroeconomic developments, grasp the new development pattern in which the domestic big cycle dominates and the domestic and international double cycles reinforce each other. It will carefully plan the Company’s “14th Five-Year” strategic plan, and follow the decision-making and deployment of the Central Committee of the Communist Party of China and the State Council to coordinate and promote pandemic prevention and control as well as production and operation, do a solid job of “six stabilities”, and fully complete the “six protections” task. The Company will break new ground in crises and seek new opportunities amidst changes to effectively enhance its ability to compete, innovate, control, influence and resist risks.

Key Business Data

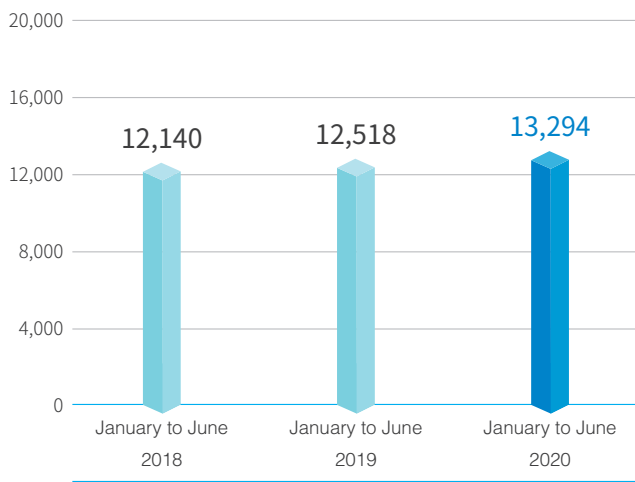
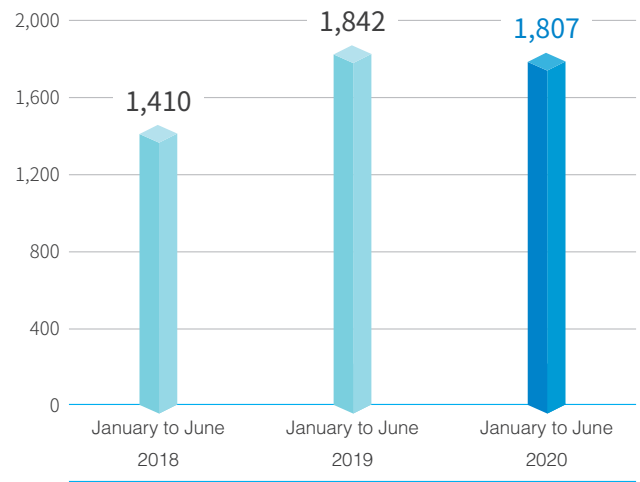
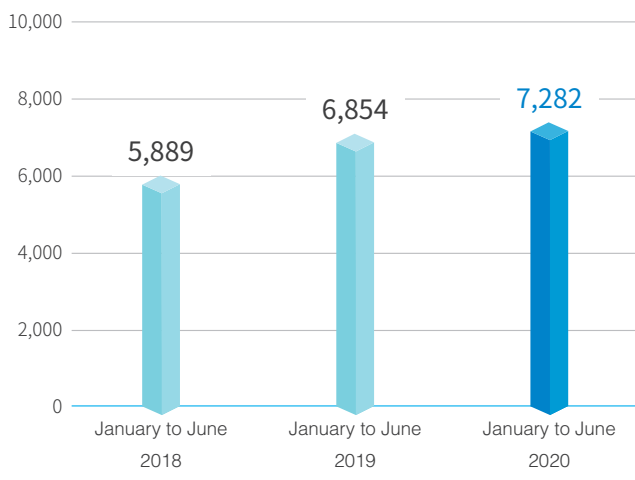

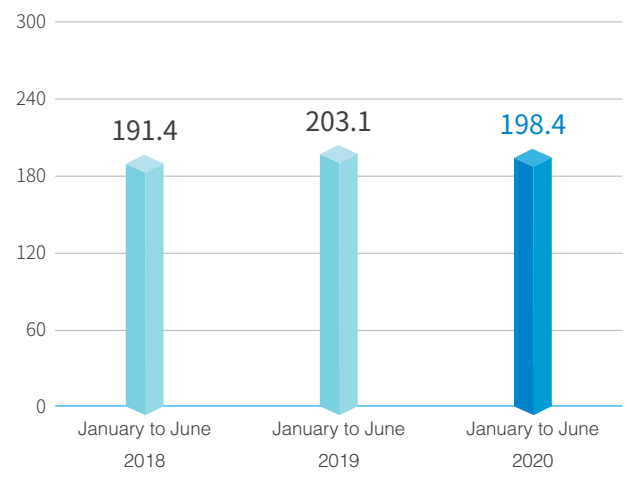
Item	Unit	2020 (January to June)	2019 (January to June)	Growth YOY (%)
Total value of new contracts	RMB100 million	15,101	14,360	5.2
I. Construction business				
(I) Accumulative value of new contracts during the period		13,294	12,518	6.2
By industry				
1. Housing construction		10,617	10,351	2.6
2. Infrastructure	RMB100 million	2,610	2,112	23.6
3. Prospecting and design		68	55	23.2
By region				
1. Domestic		12,312	11,691	5.3
2. Overseas		982	827	18.8
(II) Area of housing construction projects square meters		/	/	/
1. Accumulative area under construction	Ten thousand square meters	135,951	125,550	8.3
2. Accumulative area of new construction projects		16,128	18,054	-10.7
3. Accumulative area of completed construction		6,225	9,122	-31.8
(III) Area of infrastructure projects	/	/	/	/
1. Road (newly signed in China)	Kilometers	1,614	1,753	-7.9
2. Area (newly signed in China)	Ten thousand square meters	1,586	1,412	12.3
II. Real estate business				
(I) Contract sales during the period		1,807	1,842	-1.9
Of which: China Overseas ^①	RMB100 million	1,441	1,411	2.1
(II) Contract sales area during the period		1,006	1,027	-2.1
Of which: China Overseas	Ten thousand square meters	712	684	4.0
(III) Subscription sales at the end of the period	RMB100 million	147	349	-57.8
(IV) Average selling price during the period	RMB/square meter	17,961	17,932	0.2
(V) Land reserve at the end of the period ^② (Full amount)		12,061	11,206	7.6
Of which: China Overseas	Ten thousand square meters	6,372	6,789	-6.1
(VI) Purchase of land reserve (Full amount)		908	684	32.7
Of which: China Overseas	Ten thousand square meters	582	464	25.5

Note: ^① China Overseas refers to the real estate business that China Overseas Land & Investment and its subsidiaries are engaged in, but does not include 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 –) area of projects being adjusted.

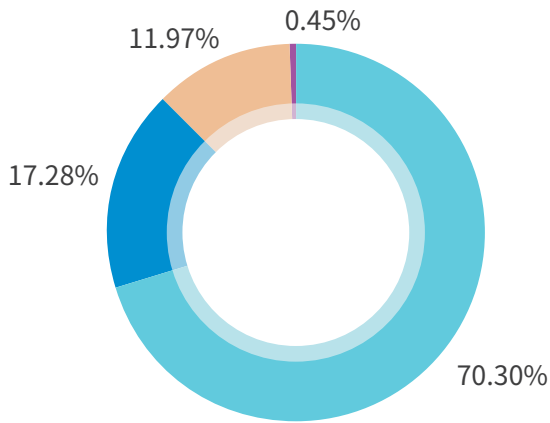
- Key Earnings Results

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


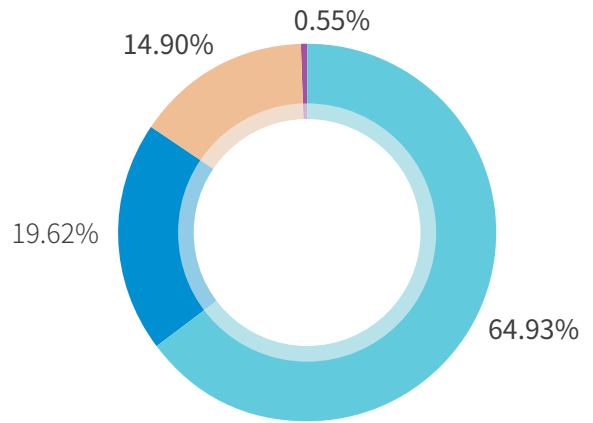
Unit: 100 million yuan Currency: RMB

Proportion of new contract value



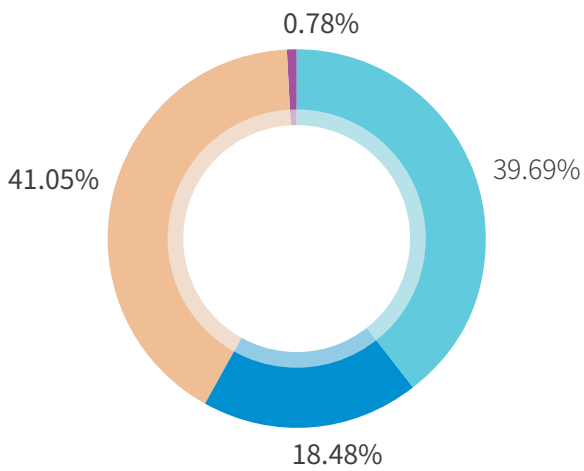
■ Housing construction ■ Infrastructure ■ Real estate ■ Design

Proportion of segment revenue_{note}



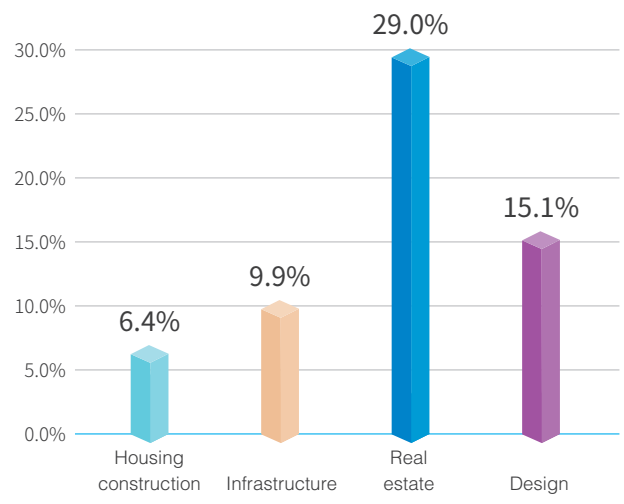
■ Housing construction ■ Infrastructure ■ Real estate ■ Design

Proportion of gross profit by segment_{note}



■ Housing construction ■ Infrastructure ■ Real estate ■ Design

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).

II. 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	728,187,767	685,419,315	6.2
Cost of sales	648,379,173	616,000,792	5.3
Selling and distribution expenses	2,124,147	1,864,834	13.9
General and administrative expenses	13,581,970	12,810,447	6.0
Finance expenses	6,461,400	4,156,356	55.5
Research and development expenses	8,999,961	3,264,383	175.7
Net cash flows from operating activities	-70,645,206	-82,896,698	/
Net cash flows from investing activities	-12,063,588	-12,437,490	/
Net cash flows from financing activities	65,178,654	50,348,314	29.5

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 the business scale will lead 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 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: The increase in interest expenses and exchange losses.

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

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 investment activities: It was primarily due to the decrease in cash paid for investment and other cash paid for 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 absorbing investment, borrowing and bond issuance in the current period.

2. Miscellaneous

(1) Detailed explanation on major changes in the Company's profit composition or source of profit

Applicable N/A

(2) Miscellaneous

Applicable N/A

(II) Analysis of business by segment

Unit: '000 yuan Currency: RMB

Principal business by industry						
By industry	Revenue	Cost of sales	Gross margin (%)	Change YoY of revenue (%)	Change YoY of cost of sales (%)	Change YoY of gross profit margin (%)
Building construction engineering	478,527,534	-447,693,163	6.4	7.5	5.9	1.4 percentage points increased
Infrastructure construction and investment	144,560,454	-130,208,084	9.9	2.9	1.6	1.2 percentage points increased
Real estate development and investment	109,815,090	-77,921,243	29.0	12.4	18.4	3.6 percentage points decreased
Prospecting and design	4,021,101	-3,413,440	15.1	-20.3	-19.1	1.2 percentage points decreased
Others	8,517,404	-5,394,976	36.7	-7.6	-16.1	6.4 percentage points increased
Elimination	-17,253,816	16,251,733	/	/	/	/
Total	728,187,767	-648,379,173	11.0	6.2	5.3	0.9 percentage points increased

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 (%)
Mainland China	690,298,352	-612,852,048	11.2	8.1	7.1	0.8 percentage points increased
Overseas ^{Note}	37,889,415	-35,527,125	6.2	-19.5	-19.2	0.4 percentage points decreased
Total	728,187,767	-648,379,173	11.0	6.2	5.3	0.9 percentage points increased

Note: "Overseas" refers to regions other than Mainland China.

- **Building construction engineering business**

During the Reporting Period, the housing construction business continued to grow and maintained the leading position in the high-end markets. The total value of new contracts was RMB1,061.7 billion, an increase of 2.6% year-on-year with revenue at RMB478.5 billion, an increase of 7.5% year-on-year; the gross profit was RMB30.83 billion, with a gross margin of 6.4%, an increase of 1.4 percentage points year-on-year.

During the Reporting Period, the Company's advantages in high-end housing construction such as medical buildings, conference and exhibition centers, sports facilities, warehousing and logistics compound have become more prominent. In terms of medical construction, the value of new contracts totaled RMB43.79 billion, a year-on-year increase of 81.2%; in terms of conference and exhibition centers, it won the bid for National Convention and Exhibition Center (Tianjin) Phase II, Xi'an High-tech International Convention Center Phase II, Zhejiang Ningbo International Convention Center and other large-scale projects; in terms of sports facilities, the 2022 Winter Olympics "Ice Arena" project undertaken by the Company became the first new stadium for Beijing Olympics Games completed this year. In addition, the Company actively participated in the construction of new urbanization, undertook the construction project of resettlement housing in Liujia Panlong Village, Guandu District, Kunming, the construction of resettlement housing group project in Rongdong area of Xiong'an, and the construction of youth training center and convenience service center in Suiyang District, Shangqiu City.

During the Reporting Period, the Company leveraged its technological leadership in the field of housing construction and increased the application of green buildings, BIM technology, and new materials. The Company maintained its leading advantages in green construction, smart construction, and building industrialization. It has made thorough R&D on management and control software systems for intelligent construction sites and intelligent construction, integrating 5G technology into the construction of quality projects, and providing support for the perfect performance of the project through digital service models. The "JD Headquarters Phase II Project" undertaken by the Company, which launched China's first 5G intelligent construction site, has attracted widespread attention from the society. The "one-stop security remote inspection system" independently developed by the Company has seamlessly combined with 5G technology and smart helmets to improve the efficiency of safety inspections. The self-developed technologies "blockchain-based quality traceability in the whole process" and "key equipment, technology and engineering application for digital manufacturing of building steel structures" have reached the international leading level according to evaluation.

- **Infrastructure construction and investment operations**

During the Reporting Period, the Company achieved continuously stable growth in the revenue and efficiency of its infrastructure business. The value of new contracts for infrastructure business was RMB261.0 billion, an increase of 23.6% year-on-year; it recorded revenue of RMB144.6 billion, an increase of 2.9% year-on-year; and achieved gross profit of RMB14.35 billion, an increase of 16.8% year-on-year. The gross profit margin was 9.9%, an increase of 1.2 percentage points year-on-year.

During the Reporting Period, the Company actively responded to market changes, vigorously promoted infrastructure contracting business, steadily carried out investment business in the infrastructure field, and won the bidding for a number of major infrastructure construction projects. In terms of rail transit, the Company won the bidding for Chengdu Rail Transit Line 27 Phase I, the east extension of Changchun Rail Transit Line 2, and the northeast section of Zhengzhou Rail Transit Line 6 Phase I; for highway, it won the bidding for Xinjiang Uygur Autonomous Region Trunk Highway (Qinghe to Fuyun to Altai section); as to airport construction, it won the bidding for the Hohhot New Airport Terminal Section A Project, Baiyun Airport Phase III Expansion Project and Surrounding Airport Economic Industrial Park Phase I Project; in the field of bridge construction, it won the bidding for the Xianyang Cross-Weihe Bridge and Taiping Bay Shugang Highway Cross-sea Bridge, etc.; and in the field of smart parking, it won the bidding for the smart parking project of Shenzhen New Energy Bus Integrated Station.

During the Reporting Period, the Company closely followed the national development strategy and policies, optimized infrastructure investment projects, and won the bidding for the PPP project (section B) of reconstruction and expansion in the northern area of Urumqi Diwopu International Airport, and the PPP project in Zhangjiagang Comprehensive Bonded Zone in Jiangsu Province, and other large-scale infrastructure investment projects, contributing "CSCEC Power" to bolster areas of weakness in the field of national infrastructure construction. The Shanghai-Suzhou-Nantong Railway undertaken by the Company was put into operation, boosting the integrated development of the Yangtze River Delta; Qingdao Metro Line 8, Zhengzhou Metro Line 3, Xuzhou Metro Line 3, Nanchang Changnan Avenue, Guangxi Dapu Expressway and other key projects have completed the milestone construction work as scheduled. In addition, the Taihangshan Expressway Shimen Super-Large Bridge Project, Beijing-Shanghai Expressway Jinan Connection Line, Taizhou Coastal Expressway undertaken by the Company won the "Steel Structure Gold Award in China", the "Taishan Cup (泰山杯)" (the award for the construction project of highest quality in Shandong Province), the "Qianjiang Cup (钱江杯)" (the award for construction project of highest quality in Zhejiang Province) and other awards.

- **Real estate development and investment business**

During the Reporting Period, the Company adhered to the strategy of "prudent land acquisition, high turnover, and capital protection", and the real estate business continued to achieve sound development. The real estate business of the Company achieved contract sales of RMB180.7 billion, representing a year-on-year decrease of 1.9%; the contracted sales area of 10.06 million square meters, representing a year-on-year decrease of 2.1%; the revenue of RMB109.8 billion, representing a year-on-year increase of 12.4%; and the gross profit of RMB31.89 billion with a gross profit margin of 29.0%, representing a year-on-year decrease of 3.6 percentage points.

During the Reporting Period, the Company realized a new construction area of 13.03 million square meters, representing a

year-on-year increase of 40.7%; and an area under construction of 81.84 million square meters, representing a year-on-year increase of 25.5%. The newly acquired land banking was 9.08 million square meters, and the land banking at the end of the period was approximately 120.61 million square meters. Over 70% of the Company's real estate inventory is concentrated in first-tier and provincial capital cities.

During the Reporting Period, in light of the policy environment and policy changes, the Company adjusted its business strategy in a timely manner, expanded its business models to include rental housing and shared property housing, and expanded business areas to commerce, pension and education, to continuously improve the management and profitability of asset operations. After years of development, the Company currently owns 11.54 million square meters of investment properties encompassing office buildings, hotels, apartments, commercial real estate and others, with a net book value of RMB88.51 billion, accounting for 4.1% of the Company's total assets and concentrating in first- and second-tier cities and economically developed provinces.

During the Reporting Period, China Overseas achieved growth in contract sales and sales area despite a loss of nearly two months for development, construction and sales. In terms of commercial properties, China Overseas overcame the severe impact of the COVID-19, seized the opportunity for market integration effect and commercial asset revaluation to advance the full-cycle management of "investment, financing, management and exit" in commercial assets. It sold Block H office building of China Overseas International Center in Chengdu, and acquired Foshan Vivo City Shopping Center with a total GFA of 130,000 square meters, and continued to accumulate high-quality commercial assets.

For details, please refer to "Real estate development costs", "Real estate development products" in Note V. (8) "Inventories", and "Pre-sale deposits" in Note V. (29) "Contract liabilities" to the financial statements under Section X "FINANCIAL REPORT" hereof.

- **Prospecting and design business**

During the Reporting Period, the Company's prospecting and design business maintained a sound growth momentum. The value of new contracts amounted to RMB6.8 billion, representing a year-on-year increase of 23.2%. It achieved revenue of RMB4.02 billion, representing a year-on-year decrease of 20.3%; and gross profit of RMB610 million with gross profit margin of 15.1%, representing a year-on-year decrease of 1.2 percentage points.

During the Reporting Period, the Company continued to promote the building of a design-centered industrial chain, actively expanded its engineering consulting business, and built a design industry system with full-field coverage, full-process services, full-value chain, and full-element growth. The Company's prospecting and design business adhered to the idea of consolidating and expanding the advantages of its main design business, and its original design capabilities have been continuously enhanced. In addition, it vigorously strengthened the construction of specialization and cultivated characteristic business sectors. During the Reporting Period, the Company won the bid for five projects in Xiong'an New District in a row, including the prospecting and design of resettlement houses in the southern part of Anzhou characteristic town, and the urban architectural style design of the guide block (B4 bid section) in Xiong'an New District, Hebei, to contribute to the millennium plan. The Company undertook the design of Chongqing Jiangbei International Airport T3B terminal project, Xi'an Xianyang International Airport Phase III project, Xining Caojiabao Airport Phase III expansion project and Yulin Yuyang Airport Phase II expansion project, further highlighting the Company's competitiveness in the field of original design of large-scale hub airports.

- **Overseas business**

During the Reporting Period, the value of new contracts for overseas business was RMB101.0 billion, representing a year-on-year increase of 11.8%, with revenue of RMB37.9 billion, representing a year-on-year decrease of 19.5%. The decrease was mainly due to the outbreak of COVID-19 in many countries around the world, which had a certain impact on overseas production and operations.

During the Reporting Period, the Company steadily expanded overseas markets and signed a series of new major projects, including Studio City project in Macao, the new Phnom Penh International Airport terminal project in Cambodia, the 700-bed CHU hospital project in Algiers, Algeria and the infrastructure of Bulim Square (Phase I) in Singapore and so on. In addition, the Company made every effort to ensure project performance under the premise of preventing and controlling the pandemic. During the Reporting Period, the Company made important progress in the construction of Egypt's new capital's central business district project, with the first high-rise building to achieve structural ceiling; key projects under the BRI including the extension of the southern expressway of Sri Lanka's transportation and economic artery, and the largest social housing project in Maldives with 7,000 social housing have been completed ahead of schedule.

During the Reporting Period, the Company won worldwide acclaim as it actively fulfilled its overseas social responsibilities, and worked with the host country to fight the pandemic by making foreign donations and undertaking overseas emergency medical security projects. The Company helped the local government to fight the pandemic and completed the construction of a residential facility that can accommodate 800 foreign workers in just 22 days, which has improved the living conditions of local foreign workers and is highly appreciated by the local government and people.

- **Other businesses**

Other businesses of the Company mainly include the income from primary land development, lease of machinery equipment and engineering supervision and management. During the Reporting Period, the Company's revenue was RMB8.5 billion, a decrease of 7.6% year-on-year; the gross profit amounted to RMB3.12 billion, with a gross profit margin of 36.7%, an increase of 6.4 percentage points year-on-year.

For details, please refer to Note V (49) "Revenue and cost of sales", Note V (61) "Expenses by nature" and Note XIV "Segment Information" to the financial statements under Section X "FINANCIAL REPORT" hereof.

(III) Operating investment business

During the Reporting Period, the Company completed an investment of RMB153.6 billion, a decrease of 4.5% year-on-year, which was mainly due to the slowdown in the construction progress of some investment projects under the impact of COVID-19, resulting in a year-on-year decrease in the completed investment amount. In order to ensure the stable development of investment business, the Company will continue to promote production and operation under normalized pandemic prevention and control to reduce the adverse impact of COVID-19 on investment business.

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	1,125	73.2	-5.6
Investment in infrastructure and housing construction	347	22.6	-0.3
Comprehensive urban development	59.5	3.9	-0.5
Fixed assets and other investments	4.6	0.3	-31.3
By continuity of projects			
Continued investment projects	1,200	78	2.1
New projects in 2020	336	22	-22.6
Total	1,536	100	-4.5

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 RMB112.5 billion, a year-on-year decrease of 5.6%; payback of investment return was RMB116.7 billion, a year-on-year decrease of 7.9%; and ratio of investment to income was 104%, a year-on-year decrease of 2 percentage points.

2. Business of investment in infrastructure and housing construction

During the Reporting Period, the amount of investment in infrastructure and housing construction of the Company's real estate development business reached RMB34.7 billion, a year-on-year decrease of 0.3%; payback of investment return was RMB16.7 billion, a year-on-year increase of 8%; and the income to expenses ratio of investment was 48%, a year-on-year increase of 3 percentage points.

3. Comprehensive urban construction business

During the Reporting Period, the amount of investment of the Company's comprehensive urban construction business reached RMB5.95 billion, a year-on-year decrease of 0.5%; payback of investment return was RMB5.3 billion, a year-on-year increase of 68%; and the income to expenses ratio of investment was 89%, a year-on-year increase of 36 percentage points.

4. Investment and construction in key regions

The Company resolutely implements the major decision-making and deployment of the Central Committee of the Communist Party of China and the State Council, takes the responsibility as a central enterprise around major national strategic planning and deployment, actively practices regional coordinated development strategies, and is deeply involved in the investment and construction in key national areas such as the Beijing-Tianjin-Hebei Region, the Yangtze River Economic Belt, and the GBA. During the Reporting Period, the amount of investment of the Company in the Beijing-Tianjin-Hebei Region, Yangtze River Economic Belt and the GBA reached RMB101.9 billion, representing 66.3% of the Company's overall investment.

5. Development of PPP business

In accordance with the relevant national requirements for the standardized development of PPP business, the Company closely followed the national policy guidance, comprehensively cleared up and rectified existing PPP projects, maintained reasonable control of the scale of PPP, and adhered to the high-quality development of PPP business. As of the end of June 2020, the Company has 374 PPP projects under implementation, with a planned investment of RMB619.2 billion. The fields involved include municipal engineering, transportation, comprehensive development of towns and industrial parks, ecological construction and environmental protection.

The Company attaches great importance to the operation and management of PPP, upholds the core

concept of "operation-centered and performance-oriented" and focuses on project operation management in the life-cycle management of the Company's PPP business. As of the end of the Reporting Period, the operational performance evaluation of the Company's PPP projects which has entered the operating phase delivered satisfactory result, providing a solid guarantee for investment returns. Through the PPP business, the Company has invested in a number of major landmark projects related to the national economy and people's livelihood, which has strongly promoted the Company's steady growth and structural adjustment. The goal is to help the Company to develop from a company which is solely engaged in housing construction business to the world's largest investment and construction conglomerate, and enhanced the brand influence of CSCEC.

(IV) Operating status of the professional sectors

The Company has been implementing the "specialization" strategy for ten years, during which the development of its specialized sectors has continued to maintain a good momentum. Accelerating business development, enriching specialized corporate culture and improving professional strength provided solid support for CSCEC to develop its capabilities in full business areas, full life cycles, and full industry chain. During the Reporting Period, these specialized sectors achieved a total value of new contracts of RMB227.94 billion; the revenue was RMB156.89 billion, a year-on-year decrease of 6.9%; the gross profit was RMB9.64 billion, a year-on-year decrease of 22.4%; and the operating profit was RMB4.18 billion, a year-on-year decrease 36.8%.

Unit: 100 million yuan Currency: RMB

Item	Name of sector	Amount of new contracts	Revenue for 2020 H1	YoY Increase (%)	Gross profit for 2020 H1	YoY Increase (%)	Operating profit for 2020 H1	YoY Increase (%)
Cross-sector	Installation	198.3	281.2	-3.5	4.0	-75.6	0.2	-98.1
	Steel structure	32.8	114.7	6.0	4.4	-40.1	1.5	-45.4
	Commercial concrete	250.8	96.0	-9.2	10.4	0.6	4.4	6.5
Housing construction	Decoration	180.0	172.8	8.5	7.2	-43.7	4.9	25.2
	Gardening	8.5	10.7	20.8	0.8	10.0	0.4	30.7
Infrastructure	Municipal projects	530.1	335.7	-8.1	27.8	-18.3	9.9	-46.0
	Railways	116.1	52.2	-6.8	1.9	/	0.7	/
	Rail transit	528.6	124.4	-1.4	8.2	-10.8	2.2	-22.2
	Roads and bridges	384.9	330.0	-21.2	28.9	-11.7	17.0	-35.1
	Electricity	16.9	17.2	-0.8	0.2	-84.0	-0.1	/
	Port engineering	32.3	34.0	18.4	2.6	381.9	0.7	/
Total		2,279.4	1,568.9	-6.9	96.4	-22.4	41.8	-36.8

Item	Name of sector	Gross profit margin (%)			Operating profit margin (%)		
		2020 H1	2019 H1	YoY change (Percentage points)	2020 H1	2019 H1	YoY change (Percentage points)
Cross-sector	Installation	1.4	5.6	-4.2	0.1	3.0	-2.9
	Steel structure	3.8	6.8	-3.0	1.3	2.5	-1.2
	Commercial concrete	10.8	9.7	1.1	4.6	3.9	0.7
Housing construction	Decoration	4.2	8.1	-3.9	2.8	2.7	0.1
	Gardening	7.5	8.2	-0.7	3.9	3.6	0.3
Infrastructure	Municipal projects	8.3	9.3	-1.0	3.0	5.0	-2.0
	Railways	3.5	-1.7	5.2	1.4	-3.7	5.1
	Rail transit	6.6	7.3	-0.7	1.8	2.3	-0.5
	Roads and bridges	8.8	7.8	1.0	5.2	6.3	-1.1
	Electricity	1.1	6.7	-5.6	-0.8	5.5	-6.3
	Port engineering	7.6	1.9	5.7	2.0	-0.3	2.3
Total		6.1	7.4	-1.3	2.7	3.9	-1.2

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

Applicable N/A

(VI) Analysis of assets and liabilities

√ Applicable □ N/A

1. Assets and liabilities

Unit: '000 yuan Currency: RMB

Name of item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of total assets (%)	Amount as at the end of last period as a percentage of total assets (%)	Change between amounts as at the end of the current period and last period (%)	Remarks
Total assets	2,175,448,096	100.0	1,933,868,550	12.5	The balance of total assets increased by RMB241.6 billion compared with that at the end of the same period of last year, of which notes receivable increased by RMB12.4 billion, accounts receivable increased by RMB29.8 billion, inventories increased by RMB62.3 billion, contract assets increased by RMB22.9 billion, current portion of non-current assets increased by RMB19.3 billion and other current assets increased by RMB34.5 billion.
Cash and bank balances	274,235,275	12.6	272,416,468	0.7	Cash and bank balances increased by RMB1.8 billion compared with that at the end of the same period of last year, mainly due to the decrease in net cash outflow, resulting in an increase in bank deposits.
Financial assets held for trading	281,113	0.0	2,715,823	-89.6	Financial assets held for trading decreased by RMB2.4 billion compared with that at the end of the same period of last year, mainly due to the disposal of investments in debt instruments.
Notes receivable	31,308,645	1.4	18,907,353	65.6	Notes receivable increased by RMB12.4 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 and increase the turnover rate of funds.
Accounts receivable	172,032,261	7.9	142,260,909	20.9	Accounts receivable increased by RMB29.8 billion compared with that at the end of the same period of last year, mainly due to a delay in payment by property owners as affected by the pandemic as well as a natural growth in line with the expansion of scale.
Accounts receivable financing	4,432,962	0.2	2,602,988	70.3	Accounts receivable financing increased by RMB1.8 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 and increase the turnover rate of funds.
Inventories	615,883,523	28.3	553,597,051	11.3	Inventories increased by RMB62.3 billion compared with that at the end of the same period of last year, mainly due to the increase in property development costs, product development and raw materials.
Contract assets	193,761,098	8.9	170,835,929	13.4	Contract assets increased by RMB22.9 billion compared with that at the end of the same period of last year, mainly due to a delay in settlement by property owners as affected by the pandemic, and the acceleration of construction pace after mitigation of the pandemic but with business yet settled, resulting in a relatively significant increase in contract assets.
Current portion of non-current assets	75,689,760	3.5	56,408,263	34.2	Current portion of non-current assets increased by RMB19.3 billion compared with that at the end of the same period of last year, mainly due to the increase in current portion of long-term receivables and contract assets.
Other current assets	104,836,855	4.8	70,339,538	49.0	Other current assets increased by RMB34.5 billion compared with that at the end of the same period of last year, mainly due to the increase in VAT input tax to be deducted.
Investments in other equity instruments	6,048,707	0.3	10,501,121	-42.4	Investments in other equity instruments decreased by RMB4.5 billion compared with that at the end of the same period of last year, mainly due to the disposal of investments in certain non-listed equity instruments.

Name of item	Amount as at the end of the current period	Amount as at the end of the current period as a percentage of total assets (%)	Amount as at the end of last period as a percentage of total assets (%)	Change between amounts as at the end of the current period and last period (%)	Remarks
Investment properties	84,814,303	3.9	3.8	16.6	Investment properties increased by RMB12.1 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.
Intangible assets	18,813,635	0.9	0.6	54.4	Intangible assets increased by RMB6.6 billion compared with that at the end of the same period of last year, mainly due to the increase in franchise.
Total liabilities	1,652,192,456	75.9	76.5	11.6	The total liabilities increased by RMB172.0 billion compared with that at the end of the same period of last year, of which short-term borrowings increased by RMB28.3 billion, accounts payable increased by RMB71.2 billion and long-term borrowings increased by RMB23.9 billion.
Short-term borrowings	69,694,777	3.2	2.1	68.3	Short-term borrowings increased by RMB28.3 billion compared with that at the end of the same period of last year, mainly due to a delay in receipt of project payment and an increase in project financing as affected by the pandemic.
Notes payable	10,003,945	0.5	1.0	-48.7	Notes payable decreased by RMB9.5 billion compared with that at the end of the same period of last year, mainly due to the reduction of notes settlement by subsidiaries.
Accounts payable	515,508,935	23.7	23.0	16.0	Accounts payable increased by RMB71.2 billion compared with that at the end of the same period of last year, mainly due to the increased business volume as a result of the continuous expansion of housing construction and infrastructure construction business.
Advances from customers	607,749	0.0	0.0	106.8	Advances from customers increased by RMB0.3 billion compared with that at the end of the same period of last year, mainly due to the increase in rentals received in advance.
Other current liabilities	76,147,353	3.5	3.1	27.4	Other current liabilities increased by RMB16.4 billion compared with that at the end of the same period of last year, mainly due to the increase in deposits and VAT output to be transferred.
Long-term borrowings	280,698,497	12.9	13.3	9.3	Long-term borrowings increased by RMB23.9 billion compared with that at the end of the same period of last year, mainly due to the increase in financing to meet the project development and investment needs of the Company.
Long-term payables	16,144,135	0.7	1.0	-19.7	Long-term payables decreased by RMB4.0 billion compared with that at the end of the same period of last year, mainly due to the decrease in project quality warranty payable.
Provisions	4,122,522	0.2	0.0	496.6	Provisions increased by RMB3.4 billion compared with that at the end of the same period of last year, mainly due to the increase in product quality warranty.
Deferred tax liabilities	6,280,663	0.3	0.3	20.0	Deferred tax liabilities increased by RMB1.0 billion compared with that at the end of the same period of last year, mainly due to the increase in fair value adjustment of business combinations involving enterprises not under common control.
Other non-current liabilities	7,971,586	0.4	0.2	131.7	Other non-current liabilities increased by RMB4.5 billion compared with that at the end of the same period of last year, mainly due to the increase in contract liabilities over one year.
Other explanation: None					

2. Restriction on major assets as at the end of the Reporting Period

Applicable N/A

3. Other explanation

√ Applicable □ N/A

During the Reporting Period, the Company actively responded to the COVID-19 pandemic by introducing the “ten financial measures”, and replenishing its financial resource reserves to help with the pandemic prevention and control as well as the resumption of work and production to improve the production and operational capacities of the enterprise. It supported relevant entities to complete key tasks in the pandemic prevention and control through setting up a designated loan fund pool and a green approval channel. In the first half of the year, the Company issued new bonds with face value of approximately RMB17.7 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.

As of the end of the Reporting Period, the Company’s total interest-bearing liabilities were RMB545.7 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. During the Reporting Period, the interest payment/redemption of corporate bonds and debt financing instruments are listed as follows:

Unit: 100 million yuan Currency: RMB

Category	Abbreviation	Value date	Maturity date	Amount	Whether to pay interest/redeem normally
Medium-term note	15 China Construction MTN001	April 28, 2015	April 28, 2020	30	Redemption and interest payment
Medium-term note	15 China Construction MTN002	November 9, 2015	November 9, 2020	20	Interest payment
Medium-term note	16 China Construction MTN001	April 13, 2016	April 13, 2021	30	Interest payment
Medium-term note	17 China Construction MTN001	April 20, 2017	April 20, 2020	50	Redemption and interest payment
Medium-term note	18 China Construction MTN001	August 17, 2018	August 17, 2023	50	Interest payment
Medium-term note	18 China Construction MTN002	August 17, 2018	August 17, 2023	50	Interest payment

For details, please refer to the relevant information as set out in Note V (33) “Current portion of non-current liabilities” and Note V (36) “Bonds payable” to the financial statements under Section X “FINANCIAL REPORT” hereof.

During the Reporting Period, the bonds issued by the Company’s subsidiaries are as follows:

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

Name of bond	Value date	Term (year)	Amount	Balance at the end of period	Issuer
20 China Construction Eighth Engineering Division SCP001	April 13, 2020	0.49	5 (RMB)	5 (RMB)	China Construction Eighth Engineering Division Corp. Ltd.
20 China Construction Eighth Engineering Division SCP002	April 14, 2020	0.17	45 (RMB)	0 (RMB)	China Construction Eighth Engineering Division Corp. Ltd.
20 China Construction Seventh Engineering Division SCP001	June 18, 2020	0.48	20 (RMB)	20 (RMB)	China Construction Seventh Engineering Division Corp. Ltd.
CHINA OVS N2503	March 2, 2020	5	3 (USD)	3 (USD)	CHINA OVERSEAS FINANCE (CAYMAN) VIII LTD
CHINA OVS N3003	March 2, 2020	10	5 (USD)	5 (USD)	CHINA OVERSEAS FINANCE (CAYMAN) VIII LTD
CHINA OVS N3503	March 2, 2020	15	2 (USD)	2 (USD)	CHINA OVERSEAS FINANCE (CAYMAN) VIII LTD
China Overseas Green Property Management Assets-backed Plan 1	April 28, 2020	18	37(RMB)	37(RMB)	Beijing China Overseas Plaza Commercial Development Ltd.

Note: “20 China Construction Eighth Engineering Division SCP002” is super short-term commercial paper, and has been redeemed in the current period.

For details, please refer to the relevant information as set out in Note V (33) “Current portion of non-current liabilities” and Note V (36) “Bonds payable” to the financial statements under Section X “FINANCIAL REPORT” hereof.

(VII) 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, other investment in equity instrument, 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	Profits or losses during the Reporting Period	Changes in fair value in the Reporting Period	Accounting items	Source of stocks
/	PACIFIC CENTURY	9,937	-178	9,759	1,875	-124	-161	Financial assets held for trading	Purchase
/	SPH	1,961	-35	1,926	549	-389	-410	Financial assets held for trading	Purchase
600688.SH	SPC	601	-	601	1,152	-9	-9	Financial assets held for trading	Purchase
601838.SH	BANK OF CHENGDU	255	-	255	3,076	-429	-429	Financial assets held for trading	Purchase
000628.SZ	CHENGDU HI-TECH DEVELOPMENT CO LTD	440	-	440	2,661	-418	-418	Financial assets held for trading	Purchase
601328.SH	BANKCOMM	2,660	-	2,660	12,935	-1,261	-1,261	Financial assets held for trading	Purchase
600015.SH	HUAXIA BANK	5,558	-	5,558	8,166	-2,068	-2,068	Financial assets held for trading	Purchase
600723.SH	BCRG	4,406	-	4,406	5,022	1,354	1,354	Financial assets held for trading	Purchase
600620.SH	SHSTC	16	-	16	88	-9	-9	Financial assets held for trading	Purchase
601288.SH	AGRICULTURAL BANK OF CHINA	796,467	-	796,467	1,004,499	-	-92,129	Investments in other equity instruments	Purchase
600015.SH	HUAXIA BANK	241,479	-	241,479	354,780	14,435	-89,854	Investments in other equity instruments	Purchase
00687.HK	TYSAN HOLDINGS	199,904	-	199,904	21,607	39,350	-29,452	Investments in other equity instruments	Purchase
601229.SH	BANK OF SHANGHAI	1,641	-	1,641	10,012	-	-1,435	Investments in other equity instruments	Purchase
601328.SH	BANKCOMM	2,574	-569	2,005	8,072	-	-1,389	Investments in other equity instruments	Purchase
600778.SH	YOUHAO GROUP	720	-720	-	-	-	-1,950	Investments in other equity instruments	Purchase
000617.SZ	CNPCCL	1,900,000	-	1,900,000	1,826,179	-	-73,821	Other current assets	Purchase
600390.SH	MINMETALS CAPITAL	1,500,000	-	1,500,000	1,252,020	-	-247,980	Other current assets	Purchase
Other investment in securities		897,506	-607,922	289,584	245,589	18,180	11,623	Financial assets held for trading	Purchase
Total		5,566,125	-609,424	4,956,701	4,758,282	68,612	-530,338	/	/

Notes:

- This table sets out the Company's investment in stock securities including as financial assets held for trading and investments in other equity instruments.
- Profits or losses for the Reporting Period, with respect to financial assets held for trading, includes the investment income and changes in fair value during holding period; with respect to investments in other equity instruments, includes investment gains during the period.
- Other securities investment refers to investment in stock securities accounted for as financial assets held for trading and investments in other equity instruments other than those listed above.
- 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" hereof.

(4) Disposal of major 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 (%)	Total assets	Net assets	Net profit
COHL	Investment holding	31,032,258	100.00	860,911,057	278,855,259	20,998,061
China Overseas Land & Investment	Real estate investment and development	HKD1,096,000,000	55.99	702,504,892	258,419,926	19,794,319
CSC International	Construction and installation	HKD1,500,000,000	64.66	148,846,220	44,344,705	2,630,955
China Overseas Property	Property management	HKD30,000,000	61.18	3,864,239	1,554,831	258,556
China Construction First Group Corporation	Construction and installation	7,000,000	100.00	92,130,279	20,412,940	1,197,274
China Construction Second Engineering Division	Construction and installation	5,000,000	100.00	128,414,611	27,871,932	1,187,628
China Construction Third Engineering Division	Construction and installation	5,039,865	100.00	234,132,043	48,061,475	3,236,265
China Construction Fourth Engineering Division	Construction and installation	5,100,000	100.00	98,257,005	15,618,156	253,567
China Construction Fifth Engineering Division	Construction and installation	6,018,000	100.00	158,590,590	29,174,463	1,619,673
China Construction Sixth Engineering Division	Construction and installation	4,277,947	100.00	64,601,541	9,725,136	71,471
China Construction Seventh Engineering Division	Construction and installation	6,000,000	100.00	109,507,550	22,837,481	711,926
China Construction Eighth Engineering Division	Construction and installation	9,500,000	100.00	227,998,169	46,080,291	3,973,520
China Construction Engineering Design Group	Engineering prospecting and design	510,000	100.00	2,483,321	881,217	-138,969
China State Decoration	Industrial renovation and decoration	1,000,000	100.00	16,127,732	2,305,491	62,372
China Construction Fangcheng	Business of infrastructure construction	5,000,000	100.00	65,178,027	16,053,122	459,107

2. Major subsidiaries acquired through combination of businesses under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding (%)	Total assets	Net assets	Net profit
CSCEC Xinjiang Construction & Engineering	Construction and installation	3,500,000	85.00	45,873,213	12,205,318	500,748
West Construction	Construction materials	1,262,354	57.79	23,721,408	9,468,791	350,680
Shenzhen China Overseas Investment (深圳中海投资)	Real estate development and operation	2,650,000	100.00	3,366,161	3,334,529	83,646
CSC Finance	Financing	6,000,000	80.00	79,068,498	8,105,951	293,428

3. Major subsidiaries acquired through combination of businesses not under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding (%)	Total assets	Net assets	Net profit
CSC Development	Construction and installation	HKD100,000,000	47.89	6,345,787	1,067,397	137,734
China Construction Harbour and Channel Engineering Bureau	Business of infrastructure construction	1,333,333	70.00	10,112,299	1,970,507	58,626

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

(IX) Structured entities under the control of the Company

√ Applicable N/A

For details, please refer to the relevant information as set out in "3. Consolidated special purpose vehicle" under Note VII "Interests in other entities" to the financial statements under Section X "FINANCIAL REPORT" hereof.

III. Other Disclosures

- (I) Warning on forecast of any potential loss in accumulated net profit for the period from the beginning of the year to the end of next Reporting Period or any material change from the same period of last year and the explanations thereon

Applicable N/A

- (II) Potential risks

Applicable N/A

1. Risks arising from prevention and control of COVID-19 pandemic and resumption of work and production

During the Reporting Period, the COVID-19 emerged in the PRC and various countries in the world and became a "Public Health Emergency of International Concern (PHEIC)". At present, the COVID-19 has spread around the world. In view of the pandemic and the current situation, CSCEC is required to, on one hand, commit itself to preventing and controlling the pandemic to ensure the health and security of its employees, and, on the other hand, cope with the new risks brought by the pandemic, such as the risk relating to resumption of work and production due to restricted materials or personnel, and derivative risks from a decrease in business performance as affected by the pandemic and from contract disputes, etc. With the improvement of anti-pandemic work, the economy and society get stable overall, resumption of work and production speeds up, and the economic recovery continues. However, since June, the unexpected comeback of the pandemic in Beijing has brought us new challenges on our anti-pandemic work. Paying close attention to this situation, the Company strengthened coordination, deployment, organization and guidance in the prevention and control of the pandemic and in the resumption of work and production across the Company. It guided and supervised all subsidiaries to establish a working system in their projects covering all segments and levels and determining each person's responsibilities in work. The Company strictly implemented the reporting mechanism for prevention and control of the pandemic with dynamic followups and monitoring. Assuming the responsibilities as a central enterprise and leveraging its professional strengths, the Company has actively participated in the renovation and expansion of designated emergency hospitals in various places; actively resumed work and production under the premise of ensuring effective prevention and control work, made in-depth analysis of impact of the pandemic on production and operation to formulate targeted policies and measures while enhancing work deployment. At present, various operating indicators of the Company have been improving.

2. Macroeconomic risks

Due to the pandemic, the resumption of work and production has been delayed in many places of the PRC, with significantly shrink business activities and restricted travels. There is a substantial decrease in consumption needs and investment, and a basic suspension in investment in real estate and infrastructure construction in the short term. In this regard, China is facing unprecedented challenges in economy growth. In addition, China's economy is currently under a shift in its growth rate with serious aging of population and high macro leverage ratio. Coupled with the COVID-19 outbreak at the beginning of the year, the external environment becomes more unfavorable, resulting in even worse economy under greater downward pressures. Meanwhile, as affected by the pandemic, the economic developments of most countries in the world have weaker performance than expected, which may contribute to a global economic crisis and financial crisis. In the future, the Company will put more efforts on the research on macro economy, industry policies, infrastructure construction market, financial market and exchange rate, as well as the interest rate, closely follow national and local investment and construction hotspots, accelerate business transformation and upgrading, promote radiation and extension of its business, make, in advance, tracks of infrastructure construction projects, arrangement for financing plan and researches on innovation plans, so as to control financing costs and prevent financial risks; improve the sensitivity and predictability of the Company to changes in the economic environment, comprehensively assess the Company's ability to address risks, identify weakness and provide targeted prevention and control measures. The Company will also strengthen monitoring in the course of the implementation of strategic planning, and revise corporate strategy in a timely manner; adopt targeted measures to expand the scale and strength of the Company through integration of resource, external mergers and acquisitions and other measures, and enhance the ability to counter risks. The linkages and interaction among different regions should be strengthened to enhance synergies, and give play to the Company's advantages in integration of resources, so as to reduce exposure to macroeconomic risks. In addition, the Company will continue to conduct diversified and regional operations through realizing innovative development and expanding its business scope.

3. International business risks

During the Reporting Period, the COVID-19 spread overseas has not yet been effectively contained, which has materially impacted the global society and economy, and posed great uncertainties to the global economic development. As the Company's overseas operations span various countries and regions, in which the political system, economic situations, legal environment as well as cultures and customs are quite different, the maturity of each market is obviously different, and the investment environment is complicated. Confronting such complex and ever-changing international situation, the Company has been consolidating its ability to identify and respond to international business risks, refining the comprehensive risk management system of the entire business chain of overseas business, and improving the risk assessment and monitoring mechanism of overseas projects. It has also paid attention to the effective operation of overseas supervision mechanisms on safe production, and properly identified, prevented and resolved risks of international operations. Moreover, the Company has set up an overseas institution for pandemic prevention and control, closely followed up the development of the pandemic in host countries and regions, and provided materials for protection and prevention to ensure the implementation of various anti-pandemic measures. It has also established and improved emergency mechanisms to ensure safety of employees and labor workers while promoting the gradual resumption of the Company's production and operation and the high-quality development of its overseas business. In the meantime, the Company continues to further strengthen the regulation and overseas audit supervision during the performance of overseas projects to improve the quality of overseas operation and management. It has established a normal self-supervision work mechanism. Overseas mergers and acquisitions are steadily promoted by selection of large- and medium-sized construction and design enterprises in developed European and American countries as the targets, and comprehensive consideration of risks, prevention in advance and making planning for integration of operations after the mergers and acquisitions.

4. Safety and environmental protection risks

The Company's engineering contracting business accounts for a large proportion of its business portfolio and covers a wide range of sectors. Due to the nature of the industry and the external environment, in the course of construction, production safety incidents may take place, and it may be exposed to natural disasters such as floods, rainstorms, earthquakes, typhoons, and fires and risks such as unexpected public events. Accordingly, the Company is exposed to certain risks in its production. With the further deepening of environmental protection and green architecture concepts in the construction field, environmental checks become stricter. At present, there is still a gap between the Company's safety and environmental protection regulation team with the development scale of the Company and requirements of laws and regulations in terms of capacity, quality, regulatory methods and measures, etc., which influences the brand reputation of the Company and causes economic loss to the Company. Adhering to the concept of "life first, safety operation foremost", the Company gives highest priority to safe production, and attaches great importance to safety and quality work, and has strictly fulfilled the production safety responsibilities following the principles of "Party and government sharing the same responsibility, one post with dual responsibilities". The Company has also established and improved safe and environmental-friendly production supervision agencies in according with the laws, appointed adequate number of full-time safety supervisors and personnel for environmental protection to strengthen the quality and capability building of the safety supervision and environmental protection team. Besides, it has strictly followed the safe production supervision model of CSCEC to improve the safety supervision system of the business at all levels down to the production unit; strictly implemented the national laws and regulations on safe production and the safe production rules of CSCEC. Meanwhile, the Company and its secondary subsidiaries are required to publicize safety rules, and focus on enhancing the safety supervision of infrastructure, EPC, overseas projects, etc.; strengthen emergency response capacity, and increase the efforts on governance of accident-prone areas and enterprises.

5. Investment risks

During the Reporting Period, due to the pandemic at home and abroad, as well as the economic downturn, there were increasing risks relating to the recovery of investment amounts. With the increasingly strict financial regulation, it was more difficult to finance for projects, which may increase the Company's financing costs while reducing investment gains. As the central government insists on the general keynote of "houses are for living in, not speculation", and with intensive introduction of real estate regulation and adjustment policies by various local governments, the financing channels for real estate have been restricted and investment costs have increased. Coupled with the control due to the pandemic, regional sales and collection of project payment have been interrupted, which results in the risks of cash flow shortage. In addition, the overall growth of investment in the industry has slowed down with limited incremental space for investment, and with the growing number of qualification upgrade on construction enterprises, the market competition has been exceptionally fierce and even irrational, resulting in a decrease in investment returns. In this connection, the Company will strictly implement the requirements of relevant national policies and documents, strictly regulate the expansion of PPP projects, and strictly implement the requirements of investment business management and control with a "zero tolerance" approach in terms of risks in non-compliance of projects to earnestly improve the quality of new investment projects. Meanwhile, the Company will strengthen the research on national policies, regulations and industry policies, increase the efforts in exploring structured financing and other modes, and innovate project financing ways; adopt stable and prudent investment strategies, strictly control the expansion of new projects and advance the management and control level of investment business; control investment scale within a reasonable range, improve process management and control for investment projects and statistical management for investment to enhance the operational ability of project in an all-around way.

Various financial risks faced by the Company in its operating activities include market risks (mainly interest rate risk, exchange rate risk and equity instrument investment price risk), credit risk and liquidity risk. 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" hereof.

For details of the Company's goodwill and its impairment, please refer to the relevant information as set out in Note V (20) "Goodwill" to the financial statements under Section X "FINANCIAL REPORT" hereof.

(III) Other disclosures

Applicable N/A

SECTION V IMPORTANT MATTERS

I. Overview of the General Meetings

Session	Date of general meeting	Index for details of the designated website for publishing resolutions	Date of disclosure of resolutions
2020 first extraordinary general meeting	February 19, 2020	www.sse.com.cn	February 20, 2020
2019 annual general meeting	May 25, 2020	www.sse.com.cn	May 26, 2020

Description of general meetings

Applicable N/A

During the Reporting Period, a total of 4 proposals were considered and approved by voting at the 2020 First Extraordinary General Meeting of the Company. A total of 15 proposals were considered and approved by voting at the 2019 annual general meeting of the Company.

II. Profit Distribution Plan or Reserve Capitalization Plan

(I) 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 2020, the Company did not make any profit distribution or reserve capitalization.	

III. 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	Party making commitment	Details of commitment	Time and term of commitment	Is there a time limit for performance?	Is it strictly implemented in time?	Delayed cause if failed to timely fulfill commitment	Alternative plan if failed to timely fulfill commitment
	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
Commitments in relation to initial public offering	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 thereof, shall be borne by China State Construction.	No term	No	Yes	In the process of performance	N/A
	To resolve horizontal competition	CSCEC	Issued a non-competition commitment, with the same content 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
Other commitments made to minority shareholders of the Company	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 Holdings on October 14, 2015.	During the commitment term	Yes	Yes	In the process of performance	N/A
	Others	Members of senior management who also hold positions in China State Construction Engineering Corporation	Undertook to fulfill his/her duties diligently during his/her term of office as a member of senior management of the Company, properly handle the relationship between the Company and its controlling shareholder, lie 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

IV. Appointment and Dismissal of the Accounting Firm

Explanation on appointment and dismissal of accounting firm

Applicable N/A

On May 25, 2020, as considered and approved at the 2019 annual general meeting of the Company, Ernst & Young Hua Ming LLP (Special General Partnership) was appointed as the auditor for the financial report and internal control of the Company for 2020, for a term of one year. For details, please refer to the Announcement on Change of Auditor for Financial Reports published by the Company on February 4, 2020, the Announcement on Change of Auditor for Internal Control published on April 25, 2020, the Information on 2019 Annual General Meeting published on May 15, 2020, and the Announcement on Resolutions of 2019 Annual General Meeting published on May 26, 2020.

Explanation on change of accounting firm during the audit period

Applicable N/A

Company's explanation on the "Modified Audit Report" issued by the accounting firm

Applicable N/A

Company's explanation on the "Modified Audit Report" issued by the certified public accountant for the financial report included in the annual report of the previous year

Applicable N/A

V. Matters Related to Insolvency/Reorganization

Applicable N/A

VI. 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

VII. Penalty and Rectification for Listed Companies and Their Directors, Supervisors, Senior Management, Controlling Shareholders, De Facto Controller and Acquirers

Applicable N/A

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

Applicable N/A

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

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

Applicable N/A

Summary of matter	Index for details
The number of shares subject to the second tranche of unlocking in 2019 in respect of phase II restricted A share incentive scheme was 112,527,800, which were listed for circulation on February 14, 2020.	Announcement on the Second Tranche of Unlocking in 2019 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares published on February 5, 2020
It was considered and approved by the Company to repurchase a total of 10,604,200 restricted shares, including 7,214,200 (5,153,000 before the reserve capitalization of the Company) phase II restricted A shares and 3,390,000 phase III restricted A shares, which were held and shall not be unlocked by the 106 participants of phase II and III restricted A share incentive scheme, at an adjusted grant price of RMB3.47571 per share (RMB4.866 per share before the reserve capitalization of the Company) for phase II restricted A shares and RMB3.468 per share for phase III restricted A shares, totaling RMB36,831,018. After cancellation of the shares repurchased, the registered capital of the Company would be decreased by RMB10,604,200 to RMB41,965,025,511.	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 the Creditors published on February 20, 2020
The Company repurchased and canceled a total of 10,558,200 restricted shares (including 210,000 phase I restricted shares, 7,438,200 phase II restricted shares and 2,910,000 phase III restricted shares) held by 108 participants in aggregate of phase I, II and III restricted A share incentive schemes (including 7 as participants of both phase II and III restricted A share incentive schemes). Upon completion of this repurchase and cancellation, the number of restricted shares to be repurchased by the Company amounts to 2,094,667 in total, including 788,667 phase I restricted shares, 826,000 phase II restricted shares and 480,000 phase III restricted shares to be repurchased. Upon completion of this repurchase and cancellation, the remaining restricted shares under the equity incentive scheme are 711,468,667 shares. Upon completion of the repurchase and cancellation, the registered capital (and share capital) of the Company will be decreased by RMB10,558,200 (and 10,558,200 shares) to RMB41,965,071,511 (and 41,965,071,511 shares).	Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 13, 2020

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

Information of equity incentives

Applicable N/A

Other explanation

Applicable N/A

Information of employee stock ownership plan

Applicable N/A

Other incentives

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 transaction

The Proposal in Respect of Daily Related Party Transactions of China State Construction Engineering Corporation Limited for 2020 was considered and approved at the 37th meeting of the second session of the Board of Directors, the 19th meeting of the second session of the Board of Supervisors and the 2019 annual general meeting of the Company on April 24, 2020 and May 25, 2020, respectively.

The Company and China State Construction signed 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 with China State Construction and its subsidiaries. Specifically, the sales between the Company and China State Construction or its subsidiaries shall not exceed RMB2.5 billion; procurement shall not exceed RMB3.0 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 RMB0.04 billion; the maximum balance of financial leasing services (excluding those from CSC Finance) shall not exceed RMB0.3 billion, and leasing interest and service fee shall not exceed RMB0.025 billion; property leasing shall not exceed RMB0.2 billion; other daily related party transactions shall not exceed RMB0.6 billion (RMB0.2 billion for interest on capital borrowings, RMB0.1 billion for signing trademark license agreement, and RMB0.3 billion for others).

CSC Finance, a subsidiary of the Company, and China State Construction signed 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 from CSC Finance. During the term of the agreement, the daily balance cap of the deposits (inclusive of accrued interests thereon) 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 thereon) to be obtained not exceeding the daily balance cap of the deposits (inclusive of accrued interests thereon); the fees to be charged by CSC Finance in respect of the other financial services provided by it to China State Construction and its subsidiaries shall not exceed RMB0.3 billion.

Index for details

Announcement on Daily Related Party Transactions under the Comprehensive Services Framework Agreement and the Financial Services Framework Agreement Signed with China State Construction Engineering Corporation published on April 25, 2020.

Announcement on Resolutions of 2019 Annual General Meeting published on May 26, 2020.

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 of assets or acquisition or disposal 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) Other material related party transactions
 Applicable N/A
- (VI) Miscellaneous
 Applicable N/A

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

XI. Material Contracts and Fulfillment Thereof

1. Custody, contracting, and leasing

Applicable N/A

2. Guarantees

Applicable N/A

Unit: '000 yuan Currency: RMB

Guarantees provided to external parties by the Company (excluding guarantees provided to subsidiaries)												
Guarantor	Relationship between guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Fulfillment completed or not	Overdue amount or not	Counter guaranteed 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	No	No	Yes	No	Others
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	16,300	January 3, 2017	January 3, 2017	July 20, 2020	Joint and several liability guarantee	No	No	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	78,500	January 20, 2017	January 20, 2017	October 13, 2021	Joint and several liability guarantee	No	No	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	42,500	March 16, 2017	March 16, 2017	March 15, 2022	Joint and several liability guarantee	No	No	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Chongqing Jiayi Property Development Company Limited (重庆嘉益房地产开发有限公司)	39,850	March 21, 2017	March 21, 2017	March 15, 2022	Joint and several liability guarantee	No	No	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	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	No	No	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	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	No	No	No	Yes	Joint venture
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lhe Property Development Company Limited (广州利合房地产开发有限公司)	511,520	July 13, 2018	July 13, 2018	May 21, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Luong Property Development Company Limited (广州绿隆房地产开发有限公司)	233,240	November 13, 2018	November 13, 2018	November 29, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pik Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	108,528	December 11, 2018	December 11, 2018	February 1, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pik Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	21,420	December 26, 2018	December 26, 2018	December 2, 2020	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pik Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	62,832	January 2, 2019	January 2, 2019	January 1, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate

Guarantees provided to external parties by the Company (excluding guarantees provided to subsidiaries)												
Guarantor	Relationship between guarantor and the listed company	Guaranteed party	Guaranteed amount	Date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Fulfillment completed or not	Overdue amount or not	Counter guaranteed or not	Guarantee provided to the related party or not	Related relationship
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pik Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	49,980	January 22, 2019	January 22, 2019	December 2, 2020	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pik Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	32,815	February 2, 2019	February 2, 2019	February 1, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lvrong Property Development Company Limited (广州绿榕房地产开发有限公司)	59,976	March 1, 2019	March 1, 2019	November 29, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lvrong Property Development Company Limited (广州绿榕房地产开发有限公司)	49,980	April 11, 2019	April 11, 2019	April 10, 2022	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lvrong Property Development Company Limited (广州绿榕房地产开发有限公司)	16,660	June 28, 2019	June 28, 2019	April 10, 2022	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Pik Sum Real Estate Development Company Limited (广州碧森房地产开发有限公司)	71,393	July 23, 2019	July 23, 2019	December 2, 2020	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Changsha Xirong Real Estate Co., Ltd. (长沙禧荣置业有限公司)	138,153	July 29, 2019	July 29, 2019	June 23, 2021	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lvrong Property Development Company Limited (广州绿榕房地产开发有限公司)	99,960	September 30, 2019	September 30, 2019	September 29, 2022	Joint and several liability guarantee	No	No	No	Yes	Associate
China Overseas Land & Investment Ltd.	Holding subsidiary	Guangzhou Lih Property Development Company Limited (广州利合房地产开发有限公司)	280,000	April 28, 2020	April 28, 2020	April 21, 2022	Joint and several liability guarantee	No	No	No	Yes	Associate
Total amount of guarantees provided during the Reporting Period (excluding guarantees provided to subsidiaries)												
Total balance of guarantees as at the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)												
Guarantees provided by the Company and its subsidiaries to its subsidiaries												
Total amount of guarantees provided to subsidiaries during the Reporting Period												
Total balance of guarantees provided to subsidiaries as at the end of the Reporting Period (B)												
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 at 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 RMB5,724 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 RMB72,285 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.												
As at the end of the Reporting Period, the balance of the guarantees provided by the Company to its holding subsidiaries amounted to RMB31,777 billion, which had all gone through approval procedures in strict accordance with relevant rules.												
N/A												
Explanation on guarantees												
As at the end of the Reporting Period, the balance of the guarantees provided by the Company and its subsidiaries to its subsidiaries												
Total amount of guarantees provided by the Company (including guarantees provided to subsidiaries)												
363,055												
5,723,757												
707,950												
31,777,150												
37,500,907												
13.50%												
0												
31,777,150												
0												
31,777,150												
N/A												

3. 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	General construction contract in respect of the phase I project of Tianjin Metro Line 7 (天津地铁7号线一期工程施工总承包合同)	China State Construction Engineering Corporation Limited	151.3	Infrastructure construction
2	Contracting contract in respect of the section ZJTLSG-2 of the station project of Shandong section of the newly-built Zhengzhou-Jinan Railway (新建郑州至济南铁路山东段站前工程ZJTLSG-2标段承包合同)	China State Construction Engineering Corporation Limited and China Construction Eighth Engineering Division Corp. Ltd.	77.01	Infrastructure construction
3	General contracting construction contract in respect of the terminal project of the reconstruction and expansion of Urumqi Airport (乌鲁木齐机场改扩建工程机场航站楼施工总承包合同)	China Construction Eighth Engineering Division Corp. Ltd., China Construction Third Engineering Bureau Co., Ltd. and CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	70.33	Infrastructure construction
4	EPC contract in respect of the phase II project of the National Convention & Exhibition Center works (国家会展中心工程二期项目EPC总承包工程施工合同)	China Construction Eighth Engineering Division Corp. Ltd.	53.03	Housing construction
5	Construction contract in respect of the project of the Chinese Folk Arts Grand Garden (中国民间文艺大观园项目施工合同)	China Construction Communications Engineering Group Co., Ltd.	52.50	Infrastructure construction
6	Prospecting-design-construction (EPC) contract in respect of the phase II project of Hengqin International Commercial Center (横琴国际商务中心二期项目勘察设计施工总承包EPC工程合同)	China Construction Third Bureau First Engineering Co., Ltd.	50.38	Housing construction
7	Engineering-procurement-construction contract in respect of the project of Guangzhou Football Field (广州足球场项目设计采购施工总承包合同)	China Construction Fourth Engineering Division Corp. Ltd.	43.00	Infrastructure construction
8	Prospecting-design-construction general contracting contract in respect of the project of resettlement housing construction (shanty town reform) in Liuja Panlong Village, Guandu District (官渡区六甲盘龙村回迁安置房建设项目(棚户区改造)勘察、设计、施工总承包项目工程总承包合同)	China Construction Third Engineering Bureau Co., Ltd., China Southwest Architectural Design and Research Institute Corp. Ltd., China Southwest Geotechnical Investigation & Design Institute Co., Ltd. and China Changjiang Construction Investment Corp., Ltd.	40.85	Housing construction
9	EPC contract (section I) in respect of the project of construction of a high school in Yunnan province (云南省普通高中建设项目EPC总承包(标段一)EPC总承包合同)	China Construction Infrastructure Co., Ltd.	40.28	Infrastructure construction
10	General contracting contract in respect of the comprehensive development (new-type urbanization pilot) PPP project of Qiaolin Old Town Area in Pukou District, Nanjing City (南京市浦口区桥林老城片区综合开发(新型城镇化试点)PPP项目工程总承包合同)	China Construction Seventh Engineering Division Corp. Ltd.	39.79	Infrastructure construction
11	General contracting construction contract in respect of section D009X-TA01 of phase I project of Nanjing Metro Line 9 (南京地铁9号线一期工程施工总承包D009X-TA01标施工合同)	China State Construction Engineering Corporation Limited, China Construction Eighth Engineering Division Corp. Ltd. and China Construction Industrial & Energy Engineering Group Co., Ltd.	37.40	Infrastructure construction
12	General contracting construction contract in respect of section II of Xiong'an Commercial Service Center (雄安商务服务中心项目二标段施工总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	34.01	Housing construction
13	General contracting contract in respect of the 9 projects including the road works in the West Coast New Area, Qingdao (青岛西海岸新区道路工程9个项目等工程总承包合同)	China Construction Communications Engineering Group Co., Ltd.	30.87	Infrastructure construction
14	General contracting contract in respect of the works of Kong Shan Kuang Area (the Future Garden) of the Jiangsu Garden Expo Park (江苏园博园孔山矿片区(未来花园)工程工程总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	30.87	Infrastructure construction
15	EPC contract in respect of the project of construction of the Youth Training Center and the Convenience Service Center in Suiyang District, Shangqiu City (商丘市睢阳区青少年培训中心及便民服务中心建设项目EPC总承包建设工程施工合同)	China Construction Fifth Engineering Division Corp. Ltd.	30.00	Housing construction

Note: The contracts listed above are mainly sourced from the statistics of the contracts actually signed by the Company as at 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	General contracting contract in respect of the phosphoric acid plant project in Abuta, Egypt (埃及阿布塔磷酸厂项目工程总承包合同)	China State Construction Engineering Corporation Limited	8.51	Infrastructure construction
2	General contracting (comprehensive) construction contract in respect of the Studio City Macao project (新濠影汇项目总包(综合)施工合同)	China State Construction Engineering (Hong Kong) Limited and China Construction Engineering (Macao) Company Limited	8.35	Housing construction
3	General contracting (engineering & construction) contract in respect of the terminal project of the New Phnom Penh International Airport (新金边国际机场航站楼总承包(设计&建造)工程合同)	China Construction Third Engineering Division Corp. Ltd.	5.96	Infrastructure construction
4	Construction contract in respect of the 700-bed CHU hospital project in Algiers (阿尔及尔700床CHU医院项目施工合同)	CSCEC Algeria	4.58	Housing construction
5	Contract in respect of the landmark tower project in Indonesia (印尼地标塔项目工程合同)	China Construction First Group Corporation Limited	3.85	Housing construction
6	Contract in respect of the phase I project of Tseung Kwan O seawater desalination plant (将军澳海水淡化厂第一阶段项目合同)	China State Construction Engineering (Hong Kong) Limited	3.55	Infrastructure
7	Contract in respect of the residential housing project at No. 128 Wong Ma Kok Road, Stanley (赤柱黄麻角道128号住宅项目合同)	Treasure Construction Engineering Limited	2.28	Housing construction
8	Engineering service contract (section E) in respect of the construction of the 700MW solar thermal power and 250MW solar photovoltaic power plant project in Dubai (迪拜700MW光热和250MW光伏太阳能电站项目施工E标工程服务合同)	The Second Construction Co., Ltd. of China Construction Third Engineering Bureau	1.87	Infrastructure construction
9	Engineering contract in respect of the Training Center HTTC (CCDC) of the Ministry of Home Affairs (内政部训练中心HTTC (CCDC)工程合同)	China Construction (South Pacific) Development Co. Pte. Ltd.	1.84	Housing construction
10	Engineering contract in respect of the HDB flat-TPN2 (CCDC) in Tampines (淡滨尼组屋-TPN2 (CCDC)工程合同)	China Construction (South Pacific) Development Co. Pte. Ltd.	1.69	Housing construction
11	Phase I for Telal Al-Ghoroob Project	China Construction Zhongyuan Saudi Arabia Limited (中建中原沙特有限公司)	1.65	Housing construction
12	Construction contract in respect of the phase II project of Addis Ababa National Stadium (亚的斯亚贝巴国家体育场二期项目施工合同)	China State Construction Engineering Corporation Limited	1.64	Infrastructure construction
13	Contract in respect of the Bulim infrastructure works phase I ((BL1)-CSCEC works) (武林基础设施工程一期(BL1)-CSCEC工程合同)	China Construction Representative Office in Singapore	1.43	Infrastructure construction
14	Contract in respect of the Logistics center Ain Naaja Algeria (艾因纳扎配送中心项目PLHCA工程合同)	CSCEC Algeria	1.11	Housing construction
15	Contract in respect of the road project of the Industrial Park in Kuwait (科威特工业园道路项目合同)	China Construction Sixth Engineering Division Corp. Ltd.	1.04	Infrastructure construction

Note: The contracts listed above are mainly sourced from the statistics of the contracts actually signed by the Company as at 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	Comprehensive credit facility contract	China Minsheng Banking Corp., Ltd. Beijing Branch	China State Construction Engineering Corporation Limited	RMB6.0 billion	January 9, 2020 – January 8, 2021
2	Master agreement on trading and financial credit facility business	The Export-Import Bank of China	China State Construction Engineering Corporation Limited	RMB15.0 billion	April 2, 2020 – December 6, 2020
3	Credit facility letter	HSBC Bank (China) Company Limited Beijing Branch	China State Construction Engineering Corporation Limited	USD0.2 billion	March 4, 2020 – no fixed expiry date (subject to the results of annual review by the bank)

(4) Newly-signed strategic cooperation and business cooperation agreement

No.	Name of contract	Signing date	Contents of contract
1.	Strategic cooperation memorandum between China State Construction Engineering Corporation Limited and Orix Corporation	January 21, 2020	<ol style="list-style-type: none"> In order to leverage the experience and strengths of both parties, Party B shall cooperate preferentially with Party A in its comprehensive real estate development projects in China, while Party A shall provide full support to Party B in terms of development, design, construction, etc. In order to leverage Party A's experience in development and Party B's experience in operation and management of commercial properties, both parties shall seek in-depth cooperation on comprehensive exchanges in respect of operation of office buildings and commercial facilities, development and operation of airports, comprehensive logistics center, metro hub TOD and other real estate projects. In order to leverage the development abilities of Party A and the business network of Party B in Japan and Asia, the parties will actively expand the development of and cooperation in projects outside China.

XII. Poverty Alleviation by the Listed Company

Applicable N/A

1. Targeted poverty alleviation planning

Applicable N/A

Under the unified arrangement of the State Council Leading Group Office of Poverty Alleviation and Development, the Company and its controlling shareholder China State Construction resolutely implement the deployment requirements of the Central Committee of the Communist Party of China, the State Council and SASAC for poverty alleviation and targeted poverty alleviation. In fulfilling their social responsibilities and obligations as key central enterprises, from 2013 to the first half of 2020, they helped alleviate poverty in Kangle County, Zhuoni County and Kangxian County of Gansu province and have made a series of fruitful efforts in education and employment, improved people's livelihood and industrial development, enhanced local infrastructure and the construction of beautiful countryside. In the first half of 2020, the Company's controlling shareholder China State Construction has successively convened a special party meeting on poverty alleviation, a meeting on the promotion of targeted poverty alleviation and a video conference on poverty alleviation. At the meetings, China State Construction reviewed the 2020 Poverty Alleviation Priorities of China State Construction and the task indicators of the central enterprises' responsibility for targeted poverty alleviation, in order to promote the prevention and control of the pandemic and poverty alleviation in a coordinated manner. Based on the implementation of targeted poverty alleviation and the results of thorough investigation on impoverished people relieved from poverty, Targeted Poverty Alleviation Agreement and Agreement on Poverty Alleviation through Consumption were entered into with the three counties in Gansu province, making a detailed annual plan for the targeted poverty alleviation to help those three counties out of poverty and embark on a moderately prosperous life.

2. Summary of targeted poverty alleviation during the Reporting Period

Applicable N/A

In the first half of 2020, the Company's controlling shareholder China State Construction resolutely implemented the "four continuing requirements" ("四个不摘") proposed by the central government by strengthening organizational leadership, increasing resources investment and implementing precise strategies. The Company has invested and assisted in the injection of poverty alleviation funds of RMB94.30 million, designated 11 subsidiaries with advantages to directly participate in targeted poverty alleviation and another 35 subsidiaries in poverty alleviation through consumption, assigned 15 cadres for posting. Cadres at all levels have carried out 275 surveys and supervisions for targeted poverty alleviation. The Company has trained 1,592 cadres and technical personnel at lower level, purchased and helped to sell agricultural products worth RMB33.28 million in poverty-stricken areas, recruited and exported labor services of 1,258 impoverished people in the three counties of Gansu province, contributing the "CSCEC Power" for successful poverty alleviation there. At present, all the three counties have been relieved from poverty, and the Company has received the highest rating in the targeted poverty alleviation assessment for central enterprises for three consecutive years.

3. Effectiveness of targeted poverty alleviation

√ Applicable □ N/A

Unit: 0'000 yuan Currency: RMB

Indicators	Amount/Quantity & Implementation
I. General	
Including: 1. Fund	9,366.73
2. Materials converted into cash	63.5
3. Number of registered impoverished people relieved from poverty with the help offered	156,091
II. Investment breakdown	
1. Poverty alleviation through industrial development	
Including: 1.1 Type of industrial projects for poverty alleviation	<input checked="" type="checkbox"/> Agricultural and forestry <input checked="" type="checkbox"/> Tourism <input checked="" type="checkbox"/> E-commerce <input type="checkbox"/> Asset income <input type="checkbox"/> Technology <input type="checkbox"/> Others
1.2 Number of industrial projects for poverty alleviation	23
1.3 Amount of investment in industrial projects for poverty alleviation	6,554
1.4 Number of registered impoverished people relieved from poverty with the help offered	28,558
2. Poverty alleviation through transfer of employment	
Including: 2.1 Amount of investment in occupational skill training	720.8
2.2 Number of persons receiving vocational skill training (person/time)	1,654
2.3 Number of registered impoverished people getting employed with the help offered	1,258
3. Poverty alleviation through relocation	
Including: 3.1 Number of persons getting employed for relocated households with the help offered	/
4. Poverty alleviation through education	
Including: 4.1 Amount of investment in financing needy students	23.9
4.2 Number of poor students financed	142
4.3 Amount of investment in improving the educational resources in poverty-stricken areas	1,172
5. Poverty alleviation through healthcare improvement	
Including: 5.1 Amount of investment in the medical and health resources in poverty-stricken areas	161.21
6. Poverty alleviation through ecological protection	
Including: 6.1 Name of project	<input type="checkbox"/> Carry out ecological conservation and maintenance <input type="checkbox"/> Establish compensation ways for ecological conservation <input type="checkbox"/> Set up specialized posts for handling ecological and public charity related affairs <input type="checkbox"/> Others
6.2 Amount of investment	/

Indicators	Amount/Quantity & Implementation
7. Baseline security	
Including: 7.1 Amount of investment in helping the elderly people, women and left-behind children in rural areas	/
7.2 Number of elderly people, women and left-behind children in rural areas receiving the help offered	/
7.3 Amount of investment in helping needy disabled people	100
7.4 Number of needy disabled people receiving the help offered	359
8. Poverty alleviation efforts offered by the society	
Including: 8.1 Amount of investment in coordinated eastern-western poverty alleviation efforts	/
8.2 Amount of investment in targeted poverty alleviation	9,430.23
8.3 Public social charitable fund for poverty alleviation	/
9. Other projects	
Including: 9.1. Number of projects	25
9.2. Amount of investment	1,397.79
9.3. Number of registered impoverished people relieved from poverty with the help offered	16,500
9.4. Description about other projects	<p>The Company organized 17 Party branches from 6 subsidiaries to work in pairs with Party branches from 17 impoverished villages in the three counties of Gansu province to “carry out the Party initiatives and promote poverty alleviation”. Specifically, the Company implemented 2 comprehensive projects of safe drinking water and “seven reconstructions” (i.e. reconstruction of roads, houses, water systems, electric circuits, livestock pens, toilets and kitchens) and 2 model labor village construction projects; trained 589 cadres at lower level; supported 43 leading enterprises and 88 cooperatives; purchased and helped to sell agricultural products worth RMB33.281 million in poverty-stricken areas; and implemented other poverty alleviation projects.</p>
III. Awards received (content and level)	<p>The Company has been recognized as the “Advanced Group for Assistance in Battle of Poverty Alleviation in Gansu Province”, and has received the highest rating in the targeted poverty alleviation assessment for central enterprises for three consecutive years. The Company was invited to share its experience at the conference on poverty alleviation of state-owned enterprises in Gansu province, and its “CSCEC Model” of targeted poverty alleviation was selected into the Blue Book on Corporate Poverty Alleviation released by the State Council Leading Group Office of Poverty Alleviation and Development and the series of books entitled “Poverty Alleviation – Power of Central Enterprises” (《脱贫攻坚·央企力量》) compiled by the News Center of SASAC and the People’s Political Consultative Daily. Its poverty alleviation program was included by the State Council Leading Group Office of Poverty Alleviation and Development in the “Top 50 Comprehensive Cases for Targeted Poverty Alleviation by Corporates” and “Top 50 Cases for Poverty Alleviation by Volunteers”.</p>

4. Staged progress in fulfilling the social responsibility of targeted poverty alleviation

Applicable N/A

Through making full use of the characteristics of industries and the resource advantages of the targeted poverty alleviation counties, and adhering to the combination of “blood transfusion” and “blood making”, the Company continued to implement the “CSCEC Model” of targeted poverty alleviation through industry, employment, education, consumption and Party-building, and made every effort to solve the significant problems to help local people have “No Worry about Food and Clothing with Compulsory Education, Basic Medical Care and Housing Guaranteed”. With further development of local industry for poverty alleviation, the Poverty Alleviation Demonstration Park project for Tourism Industry in Kangxian County has fully integrated the tourism resources across the county to help extremely impoverished villages to build a 4A-level scenic spot, and phase I of the project has been opened for trial operation during the Labor Day holiday. Phase I of CSCEC-Zhuoni County Characteristic Industry Street was officially opened on June 24, becoming a new tourism landmark of Zhuoni County. The Company made precise efforts in poverty alleviation through employment and effectively alleviated the difficulties of migrant workers in work disruption caused by the COVID-19 pandemic. Its 8 subsidiaries were mobilized to provide employment opportunities for the labor force in the three counties. They held 23 special recruitment fairs and employed 1,258 impoverished people in the three counties. In the education field, the Company invested RMB10.22 million in the construction of teaching buildings and ancillary projects of Shaleng Primary School in Kangle County and the Women and Children Activity Center in Zhuoni County, and in the construction of HD video classrooms and the purchase of desks and chairs, computers and other teaching equipment for rural primary schools in the three counties. Through the implementation of the “CSCEC Happiness Courses Plan” (中建幸福课堂计划), the Company paired its 3 affiliated schools, including Dongguan Nankai Experimental School, up with 4 primary schools (or kindergartens) in the three counties and assigned 23 excellent teachers from those 3 schools to provide supports for them. Poverty alleviation through consumption has also achieved effective results: The Company made use of “Haihui Youxuan (海惠优选)” and other e-commerce poverty alleviation platforms to promote the sales of stagnant agricultural products, supporting 43 leading enterprises and 88 cooperatives, creating more than 40 local agricultural product brands including “Kangle Mushrooms (康乐香菇)”, and purchasing and helping to sell agricultural products worth RMB33.28 million in poverty-stricken areas, which benefited 16,000 local people. Aiming at the innovation of poverty alleviation through Party-building, combined with the actual conditions of Party-building pair-ups of poverty-stricken villages, the Company helped develop a comprehensive plan to win the battle against poverty. The experience of poverty alleviation through Party-building in Hejiagou Village was demonstrated and promoted across Kangle County. The Company has invested RMB17.27 million in the construction of 17 poverty alleviation workshops, and has driven 10,200 people to prosperity through project contracting, villagers’ share dividends and mass employment. The Company comprehensively participated in the “3+1” initiative, invested in the “seven reconstructions” comprehensive upgrading project of Madika impoverished village in Ka’erqin Town in Zhuoni County, installed heating equipment for 15 township health centers in Kangle County and repaired 65 valve wells, benefiting 102,000 local people.

5. Subsequent targeted poverty alleviation plan

Applicable N/A

In the second half of 2020, the Company and its controlling shareholder will fully implement the decisions on battle of poverty alleviation of the Central Committee of the Communist Party of China and the State Council, overcome the impact of COVID-19 pandemic, determinedly complete the remaining poverty alleviation tasks, strictly implement the “four continuing requirements” proposed by the central government to maintain the strength, depth and extent of targeted poverty alleviation. It will also focus on the major problems and weak spots in battle of poverty alleviation in the three counties of Gansu province, and actively explore a long-term mechanism for solving relative poverty, so as to ensure that the impoverished people there and in the whole nation will embark on a moderately prosperous society in all respects. The main measures include: completing the construction of the CSCEC-Zhuoni County Characteristic Industry Demonstration Zone, Rural Ecotourism Comprehensive Service Center Construction Project of Basong Town in Kangle County and phase II project of CSCEC-Kangxian County Tourism Industry Demonstration Park to help the three counties to strengthen their project operation capacity; and researching and consolidating the poverty alleviation mechanism of 17 poverty alleviation workshops, including mushroom cultivation cooperatives in Hejiagou Village to form a mature and stable production and marketing business model and enhance the “hematopoietic” function of poverty alleviation through industrial development. In addition, the Company will promote the development of CSCEC advanced skill talents training courses, make great efforts to provide employment skills training for rural pioneers who create their wealth through entrepreneurship and impoverished people, so as to promote the construction of model labor villages and form a long-term model of poverty alleviation through employment. The Company will further develop the brand activities such as “Caihong Yilu (彩虹益路)” and “Inspirational Summer Camp (励志夏令营)”, and donate materials to the three counties to improve the qualification of teachers in impoverished mountainous area, help impoverished students to successfully finish their studies and block the intergenerational continuity of poverty. It will further exploit potential of poverty alleviation through consumption by improving the online and offline sales system of agricultural products in poverty-stricken areas to continuously promote the commercialization and brand-building of agricultural products. It will also improve the effectiveness of poverty alleviation through Party-building by deepening the cooperation with the local Party branches of impoverished villages to enhance the ability of local Party branches in villages to lead impoverished people out of poverty and create wealth, and train a local poverty alleviation task force as mainstay.

XIII. Convertible Corporate Bonds

Applicable N/A

XIV. Environmental Information

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

Applicable N/A

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

Applicable N/A

The Company and its controlling shareholder intensively study and implement the ideology on ecological civilization proposed by President Xi Jinping, closely follow the major decision and deployment on ecological environmental protection of the Central Committee of the Communist Party of China and the State Council, focus on promoting green development and solidly promote ecological environmental protection.

The Company attaches great importance to the construction of environmental governance system. The Company and its controlling shareholder revised the existing management system, formulated and issued the Provisions on the Responsibility Management on Ecological Environmental Protection in CSCEC (for Trial Implementation) based on the latest policies and regulations such as the Guiding Opinions on Building a Modern Environmental Governance System and the newly revised Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes. They continuously strengthened the construction of ecological and environmental protection organizations and institutions at all levels and strengthened full-time and part-time staffing in order to continue to improve the corporate environmental management system.

The Company attaches great importance to environmental governance capacity building. The Company and its controlling shareholder have regularly organized the investigation and rectification on potential environmental risks to improve the risk prevention and control system and enhance the ability of emergency response to environmental risks. They incorporated environmental management training into the overall corporate training arrangement, organized training and education activities through special training, experience exchange, case sharing and internal observation, strengthened the cultivation of professional talents, enhanced the ability of environmental management personnel to perform their duties, and actively created a sound atmosphere to get every staff member involved in and responsible for environmental risk management.

The Company attaches great importance to the pollution prevention of construction projects. For construction projects invested by the Company, it conducted environmental impact assessment according to law, and incorporated relevant requirements into the entire process of design and construction to ensure the simultaneous design, construction, and delivery of pollution prevention facilities and the main works. For the contracted construction projects, the Company strictly implemented the national and local regulatory requirements and have in place and properly operate various pollution prevention facilities and promoted the green and smart construction by giving priority to the use of new green materials, new technologies and new processes, to reduce pollution and material consumption from the source, cut down energy consumption, improve recycle and utilization efficiency of resources and ensure the effective implementation of environmental protection and pollution prevention measures.

- (III) Explanation on reasons for no environmental information disclosure made by companies other than highly polluting companies

Applicable N/A

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

Applicable N/A

XV. 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

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 13 on December 10, 2019. The Company has implemented the Interpretation as of January 1, 2020, without retroactive effects on the accounting in the previous years. Please refer to "Changes in accounting policies" in Note III (34) "Changes in accounting policies and estimates" to the financial statements under Section X "FINANCIAL REPORT" hereof.

- (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

XVI. Index of Information Disclosure

During the Reporting Period, the Company published 84 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: Briefings on Business from January to December 2019	January 10, 2020
2	CSCEC: Announcement on Significant Project	January 18, 2020
3	CSCEC: Independent Director's Independent Opinions on Appointment of the Company's Auditor for Financial Reports in 2020	February 04, 2020
4	CSCEC: Notice on Convening of the 2020 First Extraordinary General Meeting	February 04, 2020
5	CSCEC: Independent Director's Prior Approval of Opinions on Appointment of the Company's Auditor for Financial Reports in 2020	February 04, 2020
6	CSCEC: Announcement on Amendments to the Articles of Association of China State Construction Engineering Corporation Limited and the Rules of Procedure of the General Meeting of China State Construction Engineering Corporation Limited	February 04, 2020
7	CSCEC: Independent Directors' Independent Opinions on Redemption of 150,000,000 Unlisted Preference Shares of the Company	February 04, 2020
8	CSCEC: Announcement on Change of Auditor for Financial Reports	February 04, 2020
9	CSCEC: Rules of Procedure of the General Meeting (2020 Revised Draft)	February 04, 2020
10	CSCEC: Announcement on Resolutions of the 18th Meeting of the Second Session of the Board of Supervisors	February 04, 2020
11	CSCEC: Articles of Association (2020 Revised Draft)	February 04, 2020
12	CSCEC: First Holding Announcement on Redemption of Unlisted Preference Shares	February 04, 2020
13	CSCEC: Announcement on Resolutions of the 34th Meeting of the Second Session of the Board	February 04, 2020
14	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters Regarding Second Tranche of Unlocking in 2019 in Respect of Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	February 05, 2020
15	CSCEC: Announcement on the Second Tranche of Unlocking in 2019 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares	February 05, 2020
16	CSCEC: Information on the 2020 First Extraordinary General Meeting	February 12, 2020
17	CSCEC: Briefings on Business in January 2020	February 15, 2020

No.	Matter	Date of disclosure
18	CSCEC: Announcement on Significant Project	February 20, 2020
19	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 the Creditors	February 20, 2020
20	CSCEC: Second Holding Announcement on Redemption of Unlisted Preference Shares	February 20, 2020
21	CSCEC: Articles of Association (Revised in February 2020)	February 20, 2020
22	CSCEC: Announcement on Resolutions of the 2020 First Extraordinary General Meeting	February 20, 2020
23	CSCEC: Legal Opinions on the 2020 First Extraordinary General Meeting	February 20, 2020
24	CSCEC: Rules of Procedure of the General Meeting (Revised in February 2020)	February 20, 2020
25	CSCEC: Third Holding Announcement on Redemption of Unlisted Preference Shares	February 21, 2020
26	CSCEC: Announcement on Distribution of Dividends for Phase I Preference Shares from 2019 to 2020	February 22, 2020
27	CSCEC: Announcement on Redemption and Delisting of All Unlisted Preference Shares	February 26, 2020
28	CSCEC: Holding Announcement on the Suspension of Trading of Unlisted Preference Shares	February 26, 2020
29	CSCEC: Announcement on Results of the Redemption of All Unlisted Preference Shares	March 04, 2020
30	CSCEC: Announcement on Appointment of the Company's President	March 05, 2020
31	CSCEC: Independent Directors' Independent Opinions on Appointment of Zheng Xuexuan as the Company's President	March 05, 2020
32	CSCEC: Announcement on Resolutions of the 35th Meeting of the Second Session of the Board	March 05, 2020
33	CSCEC: Briefings on Business from January to February 2020	March 14, 2020
34	CSCEC: Announcement on Significant Project	March 20, 2020
35	CSCEC: Legal Opinions of King & Wood Mallesons on Relevant Matters Regarding Repurchase and Cancellation of Part of Restricted Shares under Phase I, II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	April 13, 2020
36	CSCEC: Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme	April 13, 2020
37	CSCEC: Briefings on Business from January to March 2020	April 17, 2020
38	CSCEC: Advance Announcement on Performance Presentation and Cash Dividend Meeting of 2019	April 22, 2020
39	CSCEC: 2019 Sustainability Report	April 25, 2020
40	CSCEC: Summary of 2019 Annual Report	April 25, 2020
41	CSCEC: Announcement on Daily Related Party Transactions under the Comprehensive Services Framework Agreement and the Financial Services Framework Agreement Signed with China State Construction Engineering Corporation	April 25, 2020
42	CSCEC: Independent Director's Independent Opinions on Proposal of the Company's Daily Related Party Transactions in 2020	April 25, 2020
43	CSCEC: Accounting Firm's Audit Report on the Company's Internal Control	April 25, 2020
44	CSCEC: Independent Director's Independent Opinions on Financing Guarantee of the Company in 2020	April 25, 2020
45	CSCEC: Independent Director's Independent Opinions on the Concurrent Position of Zheng Xuexuan, Wang Yunlin, Zhao Xiaojiang, Ma Zeping, Zhou Yong and Wang Xiangming as Senior Executive of the Controlling Shareholder	April 25, 2020
46	CSCEC: Independent Director's Independent Opinions on the 2019 Profit Distribution Plan of the Company	April 25, 2020
47	CSCEC: Independent Director's Prior Approval of Opinions on Change of the Company's Auditor for Internal Control in 2020	April 25, 2020
48	CSCEC: Special Report on Fund Occupation by Controlling Shareholder and Other Related Parties	April 25, 2020
49	CSCEC: 2019 Annual Financial Statements and Audit Report	April 25, 2020
50	CSCEC: Announcement on Resolutions of the 37th Meeting of the Second Session of the Board	April 25, 2020

No.	Matter	Date of disclosure
51	CSCEC: Independent Director's Prior Approval of Opinions on Proposal in Respect of Daily Related Party Transactions of the Company for 2020	April 25, 2020
52	CSCEC: Independent Director's Independent Opinions on Change of the Company's Auditor for Internal Control in 2020	April 25, 2020
53	CSCEC: Announcement on Resolutions of the 19th Meeting of the Second Session of the Board of Supervisors	April 25, 2020
54	CSCEC: Work Report of Independent Directors in 2019	April 25, 2020
55	CSCEC: Announcement on Proposed Additional Financing Guarantee in 2020	April 25, 2020
56	CSCEC: Announcement on Significant Project	April 25, 2020
57	CSCEC: 2019 Annual Report	April 25, 2020
58	CSCEC: 2019 Internal Control Evaluation Report	April 25, 2020
59	CSCEC: Announcement on Change of Auditor for Internal Control	April 25, 2020
60	CSCEC: Announcement on Profit Distribution for 2019	April 25, 2020
61	CSCEC: Special Notes and Special Reports on Changes in Accounting Policies for 2019	April 25, 2020
62	CSCEC: Report on the Performance of Duties of the Audit Committee of the Board of Directors for 2019	April 25, 2020
63	CSCEC: Notice of Convening Annual General Meeting of 2019	April 25, 2020
64	CSCEC: Announcement on Resolutions of the 20th Meeting of the Second Session of the Board of Supervisors	April 30, 2020
65	CSCEC: Briefings of Report of Q1 2020	April 30, 2020
66	CSCEC: Announcement on Resolutions of the 38th Meeting of the Second Session of the Board	April 30, 2020
67	CSCEC: Report of Q1 2020	April 30, 2020
68	CSCEC: Rules of Procedure of the Board of Directors (2020 Revised Draft)	May 14, 2020
69	CSCEC: Announcement on Resolutions of the 39th Meeting of the Second Session of the Board	May 14, 2020
70	CSCEC: Announcement on Additional Temporary Proposals at 2019 Annual General Meeting	May 14, 2020
71	CSCEC: Announcement on Resolutions of the 21st Meeting of the Second Session of the Board of Supervisors	May 14, 2020
72	CSCEC: Briefings on Business from January to April 2020	May 14, 2020
73	CSCEC: Information on 2019 Annual General Meeting	May 15, 2020
74	CSCEC: Announcement on Significant Project	May 22, 2020
75	CSCEC: Rules of Procedure of the Board of Directors (Revised in May 2020)	May 26, 2020
76	CSCEC: Legal Opinions of 2019 Annual General Meeting	May 26, 2020
77	CSCEC: Announcement on Resolutions of 2019 Annual General Meeting	May 26, 2020
78	CSCEC: Announcement on Resolutions of the 22nd Meeting of the Second Session of the Board of Supervisors	May 29, 2020
79	CSCEC: Announcement on Resolutions of the 40th Meeting of the Second Session of the Board	May 29, 2020
80	CSCEC: Briefings on Business from January to May 2020	June 16, 2020
81	CSCEC: Announcement on Implementing Rights and Interests Distribution for 2019	June 17, 2020
82	CSCEC: Condensed Report on Change in Shareholding	June 20, 2020
83	CSCEC: Holding Announcement on Changes in Equity of Shareholders Holding More Than 5%	June 20, 2020
84	CSCEC: Announcement on Significant Project	June 23, 2020

SECTION VI 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		Unit: Share (s)
	Number	Percentage (%)	Issue of new shares	Bonus issue	Conversion from reserve	Others	Subtotal	Number	
I. Shares subject to trading moratorium	834,554,667	1.99				-123,086,000	-123,086,000	711,468,667	1.70
1. State-owned shares									
2. State-owned legal person shares									
3. Shares held by other domestic entities	834,554,667	1.99				-123,086,000	-123,086,000	711,468,667	1.70
Including: Shares held by domestic non-state-owned legal persons									
Shares held by domestic natural persons	834,554,667	1.99				-123,086,000	-123,086,000	711,468,667	1.70
4. 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	41,141,075,044	98.01				112,527,800	112,527,800	41,253,602,844	98.30
1. RMB ordinary shares	41,141,075,044	98.01				112,527,800	112,527,800	41,253,602,844	98.30
2. Domestic listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of ordinary shares	41,975,629,711	100.00				-10,558,200	-10,558,200	41,965,071,511	100.00

2. Explanation on changes in shares√ Applicable N/A

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

- (1) The Company completed the unlocking of the second tranche of 112,527,800 restricted shares in phase II restricted A share incentive scheme, changing the circulating shares subject to trading moratorium to circulating shares not subject to trading moratorium. The Company's total share capital is 41,975,629,711 shares. For details, please refer to the Announcement on the Second Tranche of Unlocking in 2019 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares published by the Company on February 5, 2020.
- (2) The Company completed the repurchase from the participants and cancellation of 10,558,200 restricted shares that were not eligible for unlocking. Upon completion of the repurchase and cancellation, the registered capital (and share capital) of the Company decreased by RMB10,558,200 (and 10,558,200 shares) to RMB41,965,071,511 (and 41,965,071,511 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 by the Company on April 13, 2020.

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	834,554,667	-123,086,000	0	711,468,667	During the trading moratorium period	/
Total	834,554,667	-123,086,000	0	711,468,667	/	/

For details, please refer to "2. Explanation on changes in shares" in "(I) Table of changes in shares" under "I. 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	580,547
Total number of preference shareholders with voting rights restored as at the end of the Reporting Period	/

(II) Shareholding of top 10 shareholders, top 10 holders of circulating shares (or holders of shares not subject to trading moratorium) as at 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	56.31	0	Nil	0	State-owned legal person
Dajia Life Insurance Co., Ltd. – Universal Product	-1,275,708,679	2,094,057,068	4.99	0	Nil	0	Other
China Securities Finance Corporation Limited	0	1,258,300,998	3.00	0	Nil	0	Other
Hong Kong Securities Clearing Company Limited	257,288,315	1,123,207,462	2.68	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	215,989	287,864,145	0.69	0	Nil	0	Foreign legal person
Bank of Communications – E Fund 50 Index Securities Investment Fund	-7,000,000	162,642,126	0.39	0	Nil	0	Securities investment fund
UBS AG	153,147,600	154,848,258	0.37	0	Nil	0	Foreign legal person
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	-19,384,380	142,316,912	0.34	0	Nil	0	Securities investment fund
Agricultural Bank of China Limited – Huaxia CSI State-Owned Enterprises Structural Adjustment Index ETF Securities Investment Fund	14,347,400	69,623,487	0.17	0	Nil	0	Securities investment fund

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
Dajia Life Insurance Co., Ltd. – Universal Product	2,094,057,068	RMB ordinary shares	2,094,057,068
China Securities Finance Corporation Limited	1,258,300,998	RMB ordinary shares	1,258,300,998
Hong Kong Securities Clearing Company Limited	1,123,207,462	RMB ordinary shares	1,123,207,462
Central Huijin Asset Management Co., Ltd.	596,022,420	RMB ordinary shares	596,022,420
GIC PRIVATE LIMITED	287,864,145	RMB ordinary shares	287,864,145
Bank of Communications – E Fund 50 Index Securities Investment Fund	162,642,126	RMB ordinary shares	162,642,126
UBS AG	154,848,258	RMB ordinary shares	154,848,258
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	142,316,912	RMB ordinary shares	142,316,912
Agricultural Bank of China Limited – Huaxia CSI State-Owned Enterprises Structural Adjustment Index ETF Securities Investment Fund	69,623,487	RMB ordinary shares	69,623,487
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. Changes in Controlling Shareholders or De Facto Controller

Applicable N/A

SECTION VII INFORMATION RELATED TO PREFERENCE SHARES

√ Applicable □ N/A

I. Issuance and Listing of Preference Shares during the Reporting Period

Unit: ten thousand shares

Code of preference shares	Abbreviation of preference shares	Date of issue	Issue price (in RMB)	Dividend rate (%)	Number of shares issued	Date of listing	Number of shares permitted to be listed for trading	Delisting date
360007	China Construction Preference Stock 1	March 2, 2015	100	5.8%	15,000	March 20, 2015	15,000	March 2, 2020
Use progress and changes of proceeds	<p>On March 6, 2015, upon consideration and approval at the 76th meeting of the first session of the Board of Directors of the Company, it was agreed to replace the self-pooled upfront investment in projects to be invested through fund raising with the proceeds from preference shares of RMB12.763 billion. The Company's independent directors and the Board of Supervisors agreed on the matter. For details of and investment in the projects, please refer to the relevant announcements such as CSCEC: Announcement on the Replacement of the Self-Pooled Upfront Investment in Projects to be Invested Through Fund Raising with the Proceeds from Preference Shares issued by the Company on March 10, 2015. In accordance with the commitment made in the application document for the issuance of preference shares, the remaining proceeds from preference shares of RMB2.212 billion were used for the category III of projects, i.e. supplementing the Company's general working capital.</p> <p>All the proceeds from the Company's initial non-public issuance of preference shares of RMB15.0 billion have been fully utilized. Please refer to the relevant content of (a) "Preference Share" under Note V (43) "Other equity instruments" to the Financial Statements under Section X "FINANCIAL REPORT" hereof.</p>							

II. Preference Shareholders

(I) Total number of preference shareholders

Total number of preference shareholders as at the end of the Reporting Period 0

(II) Miscellaneous

√ Applicable □ N/A

On February 3, 2020, the Proposal on the Redemption of 150,000,000 Unlisted Preference Shares of China State Construction Engineering Corporation Limited was approved at the 34th meeting of the second session of the Board of Directors of the Company. On February 19, 2020, the above Proposal, the Proposal on Amendments to the Articles of Association of China State Construction Engineering Corporation Limited and the Proposal on Amendments to the Rules of Procedure of the General Meeting of China State Construction Engineering Corporation Limited were approved at the 2020 First Extraordinary General Meeting of the Company. On March 2, 2020, the Company redeemed all preference shares held by all the preference shareholders of the Company.

III. Repurchase and Conversion of the Company's Preference Shares during the Reporting Period

(I) Repurchase

√ Applicable □ N/A

Code of preference shares	Abbreviation of preference shares	Date of repurchase	Repurchase price (RMB per share)	Pricing principle	Number of shares repurchased (ten thousand shares)	Proportion (%)	Total funds for repurchase (in RMB100 million)	Source of funds	Term of share repurchase	Subject of existing repurchase option	Impact on the share capital structure of the Company
360007	China Construction Preferred Stock 1	March 2, 2020	100	Par value of preference shares plus dividends resolved to be paid but not yet paid in the current period (RMB5.80 per share)	15,000	100	150	Self-finance	March 2, 2020	CSCEC	Ordinary shares are not affected, and the number of preference shares is nil

Explanation on matters such as the procedure for considering the repurchase of preference shares

As approved at the 2020 First Extraordinary General Meeting of the Company convened on February 19, 2020, the redemption and cancellation of all the issued 150,000,000 preference shares of China Construction Preferred Stock 1 was completed on March 2, 2020. For details, please refer to relevant announcements of the Company:

1. On February 3, 2020, the Proposal on the Redemption of 150,000,000 Unlisted Preference Shares of China State Construction Engineering Corporation Limited was approved at the 34th meeting of the second session of the Board of Directors and the 18th meeting of the second session of the Board of Supervisors of the Company;
2. On February 4, 2020, the First Holding Announcement on Redemption of Unlisted Preference Shares was published by the Company;
3. On February 19, 2020, the Proposal on the Redemption of 150,000,000 Unlisted Preference Shares of China State Construction Engineering Corporation Limited was approved at the 2020 First Extraordinary General Meeting of the Company;
4. On February 20, 2020, the Second Holding Announcement on Redemption of Unlisted Preference Shares was published by the Company;
5. On February 21, 2020, the Third Holding Announcement on Redemption of Unlisted Preference Shares was published by the Company;
6. On February 26, 2020, the Announcement on Redemption and Delisting of All Unlisted Preference Shares and the Holding Announcement on the Suspension of Trading of Unlisted Preference Shares were published by the Company;
7. On March 4, 2020, the Announcement on Results of the Redemption of All Unlisted Preference Shares was published by the Company;

(II) Conversion

Applicable N/A

No terms for compulsory conversion to ordinary shares are provided in China Construction Preferred Stock 1.

IV. Restoration and Exercise of Relevant Voting Rights that the Company shall Disclose if the Voting Rights of Preference Shares Restored

Applicable N/A

V. Accounting Policies Adopted by the Company for Preference Shares and Reasons Therefor

Applicable N/A

Pursuant to requirements of the Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments and the Provisions for Differentiation between Financial Instruments and Equity Instruments and Relevant Accounting Treatment issued by the Ministry of Finance, the total amount actually received from issuance of China Construction Preferred Stock 1 net of related transaction costs was accounted for as other equity instruments.

VI. Miscellaneous

Applicable N/A

SECTION VIII DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

I. Changes in Shareholding

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

√ Applicable □ N/A

Changes in shareholdings of incumbent directors, supervisors and senior management

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	/
Yang Chunjin	Independent director	0	0	0	/
Yu Hailong	Independent director	0	0	0	/
Jia Chen	Independent director	0	0	0	/
Zheng Changhong	Independent director	0	0	0	/
Shi Zhiping	Chairman of the Board of Supervisors	83.7	83.7	0	/
Li Jianbo	Supervisor	44.8	44.8	0	/
Tian Shifang	Supervisor	15.4	15.4	0	/
Ning Wangchu	Employee representative supervisor	22.12	22.12	0	/
Lu Yanbin	Employee representative supervisor	15.4	15.4	0	/
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	/
Huang Kesi	Vice president	134.716	134.716	0	/
Xue Keqing	Secretary to the Board of Directors	129.9	129.9	0	/

Changes in shareholdings of resigned directors, supervisors and senior management

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
Gao Lieyang	Former chairman of the Board of Supervisors	16.8	16.8	0	/

Mr. Gao Lieyang, former chairman of the Board of Supervisors, resigned as supervisor and chairman of the second session of the Board of Supervisors in July 2020 due to job arrangement. For further details, please refer to II. "Changes in Directors, Supervisors and Senior Management".

Other explanation

Applicable N/A

(II) Stock options granted to directors, supervisors and senior management 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
Yang Chunjin	Independent director	0	0	0	0	0
Yu Hailong	Independent director	0	0	0	0	0
Jia Chen	Independent director	0	0	0	0	0
Zheng Changhong	Independent director	0	0	0	0	0
Shi Zhiping	Chairman of the Board of Supervisors	71.8	0	11.9	59.9	59.9
Li Jianbo	Supervisor	0	0	0	0	0
Tian Shifang	Supervisor	0	0	0	0	0
Ning Wangchu	Employee representative supervisor	0	0	0	0	0
Lu Yanbin	Employee representative supervisor	0	0	0	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	71.8	0	11.9	59.9	59.9
Huang Kesi	Vice president	71.8	0	11.9	59.9	59.9
Xue Keqing	Secretary to the Board of Directors	71.8	0	11.9	59.9	59.9
Gao Lieyang	Former chairman of the Board of Supervisors	0	0	0	0	0
Total	/	287.2	0	47.6	239.6	239.6

II. Changes in Directors, Supervisors and Senior Management

Applicable N/A

Name	Position	Changes
Zheng Xuexuan	Chairman	Appointed
Gao Lieyang	Former chairman of the Board of Supervisors	Resigned
Shi Zhiping	Chairman of the Board of Supervisors	Elected

Explanation on changes in directors, supervisors and senior management

Applicable N/A

Changes in directors: Nil

Changes in supervisors: The Board of Supervisors of the Company received the resignation report from Mr. Gao Lieyang in July 2020. Mr. Gao Lieyang resigned as supervisor and chairman of the second session of the Board of Supervisors due to job arrangement. For further details, please refer to the Announcement on the Resignation of a Supervisor and Nomination of Candidates for Supervisor published by the Company on July 30, 2020. The Company convened the 23rd meeting of the second session of the Board of Supervisors on July 29, 2020, at which the Proposal on the Nomination of Candidates for Supervisor of China State Construction Engineering Corporation Limited was approved, and as recommended by the controlling shareholder of the Company, China State Construction Engineering Corporation, the Board of Supervisors of the Company agreed to nominate Mr. Shi Zhiping as a candidate for supervisor of the second session of the Board of Supervisors of the Company and such proposal was submitted to the general meeting of the Company for consideration. On August 21, 2020, the Company convened the 2020 Second Extraordinary General Meeting, at which the Proposal on Nomination of Candidates for Supervisor of China State Construction Engineering Corporation Limited was approved and Mr. Shi Zhiping was elected as a supervisor of the Company. For details, please refer to the Announcement on Resolutions of the 2020 Second Extraordinary General Meeting of China State Construction Engineering Corporation Limited published by the Company on August 22, 2020. On August 24, 2020, the Company convened the 25th meeting of the second session of the Board of Supervisors, at which the Proposal on the Election of Chairman of the Second Session of the Board of Supervisors of China State Construction Engineering Corporation Limited was approved. For details, please refer to the Announcement on Resolutions of the 25th Meeting of the Second Session of the Board of Supervisors of the Company dated August 25, 2020.

Changes in senior management: Mr. Zheng Xuexuan is a director of the second session of the Board of Directors of the Company. On March 4, 2020, the Company convened the 35th meeting of the second session of the Board of Directors, at which the Proposal on the Appointment of Mr. Zheng Xuexuan as President of China State Construction Engineering Corporation Limited was approved to appoint Mr. Zheng Xuexuan as President of the Company. For further details, please refer to the Announcement on Appointment of Company's President published by the Company on March 5, 2020.

III. Miscellaneous

Applicable N/A

SECTION IX INFORMATION ON CORPORATE BONDS

Applicable N/A

SECTION X FINANCIAL REPORT

I. Review Report

Applicable N/A

Please refer to the attached hereto

II. Financial Statements

Please refer to the attached hereto

SECTION XI INDEX OF DOCUMENTS AVAILABLE FOR INSPECTION

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 institution (head of the accounting institution)

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

Chairman: Zhou Naixiang

Submission date approved by the Board of Directors: August 27, 2020

Amendments

Applicable N/A

Content

Reviewed Financial Statements

For the six-month period ended 30 June 2020

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REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Ernst & Young Hua Ming (2020) Zhuan Zi No. 61398485_A05

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 2020, 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 (hereinafter collectively referred to as "Interim Financial Statements"). The preparation of interim financial statements in accordance with Accounting Standards for Business Enterprises is the responsibility of the management of the Company. Our responsibility is to express a report on review of interim 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 interim 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 Interim 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 2020, and financial performance and cash flows for the six months ended 30 June 2020.

Chinese Certified Public Accountant: Zhou Ying

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Yang Shujuan

Chinese Certified Public Accountant: Shen Yan

CONSOLIDATED BALANCE SHEET

As at 30 June 2020

Expressed in thousands of RMB

ASSETS	Notes V	30 June 2020	31 December 2019
Current assets			
Cash and bank balances	1	274,235,275	292,441,419
Financial assets held for trading	2	281,113	902,072
Notes receivable	3	31,308,645	26,918,443
Accounts receivable	4	172,032,261	153,961,875
Accounts receivables financing	5	4,432,962	3,674,166
Prepayments	6	56,935,910	55,084,548
Other receivables	7	53,789,276	53,186,521
Inventories	8	615,883,523	578,917,620
Contract assets	9	193,761,098	150,975,326
Current portion of non-current assets	10	75,689,760	57,463,704
Other current assets	11	104,836,855	87,980,288
Total current assets		1,583,186,678	1,461,505,982
Non-current assets			
Debt investments	12	17,063,195	17,759,804
Other debt investments		412,132	612,106
Long-term receivables	13	168,424,085	164,825,662
Long-term equity investments	14	82,040,910	74,916,901
Investments in other equity instruments	15	6,048,707	8,069,043
Other non-current financial assets		35,510	50,510
Investment properties	16	84,814,303	76,301,157
Fixed assets	17	37,414,386	37,554,496
Construction in progress	18	10,863,668	10,085,813
Intangible assets	19	18,813,635	16,409,157
Goodwill	20	2,449,086	2,347,428
Long-term prepaid expenses	21	963,328	935,800
Deferred tax assets	22	17,122,209	15,129,128
Other non-current assets	23	145,796,264	147,948,942
Total non-current assets		592,261,418	572,945,947
TOTAL ASSETS		2,175,448,096	2,034,451,929

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

CONSOLIDATED BALANCE SHEET (continued)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes V	30 June 2020	31 December 2019
Current liabilities			
Short-term borrowings	25	69,694,777	28,498,331
Notes payable	26	10,003,945	7,030,414
Accounts payable	27	515,508,935	493,129,630
Advances from customers	28	607,749	449,953
Contract liabilities	29	292,899,135	281,789,584
Employee benefits payable	30	6,037,840	7,757,862
Taxes and surcharges payable	31	53,987,905	59,368,941
Other payables	32	118,328,040	114,030,641
Current portion of non-current liabilities	33	91,905,946	89,017,494
Other current liabilities	34	76,147,353	64,654,827
Total current liabilities		1,235,121,625	1,145,727,677
Non-current liabilities			
Long-term borrowings	35	280,698,497	247,800,428
Bonds payable	36	99,363,562	99,596,598
Long-term payables	37	16,144,135	19,897,230
Long-term employee benefits payable	38	2,027,549	2,064,489
Provisions	39	4,122,522	4,108,734
Deferred income	40	462,307	444,795
Deferred tax liabilities	22	6,280,663	4,655,710
Other non-current liabilities	41	7,971,596	8,320,948
Total non-current liabilities		417,070,831	386,888,932
TOTAL LIABILITIES		1,652,192,456	1,532,616,609
Shareholders' equity			
Paid-in capital	42	41,965,072	41,975,630
Other equity instruments	43	10,000,000	20,975,410
Including: Preference share		-	14,975,410
Perpetual bond		10,000,000	6,000,000
Capital reserve	44	12,227,635	12,027,610
Less: Treasury shares		(2,465,247)	(2,501,460)
Other comprehensive income	45	(2,487,801)	(1,776,745)
Special reserve	46	121,118	88,474
General risk reserve		1,151,202	1,151,202
Surplus reserve	47	7,716,149	7,716,149
Retained earnings	48	209,544,829	197,541,411
Total equity attributable to the shareholders		277,772,957	277,197,681
Non-controlling interests		245,482,683	224,637,639
Total shareholders' equity		523,255,640	501,835,320
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,175,448,096	2,034,451,929

The financial statements have been signed by:

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin Head of the Finance Department: Tian Wei

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

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2020

Expressed in thousands of RMB

	Notes V	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Revenue	49	728,187,767	685,419,315
Less: Cost of sales	49	648,379,173	616,000,792
Taxes and surcharges	50	5,594,222	7,659,936
Selling and distribution expenses	51	2,124,147	1,864,834
General and administrative expenses	52	13,581,970	12,810,447
Research and development expenses	53	8,999,961	3,264,383
Finance expenses	54	6,461,400	4,156,356
Including: Interest expenses		6,350,074	5,358,772
Interest income		1,545,420	1,445,814
Add: Other income		284,029	129,141
Investment income	55	3,527,067	2,536,752
Including: Share of profit of associates and joint ventures		3,090,860	2,527,317
Losses from derecognition of financial assets measured at amortised cost		(853,615)	(1,189,369)
Gains/(losses) arising from changes in fair value	56	199,572	(336,217)
Credit impairment losses	57	(3,979,864)	(1,497,753)
Asset impairment reversal	58	164,968	1,205,642
Gains on disposals of assets		16,967	12,092
Operating profit		43,259,633	41,712,224
Add: Non-operating income	59	695,532	390,595
Less: Non-operating expenses	60	180,288	148,439
Profit before income taxes		43,774,877	41,954,380
Less: Income tax expenses	62	10,840,077	9,808,018
Profit		32,934,800	32,146,362
Classified by continuity of operations			
Profit from continuing operations		32,934,800	32,146,362
Classified by ownership of the equity			
Profit attributable to owners of the parent		19,839,785	20,308,445
Profit attributable to non-controlling interests		13,095,015	11,837,917

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

CONSOLIDATED INCOME STATEMENT (continued)

	Notes V	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Other comprehensive income, net of tax		(531,092)	(510,837)
Attributable to owners of the parents	45	(353,868)	(443,507)
Other comprehensive income that will not be reclassified to profit or loss		(281,936)	442,681
Remeasurement gains or losses of a defined benefit plan		(37,920)	170
Changes in fair value of investments in other equity instruments		(244,016)	442,511
Other comprehensive income that may be reclassified to profit or loss		(71,932)	(886,188)
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		(45,448)	(71,302)
Changes in fair value of other debt investments		(7,914)	6,736
Exchange differences on translation of foreign currency financial statements		(18,570)	(821,622)
Attributable to non-controlling interests	45	(177,224)	(67,330)
Total comprehensive income		32,403,708	31,635,525
Attributable to owners of the parent		19,485,917	19,864,938
Attributable to non-controlling interests		12,917,791	11,770,587
Earnings per share	63		
Basic earnings per share (RMB/share)		0.47	0.45
Diluted earnings per share (RMB/share)		0.46	0.45

The financial statements have been signed by:

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin Head of the Finance Department: Tian Wei

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

Expressed in thousands of RMB

For the six months ended 30 June 2020

	Attributable to shareholders of the Company											Non-controlling interests	Total shareholders' equity
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	General risk reserve	Surplus reserve	Retained earnings	Subtotal		
		Preference share	Perpetual bond										
I. Balance at the beginning of the 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	-	-	-	-	-	(353,868)	-	-	-	19,839,785	19,485,917	12,917,791	32,403,708
1. Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	6,085,792	6,085,792
(2) Capital contribution 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) Unlocked restricted shares buyback and cancellation	(10,558)	-	-	(25,655)	36,213	-	-	-	-	-	-	-	-
(5) Others	-	-	-	(44,008)	-	-	-	-	-	(27,443)	(71,451)	1,765,904	1,694,453
3. Profit distribution	-	-	-	-	-	-	-	-	-	(7,763,538)	(7,763,538)	(4,062,293)	(11,825,831)
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,691,224)	(2,093,798)
(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	-	-	-	-	-	-	9,855,226	-	-	-	9,855,226	30,297	9,885,523
(1) Appropriation to safety production expenses	-	-	-	-	-	-	(9,822,582)	-	-	-	(9,822,582)	(27,172)	(9,849,754)
(2) Use of safety production expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Balance at the end of the 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	245,482,663	523,255,640

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2019

	Attributable to shareholders of the Company											Total shareholders' equity	
	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	General risk reserve	Surplus reserve	Retained earnings	Subtotal		Non-controlling interests
		Preference share	Perpetual bond										
I. Balance at the end of prior year	41,985,174	14,975,410	7,996,770	11,262,289	(2,924,442)	(1,689,877)	77,329	656,661	6,003,665	165,628,207	243,961,186	185,303,070	429,264,256
Add: Other changes in accounting policies	-	-	-	-	-	(657,646)	-	-	72,060	516,681	(66,907)	(86,418)	(155,325)
II. Balance at the beginning of the period	41,985,174	14,975,410	7,996,770	11,262,289	(2,924,442)	(2,367,525)	77,329	656,661	6,075,725	166,144,888	243,892,279	185,216,652	429,108,931
III. Changes for the period													
1. Total comprehensive income	-	-	-	-	-	(441,556)	-	-	-	20,308,445	19,866,889	11,770,587	31,637,476
2. Owners' contributions and reduction in capital													
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	3,362,046	3,362,046
(2) Capital contribution by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	2,487,300
(3) Share-based payments	-	-	-	325,131	-	-	-	-	-	-	325,131	51,123	376,254
(4) Effect on changes in shareholding of subsidiaries	-	-	-	(36,677)	-	-	-	-	(170)	(170)	(36,847)	69,631	32,784
(5) Unlocked restricted shares buyback and cancellation	(3,909)	-	-	(9,327)	13,236	-	-	-	-	-	-	-	-
3. Profit distribution													
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,052,853)	(7,052,853)	(7,052,853)	(2,725,859)	(9,778,712)
(2) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	(1,302,795)	(1,302,795)	(1,302,795)	(2,241,306)	(3,544,101)
4. Transfer within equity													
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(1,951)	-	-	1,951	-	-	-	-
5. Special reserve													
(1) Appropriation to safety production expenses	-	-	-	-	-	-	10,721,501	-	-	-	10,721,501	14,479	10,735,980
(2) Use of safety production expenses	-	-	-	-	-	(10,694,257)	-	-	-	-	(10,694,257)	(6,107)	(10,700,364)
6. Others	-	-	-	-	-	-	-	-	3,915	3,915	3,915	-	3,915
IV. Balance at the end of the period	41,981,265	14,975,410	7,996,770	11,541,416	(2,911,206)	(2,801,032)	104,573	656,661	6,075,725	178,103,381	255,722,963	197,998,546	453,721,509

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Tian Wei

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

Expressed in thousands of RMB

	Notes V	For the six months ended 30 June 2020	For the six months ended 30 June 2019
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from sales of goods and rendering of services		742,121,946	702,227,544
Refund of taxes and surcharges		159,847	35,337
Cash receipts relating to other operating activities	64	22,579,427	19,050,055
Sub-total cash inflows from operating activities		764,861,220	721,312,936
Cash payments for goods and services		745,882,283	724,766,219
Cash payments to and on behalf of employees		38,837,012	36,962,494
Payments of taxes and surcharges		33,075,459	31,626,762
Cash payments relating to other operating activities	64	17,711,672	10,854,159
Sub-total cash outflows from operating activities		835,506,426	804,209,634
Net cash flow used in operating activities	65	(70,645,206)	(82,896,698)
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash receipts from disposal of investments		1,825,307	3,419,991
Cash receipts from returns on investments		2,732,233	2,883,776
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		407,802	1,621,360
Net cash receipts from disposal of subsidiaries and other business units		–	54,354
Net cash receipts from acquisition of subsidiaries and other business units		428,856	435,601
Cash receipts relating to other investing activities	64	10,196,002	8,442,032
Sub-total cash inflows from investing activities		15,590,200	16,857,114
Cash payments to acquire fixed assets, intangible assets and other long-term assets		13,315,435	10,300,068
Cash payments for investments		4,275,524	5,810,863
Net cash payments to acquire subsidiaries and other business units		1,154,210	–
Cash payments relating to other investing activities	64	8,908,619	13,183,673
Sub-total cash outflows from investing activities		27,653,788	29,294,604
Net cash flows used in investing activities		(12,063,588)	(12,437,490)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Notes V	For the six months ended 30 June 2020	For the six months ended 30 June 2019
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts from capital contributions		24,088,660	8,834,221
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		6,085,792	8,834,221
Cash receipts from borrowings		140,131,048	125,291,336
Cash receipts from issuance of bonds		13,199,667	6,120,000
Cash receipts relating to other financing activities	64	10,954,550	9,654,409
Sub-total cash inflows from financing activities		188,373,925	149,899,966
Repayments of borrowings		77,458,739	71,971,016
Cash payments for distribution of dividends or profit and interest expenses		19,550,808	19,434,170
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		1,235,314	3,617,852
Cash payments to acquire non-controlling interest of subsidiaries		–	190,204
Other cash payments relating to financing activities	64	26,185,724	7,956,262
Sub-total cash outflows from financing activities		123,195,271	99,551,652
Net cash flows from financing activities		65,178,654	50,348,314
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		388,728	100,277
5. NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(17,141,412)	(44,885,597)
Add: Cash and cash equivalents at the beginning of the period		271,727,808	298,810,194
6. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
	65	254,586,396	253,924,597

The financial statements have been signed by:

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin Head of the Finance Department: Tian Wei

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

COMPANY BALANCE SHEET

As at 30 June 2020

Expressed in thousands of RMB

ASSETS	Notes XV	30 June 2020	31 December 2019
Current assets			
Cash and bank balances		23,025,343	21,561,651
Notes receivable		113,284	102,188
Accounts receivable	1	28,140,182	28,086,588
Accounts receivables financing		130,900	6,100
Prepayments		9,597,858	7,039,642
Other receivables	2	26,061,458	22,569,711
Inventories		135,848	340,527
Contract assets		6,672,430	7,495,304
Current portion of non-current assets		4,682,496	4,291,107
Other current assets		4,363,476	4,132,472
Total current assets		102,923,275	95,625,290
Non-current assets			
Debt investments		8,842,617	8,115,503
Long-term receivables		9,239	–
Long-term equity investments	3	175,797,213	170,723,729
Investments in other equity instruments		1,353,939	1,837,882
Investment properties		606,320	621,752
Fixed assets		830,688	839,905
Construction in progress		58,592	53,957
Intangible assets		101,103	107,442
Long-term prepaid expenses		8,569	3,037
Deferred tax assets		455,745	333,973
Other non-current assets		6,396,538	7,879,408
Total non-current assets		194,460,563	190,516,588
TOTAL ASSETS		297,383,838	286,141,878

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

COMPANY BALANCE SHEET (continued)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes XV	30 June 2020	31 December 2019
Current liabilities			
Short-term borrowings		28,432,672	16,019,470
Accounts payable		44,666,995	43,506,320
Contract liabilities		17,582,627	14,774,502
Employee benefits payable		340,477	521,869
Taxes payable		613,207	777,906
Other payables		41,664,415	41,148,194
Current portion of non-current liabilities		9,808,674	13,075,858
Other current liabilities		4,222,799	3,803,807
Total current liabilities		147,331,866	133,627,926
Non-current liabilities			
Long-term borrowings		3,334,000	3,845,000
Bonds payable		9,889,002	12,886,322
Long-term payables		14,759,010	17,093,457
Long-term employee benefits payable		115,265	122,053
Provisions		30,602	28,540
Deferred income		7,357	7,455
Total non-current liabilities		28,135,236	33,982,827
TOTAL LIABILITIES		175,467,102	167,610,753
Shareholders' equity			
Paid-in capital		41,965,072	41,975,630
Other equity instruments		10,000,000	20,975,410
Including: Preference Share		–	14,975,410
Perpetual bond		10,000,000	6,000,000
Capital reserve		30,742,727	30,537,559
Less: Treasury shares		(2,465,247)	(2,501,460)
Other comprehensive income		(309,858)	126,114
Special reserve		2,178	–
Surplus reserve		7,716,149	7,716,149
Retained earnings		34,265,715	19,701,723
Total shareholders' equity		121,916,736	118,531,125
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		297,383,838	286,141,878

The financial statements have been signed by:

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin Head of the Finance Department: Tian Wei

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

COMPANY INCOME STATEMENT

For the six months ended 30 June 2020

Expressed in thousands of RMB

	Notes XV	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Revenue	4	40,706,237	48,753,929
Less: Cost of sales	4	39,732,068	47,069,716
Taxes and surcharges		48,553	102,583
General and administrative expenses		418,199	537,743
Research and development expenses		21,175	8,128
Finance expenses		895,842	952,292
Including: Interest expenses		1,164,358	1,146,520
Interest income		133,182	112,742
Add: Other income		2,020	990
Investment income	5	23,596,042	11,775,948
Including: Share of losses of associates and joint ventures		(71,348)	(155,918)
Credit impairment losses		(65,709)	(46,557)
Gains on disposals of assets		784	27
Operating profit		23,123,537	11,813,875
Add: Non-operating income		4,382	9,514
Less: Non-operating expenses		6,982	554
Profit before income taxes		23,120,937	11,822,835
Less: Income tax expenses		748,021	721,887
Profit		22,372,916	11,100,948
Classified by continuity of operations			
Profit from continuing operations		22,372,916	11,100,948
Other comprehensive income, net of tax		(78,784)	(8,540)
Other comprehensive income that will not be reclassified to profit or loss		23,970	–
Remeasurement gains or losses of a defined benefit plan		(1,020)	–
Changes in fair value of investment in other equity instruments		24,990	–
Other comprehensive income that may be reclassified to profit or loss		(102,754)	(8,540)
Exchange differences on translation of foreign currency financial statements		(102,754)	(8,540)
Total comprehensive income		22,294,132	11,092,408

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Tian Wei

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

Expressed in thousands of RMB

For the six months ended 30 June 2020

	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual bond							
I. Balance at the beginning of the 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. Capital contribution and withdrawal by shareholders										
(1) Capital contribution 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) Unlocked restricted shares buyback and cancellation	(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 the end of the period	41,965,072	-	10,000,000	30,742,727	(2,465,247)	(309,658)	2,178	7,716,149	34,265,715	121,916,736

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

COMPANY STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2019

	Paid-in capital	Other equity instruments		Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		Preference share	Perpetual bond							
I. Balance at the end of prior year	41,985,174	14,975,410	7,996,770	29,955,921	(2,924,442)	(257,500)	-	6,003,665	12,645,010	110,380,008
Add: Other changes in accounting policies	-	-	-	-	-	210,451	-	72,060	648,542	931,053
II. Balance at the beginning of the period	41,985,174	14,975,410	7,996,770	29,955,921	(2,924,442)	47,049	-	6,075,725	13,293,552	111,311,061
III. Changes for the period										
1. Total comprehensive income	-	-	-	-	-	(8,540)	-	-	11,100,948	11,092,408
2. Capital contribution and withdrawal by shareholders	-	-	-	-	-	-	-	-	-	-
(1) Share-based payments	-	-	-	268,796	-	-	-	-	-	268,796
(2) Unlocked restricted shares buyback and cancellation	(3,909)	-	-	(9,327)	13,236	-	-	-	-	-
3. Profit distribution	-	-	-	-	-	-	-	-	-	-
(1) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,052,853)	(7,052,853)
(2) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	(1,302,795)	(1,302,795)
4. Special reserve	-	-	-	-	-	-	-	-	-	-
(1) Appropriation to safety production expenses	-	-	-	-	-	-	314,033	-	-	314,033
(2) Use of safety production expenses	-	-	-	-	-	-	(314,033)	-	-	(314,033)
IV. Balance at the end of the period	41,981,265	14,975,410	7,996,770	30,215,390	(2,911,206)	(55,589)	-	6,075,725	16,038,652	114,316,617

The financial statements have been signed by:

Chairman: Zhou Naixiang Chief Finance Officer: Wang Yunlin Head of the Finance Department: Tian Wei

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

COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

Expressed in thousands of RMB

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from sales of goods and rendering of services	46,323,207	51,182,825
Refund of taxes and surcharges refunds	8,962	563
Other cash receipts relating to operating activities	3,694,920	4,487,993
Sub-total cash inflows from operating activities	50,027,089	55,671,381
Cash payments for goods and services	43,690,758	49,724,311
Cash payments to and on behalf of employees	901,731	971,590
Payments of taxes and surcharges	973,438	782,830
Cash payments relating to other operating activities	2,455,842	2,281,339
Sub-total cash outflows from operating activities	48,021,769	53,760,070
Net cash flows from operating activities	2,005,320	1,911,311
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from disposal of investments	302,790	-
Cash receipts from returns on investments	18,755,240	12,812,276
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	1,291	337
Cash receipts relating to other investing activities	1,552,106	2,454,012
Sub-total cash inflows from investing activities	20,611,427	15,266,625
Cash payments to acquire fixed assets, intangible assets and other long-term assets	79,426	25,888
Cash payments for investments	4,267,082	4,021,466
Cash payments relating to other investing activities	505,640	2,730,270
Sub-total cash outflows from investing activities	4,852,148	6,777,624
Net cash flows from investing activities	15,759,279	8,489,001

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

COMPANY STATEMENT OF CASH FLOWS (continued)

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash receipts from capital constructions	10,000,000	–
Cash receipts from borrowings	30,000,000	8,500,000
Cash receipts relating to other financing activities	18,995	941,123
Sub-total cash inflows from financing activities	40,018,995	9,441,123
Repayments of borrowings	25,611,000	11,004,000
Cash payments for distribution of dividends or profit and interest expenses	9,723,783	9,176,865
Other cash payments relating to financing activities	20,975,410	1,417,018
Sub-total cash outflows from financing activities	56,310,193	21,597,883
Net cash flows used in financing activities	(16,291,198)	(12,156,760)
4. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	12,315	56,064
5. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,485,716	(1,700,384)
Add: Cash and cash equivalents at the beginning of the period	21,528,343	24,077,377
6. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	23,014,059	22,376,993

The financial statements have been signed by:

Chairman: Zhou Naixiang

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Tian Wei

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

NOTES TO 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 2020, total share capital of the Company was approximately RMB42 billion at the par value of RMB1.00 per share. As at 30 June 2020, CSCEC held approximately 23,630,700,000 shares, representing 56.31% 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 issue by the Company's Board of Directors on 27 August 2020.

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") and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No. 15 – General Rules on Financial Reporting* issued by the China Securities Regulatory Commission.

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

III. Significant accounting policies and estimates

Specific accounting policies and accounting 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 2020, and the financial performance and the cash flows for the six months ended 30 June 2020 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").

Each subsidiary, joint venture or associate of the Group determines its own functional currency based on the primary economic environment in which it operates. The financial statements are presented in RMB.

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 is the date on which the absorbing entity effectively obtains control on the entity being absorbed.

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 is remeasured at fair value at the acquisition date, with any difference between fair value and 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 held in the acquiree before the acquisition date, the equity instrument investment accumulates changes in the fair value of other comprehensive income into retained earnings before the acquisition date.

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.

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, 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.

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 rate 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.

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.

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.

Debt investments at fair value through other comprehensive income

The Group measures debt investments 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

Other financial liabilities mainly consist of notes payable, accounts payable, Other payables, borrowings and bonds payable. After initial recognition, financial liabilities deducted transaction costs are measured at amortised cost using the effective interest method. Those with a maturity of less than one year (including one year) are disclosed as other current liabilities; those with a maturity of more than one year but due within one year (including one year) from the balance sheet date are disclosed as current portion of non-current liabilities; the rest are disclosed as other non-current liabilities.

The Group derecognises a financial liability (or part of it) when the underlying present obligation (or part of it) is discharged. When the Group derecognises a financial liability or a part of it, it recognises the difference between the carrying amount of the financial liability (or part of the financial liability) derecognised and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. During valuation, the Group adopts the valuation technique that is applicable in the current circumstances and contains sufficient available data and other information supports, chooses inputs with features of assets or liabilities that are consistent with those market participants considered in related transactions of assets or liabilities, and gives priority to relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

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, contract assets, and financial guarantee contracts.

The Group considers reasonable and supportable information related to historical events, current condition and forecast of future economic position which are available, and uses the risk of default as the weight to calculate the present value of the difference between the contractual cash flow receivable and the expected cash flow received probability-weighted amount to confirm expected credit losses.

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.

For accounts receivable and 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, other financial assets, and financial guarantee contracts,

the Group assesses whether the credit risk has increased significantly since initial recognition at each balance sheet date. 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 balance sheet date, the Group assumes that the credit risk has not increased significantly since initial recognition, and measures at an amount equal to 12-month ECLs.

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 aging portfolio.

In case the ECL 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 ECL for the groupings. Basis for determining groupings is as follows:

Grouping 1 of accounts receivable	due from government authorities and central state-owned enterprises
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Grouping 2 of accounts receivable	due from overseas enterprises
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Grouping 3 of accounts receivable	due from other customers
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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 ECL rate, and calculates the ECL of accounts receivable that are classified into groupings.

Grouping 1 of contract assets related to	engineering projects
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Grouping 2 of contract assets related to	real estate projects
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Grouping 3 of contract assets related to	unmatured warranties
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Grouping 4 of contract assets related to	PPP projects which are managed in the model of financial assets
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Grouping 5 of contract assets related to	primary land development projects
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Grouping 6 of contract assets related to	other contract assets
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Based on the exposure at default and the lifetime ECL rate, the Group calculates the ECL 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 ECL through default risk exposure and the lifetime ECL rate, on the basis of historical credit losses experience, the current conditions and forecasts of future economic conditions. Based on the exposure at default and the 12-month/lifetime ECL rate, the Group calculates the ECL of other long-term receivables with consideration of historical credit losses experience, the current conditions and forecasts of future economic conditions.

In case the ECL 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 ECL for the groupings. Basis for determining groupings is as follows:

Grouping 1 of other receivables related to	guarantees, deposits and reserves receivables
Grouping 2 of other receivables related to	advances receivable
Grouping 3 of other receivables related to	other receivables

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

The Group recognises the loss provision for receivables and contract assets made or reversed into profit or loss for the current period. For debt instruments at fair value through other comprehensive income, the Group adjusts other comprehensive income while the impairment loss or gain is recognised in profit or loss for the current period.

The Group's judgment 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 flow 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.

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. 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 balance sheet date, 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.

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.

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.

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 and estimated net residual value of a fixed asset and the depreciation method applied at least at each year end, and make 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.

An item of construction in progress is transferred to fixed assets when the asset 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.

16. 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 is engaged in business have rights to access the service object for a certain period of time of charge, charge amount is uncertain, this right does not constitute an unconditional charge can determine the amount of money or the rights of other financial assets, while affirm income confirmation of 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.

17. 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, financial assets, using the following methods:

The Group assesses at the balance sheet date 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.

18. 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.

19. 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.

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, 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.

20. 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:

- (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.

21. 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 balance sheet date 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.

22. Other equity instruments

Upon the maturity of the perpetual bonds issued by the Group, the Group has the right to extend the term indefinitely. For the coupon interest of the perpetual bonds, the Group has the right to defer payment. The Group has no contractual obligation to pay cash or other financial assets, which are classified as equity instruments.

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, the relevant financial instruments shall not include the contractual obligation to deliver non fixed amount of the group's own equity instruments for settlement; in the case of 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.

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 distribute 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.

23. 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 to construct buildings and infrastructure. Because the Group's performance creates or enhances an asset that the customer can control 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 and survey services

The design and survey 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.

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.20. 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.

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.

Recognition of revenue from Build-Operate-Transfer ("BOT")

For BOT construction in progress, revenue from and costs for relevant construction services are recognised. Revenue from construction services is measured at the considerations received or receivable, and contract assets or intangible assets are recognised when the revenue is recognised, with the significant financing components in the contract arrangements accounted for correspondingly.

Where the contract gives the Group the right to unconditionally collect a certain amount of cash and bank balances or other financial assets from the contract awardee within a certain period after the completion of the project, contract assets are recognised when the revenue is recognised. When the Group obtains the right to receive consideration unconditionally, the contract assets will be transferred to financial assets to be accounted for;

Where the contract gives the Group the right to charge the service recipient an uncertain amount of fees within a certain period of operation after the completion of the project, since the right does not constitute a right to unconditionally collect certain amount of cash and bank balances or other financial assets, intangible assets are recognised when the revenue is recognised. When an infrastructure project is completed, relevant intangible assets are amortised on the straight-line basis over the franchise period.

Revenue is recognised for the services provided in the stage of operation, and the routine maintenance or repair expenses incurred are recognised as expenses in the current period.

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 revenue is 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.

24. 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.

25. 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.

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 if no impairment loss is otherwise recognised.

26. 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.

27. 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 arises from a business combination or relates 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 balance sheet date 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.

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 balance sheet date, 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 balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date 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 balance sheet date 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.

28. Leases

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.

29. Discontinued operation

A discontinued operation is a component separately identifiable that either has been disposed of or is classified as held for sale, and satisfies one of the following conditions:

- (1) it represents a separate major line of business or geographical area of operations;
- (2) it is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (3) it is a subsidiary acquired exclusively with a view to resale.

30. Profit distribution

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

31. 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, at the same amount.

32. Fair value measurement

The Group measures its debt instruments and equity investments at fair value at each balance sheet date. 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 at each balance sheet date.

33. 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 balance sheet date. 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 real estate and inventory

The Group 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 real estate according to the holding purpose. During the construction process, the property used for sale after completion is classified as inventory development cost and included in current assets. After completion, the properties used to earn rent and/or capital appreciation are classified as investment properties under construction and included in non-current assets. After completion, the properties used for sale are transferred to inventory development products, while the properties used to earn rent and/or capital appreciation are transferred to completed investment real estate.

Division of investment real estate and fixed assets

The Group determines whether the property it holds meets the definition of investment real estate and establishes relevant standards when making judgment. The Group classifies the real estate held for earning rent or capital appreciation, or both (including buildings under construction or development for future use for rental), 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. If not, the property will be classified

as investment real estate 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 real estate, 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 duration 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 models

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.

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.

Revenue from sales of real estate

According to the accounting policies described in Note III. 23, 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 recognizing 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.

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 balance sheet date, 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 judgement and estimation 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 balance sheet date. 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.

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 recognized 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 survey and design businesses, the contract signing date and project completion date often fall into different accounting periods. As the contract progresses, the Group continues to review and revise the total contract budget revenue and contract budget total cost.

In accordance with the terms of the contract, the Group continuously monitors the payment

progress of the owners and regularly evaluates the creditworthiness of the owners. If there are circumstances that indicate that the business is likely to breach the contract in the payment of all or part of the contract price, or the business is unable to perform the related obligations of the contract terms, the Group will reassess the impact of the matter on the consolidated statements and may modify the expected loss Amount. This modification will be reflected in the current financial statements that the Group reassessed and needs to modify the expected loss of the contract.

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.

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 management judgement 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.

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 realized.

Confirmation and allocation of development costs of real estate under construction

The cost of real estate construction is recorded as inventory during the construction period of the project, 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 realizable value. The net realizable 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 realizable 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 recognized the supplementary allowances and benefits paid to certain retired and early retirement employees as a liability. The amount of these welfare expenses and liabilities is 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.

34. Changes in accounting policies and estimates

Changes in accounting policies

Related party disclosure scope

According to *Accounting Standard for Business Enterprises No. 13*, from January 1, 2020, the following parties that were not regarded as related parties previously are regarded as related parties: Joint ventures and their subsidiaries or associates and their subsidiaries of other member units of the Company's corporate group (including parent companies and subsidiaries) subsidiaries of joint ventures and subsidiaries of associates. This accounting policy change affected the judgment of related parties and the disclosure of related party transactions, and the comparative data was not adjusted retrospectively in accordance with the convergence regulations.

IV. Taxation

1. Main taxes and rates

Value-added tax ("VAT")	–	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 six months ended 30 June 2020 include 13%, 9%, 6%, 5% and 3%.
		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.
City maintenance and construction tax	–	Calculated and paid at 7%/5% of the actual turnover tax paid.
Corporate income tax ("CIT")	–	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, China is calculated and paid at 16.5% of the taxable income. For other overseas regions, the taxable income shall be 0-35% of the taxable income.
Education surcharge	–	Calculated and paid at 3% of the actual turnover tax paid.
Land appreciation 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%-60%.
Real estate tax	–	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:

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 recognized 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
First Construction Co., Ltd of China Construction Third Engineering Division	GR201842000496	15%
Second Construction Co., Ltd of China Construction Third Engineering Division	GR201742000948	15%
Third Construction Co., Ltd of China Construction Third Engineering Division	GR201742000748	15%
China Construction Steel Co., Ltd	GR201744202039	15%
China Construction Sixth Engineering Division Co., Ltd	GR201912000220	15%
China Construction Sixth Engineering Installation Co., Ltd	GR201712000689	15%
Decoration Engineering Co., Ltd of China Construction Sixth Engineering Division	GR201912002245	15%
Civil Engineering Co., Ltd of China Construction Sixth Engineering Division	GR201912001530	15%
China Construction Eighth Engineering Division. Co., Ltd	GR201931000151	15%
China Construction and Installation Group Co., Ltd. (formerly known as "China Construction and Installation Engineering Co., Ltd.")	GR201732000477	15%
China State Construction Electronic Engineering Co., Ltd.	GR201911005213	15%
China State Construction Northeast Architectural Design Institute Co., Ltd.	GR201721000344	15%
China Municipal Engineering Northwest Design and Research institute Co., Ltd	GR201862000089	15%
China State Construction Port Engineering group Co., Ltd	GR201737100005	15%
China State Construction Engineering Industry Technology Research Institute Co., Ltd. (formerly known as "Beijing China Construction Baili Engineering Technology Development Co., Ltd")	GR201811001379	15%
China West Construction Hunan Co., Ltd.	GR201943000494	15%
China Construction Commodity Concrete Co., Ltd	GR201842000632	15%
First Construction Co., Ltd of China Construction Eighth Engineering Division	GR201737001690	15%
Wuxi Tianyu Civil Defense Architecture Design and Research institute Co., Ltd	GR201732002129	15%
China Construction Eighth Bureau Decoration Engineering Co., Ltd. (formerly known as "Shanghai China Construction 8th Bureau Decoration Co., Ltd")	GR201831000637	15%
Hong Kong Huayi Design Consultants (Shenzhen) Co., Ltd.	GR201744201824	15%
Shenzhen Hailong Construction Technology Co., Ltd.	GR201844201581	15%
Anhui Hailong Construction Industry Co., Ltd	GR201834001125	15%
Southwest China Architecture Design and Research Institute Co., Ltd	GR201751000732	15%
China Construction Port and Shipping Bureau Group Co., Ltd. (formerly known as "China Construction Port Construction Co., Ltd.")	GR201831003631	15%
China Construction Engineering Design Group Corporation Limited	GR201711004039	15%
Shenzhen Overseas Decoration Engineering Co., Ltd	GR201744203727	15%
China Construction Municipal Engineering Co., Ltd	GR201811000048	15%
Beijing China Construction Building Science Research Institute Co., Ltd	GR201711003942	15%
Beijing Construction Engineering Quality Sixth Inspection Institute Co., Ltd	GR201911001810	15%
China Construction First Bureau Huajiang Company	GR201811004821	15%
China Construction Technology (Beijing) Co., Ltd	GR201711001209	15%
China Construction Eighth Bureau Second Construction Co., Ltd	GR201837001149	15%
China Construction Eighth Bureau Fourth Construction Co., Ltd	GR201837100283	15%
China construction fifth engineering equipment Co., Ltd	GR201732002661	15%
China construction eighth bureau third construction Co., Ltd	GR201832008670	15%
Shanghai Haida Communication Co., Ltd.	GR201831001128	15%

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction Sixth Bureau Construction Development Co., Ltd.	GR201812000759	15%
China Construction Second Bureau Installation Engineering Co., Ltd	GR201811000600	15%
China Construction Second Bureau First Construction Engineering Co., Ltd	GR201811005369	15%
The Third Construction Engineering Company LTD Of China Construction Second Engineering Bureau	GR201811004750	15%
China Construction Third Bureau Group Co., Ltd	GR201942000706	15%
China Construction Technology Chengdu Co., Ltd	GR201951000045	15%
China Construction Xinjiang Construction Engineering Group First Construction Engineering Co., Ltd	GR201965000169	15%
China Construction Xinjiang Construction Engineering Group Fifth Construction Engineering Co., Ltd	GR201965000091	15%
Beijing Zhongjian Architectural Design Institute Co., Ltd	GR201911007163	15%
Beijing Zhonghai Huayi Urban Planning and Design Co., Ltd.	GR201711007211	15%
Guizhou China Construction Architecture Research and Design Institute Co., Ltd	GR201752000003	15%
Guizhou CSCEC Building Materials Co., Ltd	GR201852000109	15%
Heshan Tianshan Metal Material Products Co., Ltd.	GR201944006890	15%
Shandong Hailong Construction Technology Co., Ltd.	GR201937001855	15%
Shanghai China Construction Aviation Construction Industry Development Co., Ltd	GR201731000341	15%
Shenzhen Xinghai IOT Technology Co., Ltd.	GR201744203579	15%
Xinjiang Western excellence Construction Material Co., Ltd	GR201865000198	15%
China Construction Seventh Engineering Division. Co., Ltd	GR201941000445	15%
China State Construction Fourth Engineering Bureau Group Co., Ltd.	GR201944005866	15%
China Construction Fifth Engineering Bureau Co., Ltd	GR201743000526	15%
China Architecture Shanghai Design Institute Co., Ltd.	GR201831000884	15%
China Construction Third Bureau Installation Engineering Co., Ltd.	GR201942002292	15%
China Construction Buer Curtain Wall Decoration Co., Ltd	GR201843000020	15%
China State Construction Oriental Decoration Co., Ltd.	GR201831000692	15%
China Construction Second Bureau Decoration Engineering Co., Ltd	GR201711006212	15%
China Construction Strait Construction Development Co., Ltd.	GR201935001105	15%
China State Construction Technology Henan Co., Ltd.	GR201941000149	15%
China Construction Technology Hunan Co., Ltd	GR201843000026	15%
China State Construction Technology Group Co., Ltd. (formerly known as "China State Construction Technology Co., Ltd.")	GR201711006859	15%
China State Construction Technology Wuhan Co., Ltd.	GR201742000927	15%
China State Construction Technology Changchun Co., Ltd.	GR201922000666	15%
Xinjiang Academy of Architectural Sciences Co., Ltd	GR201765000006	15%
China Construction Bridge Co., Ltd.	GR201951100648	15%
China Construction Third Engineering Design Co., Ltd.	GR201942000474	15%
China Construction Third Bureau Intelligent Technology Co., Ltd.	GR201842001070	15%
Sixth Construction Co., Ltd of China Construction Fourth Engineering Division	GR201934001377	15%
China Construction Fifth Bureau Third Construction Co., Ltd	GR201843000691	15%
China Construction Fifth Industrial Equipment Installation.Co., Ltd	GR201743000108	15%
China Construction Fifth Bureau Building Energy Saving Technology Co., Ltd	GR201843001367	15%
Civil Engineering Co., Ltd of China Construction Fifth Engineering Division	GR201943000622	15%
China Construction Fifth Bureau Decoration Curtain Wall Co., Ltd	GR201843000763	15%
China Construction West Construction Guizhou Co., Ltd.	GR201852000528	15%

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction West Construction New Material Technology Co., Ltd.	GR201951000934	15%
China Construction Xinjiang Construction Engineering (Group) Co., Ltd.	GR201865000092	15%
China Construction First Bureau Group Decoration Engineering Co., Ltd	GR201711001151	15%
China Construction Zhongyuan Architectural Design Institute Co., Ltd.	GR201941001453	15%
China Construction Fourth Bureau Third Construction Engineering Co., Ltd.	GR201852000186	15%
China Construction Fourth Engineering Co., Ltd.	GR201952000201	15%
Guangdong Zhongjian New Building Components Co., Ltd.	GR201844001975	15%

Preferential tax policy related with Western Development Strategies and Xinjiang region

Company Name	Preferential Policy (Note)	Effective tax rate
Chongqing China Construction Machinery Manufacturing Co., Ltd.	Cai Shui [2011] No. 58	15%
China Northwest Building Engineer Supervision Co., Ltd	Cai Shui [2011] No. 58	15%
Northwestern Architectural Design Institutes Co., Ltd	Cai Shui [2011] No. 58	15%
Sichuan Southwest Guangsha Construction Design Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
Sichuan Southwest standard building design institute Co., Ltd	Cai Shui [2011] No. 58	15%
Sichuan Southwest Construction Engineering Consulting Co., Ltd.	Cai Shui [2011] No. 58	15%
Sichuan Southwest Engineering Project Management Consulting Co., Ltd.	Cai Shui [2011] No. 58	15%
Chongqing Branch of China Southwest Architecture Design and Research Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
Xizang Branch of China Southwest Architecture Design and Research Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Southwest Science and Innovation Green Building Design co. LTD	Cai Shui [2011] No. 58	15%
China Southwest Architectural Survey and Design Institute Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Underground Space Co., Ltd.	Cai Shui [2011] No. 58	15%
Zunyi CSCEC Xipu Construction Development Co., Ltd..	Cai Shui [2011] No. 58	15%
Guiyang China Construction Investment Co., Ltd.	Cai Shui [2011] No. 58	15%
Zunyi Zhongjian Infrastructure Investment Co., Ltd.	Cai Shui [2011] No. 58	15%
Xinjiang Institute of Building Science Co., Ltd.	Cai Shui [2011] No. 58	15%
Xinjiang Construction Engineering Quality and Safety Testing Center Co., Ltd.	Cai Shui [2011] No. 58	15%
Xinjiang Construction Research Institute Project Construction Supervision company	Cai Shui [2011] No. 58	15%
China West Construction Group Co. Ltd ("West Construction") and Part of Subsidiaries of West Construction	Cai Shui [2011] No. 58	15%
Yanqi xiqing era Co., Ltd.	Cai Shui [2011] No. 58	15%
Shihezi Western Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
Karamay West Construction Building Materials Co., Ltd.	Cai Shui [2011] No. 58	15%
Yili Western Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
Haidong City Underground Comprehensive Pipe Gallery Construction Operation Management Co., Ltd.	Cai Shui [2011] No. 58	15%
Xi'an Xingchu Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Tunnel Construction Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Chongqing Machinery Leasing Co., Ltd.	Cai Shui [2011] No. 58	15%
China Construction Silk Road Construction Investment Co., Ltd	Cai Shui [2011] No. 58	15%
Xinjiang Jianke Zhicheng Engineering Consulting Co., Ltd.	Cai Shui [2011] No. 58	15%
Xinjiang Construction Engineering Quality and Safety Inspection Center	Cai Shui [2011] No. 58	15%

Note: According to Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies (Cai Shui [2011] No. 58), the qualified enterprises are entitled 15% preferential income tax rate.

V. Notes to the consolidated financial statements

1. Cash and bank balances

	30 June 2020	31 December 2019
Cash on hands	187,211	143,503
Cash at banks	267,191,685	284,127,185
Other cash and bank balances	6,856,379	8,170,731
Total	274,235,275	292,441,419

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

As at 30 June 2020, the amount of fixed deposit with maturity of more than 3 months in the Group's bank deposits is RMB2,594,509 thousand (31 December 2019: RMB1,738,949 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 at 30 June 2020, the restricted cash and bank balances is RMB17,054,370 thousand (31 December 2019: RMB18,974,662 thousand).

As at 30 June 2020, the offshore deposits of the Group amounted to RMB51,130,474 thousand (31 December 2019: RMB39,150,856 thousand). The amount deposited abroad and restricted in remittance recovery is RMB402,073 thousand (31 December 2019: RMB369,416 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 2020	31 December 2019
Financial assets at fair value through profit or loss		
Debt investments	244,787	862,307
Equity investments	36,326	39,765
	281,113	902,072

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 2020	31 December 2019
Commercial acceptance bills	31,308,645	26,918,443

The pledged notes receivable are as follows:

	30 June 2020	31 December 2019
Commercial acceptance bills	7,467,596	689,065

As at 30 June 2020 and 31 December 2019, the notes receivable that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

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 2020		31 December 2019	
	Derecognised	Recognised	Derecognised	Recognised
Commercial acceptance bills	–	14,686,814	–	8,216,967

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 ECL amount is insignificant.

4. Accounts receivable

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

	30 June 2020	31 December 2019
Within 1 year	132,985,776	128,907,499
1-2 years	38,781,697	26,160,929
2-3 years	9,360,923	10,105,158
3-4 years	7,859,320	4,272,130
4-5 years	2,806,961	3,208,114
Over 5 years	5,929,994	5,112,222
	197,724,671	177,766,052
Less: Impairment allowance	(25,692,410)	(23,804,177)
Total	172,032,261	153,961,875

(2) Provision for impairment

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

For the six months ended 30 June 2020

Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
23,804,177	7,070,827	(5,094,854)	(40,099)	(47,641)	25,692,410

2019

Balance at the end of prior year	Changes in accounting policies	Balance at the beginning of the year	Provision	Reversal	Write-off	Other movements	Closing balance
20,453,337	3,323,905	23,777,242	5,010,216	(4,340,373)	(714,592)	71,684	23,804,177

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment (continued)

Accounts receivable and impairment allowance are disclosed by category:

	30 June 2020			
	Gross carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Withdrawal ratio (%)
Impairment of individually accrued	46,413,825	23.47	12,001,220	25.86
Impairment of collectively accrued by credit risk portfolio	151,310,846	76.53	13,691,190	9.05
	197,724,671	100.00	25,692,410	12.99

	31 December 2019			
	Gross carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Withdrawal ratio (%)
Impairment of individually accrued	48,548,506	27.31	12,480,028	25.71
Impairment of collectively accrued by credit risk portfolio	129,217,546	72.69	11,324,149	8.76
	177,766,052	100.00	23,804,177	13.39

As at 30 June 2020, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio (%)	Reasons
Company1	2,939,804	844,098	28.71%	Recovery possibility
Company2	1,314,400	1,314,400	100.00%	Recovery possibility
Company3	886,051	4,430	0.50%	Recovery possibility
Company4	480,613	103,563	21.55%	Recovery possibility
Company5	410,118	250,172	61.00%	Recovery possibility
Other	40,382,839	9,484,557	23.49%	Recovery possibility
	46,413,825	12,001,220		

As at 31 December 2019, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio (%)	Reasons
Company1	2,004,490	440,988	22.00%	Recovery possibility
Company2	1,314,400	1,314,400	100.00%	Recovery possibility
Company3	1,028,096	5,140	0.50%	Recovery possibility
Company4	772,123	347,455	45.00%	Recovery possibility
Company5	517,409	103,677	20.04%	Recovery possibility
Other	42,911,988	10,268,368	23.93%	Recovery possibility
	48,548,506	12,480,028		

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Impairment allowance (continued)

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

Portfolio 1

	30 June 2020			31 December 2019		
	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	26,114,803	2.00%	522,296	21,319,859	2.00%	426,397
1-2 years	6,623,760	5.00%	331,188	4,604,581	5.00%	230,229
2-3 years	1,120,342	15.00%	168,051	1,084,543	15.00%	162,681
3-4 years	484,486	30.00%	145,346	451,070	30.00%	135,321
4-5 years	229,485	45.00%	103,268	288,985	45.00%	130,043
Over 5 years	306,611	100.00%	306,611	225,993	100.00%	225,993
	34,879,487		1,576,760	27,975,031		1,310,664

Portfolio 2

	30 June 2020			31 December 2019		
	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	3,424,497	6.00%	205,470	6,548,628	6.00%	392,918
1-2 years	1,008,116	12.00%	120,974	376,293	12.00%	45,155
2-3 years	150,630	25.00%	37,657	3,476	25.00%	869
3-4 years	19,010	45.00%	8,555	32,565	45.00%	14,654
4-5 years	3,294	70.00%	2,306	5,146	70.00%	3,602
Over 5 years	96,523	100.00%	96,523	100,765	100.00%	100,765
	4,702,070		471,485	7,066,873		557,963

Portfolio 3

	30 June 2020			31 December 2019		
	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	77,445,149	4.50%	3,485,032	69,068,852	4.50%	3,108,098
1-2 years	21,110,839	10.00%	2,111,084	14,681,938	10.00%	1,468,194
2-3 years	6,026,188	20.00%	1,205,238	4,593,972	20.00%	918,794
3-4 years	2,908,178	40.00%	1,163,271	2,261,623	40.00%	904,649
4-5 years	1,601,757	65.00%	1,041,142	1,467,057	65.00%	953,587
Over 5 years	2,637,178	100.00%	2,637,178	2,102,200	100.00%	2,102,200
	111,729,289		11,642,945	94,175,642		9,455,522

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Impairment allowance (continued)

For the six months ended 30 June 2020, provision for impairment amounted to RMB7,070,827 thousand (2019: RMB5,010,216 thousand), reversal or collection of impairment amounted to RMB5,094,854 thousand (2019: RMB4,340,373 thousand). The major amounts reversal or collection 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	86,392	Cash
Company 2	Accounts receivable of project collected	Individually accrued	72,281	Cash
Company 3	Accounts receivable of project collected	Individually accrued	58,686	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	56,463	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	54,219	Cash
Others	Accounts receivable of project collected	Individually and collectively accrued	4,766,813	Cash
			5,094,854	

For the six months ended 30 June 2020, actual written-off amount of accounts receivable is RMB40,099 thousand (2019: RMB714,592 thousand), all of which were accounts receivable of projects, sales and design fees due from third parties.

(3) As at 30 June 2020, accounts receivable from the five largest customers are as follows:

	Amount	Amount of impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	6,852,430	2,187,260	3.47%

As at 31 December 2019, accounts receivable from the five largest customers are as follows:

	Amount	Amount of impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	5,694,178	2,107,983	3.20%

(4) The analysis of accounts receivable derecognised due to the transfer of financial assets are as follows:

For the six months ended 30 June 2020, the amount of accounts receivable derecognized by the Group due to the transfer of financial assets was RMB17,514,238 thousand (2019: RMB52,727,683 thousand), and the related expenses were RMB853,615 thousand (2019: RMB2,330,684 thousand).

As at 30 June 2020 and 31 December 2019, accounts receivable that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

V. Notes to consolidated financial statements (continued)

5. Accounts receivable financing

	30 June 2020	31 December 2019
Bank acceptance bills	4,432,962	3,674,166

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.

As at 30 June 2020 and 31 December 2019, accounts receivable financing that have been endorsed or discounted on the balance sheet date but not overdue are as follows:

	30 June 2020		31 December 2019	
	Derecognised	Recognised	Derecognised	Recognised
Bank acceptance bills	1,518,796	581,864	796,241	503,737

As at 30 June 2020 and 31 December 2019, the Group measured impairment allowance based on the expected credit loss of the entire duration. 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.

6. Prepayments

The aging analysis of prepayments is as follows:

	30 June 2020		31 December 2019	
	Carrying amount	Percentage of total balance	Carrying amount	Percentage of total balance
Within 1 year	43,245,907	75.96	47,496,343	86.23
1-2 years	11,905,018	20.91	5,939,701	10.78
2-3 years	548,644	0.96	854,178	1.55
Over 3 years	1,236,341	2.17	794,326	1.44
	56,935,910	100.00	55,084,548	100.00

As at 30 June 2020, prepayments aged more than 1 year amounted to RMB13,690,003 thousand (31 December 2019: RMB7,588,205 thousand), mainly including advances to subcontractors and prepayments for land use, since the project is not completed, or land use permit has not been obtained.

As at 30 June 2020, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	13,772,259	24.19%

As at 31 December 2019, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	12,455,794	22.61%

7. Other receivables

	30 June 2020	31 December 2019
Other receivables	53,789,276	53,186,521

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

Other receivables

The aging analysis of other receivables is as follows:

	30 June 2020	31 December 2019
Within 1 year	37,953,411	40,742,035
1 to 2 years	13,984,629	12,097,832
2 to 3 years	5,017,196	2,974,330
3 to 4 years	1,549,959	1,665,045
4 to 5 years	901,525	719,143
Over 5 years	1,762,544	2,069,458
Sub-total	61,169,264	60,267,843
Less: Impairment allowance	(7,379,988)	(7,081,322)
Total	53,789,276	53,186,521

Natures of other receivables are as follows:

	30 June 2020	31 December 2019
Deposits and petty cash receivable	21,215,546	25,925,286
Receivables from related parties (Note X, 6)	5,578,074	2,852,687
Advances receivable	16,311,323	14,900,685
Deposit receivable	2,782,475	3,358,517
Others	15,281,846	13,230,668
Sub-total	61,169,264	60,267,843
Less: Impairment allowance	(7,379,988)	(7,081,322)
Total	53,789,276	53,186,521

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 2020

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the period	1,653,840	5,427,482	7,081,322
Changes due to the opening balance			
– Transfer to Stage 3	(5,797)	5,797	–
– Transfer to Stage 2	–	–	–
– Transfer to Stage 1	26,441	(26,441)	–
Accrual	1,216,632	277,668	1,494,300
Reversal	(801,069)	(334,014)	(1,135,083)
Write-off	(29,968)	(17,922)	(47,890)
Other changes	4,211	(16,872)	(12,661)
Closing balance of the period	2,064,290	5,315,698	7,379,988

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

Other receivables (continued)

2019

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets	
		(Lifetime expected) credit losses	
Opening balance of the year	2,937,708	3,879,988	6,817,696
Changes due to the opening balance			
- Transfer to Stage 3	(1,412,739)	1,412,739	-
- Transfer to Stage 2	-	-	-
- Transfer to Stage 1	138	(138)	-
Accrual	606,631	698,790	1,305,421
Reversal	(337,400)	(554,174)	(891,574)
Write-off	(93,221)	(41,914)	(135,135)
Other changes	(47,277)	32,191	(15,086)
Closing balance of the year	1,653,840	5,427,482	7,081,322

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

For the six months ended 30 June 2020

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets	
		(Lifetime expected) credit losses	
Opening balance of the period	47,855,701	12,412,142	60,267,843
Changes due to the opening balance			
- Transfer to Stage 3	(52,886)	52,886	-
- Transfer to Stage 2	-	-	-
- Transfer to Stage 1	68,628	(68,628)	-
Accrual	14,531,517	4,237,271	18,768,788
Derecognition	(15,854,673)	(1,893,309)	(17,747,982)
Write-off	(29,968)	(17,922)	(47,890)
Other changes	7,459	(78,954)	(71,495)
Closing balance of the period	46,525,778	14,643,486	61,169,264

2019

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets	
		(Lifetime expected) credit losses	
Opening balance of the year	52,586,079	10,302,881	62,888,960
Changes due to the opening balance			
- Transfer to Stage 3	(1,680,865)	1,680,865	-
- Transfer to Stage 2	-	-	-
- Transfer to Stage 1	6,879	(6,879)	-
Accrual	9,533,210	4,876,522	14,409,732
Derecognition	(12,452,203)	(4,431,507)	(16,883,710)
Write-off	(93,221)	(41,914)	(135,135)
Other changes	(44,178)	32,174	(12,004)
Closing balance of the year	47,855,701	12,412,142	60,267,843

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

Other receivables (continued)

The amount of impairment allowance for the six months ended 30 June 2020 is RMB1,494,300 thousand (2019: RMB1,305,421 thousand), reversal or collection of impairment amounted to RMB1,135,083 thousand (2019: RMB891,574 thousand). The major amounts reversal or collection is as follows:

	Reason for reversal/collection	Basis and rationality for determining the provision for impairment	Amount of reversal/collection	Way of collection
Company 1	Receivable collected	Individually accrued	149,579	Cash
Company 2	Receivable collected	Individually accrued	51,191	Cash
Company 3	Receivable collected	Collectively accrued	32,649	Cash
Company 4	Receivable collected	Individually accrued	32,312	Cash
Company 5	Receivable collected	Collectively accrued	24,107	Cash
Others	Receivable collected	Individually and Collectively accrued	845,245	Cash
Total			1,135,083	

For the six months ended 30 June 2020, the written-off of other receivables amounted to RMB47,890 thousand (2019: RMB135,135 thousand), which are mainly due to the third party.

As at 30 June 2020, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Aging	Impairment allowance Amount
Company 1	2,018,146	3.30	Pre-paid fee	Within 1 year	–
Company 2	1,661,892	2.72	Cash deposit	Within 1 year	66,026
Company 3	1,436,260	2.35	Pre-paid fee	Within 1 year	–
Company 4	1,412,576	2.31	Cash deposit	Within 1 year	56,503
Company 5	950,000	1.55	Cash deposit	2 to 3 years	95,000
Total	7,478,874	12.23			217,529

As at 31 December 2019, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Aging	Impairment allowance amount
Company 1	1,000,000	1.66	Cash deposit	1 to 2 years	40,000
Company 2	904,000	1.50	Cash deposit	Within 1 year	18,080
Company 3	662,700	1.10	Cash deposit	Within 1 year	13,254
Company 4	627,858	1.04	Cash deposit	Within 1 year	1,884
Company 5	620,000	1.03	Cash deposit	Within 1 year	12,400
Total	3,814,558	6.33			85,618

V. Notes to the consolidated financial statements (continued)

8. Inventories

	30 June 2020			31 December 2019		
	Carrying amount	Impairment provision	Net value	Carrying amount	Impairment provision	Net value
Properties under development	514,767,301	(3,526,165)	511,241,136	489,478,279	(3,580,736)	485,897,543
Completed properties for sale	71,706,993	(500,278)	71,206,715	67,414,180	(585,909)	66,828,271
Raw materials	29,505,908	(30,933)	29,474,975	22,474,381	(30,933)	22,443,448
Work in progress	288,683	–	288,683	1,133,413	–	1,133,413
Finished goods	3,101,714	(1,896)	3,099,818	2,487,860	(2,022)	2,485,838
Others	572,704	(508)	572,196	129,615	(508)	129,107
Total	619,943,303	(4,059,780)	615,883,523	583,117,728	(4,200,108)	578,917,620

As at 30 June 2020 and 31 December 2019, the inventories that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

The details of properties under development are as follows:

Project Name	Date of commencement	Estimated completion time	Estimated total investment	30 June 2020	31 December 2019
Beixin'an Shantytowns Renovation Project	July 2014	August 2020	37,500,000	12,273,534	14,571,619
Beijing Daji Critical Reform Project	January 2003	December 2022	30,654,858	11,376,382	11,350,126
Beijing Fengtai Zaojia Village Project	December 2019	September 2022	10,921,786	8,936,111	8,648,163
Hong Kong Kai Tak 6575 Plot Project	October 2019	June 2023	11,106,502	8,032,258	7,583,992
Tianjin City Plaza	March 2014	December 2024	22,926,270	7,016,868	5,365,556
Splendid Capital of China Construction	August 2018	December 2021	9,500,000	6,958,550	6,548,131
Shanghai Hongqi Village	August 2018	December 2022	16,370,270	6,596,339	11,827,900
Nanjing Xiyuan Mansion	July 2018	December 2021	9,200,000	6,580,312	6,257,178
Zhongjian Tianfu Mansion Phase I	July 2018	December 2024	9,796,000	6,243,686	5,786,710
Beijing Yinghai Second House Project	November 2019	December 2021	8,829,583	6,171,086	8,511,483
Dalian CITIC Harbour City	January 2013	December 2023	10,000,000	6,168,055	7,419,842
Nanjing Yanziji Project	April 2018	December 2020	7,600,000	6,122,756	5,944,270
Lipu Mountain Project in Taipo	July 2017	April 2021	8,277,228	6,091,427	4,586,104
Shenzhen Bright Project	December 2019	December 2021	6,800,000	6,062,170	5,722,771
Jinan Zhonghai Huashanlongcheng Project	July 2014	July 2022	50,021,918	6,033,926	10,220,080
Chengdu Qinhuang Temple 667 Project	July 2018	July 2024	20,477,488	5,475,784	5,125,903
Beijing Shougangyuan Phase II Project	April 2020	October 2021	7,742,135	5,463,978	–
Tianjin Park City	May 2013	December 2022	17,527,800	5,419,665	5,653,885
Shenzhen Zhonghai Huideli Garden	March 2020	June 2022	6,567,734	5,245,395	–
Beijing Jinzhan Project	July 2020	September 2022	6,183,937	5,186,898	–
Chongqing Shilichangjiang Project	July 2019	December 2021	5,718,614	5,124,720	–
COA 99 Hudson	February 2016	August 2020	6,106,221	4,866,203	4,524,112
Taiyuan Beihan Village Urban Reform Project	May 2019	June 2020	7,655,458	4,753,118	3,264,568

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 total investment	30 June 2020	31 December 2019
Beijing Lichun Lake Villa	July 2018	December 2020	8,098,912	4,304,902	4,085,761
Xiamen Jimei Project 2019JP01	September 2019	December 2021	4,822,382	4,281,345	3,942,543
Dalian Overseas Markham Residence	March 2018	December 2020	5,338,580	4,220,603	2,611,345
Changsha Wenjin Famous Garden	December 2019	June 2021	6,095,593	4,143,684	3,604,574
Beijing Panggezhuang Project	August 2018	September 2020	4,903,856	3,994,262	3,804,755
Kunming Wujiba Project	December 2018	December 2021	5,879,812	3,992,689	3,601,369
Guiyang Zhonghai Yingshan Lake Project	February 2020	December 2022	6,439,235	3,973,066	3,775,809
Ningbo Haishugaotang Project	December 2019	December 2022	5,500,000	3,881,081	3,700,548
Shanghai Huideli Project	July 2019	December 2020	3,777,547	3,777,547	3,753,759
Beijing Shougangyuan Phase III Project	July 2020	December 2022	5,027,540	3,762,178	–
Shanghai Jianguoli Project	June 2019	December 2021	5,030,880	3,736,104	3,621,602
Suzhou South Gangtian Road	April 2019	December 2020	4,604,920	3,612,897	3,697,639
Shanghai Pudong Huinan Folk Music Project	November 2011	July 2020	22,231,871	3,541,127	3,984,527
G06, Jiangbei New District, Nanjing	December 2018	December 2020	7,725,480	3,445,020	6,072,366
Beijing Shijingshan Shougang Park Project	March 2019	June 2020	6,184,915	3,397,878	5,542,646
Hangzhou Zhonghai Cuiyuan Project	March 2019	December 2020	4,285,556	3,372,330	3,614,765
Dalian Zhonghai Park Uptown Project	November 2019	December 2021	5,595,980	3,259,372	3,175,284
Beijing Zhongjian Guowangfu Project	December 2013	December 2021	4,000,000	3,125,530	2,641,659
Chongqing Zhongjian Jinhe City	April 2018	June 2022	4,910,000	3,085,409	2,844,303
Dalian Taigu Square Project	January 2024	December 2027	4,000,000	2,999,786	2,999,786
Zhengzhou Zhonghai Ground 13#	May 2020	December 2021	4,094,830	2,856,844	2,252,598
Shanghai Xiaokunshan Phase II	November 2019	November 2021	3,465,617	2,795,207	2,744,751
Zhengzhou Zhongjian No. 7 Courtyard Project	October 2017	June 2021	3,146,230	2,784,251	2,712,173
Guangzhou Haizhu Daganwei land Project	February 2020	June 2022	6,807,012	2,764,575	2,551,180
Wuhan Zuoling Project	April 2020	June 2022	4,949,630	2,744,269	–
Changsha Zhongjian Jinghe City Project	March 2018	June 2022	4,100,000	2,675,012	2,442,507
Changchun Shengbei Street Project Lot 5	April 2019	December 2021	3,557,004	2,603,234	2,448,983
Chengdu Shengtaijianshangcheng 3#	November 2017	June 2019	6,133,790	2,564,679	2,282,231
Taiyuan Lihuabei Project	November 2020	December 2022	4,214,930	2,495,578	–
China Overseas Tung Chung 2017NJY-11 Land Project	June 2018	September 2020	3,401,420	2,490,707	2,417,068
Suzhou Yundong Project	April 2020	June 2022	3,820,000	2,420,573	–
Tianjin Meilin Road Project	November 2019	August 2024	4,631,007	2,417,980	1,179,195
Shanghai Goya Garden Project	December 2017	September 2020	2,401,007	2,385,790	2,401,007
Shijiazhuang Zhonghai-Yunjin	June 2020	June 2022	3,564,029	2,375,316	–
Xiamen T2016P02 Project	September 2017	June 2019	3,783,959	2,364,812	2,318,454

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 total investment	30 June 2020	31 December 2019
Jimo Wangchunxincheng	March 2016	October 2021	5,668,255	2,361,567	1,900,533
Wuxi Xinwu District Project	April 2017	December 2020	3,301,816	2,344,834	2,164,193
Tianjin Eco-City Project	March 2017	December 2021	3,249,670	2,299,233	2,189,259
Hangzhou Xiangqifang Project	May 2018	September 2020	2,300,427	2,262,116	2,274,330
Hangzhou Project C19	July 2017	July 2020	2,892,242	2,260,613	2,075,059
Guangzhou Guanggang 225-B Lot Project	September 2019	December 2021	2,669,910	2,245,990	2,065,696
Beijing Shunyi District Houshayu Town No. 19 Block Shared property house	September 2019	December 2021	2,801,290	2,236,522	2,117,842
Tianjin Zhonghai Jincheng Project	September 2019	August 2024	5,126,573	2,222,779	1,984,241
Suzhou Sudi Lot 2017-WG-25	October 2017	September 2020	2,900,000	2,126,334	2,040,169
Kunming Dongbaisha River Ground A2	April 2018	June 2022	3,217,100	2,092,239	1,950,430
96 acres of ground in Chengdu Luhua area	June 2019	December 2020	2,546,663	2,045,763	1,919,640
Ningbo Huaishu Road Ground	August 2020	July 2022	3,251,380	2,036,778	983,693
Others				223,387,675	230,075,614
Total				514,767,301	489,478,279

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

For the six months ended 30 June 2020

Project Name	Date of commencement	Estimated completion time	Estimated total investment	30 June 2020	31 December 2019
Shanghai Hongqi Village Project	June 2020	–	5,721,917	2,915,636	2,806,281
Shanghai Jiufengli Phase I Project	March 2019	2,101,602	4,403	–	2,106,005
Jiangsu Runjiangfu Project	December 2019	1,747,317	–	47,251	1,700,066
Jinan Zhonghai Huashanlongcheng Project	June 2020	706,901	4,665,548	3,732,498	1,639,951
Kunming Zhonghai Yunzhu	December 2019	2,146,222	17,597	599,444	1,564,375
Jinan Zhongjian Changqinghu Project	June 2020	617,651	2,192,045	1,254,951	1,554,745
Chengdu Zhonghai Yunlushijia	June 2020	98,145	3,037,207	1,599,819	1,535,533
West Coast Gufang Residential Land Real Estate Development Project	June 2020	1,221,773	641,576	429,364	1,433,985
Zhonghai Yonghexian Mansion	November 2019	1,541,517	–	121,681	1,419,836
Foshan Yunlu Residence	December 2019	1,368,441	–	–	1,368,441
Zhaoqing Zhonghai New City Mansion	September 2019	1,341,723	–	42,466	1,299,257
Dalian CITIC Harbour City	June 2020	1,241,824	1,579,890	1,607,960	1,213,754
Chongqing Lixianghu Project	December 2019	744,834	281,351	11,963	1,014,222
Zhonghai Lichun Lake Villa	June 2020	1,320,747	105,047	418,067	1,007,727
Chengdu Zhonghai Yuhushijia	December 2019	1,367,934	9,938	402,889	974,983
Changchun Zhonghai-Shangxuefu Phase III, Jilin	June 2020	–	1,466,887	526,786	940,101

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 2020 (continued)

Project Name	Date of commencement	Estimated completion time	Estimated total investment	30 June 2020	31 December 2019
Tianjin Gongyuancheng Project	June 2020	788,922	752,575	614,278	927,219
China-Construction-Chi Cube (Hefei China Construction Industrial Base)	June 2019	844,686	70,514	–	915,200
Nanchang Zhonghai Yangguang Rose Garden	June 2019	891,184	243,361	220,474	914,071
Zhengzhou Zhonghaiyiyuan	December 2019	884,611	109,222	161,015	832,818
Lot 12-41, No. 1 Yulu Road, Hangzhou	June 2019	779,284	53,719	10,028	822,975
Zhonghai Huizhi Building	June 2020	–	862,347	48,381	813,966
Tsingdao Zhonghai Lanting Project	June 2020	2,416	1,599,062	798,703	802,775
Guiyang Dayingpo Zhongjian Huafu Project ADEF District	April 2017	801,041	–	7,017	794,024
Zhonghai Jinjiahuating	March 2019	1,290,288	21,113	518,386	793,015
Plot F of Chongqing Guanyin Bridge	December 2019	808,891	–	34,879	774,012
Nanjing Zhonghai Yuanshan Project	September 2019	1,363,469	1,772	593,688	771,553
Tianjin City Plaza	June 2020	798,812	29,245	91,288	736,769
Jilin Changchun Zhonghai Shengshi City C	June 2020	711,235	42,246	26,467	727,014
Shenyang Banshanhuafu Project	December 2019	994,785	1,494,568	1,774,784	714,569
Lot No. 42, No. 1 Royal Road, Hangzhou	December 2016	680,101	33,135	108	713,128
Chongqing Yuelushan Project	May 2020	246,502	542,686	81,767	707,421
Chengdu Ecological Health City 3	November 2019	910,553	–	222,099	688,454
Fuzhou Zhonghai Gff Seal Mansion	December 2019	913,868	–	235,529	678,339
Zhonghai Hongzhu Project	December 2019	698,473	–	54,236	644,237
Kunming Yunlujiuli Phase I	December 2018	777,342	2,059	136,774	642,627
Xi'an Zhongjian Guoxitai	December 2018	628,629	7,721	36	636,314
Zhonghai Wanjin Mansion	June 2020	841,985	1,046,897	1,289,184	599,698
Chongqing International Community Project	October 2015	–	580,187	–	580,187
Tsingdao Linxishijia Project	June 2020	–	1,009,682	435,176	574,506
Changsha Zhonghai Longting Project	June 2020	–	1,374,125	802,359	571,766
Chengdu Zhonghai Jinjiangcheng	June 2020	295,501	757,130	500,725	551,906
Nanchang Zhonghai Jincheng Garden	June 2020	444,922	435,219	351,990	528,151
Tianjin Fuxingjiuli	December 2018	531,140	167	20,304	511,003
Fuzhou Zhonghai Oneworld Next Phase	June 2019	495,994	138	23,138	472,994
Urumqi Cuijingyuan Project	May 2020	–	1,076,935	606,429	470,506
Shenzhen Hongshuwan	June 2019	446,731	–	–	446,731
Zhenjiang Zhongjian Grand View World	June 2020	531,963	271,739	357,019	446,683
Zhengzhou Zhonghai Wanjinxian	June 2020	599,685	130,687	308,654	421,718

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 2020 (continued)

Project Name	Date of commencement	Estimated completion time	Estimated total investment	30 June 2020	31 December 2019
Guangzhou Zhonghai Jinyuhuating	June 2018	637,426	–	217,435	419,991
Nanjing Chengnan Mansion Project	June 2020	3,935	5,026,037	4,616,100	413,872
Chengdu Zhongxinchengyouan Phase I	December 2018	420,000	–	21,504	398,496
Changde Zhongjian Binjiang Mansion	September 2019	385,585	8,331	–	393,916
Tianjin Yuetaijiayuan Project	June 2020	–	495,661	121,329	374,332
Nanjing Taoyuanli Xiang	December 2018	355,665	12,744	–	368,409
Fuzhou Zhonghai Jincheng Garden	December 2019	407,113	–	44,852	362,261
Wuxi Zhonghai Huanyu World	June 2019	573,261	–	216,982	356,279
Chongqing Dayangshi Ground L	June 2020	153,458	412,974	214,811	351,621
Zunyi Zhongjian Xingfucheng Phase I	June 2020	702,797	688,454	1,040,742	350,509
Wuhan Aomenjiayuan Project	June 2020	–	1,030,846	683,079	347,767
Nanjing Zhongjian Guoxitai Phase I	October 2018	342,680	–	1,206	341,474
Beijing Beixin'an Shantytowns Transformation Project	June 2020	263,798	4,342,741	4,265,682	340,857
Changsha Zhongjian Furongjiayuan Project	August 2017	378,358	–	38,885	339,473
Chongqing Zhongjian Yuhe City (Phase I)	December 2019	335,417	–	8,962	326,455
Yeji Standardized Workshop Project	June 2019	310,048	3,565	–	313,613
Yantai Ziyu Mansion	December 2018	342,900	–	36,252	306,648
Changchun Universal World	December 2019	300,248	50,341	44,301	306,288
Xi'an Zhonghai Yuelishan Project B	December 2019	232,952	318,474	246,839	304,587
Others		23,698,895	36,827,951	41,342,312	19,184,534
Total		67,414,180	81,489,776	77,196,963	71,706,993

Movements in the carrying amount of inventories are as follows:

For the six months ended 30 June 2020

	1 January 2020	Additions	Deductions	30 June 2020
Properties under development	489,478,279	114,949,023	(89,660,001)	514,767,301
Completed properties held for sale	67,414,180	81,489,776	(77,196,963)	71,706,993
Raw materials	22,474,381	225,323,006	(218,291,479)	29,505,908
Work in progress	1,133,413	1,590,332	(2,435,062)	288,683
Finished goods	2,487,860	17,677,441	(17,063,587)	3,101,714
Others	129,615	4,456,642	(4,013,553)	572,704
Total	583,117,728	445,486,220	(408,660,645)	619,943,303

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

For the year ended 31 December 2019

	31 December 2018	Changes in accounting policies	1 January 2019	Additions	Deductions	31 December 2019
Properties under development	438,262,888	–	438,262,888	248,348,016	(197,132,625)	489,478,279
Completed properties held for sale	40,684,570	–	40,684,570	176,252,184	(149,522,574)	67,414,180
Accounts due from customers	138,643,734	(138,643,734)	–	–	–	–
Raw materials	20,742,166	–	20,742,166	293,146,263	(291,414,048)	22,474,381
Work in progress	1,356,614	–	1,356,614	2,956,217	(3,179,418)	1,133,413
Finished goods	1,992,013	–	1,992,013	33,416,159	(32,920,312)	2,487,860
Others	238,329	–	238,329	18,903,716	(19,012,430)	129,615
Total	641,920,314	(138,643,734)	503,276,580	773,022,555	(693,181,407)	583,117,728

Movements in the impairment provision of inventories are as follows:

For the six months ended 30 June 2020

	1 January 2020	Provision	Decrease during the period			30 June 2020
			Reversal	Write off	Other	
Properties under development	3,580,736	–	–	(2,279)	(52,292)	3,526,165
Completed properties held for sale	585,909	–	(169,139)	–	83,508	500,278
Raw materials	30,933	–	–	–	–	30,933
Finished goods	2,022	–	(126)	–	–	1,896
Others	508	–	–	–	–	508
Total	4,200,108	–	(169,265)	(2,279)	(31,216)	4,059,780

For the year ended 31 December 2019

	31 December 2018	Changes in accounting policies	1 January 2019	Increase during the year		Decrease during the year			31 December 2019
				Accrual	Other	Reversal	Write off	Others	
Properties under development	4,666,392	–	4,666,392	928,975	(941,883)	(911,487)	(173,501)	12,240	3,580,736
Completed properties held for sale	654,816	–	654,816	148,336	941,883	(358,049)	(801,074)	(3)	585,909
Accounts due from customers	1,588,924	(1,588,924)	–	–	–	–	–	–	–
Raw materials	33,437	–	33,437	1,388	–	(107)	(3,543)	(242)	30,933
Finished goods	1,039	–	1,039	2,451	–	–	(1,468)	–	2,022
Others	8,612	–	8,612	–	–	(1,687)	(6,417)	–	508
total	6,953,220	(1,588,924)	5,364,296	1,081,150	–	(1,271,330)	(986,003)	11,995	4,200,108

Impairment provision of inventories is as follows:

	Criterion of net realizable value	Reasons of reversal and write off during the period/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 realizable value increased or sales realized
Completed properties held for sale		Net realizable value increased or sales realized
Raw materials		Net realizable value increased or sales realized

V. Notes to the consolidated financial statements (continued)

9. Contract assets

	30 June 2020	31 December 2019
Receivables from construction projects	193,850,733	152,335,478
Project quality warranty	90,677,268	86,371,554
Receivables from PPP projects	71,691,195	68,660,734
Primary land development	10,758,697	10,145,212
Others	10,160,937	8,575,772
Sub-total	377,138,830	326,088,750
Less: Impairment allowance	(6,106,780)	(5,584,007)
	371,032,050	320,504,743
Less: Contract assets disclosed within current portion of non-current assets (Note V,10)	(34,438,607)	(24,598,890)
Less: Contract assets disclosed within the other non-current assets (Note V, 23)	(142,832,345)	(144,930,527)
	193,761,098	150,975,326
Including: original value of contract assets	197,026,138	153,955,659
Impairment allowance of contract assets	(3,265,040)	(2,980,333)

Movements in impairment allowance of contract assets are as follows:

For the six months ended 30 June 2020

Opening balance of the period	Provision	Reversal	Other changes	Closing balance of the period
2,980,333	486,882	(167,488)	(34,687)	3,265,040

2019

Closing balance of prior year	Changes in accounting policies	Opening balance of the year	Provision	Reversal	Other changes	Closing balance of the year
-	2,042,926	2,042,926	1,407,818	(350,747)	(119,664)	2,980,333

Whether the contract assets have significant financing components or not, the provisions for impairment is measured according to the expected credit loss of the entire duration.

	30 June 2020			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Withdrawal ratio (%)
Impairment of individually accrued	32,717,452	16.61	2,271,329	6.94
Impairment of collectively accrued by credit risk portfolio	164,308,686	83.39	993,711	0.60
Total	197,026,138	100.00	3,265,040	1.66

V. Notes to the consolidated financial statements (continued)

9. Contract assets (continued):

	31 December 2019			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Withdrawal ratio (%)
Impairment of individually accrued	21,006,351	13.64	2,086,758	9.93
Impairment of collectively accrued by credit risk portfolio	132,949,308	86.36	893,575	0.67
Total	153,955,659	100.00	2,980,333	1.94

As at 30 June 2020, impairment allowance of contract assets individually accrued is as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire duration (%)	Reasons
Company 1	368,326	368,326	100.00	ECLs
Company 2	279,588	6,084	2.18	ECLs
Company 3	204,609	14,804	7.24	ECLs
Company 4	105,649	105,649	100.00	ECLs
Company 5	99,279	99,279	100.00	ECLs
Others	31,660,001	1,677,187	5.30	ECLs
Total	32,717,452	2,271,329		

As at 31 December 2019, impairment allowance of contract assets individually accrued is as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire duration (%)	Reasons
Company 1	498,430	149,526	30.00	ECLs
Company 2	243,872	243,872	100.00	ECLs
Company 3	190,270	13,319	7.00	ECLs
Company 4	138,059	8,926	6.47	ECLs
Company 5	121,618	121,618	100.00	ECLs
Others	19,814,102	1,549,497	7.82	ECLs
Total	21,006,351	2,086,758		

As at 30 June 2020 and 31 December 2019, the contract assets that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

V. Notes to the consolidated financial statements (continued)

10. Current portion of non-current assets

	30 June 2020	31 December 2019
Current portion of long-term receivables (Note V, 13)	35,309,322	25,035,289
Current portion of contract assets (Note V, 9)	34,438,607	24,598,890
Current portion of Debt Investments (Note V, 12)	5,483,069	7,704,140
Others	458,762	125,385
Total	75,689,760	57,463,704

11. Other current assets

	30 June 2020	31 December 2019
Input VAT to be credited	47,590,939	37,309,124
Prepaid taxes	26,473,078	25,737,409
Receivables from related parties (Note X, 6)	19,659,768	15,394,226
Short term debt investments measured at amortization cost	4,408,916	4,088,801
Others	8,315,625	6,933,795
Sub-total	106,448,326	89,463,355
Less: Impairment allowance	(1,611,471)	(1,483,067)
Total	104,836,855	87,980,288

12. Debt investments

	30 June 2020		
	Carrying amount	Impairment allowance	Net amount
Loans receivable from related parties (Note X, 6)	18,453,759	(12,683)	18,441,076
Entrusted loans	1,066,712	(5,848)	1,060,864
Including: Entrusted loans from related parties (Note X, 6)	373,597	(3,736)	369,861
Others	3,060,605	(16,281)	3,044,324
Sub-total	22,581,076	(34,812)	22,546,264
Less: Debt investments of non current assets due within one year (Note V, 10)	5,486,552	(3,483)	5,483,069
Total	17,094,524	(31,329)	17,063,195

V. Notes to the consolidated financial statements (continued)

12. Debt investments (continued)

	31 December 2019		
	Carrying amount	Impairment allowance	Net amount
Loans receivable from related parties (Note X, 6)	20,882,550	(11,322)	20,871,228
Entrusted loans	1,557,389	(7,300)	1,550,089
Including: Entrusted loans from related parties (Note X, 6)	370,923	(3,709)	367,214
Others	3,066,176	(23,549)	3,042,627
Sub-total	25,506,115	(42,171)	25,463,944
Less: Debt investments of non-current assets due within one year (Note V, 10)	7,706,029	(1,889)	7,704,140
Total	17,800,086	(40,282)	17,759,804

13. Long-term receivables

	30 June 2020	31 December 2019
Project quality warranty	2,705,500	2,717,374
Receivables of PPP project	77,644,420	61,254,205
Receivables of BT project	59,679,416	60,664,928
Primary land development	36,359,505	35,654,938
Receivables for other Construction project	29,009,496	29,338,504
Due from Related parties (Note X, 6)	189,495	313,695
Others	292,846	1,052,577
Sub-total	205,880,678	190,996,221
Less: Impairment allowance	2,147,271	1,135,270
	203,733,407	189,860,951
Less: Due within 1 year (Note V, 10)	35,309,322	25,035,289
Total	168,424,085	164,825,662

As at June 2020 and 31 December 2019, the Group pledged long-term receivables to banks for borrowings are presented in detail in Note V, 66.

14. Long-term equity investments

	30 June 2020	31 December 2019
Joint ventures	37,675,515	34,648,316
Associates	44,659,451	40,562,641
Sub-total	82,334,966	75,210,957
Less: Impairment allowance	(294,056)	(294,056)
Total	82,040,910	74,916,901

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the six months ended 30 June 2020

(a) Joint ventures

	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 (Note1)		
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,302,726	180,000	(29)	233	-	-	2,482,930	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,927,320	-	(1,849)	-	-	-	1,925,471	292,462
China Construction win win win No. 5 (Huizhou) Infrastructure Investment Center (LP)	253,712	1,210,000	-	-	-	-	1,463,712	-
Zunyi Nanhuan Expressway Development Co. Ltd.	1,132,736	100,000	80,312	-	-	-	1,313,048	-
Nanjing Yangtze River Second Bridge Co., Ltd	1,103,558	-	20,989	(129)	-	-	1,124,418	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	1,000,000	-	39,650	-	(39,650)	-	1,000,000	-
China Construction Road and Bridge Group Co., Ltd	1,016,758	-	16,890	366	-	(36,186)	997,828	-
Shanghai Duolun Construction Development Co., Ltd	987,054	-	-	-	-	-	987,054	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd.	960,360	-	(411)	-	-	-	959,949	-
China Southern Airlines Construction and Development Co., Ltd	817,998	-	8,469	-	-	-	826,467	-
Liupanshui Urban Pipe Gallery Construction and Development Investment Co., Ltd	795,597	-	-	-	-	-	795,597	-
Guizhou Leirong Expressway Investment Management Co., Ltd	459,486	287,083	-	46,209	-	-	792,778	-
Beijing Nanyue Real Estate Development Co. Ltd.	728,933	-	25,795	-	-	-	754,728	-
Anhui Bengwu Expressway Investment Management Co., Ltd	605,617	70,000	-	2,779	-	-	678,396	-
Guangdong Guotong Logistics City Co., Ltd	-	708,100	(27,373)	(14,115)	-	-	666,612	-
China Overseas port (Laizhou) Co., Ltd	610,240	-	22,502	(4,149)	-	(9,000)	619,593	-
Changsha CSCEC Chengtuo Pipeline Construction & Investment Co. Ltd.	528,106	-	138	-	-	-	528,244	-
Xi'an Dingsheng Dongyue Real Estate Co., Ltd	54,337	-	458,287	-	-	-	512,624	-
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd	325,180	184,460	-	-	-	-	509,640	-
Shaoteng CSCEC Construction Investment & Development Co. Ltd.	504,445	-	(3,587)	-	-	-	500,858	-
CSCEC Chengdu Rail Transit Investment and Construction Co., Ltd	500,023	-	-	-	-	-	500,023	-
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd	488,671	-	-	-	-	-	488,671	-
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	245,681	233,143	-	-	-	-	478,824	-
CSCEC (Tangshang Caofeidian) Engineering & Construction Co., Ltd.	463,456	-	7,557	965	-	-	471,978	-
China Overseas Grand Oceans Haifu (Hefei) Real Estate Development Co., Ltd.	496,186	-	5,808	(36,454)	-	-	465,540	-
CSCEC Haijia (Foshan) Investment and Construction Co., Ltd	445,728	-	7,830	2,860	-	-	456,418	-
Zhengzhou Zhongjian Zhicheng Comprehensive Pipe Gallery Construction Management Co., Ltd	425,325	-	-	-	-	-	425,325	-
Xi'an Jiarun Rongcheng Real Estate Co., Ltd	17,815	-	517,301	-	(129,526)	-	405,590	-
Xi'an Hehui Xingshang Real Estate Co., Ltd	347,336	-	53,634	-	-	-	400,970	-
Others	15,103,932	(539,038)	517,172	(22,871)	(498,282)	(418,684)	14,142,229	1,358
Joint ventures sub-total	34,648,316	2,433,748	1,749,085	(24,306)	(667,458)	(463,870)	37,675,515	293,820

Note 1: Other changes are mainly caused by the conversion of subsidiaries into joint ventures, 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 2020 (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 (Note1)		
China Overseas Hongyang Group Co., Ltd. ("Overseas Hongyang")	7,489,769	-	773,641	(253,774)	(232,869)	155,369	7,932,136	-
Anhui Guoyuan Trust Co., Ltd	2,799,221	-	77,669	36,022	-	-	2,912,912	-
Xuzhou Rail Transit Investment Development Co., Ltd	790,000	1,710,000	-	-	-	-	2,500,000	-
Jiqing High Speed Railway Co., Ltd	2,082,659	360,100	(36,729)	-	-	-	2,406,030	-
CCCC Jijiao Expressway Investment Development Co., Ltd	1,302,988	315,725	(63,340)	-	-	-	1,555,373	-
Everbright Securities Co., Ltd	1,460,733	-	-	-	-	21,630	1,482,363	-
Fast Shift Investments Limited	1,155,792	-	333,289	-	(260,130)	23,997	1,252,948	-
CCB Shares No. 9 Urbanization Investment Private Fund	1,168,461	-	41,678	-	-	-	1,210,139	-
Jinmao Investment (Changsha) Co., Ltd	942,442	-	129,951	-	(23,954)	-	1,048,439	-
Shandong Qilu Ningliang Expressway Co., Ltd	1,033,900	-	-	-	-	-	1,033,900	-
Anhui Guoyuan Investment Co., Ltd	965,609	-	6,833	(285)	-	237	972,394	-
Shanghai Jiasheng Real Estate Development Co., Ltd	931,354	-	24,196	-	-	-	955,550	-
Yunnan Huali Expressway Investment and Development Co., Ltd	790,000	-	-	-	-	-	790,000	-
Guangzhou Lihe Real Estate Development Co., Ltd	931,775	-	1,653	-	(150,960)	-	782,468	-
CSCEC Share No. 35 Urbanization Investment private fund	-	711,320	-	-	-	-	711,320	-
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd	586,430	-	-	-	-	-	586,430	-
Liupanshui Dongda Highway Investment and Development Co., Ltd	509,644	-	-	3,536	-	-	513,180	-
Shanxi International Power Group Real Estate Development Co., Ltd	494,659	-	-	-	-	-	494,659	-
Anhui Xingtai Financial Leasing Co., Ltd	406,224	-	8,893	8,298	(3,504)	-	419,911	-
Jinan Taihui Real Estate Development Co., Ltd	410,108	-	(2,556)	-	-	-	407,552	-
Urumqi Xinchuyuan Construction Co., Ltd	400,203	-	-	-	-	-	400,203	-
Changsha Xirong Real Estate Co., Ltd	346,749	-	(1,840)	-	-	-	344,909	-
Panjin Zhonghui Industrial Co., Ltd	354,457	-	(11,655)	-	-	-	342,802	-
Beijing Jinliang Xingye Real Estate Development Co., Ltd	336,334	-	53	-	-	-	336,387	-
Liuzhou Zhongjian Dongcheng Culture Development Co., Ltd	310,825	-	19,690	-	-	-	330,515	-
Hebei Qugang Expressway Development Co., Ltd	201,115	167,870	(40,317)	-	-	-	328,668	-
Others	12,361,190	996,847	80,666	(22,207)	(295,700)	(512,533)	12,608,263	236
Associates sub-total	40,562,641	4,261,862	1,341,775	(228,410)	(967,117)	(311,300)	44,659,451	236
Total	75,210,957	6,695,610	3,090,860	(252,716)	(1,634,575)	(775,170)	82,334,966	294,056

Note 1: Other changes are mainly caused by the volatility of foreign exchange rate.

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

2019

(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) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others (Note1)		
Lang Light International Co., Ltd.	2,240,278	-	(21,812)	-	-	-	2,218,466	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,126,057	-	147,415	(443)	(169,471)	-	1,103,558	-
Speedy Champ Investments Limited	1,246,253	-	3,953	-	-	-	1,250,206	-
China Overseas Port (Laizhou) Co., Ltd	618,087	-	62,685	(5,123)	(65,409)	-	610,240	-
Guiheng Investment Co., Ltd.	1,607,600	-	612,204	-	-	-	2,219,804	-
Shandong China Overseas Huachuang Real Estate Co., Ltd.	491,697	-	(2,996)	-	-	-	488,701	-
Tianjin Yingchao Real Estate Development Co., Ltd	22,297	-	16,838	-	-	-	39,135	-
Xing Gui Investment Co., Ltd.	1,119,116	-	16,825	-	(857,500)	-	278,441	-
Xing Chuang Enterprise Co., Ltd.	356,997	-	67,572	-	(76,500)	-	348,069	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,879,043	-	48,277	-	-	-	1,927,320	292,462
China Overseas Southern Airlines Construction & Development Co., Ltd.	827,441	-	(9,443)	-	-	-	817,998	-
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,302,596	-	130	-	-	-	2,302,726	-
China Overseas Grand Oceans Haifu (Hefei) Real Estate Development Co., Ltd.	414,560	-	46,664	34,962	-	-	496,186	-
Changsha CSCEC Chengtuo Pipeline Construction & Investment Co. Ltd.	508,230	19,800	76	-	-	-	528,106	-
Chongqing Railway Line No. 9 Construction & Operation Co. Ltd.	1,600,751	(1,600,751)	-	-	-	-	-	-
CSCEC (Tangshang Caofeidian) Engineering & Construction Co., Ltd.	404,543	42,264	16,649	-	-	-	463,456	-
Xuzhou Line No. 3 Rail Transit Investment Development Co., Ltd	109,784	1,000	(40)	-	-	-	110,744	-
Changsha CSCEC Future Future Science and Technology City Investment Co. Ltd.	104,197	-	837	-	(2,167)	-	102,867	-
Dazhou Dahuan Construction Management Co. Ltd.	292,517	-	154	-	-	-	292,671	-
Beijing Nanyue Real Estate Development Co. Ltd.	731,999	-	(3,066)	-	-	-	728,933	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	1,000,000	-	79,083	-	(79,083)	-	1,000,000	-
Zunyi Nanhuan Expressway Development Co. Ltd. (Note 2)	1,016,450	-	116,286	-	-	-	1,132,736	-
Shaotong CSCEC Construction Investment & Development Co. Ltd.	511,431	-	(6,986)	-	-	-	504,445	-
CSCEC Chengdu Rail Transportation Investment and Construction Co., Ltd.	375,477	-	124,546	-	-	-	500,023	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd.	-	960,360	-	-	-	-	960,360	-
Others	10,661,722	2,547,518	467,460	3,610	(153,556)	696,371	14,223,125	1,358
Joint ventures sub-total	31,569,123	1,970,191	1,783,311	33,006	(1,403,686)	696,371	34,648,316	293,820

Note1: Other is mainly caused by the conversion of subsidiaries to joint ventures, 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)

2019 (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) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others		
Trust House Pte. Ltd.	9,067	-	(2)	-	-	304	9,369	-
Beijing China Construction Zhongchao Concrete Co., Ltd.	14,299	-	(4,164)	-	-	-	10,135	-
DuYun Galactic Real Estate Development Co., Ltd.	35,399	-	6,628	-	-	-	42,027	-
Henan China Construction Municipal Construction Development Co., Ltd.	217,145	-	4,617	-	-	-	221,762	-
Jinmao Investment (Changsha) Co., Ltd.	1,058,813	-	177,032	-	(293,403)	-	942,442	-
Anhui Guoyuan Investment Co., Ltd.	937,689	-	40,373	366	(12,819)	-	965,609	-
Anhui Guoyuan Trust Co., Ltd.	2,694,495	-	182,794	(47,787)	(30,281)	-	2,799,221	-
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	6,529,917	-	1,275,934	(116,014)	(196,548)	(3,520)	7,489,769	-
Krimark Investment Ltd.	173,511	-	(2,779)	14,856	-	2,378	187,966	-
Fast Shift Investments Limited	1,778,863	-	753,979	-	(1,389,228)	12,178	1,155,792	-
Xuzhou Metro Line One Investment Development Co., Ltd. (Note 2)	196,000	594,000	-	-	-	-	790,000	-
Jiqing Express Railway Co., Ltd.	2,116,643	20,272	(54,256)	-	-	-	2,082,659	-
Guangzhou Lihe Real Estate Development Co., Ltd.	793,775	-	138,000	-	-	-	931,775	-
Suzhou Extraordinary City Real Estate Co., Ltd.	102,647	-	145,846	-	(146,493)	-	102,000	-
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,248,821	131,000	(76,833)	-	-	-	1,302,988	-
Panjin Zhonghui Industry Co. Ltd.	333,263	-	21,194	-	-	-	354,457	-
Beijing Jinliang Xingye Real Estate Development Co. Ltd.	332,081	-	21,922	(17,669)	-	-	336,334	-
Shenzhen & Shantou Special Cooperation Area Harbour New City Investment & Construction Co. Ltd.	193,269	-	6,485	-	-	-	199,754	-
Liuzhou CSCEC Dongcheng Culture Development Co., Ltd.	305,920	-	4,905	-	-	-	310,825	-
Guizhou Jianxin Water Environment Industry Co. Ltd.	219,177	-	4,393	-	-	-	223,570	-
Everbright Securities Co.	1,422,013	-	24,568	4,624	(13,881)	23,409	1,460,733	-
CSCEC Jianxin Shared No. 9 Private-Equity Fund for Urbanization	1,206,248	-	37,551	-	(75,338)	-	1,168,461	-
Shandong Qiru Ningliang Expressway Co. Ltd.	743,000	290,900	-	-	-	-	1,033,900	-
Chongqing Jinke Zhaoji Real Estate Development Co. Ltd.	542,145	-	44,285	-	-	-	586,430	-
Urumchi New Chuyuan Construction Co. Ltd.	400,260	-	(57)	-	-	-	400,203	-
Shanghai Jiasheng Real Estate Development Co., Ltd.	887,499	-	43,855	-	-	-	931,354	-
Yunnan Huali Expressway Investment and Development Co. Ltd. (Note 2)	-	790,000	-	-	-	-	790,000	-
Others	10,226,973	4,015,814	94,201	(175,742)	(575,955)	147,815	13,733,106	236
Associates sub-total	34,718,932	5,841,986	2,890,471	(337,366)	(2,733,946)	182,564	40,562,641	236
Total	66,288,055	7,812,177	4,673,782	(304,360)	(4,137,632)	878,935	75,210,957	294,056

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 2020

	Opening balance of the period	Movement 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

2019

	Opening balance of the year	Movement 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 2020	31 December 2019
Equity investments		
Listed equity investments	1,398,970	1,659,862
Unlisted equity investments	4,649,737	6,409,181
Total	6,048,707	8,069,043

	30 June 2020	31 December 2019
Equity investments		
Cost		
Listed equity investments	1,241,496	1,287,154
Unlisted equity investments	3,723,452	5,349,115
Cumulative changes in fair value		
Listed equity investments	157,474	372,708
Unlisted equity investments	926,285	1,060,066
Total	6,048,707	8,069,043

For the six months ended 30 June 2020

	Changes in fair value accumulated into other comprehensive income	Fair value	Dividend income of the period	
			Equity instruments derecognized in the current period	Equity instruments still held
Listed equity investments	157,474	1,398,970	–	53,785
Unlisted equity investments	926,285	4,649,737	–	35,588
Total	1,083,759	6,048,707	–	89,373

V. Notes to the consolidated financial statements (continued)

15. Investments in other equity instruments (continued)

2019

	Changes in fair value accumulated into other comprehensive income	Fair value	Dividend income of the year	
			Equity instruments derecognized in the current period	Equity instruments still held
Listed equity investments	372,708	1,659,862	–	240,330
Unlisted equity investments	1,060,066	6,409,181	–	30,320
Total	1,432,774	8,069,043	–	270,650

16. Investment properties

Subsequent measurement under the cost model:

For the six months ended 30 June 2020

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance of the period	52,236,824	13,167,211	18,862,716	84,266,751
Increase during the period	1,673,614	250,275	7,679,761	9,603,650
Decrease during the period	(122,263)	(5,802)	(4,151)	(132,216)
Closing balance of the period	53,788,175	13,411,684	26,538,326	93,738,185
Accumulated depreciation and amortisation				
Opening balance of the period	(6,100,476)	(1,865,118)	–	(7,965,594)
Increase during the period	(792,526)	(178,983)	–	(971,509)
Decrease during the period	10,269	2,952	–	13,221
Closing balance of the period	(6,882,733)	(2,041,149)	–	(8,923,882)
Impairment allowance				
Opening balance of the period	–	–	–	–
Increase during the period	(836)	–	–	(836)
Decrease during the period	836	–	–	836
Closing balance of the period	–	–	–	–
Net book value				
At the beginning of the period	46,136,348	11,302,093	18,862,716	76,301,157
At the end of the period	46,905,442	11,370,535	26,538,326	84,814,303

V. Notes to the consolidated financial statements (continued)

16. Investment properties (continued)

2019

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance of the year	48,342,987	12,783,939	13,797,564	74,924,490
Increase during the year	4,719,584	400,603	7,322,840	12,443,027
Decrease during the year	(825,747)	(17,331)	(2,257,688)	(3,100,766)
Closing balance of the year	52,236,824	13,167,211	18,862,716	84,266,751
Accumulated depreciation and amortisation				
Opening balance of the year	(4,742,269)	(1,531,011)	–	(6,273,280)
Increase during the year	(1,416,406)	(335,743)	–	(1,752,149)
Decrease during the year	58,199	1,636	–	59,835
Closing balance of the year	(6,100,476)	(1,865,118)	–	(7,965,594)
Impairment allowance				
Opening balance of the year	(1,027)	–	–	(1,027)
Decrease during the year	1,027	–	–	1,027
Closing balance of the year	–	–	–	–
Net book value				
At the beginning of the year	43,599,691	11,252,928	13,797,564	68,650,183
At the end of the year	46,136,348	11,302,093	18,862,716	76,301,157

Investment properties are leased out to third parties under an operating lease.

V. Notes to the consolidated financial statements (continued)

16. Investment properties (continued)

For the six months ended 30 June 2020, the Group changed the use of houses and buildings with a carrying amount of RMB2,915 thousand (A cost of: RMB12,596 thousand) for self use and transferred them into fixed assets at the date of change of use; for the year of 2019, the Group changed the houses and buildings with a carrying amount of RMB82,667 thousand (A cost of: RMB118,608 thousand) for self use and transferred them into fixed assets at the date of change of use.

For the six months ended 30 June 2020, the Group changed the investment properties with a carrying amount of RMB32,912 thousand (A cost of: RMB32,912 thousand) to inventory; for the year of 2019, the Group changed the investment properties with a carrying amount of RMB1,078,525 thousand (A cost of: RMB1,080,087 thousand) to inventory.

For the six months ended 30 June 2020, the Group changed the inventory with a carrying amount of RMB1,332,668 thousand (A cost of: RMB1,332,668 thousand) to lease, and transfers the inventory into investment properties at the date of change of use; for the year of 2019, the Group changed the inventory with a carrying amount of RMB3,881,747 thousand (A cost of: RMB3,881,747 thousand) to lease, and transferred the inventory into investment properties at the date of change of use.

For the six months ended 30 June 2020, the Group has no fixed assets changed into investment properties; for the year of 2019, the Group changed the fixed assets with a carrying amount of RMB383,002 thousand (A cost of: RMB396,160 thousand) to lease, and transferred from fixed assets to investment properties at the date of change of use.

For the six months ended 30 June 2020, no construction in progress of the Group is accounted for as investment properties; for the year of 2019, the Group's construction in progress project with a carrying amount of RMB891,908 thousand (A cost of: RMB891,908 thousand) was completed and used for leasing, which was changed to investment properties.

As at 30 June 2020 and 31 December 2019, the investment properties that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

V. Notes to the consolidated financial statements (continued)

17. Fixed assets

For the six months ended 30 June 2020

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the period	28,359,820	17,923,910	3,259,952	16,023,119	65,566,801
Purchases	315,156	519,005	178,601	1,248,012	2,260,774
Transfers from construction in progress (Note V, 18)	410,339	182,536	97	258,102	851,074
Other addition	526,154	945,657	60,367	923,927	2,456,105
Disposals or retirements	(205,462)	(241,894)	(137,785)	(788,278)	(1,373,419)
Other decrease	(173,523)	(180,214)	(18,394)	(1,962,388)	(2,334,519)
Closing balance of the period	29,232,484	19,149,000	3,342,838	15,702,494	67,426,816
Accumulated depreciation					
Opening balance of the period	(4,878,782)	(9,840,821)	(2,184,862)	(10,818,006)	(27,722,471)
Depreciation accrued during the period	(459,132)	(663,847)	(183,379)	(1,936,261)	(3,242,619)
Other additions	(51,715)	(95,660)	(57,810)	(142,124)	(347,309)
Disposals or retirements	39,324	165,730	111,611	664,701	981,366
Other decrease	21,376	121,941	17,869	444,357	605,543
Closing balance of the period	(5,328,929)	(10,312,657)	(2,296,571)	(11,787,333)	(29,725,490)
Impairment allowance					
Opening balance of the period	(213,151)	(39,819)	(28,508)	(8,356)	(289,834)
Impairment accrued during the period (Note V, 24)	(2,745)	(553)	(163)	–	(3,461)
Other additions	(108)	(1,986)	(5,375)	–	(7,469)
Disposals or retirements	–	3,846	499	–	4,345
Other decrease	2,117	559	1,432	5,371	9,479
Closing balance of the period	(213,887)	(37,953)	(32,115)	(2,985)	(286,940)
Net book value					
At the end of the period	23,689,668	8,798,390	1,014,152	3,912,176	37,414,386
At the beginning of the period	23,267,887	8,043,270	1,046,582	5,196,757	37,554,496

V. Notes to the consolidated financial statements (continued)

17. Fixed assets (continued)

Fixed assets (continued)

2019

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the year	24,840,356	17,006,786	3,384,719	21,619,229	66,851,090
Purchases	1,094,559	1,665,459	257,365	2,957,217	5,974,600
Transfers from construction in progress (Note V, 18)	2,056,653	331,274	9,371	678,066	3,075,364
Other addition	1,221,791	913,812	142,270	247,690	2,525,563
Disposals or retirements	(336,378)	(1,052,880)	(430,265)	(8,134,468)	(9,953,991)
Other decrease	(517,161)	(940,541)	(103,508)	(1,344,615)	(2,905,825)
Closing balance of the year	28,359,820	17,923,910	3,259,952	16,023,119	65,566,801
Accumulated depreciation					
Opening balance of the year	(4,034,613)	(9,235,479)	(2,176,596)	(15,459,176)	(30,905,864)
Depreciation provided during the year	(849,862)	(1,536,158)	(327,704)	(3,829,529)	(6,543,253)
Other additions	(141,341)	(470,190)	(105,800)	(225,519)	(942,850)
Disposals or retirements	97,009	903,302	367,301	7,956,268	9,323,880
Other decrease	50,025	497,704	57,937	739,950	1,345,616
Closing balance of the year	(4,878,782)	(9,840,821)	(2,184,862)	(10,818,006)	(27,722,471)
Impairment allowance					
Opening balance of the year	(211,390)	(32,672)	(12,687)	(8,483)	(265,232)
Depreciation provided during the year (Note V, 24)	(1,102)	(8,289)	(16,130)	-	(25,521)
Other additions	(1,062)	-	-	(28)	(1,090)
Disposals or retirements	347	1,142	309	155	1,953
Other decrease	56	-	-	-	56
Closing balance of the year	(213,151)	(39,819)	(28,508)	(8,356)	(289,834)
Net book value					
At the end of the year	23,267,887	8,043,270	1,046,582	5,196,757	37,554,496
At the beginning of the year	20,594,353	7,738,635	1,195,436	6,151,570	35,679,994

V. Notes to the consolidated financial statements (continued)

17. Fixed assets (continued)

Fixed assets (continued)

Fixed assets held under a finance lease are as follows:

30 June 2020

	Cost	Accumulated depreciation	Impairment allowance	Net book value
Machinery and equipment	755,205	(145,738)	–	609,467

31 December 2019

	Cost	Accumulated depreciation	Impairment allowance	Net book value
Machinery and equipment	717,777	(136,910)	–	580,867
Motor vehicles	46,973	(32,989)	(5,371)	8,613
Total	764,750	(169,899)	(5,371)	589,480

As at 30 June 2020, the fixed assets with a carrying amount of RMB140,796 thousand, and a cost of RMB222,651 thousand are leased out under operating leases (31 December 2019: a carrying amount of RMB241,269 thousand and a cost of RMB411,214 thousand).

As at 30 June 2020 and 31 December 2019, the fixed assets that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

18. Construction in progress

	30 June 2020			31 December 2019		
	Carrying amount	Impairment allowance	Net book value	Carrying amount	Impairment allowance	Net book value
Construction in progress	11,116,189	(252,521)	10,863,668	10,338,334	(252,521)	10,085,813

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

For the six months ended 30 June 2020

	Budgeted amount	Opening balance of the period	Additions	Transfer to fixed assets (Note V, 17)	Other Transferred out	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	1,515,607	178,887	–	–	1,694,494	Self-funding and loan	79
Shanghai Zhongjianshuan Mountain Project	1,473,684	792,545	59,966	–	–	852,511	Self-funding	58
Construction of Zhangjiang Sun Bridge in Pudong New Area	3,109,157	805,722	11,353	–	–	817,075	Self-funding and loan	26
CSCEC JinXiuTianDi Construction Projects	1,290,670	650,106	93,815	–	–	743,921	Self-funding and loan	58
SongJiang Building Construction Project.	1,395,072	559,191	124,281	–	–	683,472	Self-funding	49
Wanning Jinxin Grand Hyatt	1,313,996	610,566	–	–	–	610,566	Self-funding	46
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd	632,208	420,767	–	–	–	420,767	Self-funding	67
SongJiangYunZhuShenLan Construction Project	360,000	344,140	–	–	(5,153)	338,987	Self-funding and loan	96
Zhonghai Huanyu City Construction Project	545,628	217,024	89,323	–	–	306,347	Self-funding	56
Others	N/A	4,422,666	1,186,025	(851,074)	(109,568)	4,648,049	Self-funding and loan	N/A
Total		10,338,334	1,743,650	(851,074)	(114,721)	11,116,189		

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 (continued):

2019

	Budgeted amount	Opening balance of the year	Additions	Transfer to fixed assets (Note V, 17)	Other Transferred out	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	2,281,672	1,256,976	258,631	-	-	1,515,607	Self-funding and loan	66
Construction of Zhangjiang Sun Bridge in Pudong New Area	3,109,157	-	805,722	-	-	805,722	Self-funding and loan	26
Shanghai Zhongjianyuelan Mountain Project	1,473,684	-	792,545	-	-	792,545	Self-funding	54
CSCEC JinXiuTianDi construction projects	1,290,670	481,106	169,000	-	-	650,106	Self-funding and loan	50
Wanning Jinxin Grand Hyatt	1,313,996	610,566	-	-	-	610,566	Self-funding	46
SongJiang building Construction Project	1,395,072	401,440	157,751	-	-	559,191	Self-funding	40
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd	632,208	420,767	-	-	-	420,767	Self-funding	67
SongJiangYunZhuShenLan Construction Project	360,000	301,486	42,654	-	-	344,140	Self-funding and loan	96
Zhonghai Huanyu City Construction Project	545,628	-	217,024	-	-	217,024	Self-funding	40
Others	N/A	5,071,987	4,231,929	(3,075,364)	(1,805,886)	4,422,666	Self-funding and loan	N/A
Total		8,544,328	6,675,256	(3,075,364)	(1,805,886)	10,338,334		

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

For the six months ended 30 June 2020:

	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	79%	154,711	30,850	5.78
Construction of Zhangjiang Sun Bridge in pudong new area	26%	1,445	1,021	4.28
CSCEC JinXiuTianDi construction projects	58%	104,563	32,748	4.28
SongJiang Building construction project	96%	3,585	-	4.75
Others	N/A	45,146	15,469	N/A
Total		309,450	80,088	

2019

	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	66%	123,861	61,533	5.78
Construction of Zhangjiang Sun Bridge in pudong new area	26%	424	424	4.28
CSCEC JinXiuTianDi construction projects	50%	71,815	71,815	4.50
SongJiangBuilding construction project	96%	3,585	3,585	4.75
Others	N/A	29,677	24,618	N/A
Total		229,362	161,975	

As at 30 June 2020 and 31 December 2019, the construction in progress that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

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 2020

Opening balance of the period	Increase during the period	Closing Balance of the period	Reasons
252,521	–	252,521	The book value is higher than the recoverable amount.

2019

Opening balance of the year	Increase during the year	Closing Balance of the year	Reasons
250,945	1,576	252,521	The book value is higher than the recoverable amount.

19. Intangible assets

For the six months ended 30 June 2020

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the period	7,451,478	12,806,517	726,921	694,476	21,679,392
Increase during the period	92,247	2,476,766	41,009	18,471	2,628,493
Decrease during the period	(27,098)	–	(4,333)	(369)	(31,800)
Closing balance of the period	7,516,627	15,283,283	763,597	712,578	24,276,085
Accumulated amortisation					
Opening balance of the period	(1,024,490)	(1,237,277)	(399,338)	(322,234)	(2,983,339)
Increase during the period	(61,534)	(72,268)	(45,842)	(22,916)	(202,560)
Decrease during the period	7,284	–	2,897	44	10,225
Closing balance of the period	(1,078,740)	(1,309,545)	(442,283)	(345,106)	(3,175,674)
Impairment allowance					
Opening balance of the period	(1,334,236)	(952,660)	–	–	(2,286,896)
Decrease during the period	120	–	–	–	120
Closing balance of the period	(1,334,116)	(952,660)	–	–	(2,286,776)
Net book value					
Closing balance of the period	5,103,771	13,021,078	321,314	367,472	18,813,635
Opening balance of the period	5,092,752	10,616,580	327,583	372,242	16,409,157

V. Notes to the consolidated financial statements (continued)

19. Intangible assets (continued)

2019

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the year	7,673,025	7,483,146	647,651	831,869	16,635,691
Increase during the year	512,994	5,636,192	149,226	38,973	6,337,385
Decrease during the year	(734,541)	(312,821)	(69,956)	(176,366)	(1,293,684)
Closing balance of the year	7,451,478	12,806,517	726,921	694,476	21,679,392
Accumulated amortisation					
Opening balance of the year	(942,689)	(1,091,763)	(364,861)	(445,000)	(2,844,313)
Increase during the year	(175,516)	(145,514)	(96,757)	(47,275)	(465,062)
Decrease during the year	93,715	–	62,280	170,041	326,036
Closing balance of the year	(1,024,490)	(1,237,277)	(399,338)	(322,234)	(2,983,339)
Impairment allowance					
Opening balance of the year	(1,334,236)	(862,947)	–	–	(2,197,183)
Increase during the year	–	(89,713)	–	–	(89,713)
Decrease during the year	–	–	–	–	–
Closing balance of the year	(1,334,236)	(952,660)	–	–	(2,286,896)
Net book value					
Closing balance of the year	5,092,752	10,616,580	327,583	372,242	16,409,157
Opening balance of the year	5,396,100	5,528,436	282,790	386,869	11,594,195

As at 30 June 2020 and 31 December 2019, the intangible assets that were pledged by the Group to banks for borrowings are presented in details in Note V, 66.

V. Notes to the consolidated financial statements (continued)

20. Goodwill

For the six months ended 30 June 2020

The invested entity	Opening balance of the period	Increase during the period	Other movements	Closing balance of the period
China Overseas Land & Investment Ltd. ("China Overseas Land & Investment")	1,498,889	–	30,486	1,529,375
China State Construction Development Holdings Limited (formerly "Far East Global Group Ltd".)	511,232	–	10,398	521,630
Plaza Construction LLP	105,551	–	1,563	107,114
Financiere Groupe Beton	–	59,210	–	59,210
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
Chongqing Zhonghai Investment Co., Ltd	11,167	–	227	11,394
Yunnan Long Hydropower Base	11,163	–	–	11,163
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Others	73,121	–	4	73,125
Total	2,386,501	59,210	42,678	2,488,389

2019

The invested entity	Opening balance of the year	Increase during the year	Other movements	Closing balance of the year
China Overseas Land & Investment	1,480,259	–	18,630	1,498,889
China State Construction Development Holdings Limited	504,878	–	6,354	511,232
Plaza Construction LLP	103,841	–	1,710	105,551
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
Chongqing Zhonghai Investment Co., Ltd.	11,028	–	139	11,167
Yunnan Long Hydropower Base	11,163	–	–	11,163
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Others	88,240	–	(15,119)	73,121
Total	2,331,990	42,797	11,714	2,386,501

V. Notes to the consolidated financial statements (continued)

20. Goodwill (continued)

Changes in impairment provisions of goodwill are as below:

For the six months ended 30 June 2020

	Opening balance of the period	Other movements	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.	11,167	227	11,394
Others	163	3	166
Total	39,073	230	39,303

2019

	Opening balance of the year	Other movements	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.	11,028	139	11,167
Others	161	2	163
Total	38,932	141	39,073

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 is determined on the higher term between the fair value of the asset group, net of disposal costs, and the present value of the expected future cash flows of the asset.

For the asset group or portfolio of China Overseas Land & Investment and China State Construction Development, the fair value less disposal expenses were higher than the book value, and there was no impairment of the relevant goodwill.

21. Long-term prepaid expenses

For the six months ended 30 June 2020

	Opening balance of the period	Increase	Amortisation	Other decrease	Closing balance of the period
Expenditure on improvement of leased fixed assets	417,141	49,851	(45,676)	(3,808)	417,508
Office rent	66,650	17,238	(13,446)	(362)	70,080
Others	452,009	98,457	(72,166)	(2,560)	475,740
Total	935,800	165,546	(131,288)	(6,730)	963,328

2019

	Opening balance of the year	Increase	Amortisation	Other decrease	Closing balance of the year
Expenditure on improvement of leased fixed assets	385,186	221,092	(177,359)	(11,778)	417,141
Office rent	68,963	21,754	(21,728)	(2,339)	66,650
Others	282,043	317,240	(139,124)	(8,150)	452,009
Total	736,192	560,086	(338,211)	(22,267)	935,800

V. Notes to the consolidated financial statements (continued)

22. Deferred tax assets/liabilities

Deferred tax assets and liabilities without taking into consideration the offsetting of balances:

	30 June 2020		31 December 2019	
	Deductible temporary differences and losses	Deferred tax assets	Deductible temporary differences and losses	Deferred tax assets
Deferred tax assets				
Impairment allowance of assets	31,532,789	6,077,155	29,216,494	5,564,218
Elimination of intra-group unrealized profit	6,193,806	1,472,291	4,803,177	1,128,760
Accrued expenses	24,832,188	6,119,692	23,630,682	5,790,401
Accrued liabilities	1,876,099	343,119	1,955,638	370,269
Deductible losses	17,140,442	4,225,688	14,930,826	3,746,808
Discounted long-term receivables	130,198	21,433	294,490	64,635
Others	1,377,083	320,296	843,397	189,379
Total	83,082,605	18,579,674	75,674,704	16,854,470

Deferred tax assets and liabilities without taking into consideration the offsetting of balances:

	30 June 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Depreciation of fixed assets	373,032	84,147	381,667	86,633
Fair value adjustment of business combinations involving enterprises not under common control	16,209,571	4,050,223	11,861,961	3,025,403
Changes in fair value of financial assets	1,176,488	248,075	1,915,474	403,898
Gain from special restructuring of subsidiaries (Note 1)	1,179,437	294,859	1,179,437	294,859
Withholding tax for dividends (Note 2)	4,273,974	213,699	3,530,376	176,519
Revenue from BT/BOT projects	5,673,491	1,418,373	4,224,940	1,056,235
Others	5,915,427	1,428,752	5,331,995	1,337,505
	34,801,420	7,738,128	28,425,850	6,381,052

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)

22. Deferred tax assets/liabilities (continued)

Preferred tax assets and deferred tax liabilities that are presented at the net amount after offsetting.

	30 June 2020		31 December 2019	
	Offsetting amount	Net amount after offsetting	Offsetting amount	Net amount after offsetting
Deferred tax assets	1,457,465	17,122,209	1,725,342	15,129,128
Deferred tax liabilities	1,457,465	6,280,663	1,725,342	4,655,710

Deductible temporary differences and deductible tax losses for which deferred tax assets are not recognized are listed as follows:

	30 June 2020	31 December 2019
Deductible temporary differences	15,916,524	16,104,017
Deductible tax losses	19,374,453	19,046,329
Total	35,290,977	35,150,346

Deductible tax losses that are not recognised as deferred tax assets will expire in the following years:

	30 June 2020	31 December 2019
2020	916,677	1,137,200
2021	1,890,710	2,000,451
2022	2,530,301	2,715,585
2023	5,174,107	5,508,849
2024	6,096,418	7,684,244
2025	2,766,240	–
Total	19,374,453	19,046,329

23. Other non-current assets

	30 June 2020	31 December 2019
Contract asset (Note 9)	144,410,985	146,917,573
Input VAT to be verified	912,887	1,103,821
Prepayment of purchase of long-term assets	289,762	860,820
Others	1,774,205	1,061,994
Sub-total	147,387,839	149,944,208
Less: Impairment allowance	(1,591,575)	(1,995,266)
Total	145,796,264	147,948,942

As at 30 June 2020, the impairment allowance of the above contract assets is RMB1,578,640 thousand (31 December 2019: RMB1,987,046 thousand).

V. Notes to the consolidated financial statements (continued)

24. Impairment allowance of assets

For the six months ended 30 June 2020

	Opening balance of the period	Provision for the period	Decrease during the period		Other movement	Closing balance of the period
			Reversal	Transfer/Write-off		
Provision for impairment of accounts receivable	23,804,177	7,070,827	(5,094,854)	(40,099)	(47,641)	25,692,410
Impairment allowance of other receivables	7,081,322	1,494,300	(1,135,083)	(47,890)	(12,661)	7,379,988
Impairment allowance of other current assets	1,483,067	124,016	(13,266)	–	17,654	1,611,471
Impairment allowance of current portion of non-current assets	846,270	797,775	(64,505)	(394)	162,430	1,741,576
Impairment allowance of other non-current assets	1,995,266	400,478	(755,731)	–	(48,438)	1,591,575
Other ELCs provisions	637,280	14,983	–	–	(1,042)	651,221
Impairment allowance of debt investments	40,282	1,220	(10,276)	–	103	31,329
Impairment allowance of long-term receivables	916,396	937,032	(106,446)	–	(72,513)	1,674,469
Impairment allowance of contract assets	2,980,333	486,882	(167,488)	–	(34,687)	3,265,040
Impairment provision for write-down of inventories	4,200,108	–	(169,265)	(2,279)	31,216	4,059,780
Impairment allowance of long-term equity investments	294,056	–	–	–	–	294,056
Impairment allowance of fixed assets	289,834	3,461	–	(4,345)	(2,010)	286,940
Impairment allowance of construction in progress	252,521	–	–	–	–	252,521
Impairment allowance of investment properties	–	836	–	–	(836)	–
Impairment allowance of intangible assets	2,286,896	–	–	–	(120)	2,286,776
Impairment allowance of goodwill	39,073	–	–	–	230	39,303
Total	47,146,881	11,331,810	(7,516,914)	(95,007)	(8,315)	50,858,455

V. Notes to the consolidated financial statements (continued)

24. Impairment allowance of assets (continued)

2019

	Closing balance at the end of the year	Changes in accounting policies	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	20,453,337	3,323,905	23,777,242	5,010,216	(4,340,373)	(714,592)	71,684	23,804,177
Impairment allowance of other receivables	6,399,767	417,929	6,817,696	1,305,421	(891,574)	(135,135)	(15,086)	7,081,322
Impairment allowance of other current assets	91,449	1,202,896	1,294,345	179,293	(31,536)	(4,251)	45,216	1,483,067
Impairment allowance of current portion of non-current assets	514,553	107,820	622,373	273,186	(63,636)	(61)	14,408	846,270
Impairment allowance of other non-current assets	27,036	1,654,594	1,681,630	581,971	(299,003)	(1,461)	32,129	1,995,266
Other ELCs provisions	1,200	-	1,200	636,080	-	-	-	637,280
Impairment allowance of debt investments	-	25,314	25,314	21,777	(6,206)	-	(603)	40,282
Impairment allowance of long-term receivables	982,470	(274,370)	708,100	216,193	(37,285)	-	29,388	916,396
Impairment allowance of available-for-sale financial assets	1,093,925	(1,093,925)	-	-	-	-	-	-
Impairment allowance of contract assets	-	2,042,926	2,042,926	1,407,818	(350,747)	-	(119,664)	2,980,333
Impairment provision for write-down of inventories	6,953,220	(1,588,924)	5,364,296	1,081,150	(1,271,330)	(986,003)	11,995	4,200,108
Impairment allowance of long-term equity investments	294,056	-	294,056	-	-	-	-	294,056
Impairment allowance of fixed assets	265,232	-	265,232	25,521	-	(1,953)	1,034	289,834
Impairment allowance of construction in progress	250,945	-	250,945	1,576	-	-	-	252,521
Impairment allowance of investment properties	1,027	-	1,027	-	-	-	(1,027)	-
Impairment allowance of intangible assets	2,197,183	-	2,197,183	89,713	-	-	-	2,286,896
Impairment allowance of goodwill	38,932	-	38,932	-	-	-	141	39,073
Total	39,564,332	5,818,165	45,382,497	10,829,915	(7,291,690)	(1,843,456)	69,615	47,146,881

25. Short-term borrowings

	30 June 2020	31 December 2019
Unsecured borrowings	59,886,932	26,133,385
Guaranteed borrowings	3,151,111	1,473,261
Pledged borrowings	6,435,132	889,184
Mortgaged borrowings	221,602	2,501
Total	69,694,777	28,498,331

The annual interest rate for the above borrowings varied from 0.28% to 10.00% (31 December 2019: 0.25% to 10.00%).

As at 30 June 2020, the Group had a short-term loan principal of RMB257,425,000 thousand pledged by the letter of credit (31 December 2019: RMB113,232,000 thousand).

As at 30 June 2020 and 31 December 2019, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in details in Note V.66.

V. Notes to the consolidated financial statements (continued)

26. Notes payable

	30 June 2020	31 December 2019
Commercial acceptance bills	2,713,550	1,198,862
Bank acceptance bills	7,290,395	5,831,552
Total	10,003,945	7,030,414

27. Accounts payable

Accounts payable are non-interest-bearing and are usually paid within the agreed period.

	30 June 2020	31 December 2019
Payables for projects and for real estate development	257,398,062	260,159,968
Payables for purchase of materials	175,370,120	164,239,660
Payables for services	64,273,317	50,639,870
Rent payable	16,290,544	13,205,291
Others	2,176,892	4,884,841
Total	515,508,935	493,129,630

As at 30 June 2020, accounts payable over 1 year with a carrying amount of RMB153,652,401 thousand (31 December 2019: RMB104,131,676 thousand) are mainly payables for projects, which are unsettled due to the fact that project have not completed or settled.

28. Advances from customers

	30 June 2020	31 December 2019
Others	607,749	449,953

As at 30 June 2020, advances from customers over 1 year with a carrying amount of RMB17,165 thousand (31 December 2019: RMB4,873 thousand), are mainly for advance rent receipts.

29. Contract liabilities

	30 June 2020	31 December 2019
Amount due to customers for contract work	61,076,984	61,909,554
Advances for projects	50,229,835	44,520,387
Pre-sales deposits	178,238,485	171,677,198
Others	3,353,831	3,682,445
Total	292,899,135	281,789,584

V. Notes to the consolidated financial statements (continued)

29. Contract liabilities (continued)

At the balance sheet date, the details of pre-sales deposits are as follows:

Project name	30 June 2020	31 December 2019	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Project TianZuan	7,645,216	6,642,900	December 2020	70
Beixinan Shanty Town Repair Housing Placement Project	6,857,181	11,131,176	August 2021	91
Project Nanjing Yanziji	5,746,584	4,636,716	December 2020	96
Nanjing Zuoran Lanting	4,183,873	6,395,516	December 2020	100
Huinan Minle Project Phase 1, Pudong, Shanghai	3,548,457	4,908,009	June 2021	80
Chengdu Tianfu CSCEC Mansion No. 1	2,732,089	1,416,260	October 2020	73
Hangzhou Zhonghai Cuiyuan Project	2,686,317	515,917	December 2020	55
Huideli Project	2,672,752	–	December 2020	92
Zhonghai Yunzhu	2,617,466	1,673,595	August 2020	45
Zhongjian Xingguangcheng Ground KT1	2,531,683	1,408,675	December 2021	100
Zhongjian Dagongguan Ground K5-1	2,424,076	2,179,904	June 2021	99
Tsingdao Jinxiucheng North Area Ground B	2,252,717	2,238,495	December 2020	99
Chengdu Zhonghai Tianfuli Ground 3#&4#	2,250,372	767,113	December 2020	90
City Square Phase III	2,230,746	819,384	December 2024	39
Hepingmen Phase III	2,191,863	–	June 2021	100
Xihuayayuan	2,149,344	1,601,165	December 2022	73
Beijing Shougangyuan Project	2,090,976	1,671,290	September 2020	100
Hepingzhimen Ground 5#	2,088,351	2,348,071	October 2021	82
Changsha Zhongjian Jinghecheng Project	1,993,121	1,402,213	June 2021	45
Zhongxin Jinxiutiandi Ground A-01	1,964,398	1,160,314	June 2022	40
Zhongjian Xintang Ground 02-14 Project	1,900,886	1,891,521	May 2021	100
Sudi Ground 2017-WG-25#	1,854,262	957,528	October 2021	100
Shilichangjiang	1,796,094	–	December 2021	71
Zhongjian Bo Mansion	1,778,564	1,287,340	September 2025	80
Zhonghai No. 9 Mansion	1,767,394	1,716,347	September 2020	100
Tsingdao Jiaodong International Airport Staff Quarter Project Ground B	1,747,196	1,740,925	December 2020	100
Zhonghai Hubinshijia South Area	1,708,227	1,096,970	December 2020	96
Chongqing Zhongjian Jinhecheng	1,614,823	1,419,511	April 2021	40
Lanhewan	1,571,091	1,560,207	December 2020	90
Ningbo Fenghuangxian	1,521,789	1,003,685	December 2020	95
Zhongjiancheng Project Phase VI	1,495,855	1,362,931	December 2020	90
Chengdu Zhonghai Luhu Mansion	1,482,812	402,546	December 2020	95

V. Notes to the consolidated financial statements (continued)

29. Contract liabilities (continued)

At the balance sheet date, the details of pre-sales deposits are as follows (continued):

Project name	30 June 2020	31 December 2019	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
No. 7 Institute of China Construction	1,464,929	1,084,058	June 2021	86
Taiyuan CSCEC International Community No. 1	1,404,925	1,397,187	October 2020	95
Changsha CSCEC Yuehe Town	1,380,646	1,371,160	December 2020	100
Chongqing CSCEC Hushan impression	1,359,413	1,045,572	November 2021	76
Changsha CSCEC Jiangshan No. 1	1,331,987	1,194,876	December 2020	92
CSCEC Yichang Star Land #C	1,320,251	1,101,492	December 2023	66
Zhangjiang A6-8 project	1,320,156	231,923	March 2021	80
Chengdu Zhonghai Jinjiang City Yunxi phase IV	1,312,985	–	June 2021	42
Lichun Lake project	1,312,876	921,155	June 2021	18
CSCEC Jinxiu cultural city phase I	1,296,656	1,239,725	December 2021	98
Ningbo Bay phase I	1,272,416	645,338	December 2021	84
Wangjing Mansion	1,269,590	486,767	December 2021	30
Areas B and C of China Construction Jinxiu Tiandi	1,266,463	836,002	June 2021	95
Jinan Zhongjian Changqinghu	1,266,358	2,349,189	June 2021	93
Huashanlongcheng Project	1,233,542	4,049,648	September 2022	16
Zunyi Zhongjian Xingfucheng Phase II-Estate	1,185,723	2,097,708	December 2020	97
Wuxi Zhonghai Huanyutianxia	1,180,369	294,942	December 2020	46
Zhongjian Fudixincheng	1,172,182	1,040,356	December 2024	85
Zhongjian-Yipinlanjun	1,148,202	1,112,439	December 2021	100
Changde Zhongjian Binjiangfu	1,147,933	1,086,506	December 2020	85
Changsha Zhongjian Fenghuangtai Project	1,109,079	882,693	June 2021	40
Zhonghai Longxi B	1,093,318	1,004,612	December 2020	100
Shanghai Pudong New District Caolu Town District-level Affordable Housing Project Phase I	1,092,664	1,092,664	August 2020	100
Songjiang Yunzhushenlan	1,062,403	673,575	December 2020	100
Tsingdao Jimo Linghai-Shangxidi Project Phase I (2 phases total)	1,053,939	838,870	December 2020	70
Zhongjian Jinxiushoufu	1,043,797	670,107	June 2021	12
Chongqing Zhongjian Yuhecheng (Phase I)	1,033,558	840,857	December 2020	65
Harbin Zhonghaiheyuan	1,014,021	771,747	December 2020	71
Others	60,991,529	73,959,806		
Total	178,238,485	171,677,198		

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/period.

V. Notes to the consolidated financial statements (continued)

30. Employee benefits payable

For the six months ended 30 June 2020

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Short-term employee benefits payable	7,474,848	34,984,155	(36,652,021)	5,806,982
Defined contribution plans payable (Defined contribution plans)	259,374	1,694,865	(1,747,561)	206,678
Termination benefits payable (Note V, 38)	23,640	12,610	(12,070)	24,180
Total	7,757,862	36,691,630	(38,411,652)	6,037,840

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Short-term employee benefits payable	8,158,253	67,587,891	(68,271,296)	7,474,848
Defined contribution plans payable	236,244	5,707,068	(5,683,938)	259,374
Termination benefits payable	27,167	22,123	(25,650)	23,640
Total	8,421,664	73,317,082	(73,980,884)	7,757,862

Short-term employee benefits payable are as follows:

For the six months ended 30 June 2020

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Salaries, bonuses, allowances and subsidies	6,192,039	29,290,993	(31,121,122)	4,361,910
Staff welfare	19,766	2,161,524	(2,172,640)	8,650
Social security	122,542	972,824	(981,581)	113,785
Including: Medical insurance	105,044	864,505	(878,242)	91,307
Work injury insurance	8,261	53,524	(49,157)	12,628
Maternity insurance	9,237	54,795	(54,182)	9,850
Supplementary commercial insurance	9,336	61,956	(71,215)	77
Housing funds	109,601	1,664,928	(1,687,913)	86,616
Union running costs and employee education costs	1,000,494	720,938	(505,382)	1,216,050
Other short-term benefits	21,070	110,992	(112,168)	19,894
Total	7,474,848	34,984,155	(36,652,021)	5,806,982

V. Notes to the consolidated financial statements (continued)

30. Employee benefits payable (continued)

Short-term employee benefits payable are as follows (continued):

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Salaries, bonuses, allowances and subsidies	7,039,856	54,860,189	(55,708,006)	6,192,039
Staff welfare	76,151	4,392,885	(4,449,270)	19,766
Social security	87,866	2,703,451	(2,668,775)	122,542
Including: Medical insurance	73,826	2,321,832	(2,290,614)	105,044
Work injury insurance	6,866	192,765	(191,370)	8,261
Maternity insurance	7,174	188,854	(186,791)	9,237
Supplementary commercial insurance	2,766	112,850	(106,280)	9,336
Housing funds	106,036	3,519,418	(3,515,853)	109,601
Union running costs and employee education costs	829,263	1,707,891	(1,536,660)	1,000,494
Other short-term benefits	16,315	291,207	(286,452)	21,070
Total	8,158,253	67,587,891	(68,271,296)	7,474,848

Defined contribution plans payable are as follows:

For the six months ended 30 June 2020

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Basic pension insurance	181,653	1,283,479	(1,322,673)	142,459
Contribution to pension fund	59,880	370,897	(377,801)	52,976
Unemployment insurance	17,841	40,489	(47,087)	11,243
Total	259,374	1,694,865	(1,747,561)	206,678

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Basic pension insurance	169,913	4,769,231	(4,757,491)	181,653
Contribution to pension fund	47,510	752,711	(740,341)	59,880
Unemployment insurance	18,821	185,126	(186,106)	17,841
Total	236,244	5,707,068	(5,683,938)	259,374

V. Notes to the consolidated financial statements (continued)

31. Taxes and surcharges payable

	30 June 2020	31 December 2019
Land appreciation tax	28,474,718	27,237,277
Corporate income tax	15,990,207	22,997,448
Value-added tax	7,911,497	6,868,032
Individual income tax	643,558	930,983
Urban maintenance and construction tax	392,543	441,029
Educational surcharge	229,603	273,415
Business tax	35,735	234,944
Others	310,044	385,813
Total	53,987,905	59,368,941

32. Other payables

	30 June 2020	31 December 2019
Dividends payable	4,084,750	1,155,457
Other payables	114,243,290	112,875,184
Total	118,328,040	114,030,641

Dividends payable

	30 June 2020	31 December 2019
Dividends payable to non-controlling interests	3,112,436	285,457
Preference shares/perpetual bond dividends payable	972,314	870,000
Total	4,084,750	1,155,457

Other payables

	30 June 2020	31 December 2019
Guarantees payable	27,599,856	33,180,212
Project financing payable	33,995,471	25,061,553
Deposits payable	5,849,708	7,368,956
Payables for advances and construction incentives	24,402,359	18,411,755
Payment due to restricted stock incentive object	2,467,764	2,503,978
Others	19,928,132	26,348,730
Total	114,243,290	112,875,184

As at 30 June 2020, other payables over 1 year with a carrying amount of RMB31,549,977 thousand (31 December 2019: RMB26,353,176 thousand) are mainly guarantees payable and project financing payable, which were unsettled due to the incompleteness of projects.

V. Notes to the consolidated financial statements (continued)

33. Current portion of non-current liabilities

	30 June 2020	31 December 2019
Current portion of long-term borrowings (Note V, 35)	47,869,613	41,595,291
Current portion of long-term payables (Note V, 37)	14,150,410	13,936,249
Current portion of bonds payable (Note V, 36)	29,286,814	26,479,014
Exchangeable bonds in 2016 (Note V, 41)	–	6,939,864
Others	599,109	67,076
Total	91,905,946	89,017,494

34. Other current liabilities

	30 June 2020	31 December 2019
VAT output to be transferred	65,383,111	62,290,430
Absorption deposits (Note X, 5)	5,415,514	975,956
Estimated contract losses	691,652	957,504
Short-term financing bonds (Note 1)	2,499,514	–
Others	2,157,562	430,937
Total	76,147,353	64,654,827

Note 1: The information of short-term financing bonds is listed as follows:

	Opening balance	In current period	Interest payable in current period	Closing balance	Annual interest rate (%)
The first phase of ultra-short-term financing bonds of China Construction Seventh Bureau in 2020	–	1,999,514	–	1,999,514	2.60
The first phase of ultra-short-term financing bonds of China Construction Eighth Bureau in 2020	–	500,000	–	500,000	2.00
Total	–	2,499,514	–	2,499,514	

V. Notes to the consolidated financial statements (continued)

35. Long-term borrowings

	30 June 2020	31 December 2019
Unsecured borrowings	224,268,654	199,982,715
Guaranteed borrowings	5,011,568	10,502,014
Mortgage borrowings	74,927,275	63,477,819
Pledged borrowings	24,360,613	15,433,171
	328,568,110	289,395,719
Less: Long-term borrowings due within 1 year (Note V, 33)		
Including: Unsecured borrowings	(43,474,154)	(37,063,833)
Guaranteed borrowings	(1,013,194)	(1,627,325)
Mortgage borrowings	(2,046,569)	(1,687,419)
Pledged borrowings	(1,335,696)	(1,216,714)
Total	280,698,497	247,800,428

As at 30 June 2020, the annual interest rate of long-term borrowings (including current portion of long-term borrowings) varied from 1.20% to 7.00% (31 December 2019: 1.20% to 9.50%).

As at 30 June 2020, the Group had RMB5,575,900 thousand long-term loan principal mortgaged by the project franchise (31 December 2019: RMB5,426,333 thousand).

At 30 June 2020 and 31 December 2019, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in detail in Note V, 66.

36. Bonds payable

	30 June 2020	31 December 2019
Corporate bonds	32,767,884	34,007,172
Non-public targeted bond financing instruments	93,636,492	89,865,595
Others	2,246,000	2,202,845
Subtotal	128,650,376	126,075,612
Less: Bonds payable due within 1 year (Note V, 33)	(29,286,814)	(26,479,014)
Total	99,363,562	99,596,598

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 30 June 2020, 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. 4503 guaranteed note of Hong Kong in 2010	USD1 billion	10 November 2010	10 years	USD1 billion	6,507,323	-	188,826	3,852	(190,167)	133,392	7,046,226
USD100,000 thousand privately raised bonds off Agricultural Bank of China Hong Kong Branch in 2013	USD100 million	20 August 2013	7 years	USD100 million	696,114	-	14,151	229	(14,178)	13,954	710,270
First medium-term note in 2015	RMB3 billion yuan	24 April 2015	5 years	RMB3 billion yuan	3,094,748	-	44,716	35	(3,139,499)	-	-
First medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million yuan	29 April 2015	5 years	RMB100 million yuan	107,947	-	1,747	-	(109,694)	-	-
Second medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB1.6 billion yuan	17 August 2015	5 years	RMB1.6 billion yuan	823,853	-	38,400	-	(35,693)	-	826,560
Second medium-term note in 2015	RMB2 billion yuan	05 November 2015	5 years	RMB2 billion yuan	2,010,651	-	36,899	39	-	-	2,047,589
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion yuan	19 November 2015	7 years	RMB1 billion yuan	1,004,536	-	19,197	-	-	-	1,023,733
CSCCE-FIN 2011	USD500 million	19 November 2015	5 years	USD500 million	3,486,702	-	52,211	7,261	(52,211)	51,629	3,545,592
First medium-term note of China Construction First Building (Group) Corporation Limited. in 2015	RMB600 million yuan	21 December 2015	5 years	RMB600 million yuan	606,449	-	10,611	-	-	-	617,060
First medium-term note in 2016	RMB3 billion yuan	11 April 2016	5 years	RMB3 billion yuan	3,056,589	-	53,852	462	(108,000)	-	3,002,923
CSCCE II 2106	USD500 million	14 June 2016	5 years	USD500 million	3,485,146	-	47,787	2,550	(47,787)	51,606	3,539,302
First medium-term note in 2017	RMB5 billion yuan	18 April 2017	3 years	RMB5 billion yuan	5,163,109	-	70,178	1,712	(5,234,999)	-	-
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd in 2017	RMB300 million yuan	30 October 2017	3 years	RMB300 million yuan	202,408	-	816	-	-	-	203,224
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion yuan	05 February 2018	3 years	RMB3 billion yuan	3,151,430	-	83,673	-	(168,364)	-	3,066,739
Guaranteed note in 2012	HKD1.5 billion	28 June 2012	10 years	HKD1.5 billion	1,326,631	-	41,246	1,544	(1,387,400)	17,979	-
No. 4579 guaranteed note of Hong Kong in 2012	USD700 million	15 November 2012	10 years	USD700 million	4,807,969	-	94,996	3,082	(95,656)	97,300	4,907,691
No. 4580 guaranteed note of Hong Kong in 2012	USD300 million	15 November 2012	30 years	USD300 million	2,023,007	-	54,716	217	(55,099)	40,852	2,065,693
B-level guaranteed note of Hong Kong in 2013	USD500 million	29 October 2013	10 years	USD500 million	3,450,404	-	91,998	1,661	(92,801)	69,514	3,520,376
C-level guaranteed note of Hong Kong in 2013	USD500 million	29 October 2013	30 years	USD500 million	3,439,700	-	108,639	289	(110,066)	69,162	3,507,724
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	08 May 2014	10 years	USD700 million	4,841,034	-	167,827	(752)	(144,045)	97,810	4,961,874
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11 June 2014	20 years	USD500 million	3,410,370	-	129,093	678	(110,678)	66,867	3,496,330
First private Corporate Bond of CITIC Real Estate Co., Ltd in 2015	RMB4 billion yuan	09 December 2015	5 years	RMB4 billion yuan	1,022,585	-	23,974	3,039	(33,353)	-	1,016,245
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2015	RMB100 million yuan	24 April 2015	5 years	RMB100 million yuan	103,718	-	1,757	6	(105,461)	-	-
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion yuan	23 August 2016	10 years	RMB6 billion yuan	6,666,756	-	92,745	-	-	-	6,159,501

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 30 June 2020, 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
First medium-term note of China Construction Sixth Engineering Division Corp. Ltd. in 2016	RMB500 million yuan	24 August 2016	5 years	RMB500 million yuan	505,316	-	8,700	250	-	-	514,266
First medium-term note of West Construction in 2016	RMB700 million yuan	27 September 2016	5 years	RMB700 million yuan	705,914	-	13,933	700	-	-	720,547
CSECC II N.2206	USD500 million	06 July 2017	5 years	USD500 million	3,525,873	-	51,326	2,289	(56,636)	57,519	3,880,371
CSECC II N.2706	USD500 million	06 July 2017	10 years	USD500 million	3,519,095	-	61,946	1,704	(56,636)	46,799	3,572,908
A-level guaranteed note of Hong Kong in 2017	USD550 million	29 November 2017	5 years	USD550 million	3,797,404	-	66,350	1,751	(66,246)	77,016	3,876,277
B-level guaranteed note of Hong Kong in 2017	USD250 million	29 November 2017	10 years	USD250 million	1,720,943	-	34,627	588	(34,573)	34,887	1,756,472
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion yuan	17 April 2018	5 years	1 billion yuan	1,033,847	-	24,943	248	(50,300)	-	1,008,738
No. 4475 guaranteed note of Hong Kong in 2018	USD750 million	26 April 2018	5 years	USD750 million	5,201,210	-	124,379	2,503	(109,923)	104,967	5,323,136
No. 4476 guaranteed note of Hong Kong in 2018	USD750 million	26 April 2018	10 years	USD750 million	5,192,784	-	139,012	1,554	(122,855)	104,691	5,315,166
First medium-term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million yuan	23 July 2018	5 years	RMB500 million yuan	511,178	-	13,128	-	-	-	524,306
First medium-term note in 2018	RMB5 billion yuan	15 August 2018	5 years	RMB5 billion yuan	5,031,338	-	117,178	725	-	-	5,149,241
Second medium-term note in 2018	RMB5 billion yuan	15 August 2018	5 years	RMB5 billion yuan	5,031,338	-	117,178	725	-	-	5,149,241
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion yuan	22 October 2018	6 years	RMB3.5 billion yuan	3,527,233	-	69,808	-	-	-	3,597,041
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2018	RMB2 billion yuan	8 November 2018	3 years	RMB2 billion yuan	2,013,597	-	54,327	-	-	-	2,067,914
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion yuan	19 November 2015	6 years	RMB7 billion yuan	3,420,557	-	71,282	-	-	-	3,491,839
Third medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2018	RMB2 billion yuan	22 November 2018	3 years	RMB2 billion yuan	2,006,147	-	42,366	-	-	-	2,050,513
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2016	RMB1 billion yuan	15 January 2016	5 years	RMB1 billion yuan	402,302	-	8,661	1,197	(11,811)	-	400,349
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion yuan	23 January 2019	6 years	RMB2 billion yuan	2,065,027	-	34,565	-	(69,360)	-	2,030,232
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion yuan	23 January 2019	7 years	RMB1.5 billion yuan	1,552,705	-	28,016	-	(56,218)	-	1,524,503
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million yuan	10 April 2019	5 years	RMB300 million yuan	310,268	-	7,105	-	(14,250)	-	303,123
First medium-term note of CSECC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million yuan	20 June 2019	3-4 years	RMB800 million yuan	821,133	-	22,487	740	(45,940)	-	798,520
No. 4437 guaranteed note of Hong Kong in 2019	HK\$2 billion	15 July 2019	5.5 years	HK\$2 billion	1,787,773	-	76,047	603	(26,112)	35,874	1,874,165
No. 4438 guaranteed note of Hong Kong in 2019	USD450 million	15 July 2019	10 years	USD450 million	3,151,573	-	20,356	581	(51,644)	63,064	3,183,930
No. 4076 guaranteed note of Hong Kong in 2019	\$294 million	27 November 2019	10 years	USD294 million	2,020,796	-	11,757	944	(5,867)	40,994	2,068,624

36. Bonds payable (continued)

As at 30 June 2020, 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.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 01	RMB88 million yuan	20 December 2019	3.082 years	RMB88 million yuan	88,114	-	1,726	-	-	-	89,840
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 02	RMB129 million yuan	20 December 2019	6.088 years	RMB129 million yuan	129,167	-	2,530	-	-	-	131,697
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 03	RMB149 million yuan	20 December 2019	9.085 years	RMB149 million yuan	149,193	-	2,923	-	-	-	152,116
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 04	RMB174 million yuan	20 December 2019	12.09 years	RMB174 million yuan	174,225	-	3,413	-	-	-	177,638
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 05	RMB201 million yuan	20 December 2019	15.088 years	RMB201 million yuan	201,260	-	3,943	-	-	-	205,203
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 06	RMB234 million yuan	20 December 2019	18.086 years	RMB234 million yuan	234,303	-	4,590	-	-	-	238,893
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 07	RMB271 million yuan	20 December 2019	21.083 years	RMB271 million yuan	271,350	-	5,316	-	-	-	276,666
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 08	315 million yuan	20 December 2019	24.089 years	RMB315 million yuan	315,407	-	6,179	-	-	-	321,586
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 09	RMB365 million yuan	20 December 2019	27.086 years	RMB365 million yuan	365,472	-	7,160	-	-	-	372,632
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 10	RMB274 million yuan	20 December 2019	29.104 years	RMB274 million yuan	274,354	-	5,375	-	-	-	279,729
No. 40177 guaranteed note of Hong Kong in 2020	USD300 million	2 March 2020	5 years	USD300 million	-	2,099,746	16,617	856	-	(5,598)	2,111,621
No. 40178 guaranteed note of Hong Kong in 2020	USD500 million	2 March 2020	10 years	USD500 million	-	3,499,577	32,068	964	-	(20,405)	3,512,204
No. 40179 guaranteed note of Hong Kong in 2020	USD200 million	2 March 2020	15 years	USD200 million	-	1,399,831	14,576	90	-	197	1,414,694
First term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3,701 billion yuan	28 April 2020	18 years	RMB3,701 billion yuan	-	3,701,000	16,106	-	-	-	3,717,106
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2018	RMB700 million yuan	24 April 2018	3 years	RMB700 million yuan	726,247	-	12,134	105	(38,849)	(200,000)	499,637
Subtotal					126,075,612	10,700,154	2,823,788	45,041	(12,052,291)	1,058,072	128,650,376
Less: bonds payable due within one year					(26,475,014)						(29,286,814)
Total					99,596,598						99,363,562

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, 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. 4528 guaranteed note of Hong Kong in 2010	USD1 billion	10 November 2010	10 years	USD1 billion	6,821,722	-	375,963	7,160	(375,163)	77,631	6,907,323
Guaranteed note in 2012	HKD1.5 billion	28 June 2012	10 years	HKD1.5 billion	1,309,539	-	78,991	601	(78,993)	16,463	1,326,631
No. 4579 guaranteed note of Hong Kong in 2012	USD700 million	15 November 2012	10 years	USD700 million	4,742,392	-	189,001	5,750	(188,633)	59,469	4,807,969
No. 4580 guaranteed note of Hong Kong in 2012	USD300 million	15 November 2012	30 years	USD300 million	1,897,427	-	108,875	401	(108,661)	24,965	2,023,007
USD100,000 thousand, privately raised bonds off Agricultural Bank of China Hong Kong Branch in 2013	USD100 million	20 August 2013	7 years	USD100 million	687,016	-	28,125	444	(27,999)	8,528	696,114
B-level guaranteed note of Hong Kong in 2013	USD500 million	29 October 2013	10 years	USD500 million	3,404,373	-	183,723	3,059	(183,236)	42,465	3,450,404
C-level guaranteed note of Hong Kong in 2013	USD500 million	29 October 2013	30 years	USD500 million	3,396,328	-	217,904	529	(217,327)	42,266	3,439,700
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	08 May 2014	10 years	USD700 million	4,785,781	-	287,202	(1,386)	(290,324)	59,771	4,841,034
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11 June 2014	20 years	USD500 million	3,369,464	-	220,706	1,236	(223,123)	42,087	3,410,370
First targeted medium-term note in 2014	RMB3 billion	22 April 2014	5 years	RMB3 billion	3,118,671	-	52,003	326	(3,171,000)	-	-
First medium-term note of China Construction First Building (Group) Corporation Limited, in 2014	RMB400 million	21 April 2014	5 years	RMB400 million	401,631	-	25,869	-	(427,500)	-	-
Second medium-term note of China Construction First Building (Group) Corporation Limited, in 2014	RMB400 million	16 September 2014	5 years	RMB400 million	421,343	-	4,257	-	(425,600)	-	-
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2014	RMB600 million	23 May 2014	5 years	RMB600 million	621,608	-	13,983	109	(635,700)	-	-
First medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2014	RMB300 million	27 February 2014	5 years	RMB300 million	312,888	-	4,472	-	(317,160)	-	-
Second medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2014	RMB900 million	16 May 2014	5 years	RMB900 million	935,008	-	14,632	1,660	(951,300)	-	-
First medium-term note of China Construction Fifth Engineering Division Corp. Ltd. in 2014	RMB1 billion	20 August 2014	5 years	RMB1 billion	208,377	-	3,963	-	(212,360)	-	-
No. 5745 guaranteed note of Hong Kong in 2014	USD800 million	8 May 2014	5 years	USD800 million	5,439,696	-	77,018	1,285	(5,548,223)	30,214	-
Second medium-term note of China Construction Fifth Engineering Division Corp. Ltd. in 2014	RMB200 million	5 May 2014	5 years	RMB200 million	1,023,086	-	33,914	-	(1,057,000)	-	-
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2014	RMB900 million	8 December 2014	5 years	RMB900 million	902,881	-	49,027	112	(982,020)	-	-
No. 5574 guaranteed note of Hong Kong in 2015	EUR600 million	15 July 2015	4 years	EUR600 million	4,730,787	-	41,646	6,146	(4,703,250)	(75,329)	-
Private guaranteed note in 2015	EUR400 million	6 November 2015	4 years	EUR400 million	3,133,499	-	42,353	6,284	(3,132,079)	(50,057)	-
First medium-term note in 2015	RMB3 billion	24 April 2015	5 years	RMB3 billion	3,094,634	-	139,500	114	(139,500)	-	3,094,748
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2015	RMB100 million	24 April 2015	5 years	RMB100 million	103,696	-	5,480	22	(5,460)	-	103,718

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, 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 China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million	29 April 2015	5 years	RMB100 million	107,947	—	—	—	—	—	107,947
Second medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB1.6 billion	17 August 2015	5 years	RMB1.6 billion	823,853	—	—	—	—	—	823,853
Second medium-term note in 2015	RMB2 billion	05 November 2015	5 years	RMB2 billion	2,010,576	—	73,800	75	(73,800)	—	2,010,651
CSCCE FN12011	USD500 million	19 November 2015	5 years	USD500 million	3,416,495	—	101,734	13,798	(101,734)	56,409	3,466,702
First medium-term note of China Construction First Building (Group) Corporation Limited. in 2015	RMB600 million	21 December 2015	5 years	RMB600 million	609,218	—	20,311	—	(22,080)	—	606,449
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion	19 November 2015	6 years	RMB7 billion	3,487,271	—	140,882	—	(207,596)	—	3,420,557
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion	19 November 2015	7 years	RMB1 billion	1,013,516	—	37,941	—	(46,921)	—	1,004,536
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2015	RMB4 billion	09 December 2015	5 years	RMB4 billion	1,075,222	—	13,003	10,022	(75,662)	—	1,022,585
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2016	RMB1 billion	15 January 2016	5 years	RMB1 billion	1,019,233	—	4,697	(1,548)	(619,080)	—	402,302
First medium-term note in 2016	RMB3 billion	11 April 2016	5 years	RMB3 billion	3,055,649	—	108,000	940	(108,000)	—	3,056,589
CSCCE II N2106	USD500 million	14 June 2016	5 years	USD500 million	3,423,854	—	93,113	4,864	(93,113)	56,428	3,485,146
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion	23 August 2016	10 years	RMB6 billion	6,065,300	—	183,301	—	(181,945)	—	6,066,756
First medium-term note of China Construction Sixth Engineering Division Corp. Ltd. in 2016	RMB500 million	24 August 2016	5 years	RMB500 million	498,667	—	23,550	499	(17,400)	—	505,316
First medium-term note of West Construction in 2016	RMB700 million	27 September 2016	5 years	RMB700 million	706,553	—	27,151	—	(27,790)	—	705,914
First medium-term note of China Construction Installation Engineering Co., Ltd. in 2016	RMB500 million	18 January 2016	3 years	RMB500 million	516,900	—	—	—	(516,900)	—	—
CSCCE II N1906	RMB3.48 billion	24 June 2016	3 years	RMB3.48 billion	3,431,397	—	35,133	3,869	(3,487,412)	17,013	—
Second medium-term note in 2016	RMB2 billion	22 June 2016	3 years	RMB2 billion	2,033,359	—	30,986	655	(2,065,000)	—	—
First medium-term note in 2017	RMB5 billion	18 April 2017	3 years	RMB5 billion	5,161,761	—	235,000	1,348	(235,000)	—	5,163,109
CSCCE II N2206	USD500 million	06 July 2017	5 years	USD500 million	3,464,422	—	100,010	4,361	(100,010)	57,090	3,525,873
CSCCE II N2706	USD500 million	06 July 2017	10 years	USD500 million	3,459,877	—	120,702	3,233	(120,702)	56,985	3,519,095
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2017	RMB300 million	30 October 2017	3 years	RMB300 million	202,273	—	15,270	135	(15,270)	—	202,408
A-level guaranteed note of Hong Kong in 2017	USD550 million	29 November 2017	5 years	USD550 million	3,746,336	—	128,959	3,319	(128,881)	47,071	3,797,404

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, 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
B-level guaranteed note of Hong Kong in 2017	USD250 million	29 November 2017	10 years	USD250 million	1,698,470	-	67,302	1,111	(67,261)	21,321	1,720,943
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion	05 February 2018	3 years	RMB3 billion	3,058,980	-	165,563	-	(73,113)	-	3,151,430
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion	17 April 2018	5 years	RMB1 billion	1,033,365	-	50,300	482	(50,300)	-	1,033,847
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd in 2018	RMB700 million	24 April 2018	3 years	RMB700 million	725,933	-	38,850	314	(38,850)	-	726,247
No. 4475 guaranteed note of Hong Kong in 2018	USD750 million	26 April 2018	5 years	USD750 million	5,131,794	-	217,909	4,659	(217,304)	64,152	5,201,210
No. 4476 guaranteed note of Hong Kong in 2018	USD750 million	26 April 2018	10 years	USD750 million	5,125,249	-	243,546	2,877	(242,869)	63,981	5,192,784
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million	29 July 2018	5 years	RMB500 million	511,333	-	25,345	-	(25,500)	-	511,178
First medium-term note in 2018	RMB5 billion	15 August 2018	5 years	RMB5 billion	5,017,635	-	235,000	13,703	(235,000)	-	5,031,338
Second medium-term note in 2018	RMB5 billion	15 August 2018	5 years	RMB5 billion	5,017,635	-	235,000	13,703	(235,000)	-	5,031,338
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion	22 October 2018	6 years	RMB3.5 billion	3,549,150	-	137,969	-	(159,866)	-	3,527,233
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2018	RMB2 billion	08 November 2018	3 years	RMB2 billion	2,009,018	-	86,957	812	(83,200)	-	2,013,587
Third medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2018	RMB2 billion	22 November 2018	3 years	RMB2 billion	2,008,150	-	83,800	(3)	(83,800)	-	2,008,147
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion	23 January 2019	6 years	RMB2 billion	-	2,000,000	65,027	-	-	-	2,065,027
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion	23 January 2019	7 years	RMB1.5 billion	-	1,500,000	52,705	-	-	-	1,552,705
First term of asset-backed notes priority tranche of Shanghai CSCEC Donglu Investment Development Co., Ltd. in 2019	RMB1.52 billion	12 April 2019	3 years	RMB1.52 billion	-	1,520,000	38,983	-	(1,558,983)	-	-
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million	10 April 2019	5 years	RMB300 million	-	300,000	10,288	-	-	-	310,288
First medium-term note of CSCEC Xiniang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million	20 June 2019	3+N years	RMB800 million	-	800,000	23,353	(2,220)	-	-	821,133
No. 4437 guaranteed note of Hong Kong in 2019	HKD2 billion	15 July 2019	5.5 years	HKD2 billion	-	1,742,000	23,766	(6,275)	-	28,282	1,787,773
No. 4438 guaranteed note of Hong Kong in 2019	USD450 million	15 July 2019	10 years	USD450 million	-	3,064,265	50,310	(12,857)	-	49,855	3,151,573
No. 40076 guaranteed note of Hong Kong in 2019	USD294 million	27 November 2019	10 years	USD294 million	-	2,004,301	5,475	(20,951)	-	31,971	2,020,796
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 December 2019	3.062 years	RMB88 million	-	88,000	114	-	-	-	88,114
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 December 2019	6.088 years	RMB129 million	-	129,000	167	-	-	-	129,167

V. Notes to the consolidated financial statements (continued)

36. Bonds payable (continued)

As at 31 December 2019, 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
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 December 2019	9.065 years	RMB149 million	-	149,000	193	-	-	-	149,193
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 December 2019	12.09 years	RMB174 million	-	174,000	225	-	-	-	174,225
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 05	RMB201 million	20 December 2019	15.088 years	RMB201 million	-	201,000	260	-	-	-	201,260
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 06	RMB234 million	20 December 2019	18.096 years	RMB234 million	-	234,000	303	-	-	-	234,303
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 07	RMB271 million	20 December 2019	21.093 years	RMB271 million	-	271,000	350	-	-	-	271,350
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 08	RMB315 million	20 December 2019	24.099 years	RMB315 million	-	315,000	407	-	-	-	315,407
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 09	RMB365 million	20 December 2019	27.096 years	RMB365 million	-	365,000	472	-	-	-	365,472
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 10	RMB274 million	20 December 2019	29.104 years	RMB274 million	-	274,000	354	-	-	-	274,354
Subtotal					139,175,628	15,130,566	5,552,443	74,777	(34,686,873)	829,071	126,075,612
Less: bonds payable due within one year					(29,730,111)						(26,479,014)
Total					109,445,517						99,596,598

Note: Others are mainly caused by change of foreign exchange rate in 2019.

V. Notes to the consolidated financial statements (continued)

37. Long-term payables

Long-term payables

	30 June 2020	31 December 2019
Project quality warranty payable	24,276,096	26,917,481
Payables for finance leases	342,257	390,313
Payables for minority interest financing	1,653,907	2,293,675
Payables for leasing companies	883,068	1,189,334
Others	3,139,217	3,042,676
Subtotal	30,294,545	33,833,479
Less: current portion of long-term payables (Note V, 33)	(14,150,410)	(13,936,249)
Total	16,144,135	19,897,230

38. Long-term employee benefits payable

	30 June 2020	31 December 2019
Net defined benefit liability (a)	1,954,927	1,984,467
Long-term termination benefits (b)	96,802	103,662
	2,051,729	2,088,129
Less: Termination benefits expected to be paid within one year (Note V, 30)	(24,180)	(23,640)
Total	2,027,549	2,064,489

(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 2020	31 December 2019
Discount rate	3.00%	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)

V. Notes to the consolidated financial statements (continued)

38. Long-term employee benefits payable (continued)

(a) Net defined benefit liability (continued)

The quantitative sensitivity analysis for significant assumptions used is as follows:

30 June 2020

	Increase %	Increase/ (decrease) in defined benefit obligations	Decrease %	Increase/ (decrease) in defined benefit obligations
Discount rate	0.25	(37,930)	0.25	39,430

31 December 2019

	Increase %	Increase/ (decrease) in defined benefit obligations	Decrease %	Increase/ (decrease) in defined benefit obligations
Discount rate	0.25	(38,050)	0.25	39,540

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 2020	2019
Past service cost	–	73,297
Net interest	30,210	61,140
Net cost of post-employment benefits	30,210	134,437
Recognised in administrative expenses	–	73,297
Recognised in finance expenses	30,210	61,140
Total	30,210	134,437

Movements in the present value of defined benefit obligations are as follows:

	For the six months ended 30 June 2020	2019
Opening balance	1,984,467	2,035,172
Included in profit or loss		
Past service cost	–	73,297
Net interest	30,210	61,140
Included in other comprehensive income		
Actuarial losses	37,920	27,690
Other changes		
Benefits paid	(97,670)	(212,832)
Closing balance	1,954,927	1,984,467

V. Notes to the consolidated financial statements (continued)

38. Long-term employee benefits payable (continued)

(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 2020	31 December 2019
Discount rate	2.50%	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 2020	2019
General and administrative expenses	4,220	12,407
Finance expenses	1,010	2,110

39. Provisions

For the six months ended 30 June 2020

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Pending litigations	2,684,015	113,516	(10,053)	2,787,478
Warranties	663,707	776,686	(397,808)	1,042,585
Others	810,306	76,047	(5,207)	881,146
Subtotal	4,158,028	966,249	(413,068)	4,711,209
Less: current portion of provisions	(49,294)			(588,687)
Total	4,108,734			4,122,522

V. Notes to the consolidated financial statements (continued)

40. Deferred income

	30 June 2020	31 December 2019
Government grant	461,689	440,499
Others	618	4,296
Total	462,307	444,795

As at 30 June 2020, 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.	118,314	19,851	(171)	–	–	137,994	Related to assets
Government compensation for demolition of Tangshan Fengrun District Linyin Road West Side land	82,432	–	–	(2,512)	–	79,920	Related to assets
Government compensation for demolition of Guiyang Dayingpo Renovation Project	75,001	–	–	(1,185)	–	73,816	Related to assets
Compensation for Tianjin Steel Structure Land	33,224	–	–	(379)	–	32,845	Related to assets
Others	131,528	53,881	(36,705)	(484)	(11,106)	137,114	Related to assets and income
Total	440,499	73,732	(36,876)	(4,560)	(11,106)	461,689	

As at 31 December 2019, 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.	33,660	84,654	–	–	–	118,314	Related to assets
Government compensation for demolition of Tangshan Fengrun District Linyin Road West Side land	87,480	–	–	(5,048)	–	82,432	Related to assets
Government compensation for demolition of Guiyang Dayingpo Renovation Project	77,371	–	–	(2,370)	–	75,001	Related to assets
Compensation for Tianjin Steel Structure Land	33,982	–	–	(758)	–	33,224	Related to assets
Others	154,852	78,715	(49,791)	(17,859)	(34,389)	131,528	Related to assets and income
Total	387,345	163,369	(49,791)	(26,035)	(34,389)	440,499	

V. Notes to the consolidated financial statements (continued)

41. Other non-current liabilities

	30 June 2020	31 December 2019
Exchangeable bonds in 2016 (Note 1)	4,598,295	4,695,968
Prepaid investment of convertible bonds in 2015 (Note 2)	1,649,524	1,625,455
VAT output to be transferred	1,167,973	1,415,728
Contract liabilities over one year	555,804	583,797
Total	7,971,596	8,320,948

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 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. Since the issuer and bondholders reached an agreement in December 2019 to partially redeem in 2020, the redemption amount is equivalent to RMB6,939,864 thousand which disclosed in other non-current liabilities (Note V, 33), of which non-current portion due with one year was fully redeemed on 5 January, 2020.

Note 2: Related information regarding prepaid investment of convertible bonds in 2015:

As at 30 June 2020 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. under the convertible bond framework agreement entered into by both parties.

42. Paid-in capital

For the six months ended 30 June 2020

	Opening balance of the period	Movement during the period	Closing balance of the period
		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

2019

	Opening balance of the year	Movement during the year	Closing balance of the year
		Others	
Shares not subjected to trading restriction	41,624,385	(483,310)	41,141,075
Shares subjected to trading restriction	360,789	473,766	834,555
Total	41,985,174	(9,544)	41,975,630

V. Notes to the consolidated financial statements (continued)

43. Other equity instruments

For the six months ended 30 June 2020

	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
Preference Share	150,000,000	14,975,410	-	-	150,000,000	14,975,410	-	-
Perpetual Bond	-	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

2019

	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	150,000,000	14,975,410	-	-	-	-	150,000,000	14,975,410
Perpetual Bond	-	7,996,770	-	-	-	1,996,770	-	6,000,000
Total		22,972,180				1,996,770		20,975,410

(a) Preference Share

The Company acquired 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 that 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 one of 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 2020, the Company had no outstanding preference shares (31 December 2019: RMB14,975,410 thousand).

V. Notes to the consolidated financial statements (continued)

43. Other equity instruments (continued)

(b) Perpetual Bond

- (1) On 4 September 2014, the Company issued second medium-term note, of which the value date was 5 September 2014, and it can be redeemed by the Company in 2019 and thereafter. The total issuance amount was RMB2,000,000 thousand, and the actual amount received was RMB1,996,770 thousand after deduction of related transaction expenses such as underwriting fees. According to the clauses of the medium-term note (the "Clauses"), the term of the medium-term note will be indefinite unless the Company redeemed the note under the Clauses. At the fifth and each interest payment date thereafter, the Company will be entitled to redeem the medium-term note at par value plus interest payable (including all deferred interest and accrued interest) (the "Right of redemption"). The holders of the medium-term note have no redemption right to sell it back to the Company. At each interest payment date, the Company can at its own discretion choose to postpone payment of the interest for current-period as well as interest deferred in accordance with the Clauses to the next interest payment date unless the mandatory interest payment events whose occurrence can be decided by the Company itself incurred. The Company classified the actual amount received as other equity instruments.

The nominal interest rate of the medium-term notes will be fixed in the first 5 years with annual interest rate of 6.2%. 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 5 years from the sixth interest-bearing year, if the Company did not exercise the Right of redemption.

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 5 September 2019, the fifth interest payment date of the perpetual bond, in accordance with the terms of the issuance terms, the Company exercised the Right of redemption at the face value plus interest payable and fully redeemed the bonds held by the holders.

- (2) On 6 March 2018, the Company signed a perpetual bond contract, of which the value date was 7 March 2018 with China Credit Trust Co., Ltd. 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.

V. Notes to the consolidated financial statements (continued)

43. Other equity instruments (continued)

(b) Perpetual Bond (continued)

- (2) ^(continued) 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.

- (3) 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 April 9 to April 10, 2020 is April 13, 2020, and it can be issued on April 13, 2023 The second-phase medium-term notes can be redeemed on April 3, 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 April 16 to April 17, 2020 is April 20, 2020, the 2020 third-phase medium-term notes, which can be redeemed on and after April 20, 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 2020, the carrying amount of the perpetual bonds issued by the Company was RMB10,000,000 thousand (31 December 2019: RMB6,000,000 thousand).

V. Notes to the consolidated financial statements (continued)

44. Capital reserve

For the six months ended 30 June 2020

	Opening balance of the period	Increase during the period (Note)	Decrease during the period	Closing balance of the period
Capital premium	10,377,619	–	–	10,377,619
Others	1,649,991	269,688	(69,663)	1,850,016
Total	12,027,610	269,688	(69,663)	12,227,635

2019

	Opening balance of the year	Increase during the year (Note)	Decrease during the year	Closing balance of the year
Capital premium	10,184,032	237,955	(44,368)	10,377,619
Others	1,078,257	749,512	(177,778)	1,649,991
Total	11,262,289	987,467	(222,146)	12,027,610

Note: Increase in share premium is mainly due to the second batch of second-phase restricted stocks unlocked on 29 December, 2019 (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.

45. Other comprehensive income

Accumulated balance of other comprehensive income attributable to owners of the parent in the consolidated balance sheet:

	1 January 2020	Increase/decrease	30 June 2020
Remeasurement gains or losses of a defined benefit plan	(199,879)	(37,920)	(237,799)
Change in the fair value of other equity investments	214,612	(601,204)	(386,592)
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(987,607)	(45,448)	(1,033,055)
Change in the fair value of other debt investments	6,579	(7,914)	(1,335)
Exchange differences on translation of foreign currency financial statements	(810,450)	(18,570)	(829,020)
Total	(1,776,745)	(711,056)	(2,487,801)

	1 January 2019	Increase/decrease	31 December 2019
Remeasurement gains or losses of a defined benefit plan	(172,189)	(27,690)	(199,879)
Change in the fair value of other equity investments	(846,842)	1,061,454	214,612
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(798,405)	(189,202)	(987,607)
Change in the fair value of other debt investments	(4,904)	11,483	6,579
Exchange differences on translation of foreign currency financial statements	(535,185)	(275,265)	(810,450)
Total	(2,357,525)	580,780	(1,776,745)

V. Notes to the consolidated financial statements (continued)

45. Other comprehensive income (continued)

For the six months ended 30 June 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	(37,920)	-	-	(37,920)	-
Change in the fair value of other equity investments	(134,141)	(357,188)	247,313	(244,016)	-
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	(252,716)	-	-	(45,448)	(207,268)
Change in the fair value of other debt investments	(11,280)	-	-	(7,914)	(3,366)
Exchange differences on translation of foreign currency financial statements	14,840	-	-	(18,570)	33,410
Total	(421,217)	(357,188)	247,313	(353,868)	(177,224)

2019

	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	(27,690)	-	-	(27,690)	-
Change in the fair value of other equity investments	1,401,844	(2,245)	(338,042)	1,061,454	103
Exchange differences on translation of foreign currency financial statements	129,779	-	-	-	129,779
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	(304,360)	-	-	(189,202)	(115,158)
Change in the fair value of other debt investments	13,810	8,298	-	11,483	10,625
Exchange differences on translation of foreign currency financial statements	(275,265)	-	-	(275,265)	-
Total	938,118	6,053	(338,042)	580,780	25,349

46. Special reserve

For the six months ended 30 June 2020

	Opening balance of the period	Increase during the period	Decrease during the period	Closing balance of the period
Safety production funds	88,474	9,855,226	(9,822,582)	121,118

2019

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Safety production funds	77,329	23,237,877	(23,226,732)	88,474

V. Notes to the consolidated financial statements (continued)

47. Surplus reserve

For the six months ended 30 June 2020

	Opening balance	Increase during the period	Decrease during the period	Closing balance of the period
Statutory surplus reserve	7,716,149	–	–	7,716,149

2019

	Balance at the end of prior year	Changes in accounting policies (Note 1)	Opening balance of the year	Increase during the year	Closing balance of the year
Statutory surplus reserve	6,003,665	72,060	6,075,725	1,640,424	7,716,149

Note 1: As at 1 January 2019, due to the first implementation of the New Financial Instruments Standard, the adjustment of the surplus reserve was RMB72,060 thousand.

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.

48. Retained earnings

	For the six months ended 30 June 2020	2019
Retained earnings at the beginning of the year before adjustment	197,541,411	165,628,207
Adjustments (Note 1)	–	516,681
Retained earnings at the beginning of the period/year after adjustment	197,541,411	166,144,888
Net profit attributable to owners of the parent	19,839,785	41,881,399
Other comprehensive income included in the previous period	357,188	–
Others	(27,443)	5,737
Less: Appropriation for statutory surplus reserve (Note V, 47)	–	1,640,424
Appropriation to general reserve (Note 2)	–	494,541
Ordinary share dividends payable (Note 3)	7,763,538	7,052,853
Dividends payable to other equity holders (Note 4)	402,574	1,302,795
Retained earnings at the end of period/year	209,544,829	197,541,411

V. Notes to the consolidated financial statements (continued)

48. Retained earning (continued)

Note 1: As at 1 January 2019, due to the first implementation of the New Financial Instruments Standard, the undistributed profit at the beginning of 2019 was increased by RMB516,681 thousand.

Note 2: 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) shall 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 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. ("Finance Company") in 2019 was RMB618,176 thousand, of which the amount attributable to shareholders of the parent company was RMB494,541 thousand. It was fully withdrawn on 31 December 2019. No general risk provisions were made for the six months ended 30 June 2020.

Note 3: According to the resolution at the General Meeting of Shareholders dated 25 May 2020, the Company proposed a cash dividend of RMB0.185 (before tax) per share to the shareholders on 24 June 2020, multiplied by the number which resulted in the total amount of RMB7.764 billion (2019: RMB7.053 billion) of shares of 41.97 billion before the implementation of the profit distribution plan.

Note 4: As stated in Note V, 43, according to the resolution of the General Meeting of Shareholders on May 25, 2020, the Company's payment of 2019 cash dividends to ordinary shareholders was one of the mandatory interest payment events stipulated in the perpetual bond clauses of the 2020 three-phase medium-term notes (total RMB10 billion), 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 2021, the second phase of medium-term notes is 13 April 2021, and the third phase of 2020 mid-term notes is 20 April 2021). In addition, on 6 March 2020, the Company exercised the redemption right at the face value with the interest payable in accordance with the terms of the issuance, and fully redeemed the perpetual bonds issued on 6 March 2018 with the amount of RMB6 billion. Therefore, the Company accrued a total dividend of RMB402,574 thousand on perpetual bonds during the six-month period ended 30 June 2020. In 2019, a dividend of RMB870 million was accrued for preference shares and RMB432,795 thousand for perpetual bonds.

49. Revenue and cost of sales

	For the six months ended 30 June 2020		For the six months ended 30 June 2019	
	revenue	cost	revenue	cost
Revenue from main operations	727,003,982	647,401,468	683,466,752	614,454,158
Revenue from other operations	1,183,785	977,705	1,952,563	1,546,634
Total	728,187,767	648,379,173	685,419,315	616,000,792

Revenue is as follows:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Revenue from contracts with customers	727,604,829	684,744,896
Rentals	582,938	674,419
Total	728,187,767	685,419,315

Please refer to Note XIV, 1 for details of analysis of the Group's revenue and cost of sales by industry and region.

V. Notes to the consolidated financial statements (continued)

49. Revenue and cost of sales (continued)

Revenue is as follows:

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	–	1,113,458	94,167,588
Revenue recognized over time	464,365,337	144,408,601	15,570,375	3,935,982	4,556,099	632,836,394
Revenue from other operations	–	–	–	–	1,183,785	1,183,785
Total	464,365,337	144,408,601	108,624,505	3,935,982	6,853,342	728,187,767

For the six months ended 30 June 2019

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	434,305,076	140,454,690	97,703,703	5,040,661	5,961,722	683,466,752
Revenue recognized at a point of time	–	–	86,313,420	–	2,352,327	88,665,747
Revenue recognized over time	434,305,076	140,454,690	11,390,283	5,040,661	3,609,395	594,801,005
Revenue from other operations	–	–	–	–	1,952,563	1,952,563
Total	434,305,076	140,454,690	97,703,703	5,040,661	7,914,285	685,419,315

As at 30 June 2020, part of the Group's project contracting business is still in the process of operation, and the transaction price allocated to the unfulfilled or partially unfulfilled performance obligations is related to the progress of the corresponding contract, and will be recognized as revenue according to the progress of performance in the future performance period.

50. Taxes and surcharges

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Land appreciation tax	3,254,081	5,442,444
Urban maintenance and construction tax	820,187	696,008
Educational surcharge	356,231	413,450
Business tax	23,577	58,953
Others	1,140,146	1,049,081
Total	5,594,222	7,659,936

51. Selling and distribution expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Advertising and communication fees	895,837	845,571
Operating expenses	561,627	453,936
Employee benefits	530,739	472,443
Others	135,944	92,884
Total	2,124,147	1,864,834

V. Notes to the consolidated financial statements (continued)

52. General and administrative expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Employee benefits	9,780,657	9,031,716
Office and travelling expenses	774,613	1,035,964
Lease expenses	912,013	797,380
Depreciation and amortisation	649,206	537,016
Service fees of specialist agency	309,728	327,456
Others	1,155,753	1,080,915
Total	13,581,970	12,810,447

53. Research and development expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Materials, fuels and power of consumption	5,974,886	1,714,635
Employee benefits	1,786,209	874,482
Maintenance and Lease expenses	435,626	156,247
Travelling and meeting expenses	51,526	32,350
Others	751,714	486,669
Total	8,999,961	3,264,383

54. Finance expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Interest expenses	11,654,092	10,226,259
Less: Interest income	(1,545,420)	(1,445,814)
Less: Capitalised amount of interest	(5,304,018)	(4,867,487)
Factoring Commission	1,065,314	703,706
Commission charges	547,708	(464,262)
Discounted long-term receivables/payables and others	43,724	3,954
Total	6,461,400	4,156,356

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 2020 was RMB5,304,018,000 (for the six months ended 30 June 2019: RMB4,867,487,000), of which RMB4,807,908,000 was included Inventory, RMB271,768,000 was included in long-term receivables, RMB80,088,000 was included in construction in progress, and RMB144,254,000 was included in intangible assets (for the six months ended 30 June 2019: RMB4,738,176,000 was in inventory, RMB101,260,000 was included in long-term receivables, RMB13,180,000 was included in construction in progress, and RMB14,871,000 was included in intangible assets).

V. Notes to the consolidated financial statements (continued)

55. Investment income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Long-term equity investment income under the equity method	3,090,860	2,527,317
Investment loss from disposal of financial assets measured at amortized cost	(853,615)	(1,189,369)
Investment income from disposal of long-term equity investments	–	10,624
Gains on fair value remeasurement of the equity of the acquiree held before the acquisition	–	248,249
Investment income from financial assets held for trading	14,827	85,347
Dividend income from other equity instruments	89,373	151,813
Investment income from debt investment	442,637	78,130
Investment income from other debt investments	19,880	10,943
Investment income from disposal of financial assets measured at fair value through profit and loss	–	46,396
Others	723,105	567,302
Total	3,527,067	2,536,752

The Group has no major restrictions on the repatriation of investment income.

56. Gains/(Losses) from changes in fair value

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Financial assets held for trading		
Investment in debt instrument held for trading	(12,123)	264,378
Investment in equity instrument held for trading	19,795	(231,483)
Others	–	(19,594)
Financial liabilities held for trading		
Others	191,900	(349,518)
Total	199,572	(336,217)

57. Credit impairment losses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
(Impairment loss)/Reversal of impairment loss of accounts receivable	(1,975,973)	227,276
Impairment loss of other receivables	(359,217)	(704,792)
Impairment loss of other current assets	(110,750)	(43,176)
(Impairment loss)/Reversal of impairment loss of debt investments	9,056	(2,437)
Impairment loss of long-term receivables	(830,586)	(420,279)
Impairment loss of contract assets	(319,394)	(350,631)
Others	(393,000)	(203,714)
Total	(3,979,864)	(1,497,753)

V. Notes to the consolidated financial statements (continued)

58. Asset impairment loss reversal

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Reversal of impairment loss from write-down of inventories	169,265	1,222,413
Impairment loss of other assets	(4,297)	(16,771)
Total	164,968	1,205,642

59. Non-operating income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Non-recurring profit or loss for the six months ended 30 June 2020
Government grants not related to the ordinary course of business	55,236	12,014	55,236
Others	640,296	378,581	640,296
Total	695,532	390,595	695,532

Details of government grants:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Related to income/assets
Shuimogou District Badaowan sub-mining area shanty town reconstruction and demolition compensation	24,560	–	related to income
Compensation collected on Deping Road (Youyi Avenue-Tuanjian Avenue)	4,635	–	related to income
Compensation for land acquisition in Fengrun District, Tangshan City	2,512	2,534	related to assets
Others	23,529	9,480	related to income and assets
Total	55,236	12,014	

60. Non-operating expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019	Non-recurring profit or loss for the six months ended 30 June 2020
Penalty cost	13,064	23,427	13,064
Others	167,224	125,012	167,224
Total	180,288	148,439	180,288

V. Notes to the consolidated financial statements (continued)

61. 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 2020	For the six months ended 30 June 2019
Changes in inventories of finished goods and work in progress	73,305,817	62,645,602
Subcontracting cost	222,352,077	223,582,681
Labor expenditure	116,096,717	86,339,975
Consumed raw materials	161,813,165	169,265,391
Other construction cost	44,163,401	38,453,856
Employee benefits	36,180,455	33,780,083
Cost of sales of other products	8,748,061	9,904,516
Depreciation and amortization expenses	4,547,976	4,681,585
Others	5,877,582	5,286,767
	673,085,251	633,940,456

62. Income tax expenses

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Current tax	10,982,181	11,337,725
Deferred tax	(142,104)	(1,529,707)
	10,840,077	9,808,018

The reconciliation between income tax expenses and profit before income taxes is as follows:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Profit before income tax	43,774,877	41,954,380
Tax at the applicable tax rate (25%)	10,943,719	10,488,595
Expenses not deductible for tax	1,209,379	341,453
Income not subjected to tax	(947,650)	(973,789)
Unrecognised deductible tax losses	690,186	1,610,053
Tax losses utilised from prior periods	(190,729)	(205,198)
Utilization of deductible losses for which no deferred tax assets was recognized in prior years	(126,219)	(861,452)
Taxable temporary differences for which no deferred tax assets was recognised in current period/year	442,294	208,975
Deductible temporary differences resulting from rehearsal or recognition of previously unrecognized deferred tax assets in current period/year	(258,065)	(366,897)
Taxable temporary differences for which no deferred tax liability was recognized in current period/year	(108,679)	(35,948)
Effect of different tax rates for certain subsidiaries	(1,155,490)	(521,235)
Super deduction of expenditure on research and development	(702,868)	(243,866)
Adjustments of tax expenses for prior year	1,044,199	367,327
Tax expenses at the Group's effective tax rate	10,840,077	9,808,018

V. Notes to the consolidated financial statements (continued)

63. Earnings per share

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
	RMB/share	RMB/share
Basic earnings per share		
Continuing operations	0.47	0.45
Diluted earnings per share		
Continuing operations	0.46	0.45

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 recognized 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.

The calculation of basic earnings per share is as follows:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Revenue		
Net profit attributable to ordinary shareholders of the Company	19,839,785	20,308,445
Less: The effect of other equity instruments dividends (Note 1)	(402,574)	(1,302,795)
The effect of restricted shares (Note 2)	(131,622)	(376,890)
	19,305,589	18,628,760
Shares		
Weighted average number of ordinary shares outstanding (in units of 1000 shares) (Note 3)	41,150,209	41,104,555
Basic earnings per share (RMB/share)	0.47	0.45

Note 1: In accordance with the relevant clauses and regulations of preference shares and perpetual bonds as stated in Note V, 43, 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 7 March 2018 amounted to RMB82 million for the six months ended 30 June 2020, The accrued dividends of perpetual bonds with a value date of 3 April 2020 amounted to RMB132 million for the six months ended 30 June 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 2020, The accrued dividends of perpetual bonds with a value date of 20 April 2020 amounted to RMB96 million for the six months ended 30 June 2020, The above was RMB403 million in total (for the six-month period ended 30 June 2019: RMB1,303 billion).

Note 2: As stated in Note XI, the Company has completed the granting of restricted shares to the incentive targets in accordance with the second batch incentive plans on 29 December 2016, and 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. 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 RMB130 million and RMB380 million for the six months ended 30 June 2020 and the six months ended 30 June 2019 respectively.

Note 3: As stated in Note XI, in accordance with the regulations of the third batch incentive plans and the second 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.

V. Notes to the consolidated financial statements (continued)

63. Earnings per share (continued)

The calculation of diluted earnings per share is as follows:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Consolidated net profit attributable to ordinary shareholders of the Company used for calculating diluted earnings per share	18,933,486	18,344,457
Weighted average number of ordinary shares outstanding used for calculating diluted earnings per share (in units of 1000 shares)	41,150,209	41,104,555
Diluted earnings per share (RMB/share)	0.46	0.45

For the six months ended 30 June 2020, 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.

64. Notes to the consolidated cash flow statement

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Cash received relating to other operating activities		
Interest income	1,360,274	1,428,328
Deposits and warrant received and returned	5,481,120	5,755,136
Deposits absorbed by China State Construction Finance Co. Ltd	4,439,558	3,547,628
Other receivables received and returned	2,748,184	4,014,015
Restricted cash	1,920,292	143,811
Receivables, taxes withheld and construction reward	5,990,604	3,319,600
Others	639,395	841,537
Total	22,579,427	19,050,055
Cash payment relating to other operating activities		
Deposits and warrant paid and refunded	7,631,461	1,398,700
Other payables paid	7,926,892	4,464,772
Others	2,153,319	4,990,687
Total	17,711,672	10,854,159
Cash received relating to other investing activities		
Repayment of loans from related parties	9,297,843	7,437,616
Repayment of loans from co-operative corporation and projects	758,159	639,595
Repayment of fixed deposits which would mature after three months	140,000	350,000
Others	–	14,821
Total	10,196,002	8,442,032
Cash payment relating to other investing activities		
Loan to related parties	5,958,322	7,519,170
Payment to co-operative corporation and projects	1,954,737	5,369,301
Others	995,560	295,202
Total	8,908,619	13,183,673

V. Notes to the consolidated financial statements (continued)

64. Notes to the consolidated cash flow statement (continued)

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Cash received relating to other financing activities		
Received from financing	10,954,550	9,654,409
Total	10,954,550	9,654,409
Cash payments relating to other financing activities		
Repayment of loans	26,108,161	7,806,420
Lease fee for fixed assets held under finance leases	77,563	149,842
Total	26,185,724	7,956,262

65. Supplementary information to the consolidate cash flow statement

(1) Supplementary information to the consolidate cash flow statement

Reconciliation from net profit to cash flows from operating activities:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Net profit	32,934,800	32,146,362
Add: Reversal of impairment allowance	(164,968)	(1,205,642)
Credit impairment losses	3,979,864	1,497,753
Depreciation of fixed assets	3,242,619	3,525,917
Depreciation of investment properties	971,509	832,699
Amortisation of intangible assets	202,560	213,733
Amortisation of long-term prepaid expenses	131,288	109,236
Profit from disposal of fixed assets, intangible assets and other long-term assets	(12,763)	(494,831)
Finance expenses	6,756,746	4,883,643
(Gains)/Losses from changes in fair value	(199,572)	336,217
Investment income	(3,527,067)	(2,536,752)
Increase in deferred tax assets	(1,741,889)	(2,229,146)
Increase in deferred tax liabilities	1,599,785	699,439
Increase in inventories	(32,694,539)	(74,106,593)
Decrease in restricted cash	1,920,292	143,811
Increase in operating receivables	(96,547,919)	(55,275,350)
Increase in operating payables	12,493,300	8,115,845
Others	10,748	446,961
Net cash flows used in operating activities	(70,645,206)	(82,896,698)

V. Notes to the consolidated financial statements (continued)

65. Supplementary information to the consolidate cash flow statement (continued)

(1) Supplementary information to the consolidate cash flow statement (continued)

Changes in cash and cash equivalents

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Closing balance of cash	254,586,396	253,924,597
Less: Opening balance of cash	271,727,808	298,810,194
Add: Closing balance of cash equivalents	–	–
Less: Opening balance of cash equivalents	–	–
Net decrease in cash and cash equivalents	(17,141,412)	(44,885,597)

(2) Cash and cash equivalents

	30 June 2020	31 December 2019
Cash		
Including: Cash on hand	187,211	143,503
Cash at bank that can be readily drawn on demand	254,047,735	270,689,033
Other cash that can be readily drawn on demand	351,450	895,272
Cash and cash equivalents	–	–
Cash and cash equivalents at the end of the period/year	254,586,396	271,727,808

66. Assets with restricted ownership

	30 June 2020	31 December 2019	
Cash and bank balances	17,054,370	18,974,662	Note 1
Notes receivable	7,467,596	689,065	Note 2
Accounts receivable	2,420,186	86,887	Note 2
Inventories	38,212,355	36,139,758	Note 2
Contract assets	15,746,110	14,641,856	Note 2
Investment properties	2,045,026	7,697,570	Note 2
Fixed assets	229,867	414,471	Note 2
Construction in progress	1,278,987	67,721	Note 2
Intangible assets	4,745,304	6,565,280	Note 2
Long-term receivables	81,068,905	76,972,065	Note 2
	170,268,706	162,249,335	

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 2020, the balance of restricted cash and bank balances was RMB17,054,370 thousand (31 December 2019: RMB18,974,662 thousand).

Note 2: At 30 June 2020 and 31 December 2019, 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.

V. Notes to the consolidated financial statements (continued)

67. The foreign currency monetary items

	30 June 2020			31 December 2019		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash and bank balances						
USD	3,539,631	7.0795	25,058,818	2,318,654	6.9762	16,175,394
HKD	16,379,347	0.9134	14,960,896	12,984,933	0.8958	11,631,903
MOP	2,852,947	0.8850	2,524,858	2,922,876	0.8679	2,536,764
SGD	288,592	5.0813	1,466,423	309,672	5.1739	1,602,212
EUR	219,778	7.9610	1,749,653	183,766	7.8155	1,436,223
DZD	30,376,242	0.0546	1,658,543	24,116,528	0.0584	1,408,405
GBP	84,066	8.7144	732,585	81,994	9.1501	750,253
Others	NA	NA	2,590,404	NA	NA	2,466,833
Total			50,742,180			38,007,987
Accounts receivable						
HKD	10,513,708	0.9134	9,603,221	6,697,119	0.8958	5,999,279
USD	509,218	7.0795	3,605,009	771,435	6.9762	5,381,685
AED	122,952	1.9275	236,990	785,020	1.8992	1,490,910
DZD	13,435,635	0.0546	733,586	18,582,764	0.0584	1,085,233
XAF	86,038,692	0.0121	1,041,068	83,793,654	0.0119	997,144
SGD	58,279	5.0813	296,133	82,983	5.1739	429,346
Others	NA	NA	1,677,631	NA	NA	2,076,508
Total			17,193,638			17,460,105
Other receivables						
USD	114,934	7.0795	813,675	171,323	6.9762	1,195,184
HKD	704,000	0.9134	643,034	796,889	0.8958	713,853
XAF	18,712,376	0.0121	226,420	20,943,287	0.0119	249,225
Others	NA	NA	1,012,426	NA	NA	954,598
Total			2,695,555			3,112,860
Current portion of non-current assets						
HKD	1,006,259	0.9134	919,117	371,272	0.8958	332,585
USD	114,338	7.0795	809,456	18,301	6.9762	127,671
THB	104,866	0.2293	24,046	174,309	0.2328	40,579
Others	NA	NA	194,582	NA	NA	1,114,310
Total			1,947,201			1,615,145
Debt investment						
HKD	13,300,525	0.9134	12,148,700	12,921,323	0.8958	11,574,921
EUR	2,634	7.9610	20,969	2,581	7.8155	20,172
Total			12,169,669			11,595,093

V. Notes to the consolidated financial statements (continued)

67. The foreign currency monetary items (continued)

	30 June 2020			31 December 2019		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Long-term receivables						
XAF	17,587,172	0.0121	212,805	17,587,172	0.0119	209,287
USD	20,033	7.0795	141,824	15,838	6.9762	110,489
HKD	488,977	0.9134	446,632	509,055	0.8958	456,011
Others	NA	NA	2,735	NA	NA	309
Total			803,996			776,096
Short-term borrowings						
USD	1,272,904	7.0795	9,011,524	246,088	6.9762	1,716,759
Others	NA	NA	1,960,295	NA	NA	526,836
Total			10,971,819			2,243,595
Accounts payable						
USD	2,162,585	7.0795	15,310,021	809,830	6.9762	5,649,536
DZD	58,872,623	0.0546	3,214,445	62,018,571	0.0584	3,621,885
HKD	7,873,531	0.9134	7,191,683	3,967,954	0.8958	3,554,493
AED	1,630,476	1.9275	3,142,742	1,705,763	1.8992	3,239,585
SGD	338,543	5.0813	1,720,239	493,762	5.1739	2,554,675
PKR	969,161	0.0421	40,802	27,614,720	0.0450	1,242,662
MOP	226,774	0.8850	200,695	1,397,277	0.8679	1,212,697
Others	NA	NA	4,016,459	NA	NA	3,498,864
Total			34,837,086			24,574,397
Other payables						
USD	176,645	7.0795	1,250,558	234,984	6.9762	1,639,295
XAF	16,982,031	0.0121	205,483	18,048,594	0.0119	214,778
HKD	231,674	0.9134	211,611	128,706	0.8958	115,295
PKR	—	—	—	2,307,212	0.0450	103,825
Others	NA	NA	1,140,658	NA	NA	1,334,983
Total			2,808,310			3,408,176
Current portion of non-current liabilities						
USD	2,197,484	7.0795	15,557,088	2,697,083	6.9762	18,815,390
HKD	14,222,797	0.9134	12,991,103	7,735,220	0.8958	6,929,210
Others	NA	NA	106,840	NA	NA	937,477
Total			28,655,031			26,682,077

V. Notes to the consolidated financial statements (continued)

67. The foreign currency monetary items (continued)

	30 June 2020			31 December 2019		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Long-term borrowings						
HKD	71,622,770	0.9134	65,420,238	73,316,333	0.8958	65,676,771
USD	907,734	7.0795	6,426,303	1,049,607	6.9762	7,322,268
GBP	197,772	8.7144	1,723,464	197,696	9.1501	1,808,938
SGD	206,933	5.0813	1,051,489	220,144	5.1739	1,139,003
Others	NA	NA	164,731	NA	NA	243,801
Total			74,786,225			76,190,781
Bonds payable						
USD	7,819,812	7.0795	55,360,359	7,617,936	6.9762	53,144,245
HKD	2,577,314	0.9134	2,354,119	3,448,985	0.8958	3,089,601
Total			57,714,478			56,233,846
Long-term payables						
HKD	1,294,223	0.9134	1,182,143	913,734	0.8958	818,523
USD	9,853	7.0795	69,754	55,023	6.9762	383,851
MOP	387,642	0.8850	343,063	395,453	0.8679	343,214
SGD	54,661	5.0813	277,749	56,668	5.1739	293,195
AED	466,051	1.9275	898,313	–	–	–
Others	NA	NA	241,910	N/A	N/A	999,759
Total			3,012,932			2,838,542
Other non-current liabilities						
USD	882,523	7.0795	6,247,822	906,141	6.9762	6,321,423

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 2020.
- There was no entity newly included in the consolidation scope through business combination under common control for the six months ended 30 June 2020.
- The entities which were excluded from the consolidated scope due to disposal of subsidiaries for the six months ended 30 June 2020 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 (Note)	
					Direct	Indirect
The subsidiaries acquired through establishing or investment						
China Overseas Holdings Limited	Hong Kong	Hong Kong	Investment	RMB31.03 billion	100.00	-
China Overseas Land & Investment Ltd.	Hong Kong	Hong Kong	Real Estate Investment and Development	HKD10.96 billion	-	55.99
China State Construction International	Hong Kong	Cayman Islands	Construction and Installation	HKD15 billion	-	64.66
China Overseas Property Holdings Ltd.	Hong Kong	Cayman Islands	Property Management	HKD0.03 billion	-	61.18
China Construction First Building (Group) Corporation Limited	Beijing	Beijing	Construction and Installation	RMB70 billion	100.00	-
China Construction Second Engineering Bureau Ltd.	Beijing	Beijing	Construction and Installation	RMB50 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	RMB5.10 billion	100.00	-
China Construction Fifth Engineering Division Corp., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction and Installation	RMB6.018 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	RMB9.50 billion	100.00	-
China Construction Engineering Design Group Corporation Limited	Beijing	Beijing	Engineering Prospecting and Design	RMB0.51 billion	100.00	-
China Construction Decoration Group 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 subsidiaries acquired through a business combination not involving under common control						
Far East Global Group Ltd. (Note)	Hong Kong	Cayman Islands	Construction and Installation	HKD0.1 billion	-	47.89
China Construction Port and Shipping Bureau Group Co., Ltd. (formerly known as "China Construction Port 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 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	RMB3.50 billion	85.00	-
West Construction	Chengdu, Sichuan	Wulumuqi, Sichuan	Construction Materials	RMB1.26 billion	12.29	45.50
Shenzhen China Overseas Investing Management., Ltd.	Hong Kong	Shenzhen, Guangdong	Real Estate Development and Operation	RMB2.65 billion	100.00	-
China State Construction Finance Co., Ltd.	Beijing	Beijing	Finance	RMB6 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 2020

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Co., Ltd.	44.01%	7,775,277	2,481,643	102,194,846
China State Construction International Holdings, Ltd.	35.34%	1,096,472	433,863	19,130,812
West Construction Co., Ltd.	42.21%	110,847	40,240	2,754,213
China State Construction Finance Co., Ltd.	20.00%	58,686	–	1,621,190

31 December 2019

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Co., Ltd.	44.01%	14,586,993	4,050,349	99,086,044
China State Construction International Holdings, Ltd.	35.34%	1,890,599	649,210	18,853,750
West Construction Co., Ltd.	42.21%	278,903	33,143	3,020,243
China State Construction Finance Co., Ltd.	20.00%	91,456	–	1,603,021

The summarised financial information of the above subsidiaries is set out below. The amounts disclosed are before inter-company eliminations:

	China Overseas Land & Investment Co., Ltd.	China State Construction International	West Construction	China State Construction Finance Co., Ltd.
For the six months ended 30 June 2020				
Current Assets	580,491,786	74,202,281	20,332,418	28,294,402
Non-current Assets	122,013,106	74,643,939	3,388,990	50,774,096
Total Assets	702,504,892	148,846,220	23,721,408	79,068,498
Current Liabilities	257,846,716	57,397,889	13,500,057	70,962,547
Non-current Liabilities	186,238,250	47,103,626	752,560	–
Total Liabilities	444,084,966	104,501,515	14,252,617	70,962,547
Revenue	88,625,398	25,117,885	9,603,122	1,259,256
Net Profit	19,794,319	2,630,955	350,680	293,428
Total Comprehensive Income	19,401,626	1,866,008	348,098	293,428
Cash flow from/(used in) operating activities	7,056,061	(4,541,661)	(1,482,825)	(25,317,723)

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 is set out below. The amounts disclosed are before inter-company eliminations (continued):

	China Overseas Land & Investment Co., Ltd.	China State Construction International Holdings Ltd.	China West Construction Co., Ltd.	China State Construction Finance Co., Ltd.
2019				
Current Assets	549,735,090	67,631,068	19,109,898	53,488,354
Non-current Assets	118,679,866	72,894,203	3,324,746	42,446,849
Total Assets	668,414,956	140,525,271	22,434,644	95,935,203
Current Liabilities	258,248,215	63,672,863	12,460,089	87,920,100
Non-current Liabilities	164,162,438	35,208,338	751,557	–
Total Liabilities	422,410,653	98,881,201	13,211,646	87,920,100
Revenue	165,180,936	54,375,087	22,896,385	2,082,544
Net Profit	33,945,880	5,035,112	733,573	457,279
Total Comprehensive Income	33,988,546	4,745,444	736,669	457,279
Cash flow from/(used in) operating activities	9,898,481	(2,381,444)	2,063,989	(15,525,192)

Perpetual bonds and debt-to-equity swaps of subsidiaries are as follows:

As of 30 June 2020, the balance of perpetual bonds and renewable loans issued by Company's subsidiaries (hereinafter collectively referred to as the "subsidiary perpetual bonds") amounted to RMB51,755,872 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.

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.

For the six months ended 30 June 2020, third-party investors paid in capital of RMB3,300,000 thousand in total to the underlying company. These transactions resulted in an increase in non-controlling shareholders' equity in the Group's consolidated financial statements of RMB3,391,783 thousand as at 30 June 2020.

VII. Interests in other entities (continued)

2. Interests in joint ventures and associates

A summary of financial information of the joint ventures and associates that are individually material to the Group is as follows:

	Main operation location	Place of registration	Nature of business	Registered capital	Percentage of Shares (%)		Accounting treatment
					Direct	Indirect	
Associates							
China Overseas Oceans Group Co., Ltd. ("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 2020	31 December 2019
Current assets	143,771,542	128,355,460
Including: Cash and cash equivalents	17,090,019	16,755,435
Non-current assets	5,757,862	5,741,814
Total assets	149,529,404	134,097,274
Current liabilities	102,424,130	90,557,019
Non-current liabilities	24,066,467	22,026,947
Total liabilities	126,490,597	112,583,966
Non-controlling interests	2,339,079	1,967,981
Attributable to shareholders of the Company	20,699,728	19,545,327
Net assets calculated by the percentage of shares holding	7,932,136	7,489,769
Book value of investment	7,932,136	7,489,769
	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Revenue	16,109,339	11,090,617
Income tax expenses	2,291,114	1,936,781
Net profit	2,081,390	1,636,898
Other comprehensive income	(272,694)	(158,962)
Total comprehensive income	1,808,696	1,477,936
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 2020	For the six months ended 30 June 2019
Joint ventures		
Total book value of investment	37,381,695	34,354,496
Subtotals by the percentage of share holding		
Net profit (Note 1)	1,749,085	1,783,311
Other comprehensive income/(loss) (Note 1)	(24,306)	33,006
Total comprehensive income	1,724,779	1,816,317
Associates		
Total book value of investment	36,727,079	33,072,636
Subtotals by the percentage of share holding		
Net profit (Note 1)	568,134	1,614,537
Other comprehensive income/(loss) (Note 1)	25,364	(221,352)
Total comprehensive income	593,498	1,393,185

Note 1: Both the net profit and other comprehensive income have included the impact of the fair value of the identifiable assets and liabilities at the time the investment is obtained and the adjustment of the unified accounting policy.

3. Consolidated special purpose vehicle

As at 30 June 2020, the investment scale of the main consolidated structured entities was set up by the Group's subsidiary China State Construction Fund Management Ltd. amounted to RMB13,633,963 thousand, and the Group's subscribed amount was RMB3,331,093 thousand. As at 30 June 2020, the Group's paid-in amount was RMB2,976,461 thousand and paid-in amount by other parties was RMB8,526,325 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. Unconsolidated special purpose vehicle

As at 30 June 2020, the investment scale of the non-consolidated structured entities invested by China State Construction Fund Management Ltd. amounted to RMB34,158,594 thousand, and the Group's subscribed amount was RMB7,722,135 thousand and the subscribed amount by other parties was RMB26,436,459 thousand. The Group has no control power over these special purpose vehicles, thus the Group did not consolidate them. As at 30 June 2020, the Group's paid-in amount was RMB5,655,495 thousand and classified as long-term equity investments. The maximum 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 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	Designated		Required by the standard	Designated	
Cash and bank balances	-	-	274,235,275	-	-	274,235,275
Financial assets held for trading	281,113	-	-	-	-	281,113
Notes receivable	-	-	31,308,645	-	-	31,308,645
Accounts receivable	-	-	172,032,261	-	-	172,032,261
Receivables financing	-	-	-	4,432,962	-	4,432,962
Other receivables	-	-	53,789,276	-	-	53,789,276
Current portion of non-current assets	-	-	40,792,391	-	-	40,792,391
Other current assets	-	-	25,551,080	-	3,078,199	28,629,279
Debt investments	-	-	17,063,195	-	-	17,063,195
Other debt investments	-	-	-	412,132	-	412,132
Long-term receivables	-	-	168,424,085	-	-	168,424,085
Investments in other equity instruments	-	-	-	-	6,048,707	6,048,707
Other non-current financial assets	35,510	-	-	-	-	35,510
	316,623	-	783,196,208	4,845,094	9,126,906	797,484,831

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Required by the standard		
Short-term loans	-	69,694,777	69,694,777
Notes payable	-	10,003,945	10,003,945
Accounts payable	-	515,508,935	515,508,935
Other payables	-	118,328,040	118,328,040
Current portion of non-current liabilities	-	91,306,837	91,306,837
Other current liabilities	-	9,515,028	9,515,028
Long-term borrowings	-	280,698,497	280,698,497
Bonds payable	-	99,363,562	99,363,562
Long-term payables	-	16,144,135	16,144,135
Other non-current liabilities		4,598,295	6,247,819
		1,212,213,280	1,216,811,575

VIII. Financial instrument and risk (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 2019

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	Designated		Required by the standard	Designated	
Cash and bank balances	-	-	292,441,419	-	-	292,441,419
Financial assets held for trading	902,072	-	-	-	-	902,072
Notes receivable	-	-	26,918,443	-	-	26,918,443
Accounts receivable	-	-	153,961,875	-	-	153,961,875
Receivables financing	-	-	-	3,674,166	-	3,674,166
Other receivables	-	-	53,186,521	-	-	53,186,521
Current portion of non-current assets	-	-	32,739,429	-	-	32,739,429
Other current assets	-	-	20,764,581	-	3,557,504	24,322,085
Debt investments	-	-	17,759,804	-	-	17,759,804
Other debt investments	-	-	-	612,106	-	612,106
Long-term receivables	-	-	164,825,662	-	-	164,825,662
Investments in other equity instruments	-	-	-	-	8,069,043	8,069,043
Other non-current financial assets	50,510	-	-	-	-	50,510
	952,582	-	762,597,734	4,286,272	11,626,547	779,463,135

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Required by the standard		
Short-term loans	-	28,498,331	28,498,331
Notes payable	-	7,030,414	7,030,414
Accounts payable	-	493,129,630	493,129,630
Other payables	-	114,030,641	114,030,641
Current portion of non-current liabilities		6,939,864	82,010,554
Other current liabilities		-	975,956
Long-term borrowings		-	247,800,428
Bonds payable		-	99,596,598
Long-term payables		-	19,897,230
Other non-current liabilities		4,695,968	1,625,455
		11,635,832	1,094,595,237

VIII. Financial instrument and risk (continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety

As at 30 June 2020, the book value of bank acceptance and commercial acceptance bills approved and discounted by the Group was RMB15,268,678 thousand (31 December, 2019: RMB8,720,704 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 recognize 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 2020, the Group's book value of its settled accounts payable or short-term borrowings received RMB15,268,678 thousand (31 December 2019: RMB8,720,704 thousand).

Transferred financial assets that are derecognised in their entirety in which continuing involvement exists

As of 30 June 2020, the book value of the Group's endorsed and discounted but not yet due bank acceptance bill was RMB1,518,796 thousand (31 December 2019: RMB796,241 thousand). On 30 June 2020, 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 ("continued involvement"). The Group believes that the Group has transferred almost all of these bank acceptance bill 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 2020, the Group did not recognize gains or losses on the transfer date. There was no income or expenses recognised in the current period and accumulatively due to the Group's continued involvement in the derecognized financial asset.

3. Financial instrument risks

The Group's activities expose it to a variety of financial risks: mainly including 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 etc. 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, etc. 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.

Other financial assets of the Group include notes receivable, accounts receivable, other receivables, debt investments, 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.

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 provisions.

The Group also faces credit risks due to the provision of financial guarantees, as disclosed in Note XII, 3 for details.

Since the Group only conducts transactions with recognized 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.

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (continued)

Credit risk (continued)

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 duration 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, and 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. When the Group assesses whether a debtor has credit impairment, the main consideration are 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 impairment allowance of different assets based on the 12-month ECL or the lifetime ECL. 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.) default loss rate.

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. According to the type of counterparties, the way and priority of recourse, and the different collateral, the default loss rate is also different. The default loss rate is the percentage of the loss of exposure at the time of default, which is calculated on the basis of the next 12 months or the whole duration; and
- (3) The default risk exposure is the amount payable to the Group at the time of default over the next 12 months or the whole duration.

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 2020 and 31 December 2019, the risk exposure information of notes receivable, accounts receivable, receivables financing, other receivables, contract assets, debt investment and long-term receivables refer to Notes 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 2020 and 31 December 2019, the Group's financial liabilities were mainly due within one year.

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (continued)

Liquidity risk (continued)

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

30 June 2020

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	70,804,995	–	–	–	70,804,995
Notes payable	10,003,945	–	–	–	10,003,945
Accounts payable	515,508,935	–	–	–	515,508,935
Other payables	118,328,040	–	–	–	118,328,040
Other current liabilities	9,515,977	–	–	–	9,515,977
Long-term borrowings	59,037,467	66,564,300	165,463,221	89,987,695	381,052,683
Bonds payable	35,096,571	18,318,227	55,625,188	56,094,933	165,134,919
Long-term payables	14,150,410	12,087,349	4,358,920	281,069	30,877,748
Other non-current liabilities	–	–	6,703,285	–	6,703,285
Financial guarantee contracts	73,297,786	1,110,856	99,960	3,500,000	78,008,602
Total	905,744,126	98,080,732	232,250,574	149,863,697	1,385,939,129

31 December 2019

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	29,076,353	–	–	–	29,076,353
Notes payable	7,030,414	–	–	–	7,030,414
Accounts payable	493,129,630	–	–	–	493,129,630
Other payables	114,030,641	–	–	–	114,030,641
Other current liabilities	1,406,893	–	–	–	1,406,893
Long-term borrowings	53,600,827	72,035,107	134,177,611	90,273,571	350,087,116
Bonds payable	34,084,055	27,454,496	51,361,125	53,749,429	166,649,105
Long-term payables	14,053,066	15,165,467	5,199,152	229,713	34,647,398
Other non-current liabilities	6,939,864	–	6,762,559	–	13,702,423
Financial guarantee contracts	67,895,772	1,179,501	569,100	3,500,000	73,144,373
Total	821,247,515	115,834,571	198,069,547	147,752,713	1,282,904,346

Note: The above-mentioned long-term borrowings, bonds payable, long-term payables and other non-current liabilities all include the parts due within one year.

VIII. Financial instrument and risk (continued)

3. Financial instrument risks (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 2020, the Group's interest bearing borrowings with fixed rates amounted to RMB247,187,856 thousand (31 December 2019: RMB217,468,888 thousand), and floating rates interest bearing borrowings amounted to RMB298,465,173 thousand (31 December 2019: RMB245,642,137 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 borrowings 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 2020 and 2019 the Group did not enter into any significant interest rate swap agreements.

As at 30 June 2020, 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 RMB536 million (31 December 2019: approximately RMB982 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 2020 and 2019, the Group did not enter into any significant forward exchange contracts or currency swap contracts.

As at 30 June 2020, 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 RMB9.992 billion (31 December, 2019: approximately RMB9.665 billion).

Equity instrument price risk

The Group's equity instrument price risk mainly arise from various types of equity instrument investments, and there is a risk of changes in equity instrument prices.

As at 30 June 2020, 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 RMB5,405 thousand yuan (31 December 2019: approximately RMB5,841 thousand), other comprehensive income would increase or decrease by approximately RMB686,708 thousand (31 December 2019: approximately RMB902,152 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 2020 and 2019.

The Group's total capital is the stockholders' equity shown in the consolidated balance sheet. The Group uses the gearing ratio to monitor its capital.

The debt to assets ratio of the Group as at 30 June 2020 and 31 December 2019 was as follows:

	30 June 2020	31 December 2019
Total liabilities	1,652,192,456	1,532,616,609
Total assets	2,175,448,096	2,034,451,929
Debt to assets ratio	75.95%	75.33%

IX. Disclosure of fair value

1. Assets and liabilities measured at fair value

30 June 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	244,787	–	–	244,787
Equity investments	36,326	–	–	36,326
Accounts receivables financing	–	–	4,432,962	4,432,962
Other current assets				
Investment in listed equity instrument	3,078,199	–	–	3,078,199
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Other investment in debenture instrument	412,132	–	–	412,132
Other investment in equity instrument				
Investment in listed equity instrument	1,398,970	–	–	1,398,970
Investment in non-listed equity instrument	–	–	4,649,737	4,649,737
Total financial assets	5,170,414	–	9,118,209	14,288,623
Recurring fair value measurements				
Other non-current liabilities	–	4,598,295	–	4,598,295
Total financial liabilities	–	4,598,295	–	4,598,295

IX. Disclosure of fair value (continued)**1. Assets and liabilities measured at fair value (continued)**

31 December 2019

	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	856,602	–	5,705	862,307
Equity investments	39,765	–	–	39,765
Accounts receivable financing	–	–	3,674,166	3,674,166
Other current assets				
Investment in listed equity instrument	–	3,557,504	–	3,557,504
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	15,000	15,000
Other investment in debenture instrument	612,106	–	–	612,106
Other investment in equity instrument				
Investment in listed equity instrument	1,659,862	–	–	1,659,862
Investment in non-listed equity instrument	–	–	6,409,181	6,409,181
Total financial assets	3,168,335	3,557,504	10,139,562	16,865,401
Recurring fair value measurements				
Current portion of non-current liabilities	–	6,939,864	–	6,939,864
Other non-current liabilities	–	4,695,968	–	4,695,968
Total financial liabilities	–	11,635,832	–	11,635,832

2. Assets and liabilities for which fair values are disclosed

30 June 2020

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Bonds payable	–	–	100,007,272	100,007,272

31 December 2019

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Bonds payable	–	–	102,571,419	102,571,419

IX. Disclosure of fair value (continued)

3. 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 values	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Bonds payable	99,363,562	99,596,597	100,007,272	102,571,419

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 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 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 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 2020 and 31 December, 2019, 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.

4. Unobservable inputs

The valuation models used are mainly discounted cash flow models and market-comparable company models, etc. 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, etc.

IX. Disclosure of fair value (continued)

5. Reconciliation of fair value measurements

Reconciliation of recurring fair value measurements within Level 3 is as follows:

For the six-month ended 30 June 2020:

	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 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	-	-	2,859,456	(2,100,660)	4,432,962	-
Other non-current financial assets							
Investment in stock	35,510	-	-	-	-	35,510	-
Investment in fund	15,000	-	-	-	(15,000)	-	-
Other investment in equity instrument							
Investment in unlisted equity instrument	6,409,181	35,588	(133,781)	69,843	(1,695,506)	4,649,737	-
Total	10,139,562	36,584	(133,781)	2,929,299	(3,817,867)	9,118,209	-

2019

	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 year
		Included in profit or loss	Included in other comprehensive income				
Financial assets held for trading							
Debt investments	393,676	16,813	-	548,216	(927,798)	5,705	-
Accounts receivable financing	3,427,192	-	-	3,672,874	(3,425,900)	3,674,166	-
Other non-current financial assets							
Investment in stock	268,932	(233,422)	-	-	-	35,510	(233,422)
Investment in fund	-	-	-	15,000	-	15,000	-
Other investment in equity instrument							
Investment in unlisted equity instrument	5,460,759	30,320	533,676	643,658	(228,912)	6,409,181	-
Total	9,550,559	(186,289)	533,676	4,879,748	(4,582,610)	10,139,562	(233,422)

IX. Disclosure of fair value (continued)

5. Reconciliation of fair value measurements (continued)

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 2020	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised gains included in profit or loss	36,584	–
Changes in unrealised losses included in profit or loss for assets held at end of period	–	–

	2019	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised losses included in profit or loss	(186,289)	–
Changes in unrealised losses included in profit or loss for assets held at end of year	(233,422)	–

6. Fair value level conversion

During the six months ended 30 June 2020 and the year of 2019, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

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	56.31	56.31

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 (%) (Note 4)
Joint Ventures —					
HOI HING BUILDING MATERIALS CO., LIMITED. (Note 3)	Hong Kong, China	Hong Kong, China	Material Sale	No	50.00
EMPIRE LAND INVESTMENTS LIMITED	Chongqing, China	Hong Kong, China	Real estate investment and development business	No	50.00
ELITE MIND INTERNATIONAL LIMITED (Note 3)	Chongqing, China	Hong Kong, China	Real estate investment and development business	No	60.00
Shandong China Overseas Huachuang Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Guizhou Zhengxi Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
SPEEDY CHAMP INVESTMENTS LIMITED	Hong Kong, China	Hong Kong, 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
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	10.00
Changsha CSCEC urban investment pipe gallery construction investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	66.00
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd. Company (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	80.00
Xuzhou Line 3 Rail Transit Investment Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	44.44
CSCEC Dacheng Construction Co., Ltd.	Beijing China	Beijing China	Housing construction business	No	50.00
Dongguan Jiafang Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	32.50
Xi'an Dingsheng Dongyue Properties Co., Ltd.	Shaanxi, China	Shaanxi, China	Sales materials	No	50.00
Xi'an Hehui Xingshang Properties Co., Ltd.	Shaanxi, China	Shaanxi, China	Sales materials	No	50.00
Dazhou Dahuan Development Management Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	65.89
Beijing Nanyue Real Estate Development Co., Ltd.	Beijing China	Beijing China	Real estate investment and development business	No	35.00
Zunyi South Ring Expressway Development Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
Zhaotong China Construction Investment Development Co., Ltd. (Note 1)	Yunnan, China	Yunnan, China	Infrastructure construction business	No	51.00
FAST RIGHT INVESTMENTS LIMITED	Hangzhou, China	Hong Kong, 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 (%) (Note 4)
Joint Ventures (continued) —					
KINGTRON ENTERPRISES LIMITED	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xiamen Yongjing Bay Real Estate Co., Ltd.	Fujian, China	Fujian, China	Real estate investment and development business	No	20.00
TOP REGENT HOLDINGS LIMITED	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	33.00
Tianjin HDA Real Estate Development Co., Ltd.	Tianjin, China	Tianjin, China	Real estate investment and development business	No	25.00
Tianjin Wanjiang Real Estate Co., Ltd.	Tianjin, China	Tianjin, China	Real estate investment and development business	No	33.40
Guangzhou SuiHai Real Estate Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	25.00
Dalian CSCEC sponge City Construction Development Co., Ltd.	Liaoning, China	Liaoning, China	Infrastructure construction business	No	49.00
China Construction Road and Bridge Group Co., Ltd. (Note 1)	Hebei China	Hebei China	Infrastructure construction business	No	51.00
Tianjin Chuangda Real Estate Co., Ltd. (Note 2)	Tianjin, China	Tianjin, China	Real estate investment and development 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
Sanya Bihai Jincheng Business Management Co., Ltd. (Note 1)	Hainan, China	Hainan, China	Real estate investment and development business	No	17.00
China Resources (Taiyuan) Land Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Anhui Bengwu Expressway Investment Management Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Infrastructure construction business	No	70.00
Shenzhen Shenshan special cooperation zone Zhongpu Infrastructure Investment Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	64.00
Shenzhen Chuang Liang Cci Capital Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	34.00
Changsha Zhongjian International Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	65.00
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 Fangchen Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Danjiangkou Haijia Construction Co., Ltd. (Note 1)	Hubei China	Hubei China	Infrastructure construction business	No	60.00

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 (%) (Note 4)
Joint Ventures (continued) —					
CSCEC Xi'an infrastructure construction investment Co., Ltd.	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	25.00
Guizhou leirong Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	68.90
Cangzhou Bohai New Area China Construction Port Construction Management Co., Ltd. (Note 1)	Hebei China	Hebei China	Infrastructure construction business	No	90.00
Luminous Dream Limited (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	51.00
Marble Edge Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	18.00
China Construction International (Xiangyang) Construction Co., Ltd. (Note 1)	Hubei China	Hubei China	Housing construction business	No	70.00
China Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	Anhui, China	Anhui, China	Real estate investment and development business	No	45.00
Xuancheng Haijia Lancheng Real Estate Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	65.00
Sunrise JV Limited	Hong Kong, China	Hong Kong, China	Other business	No	50.00
Qingdao Fangqian Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Dongguan Zhonghai Century City Education Technology Development Co., Ltd.	Guangdong, China	Guangdong, China	Other business	No	50.00
Ultra Keen Holdings Limited (Note 2)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	30.00
Dragon Star H.K. Investments Limited (Note 2)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	20.00
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	Shaanxi, China	Shaanxi, China	Real estate investment and development business	No	50.00
Qingdao Songmao Property Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Rizhao Zhongjian Transportation Service Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	5.00
China Construction Zhengda Technology Co., Ltd.	Beijing China	Beijing China	Infrastructure construction business	No	50.00
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
Changsha Yida Chuangzhi Property Development Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	49.00
Qingdao tengmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	Tianjin, China	Tianjin, China	Infrastructure construction business	No	25.50

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 (%) (Note 4)
Joint Ventures (continued) —					
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	Hebei China	Hebei China	Infrastructure construction business	No	30.00
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd. (Note 1)	Henan, China	Henan, China	Infrastructure construction business	No	61.00
Fujian Zhongjian Yuanhong Zhuhai construction and Development Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Infrastructure construction business	No	95.00
Chengdu changtuo Dongjin Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	1.00
Zhengzhou Zhongjian Zhicheng comprehensive pipe gallery construction management Co., Ltd. (Note 1)	Henan, China	Henan, China	Other business	No	79.20
Nanjing Kangyuan Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	49.00
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd	Fujian, China	Fujian, China	Infrastructure construction business	No	50.00
Fuzhou Strait culture and Art Center construction and Development Co., Ltd.	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
CSCEC 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
Chongqing qingneng Yuehe Real Estate Co., Ltd.	Chongqing city, China	Chongqing city, China	Real estate investment and development business	No	49.00
Shishi Gongfu transportation construction and Development Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Infrastructure construction business	No	80.00
VICTOR CHOICE INVESTMENTS LIMITED (Note 1)	Jiangsu, China	Hong Kong, China	Infrastructure construction business	No	51.00
Jiangmen Pengjiang tianque Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Qufu Nishan cultural tourism real estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	60.00
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	65.34
Chongqing Rail Line 9 construction and Operation Co., Ltd. (Note 3)	Chongqing, China	Chongqing, China	Infrastructure construction business	No	58.93
Xiamen Junyi Properties Co., Ltd	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
CSCEC Xi'an utility tunnel Investment Development Co., Ltd. (Note 2)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	17.50

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 (%) (Note 4)
Joint Ventures (continued) —					
Chongqing Jiayi Real Estate Development Co., Ltd. (Note 2)	Chongqing, China	Chongqing, China	Real estate investment and development business	No	50.00
CSCEC Xi'an Xingfu forest belt construction investment Co., Ltd. (Note 2)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	24.00
Jinan Zhonghai Dongcheng Real Estate Development Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Real estate investment and development business	No	34.00
Suzhou Maolong Real Estate Development Co., Ltd. (Note 2)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	51.00
Beijing Zhonghai excellent urban and rural construction investment fund (Limited Partnership) (Note 2)	Beijing China	Beijing China	Other business	No	0.52
Guangzhou XingLv Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Guangzhou fuchuang Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	34.00
Associates —					
Fast Shift Investments Limited	Macao China	Macao China	Real estate investment and development business	No	29.00
Beijing Zhongjian Runtong Electromechanical Engineering Co., Ltd.	Beijing China	Beijing China	Housing construction business	No	30.00
Jinmao investment (Changsha) Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	20.00
MACAU CEMENT MANUFACTURING CO. LTD.	Macao China	Macao China	Sales materials	No	31.34
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd. (Note 1)	Henan, China	Henan, China	Sales materials	No	18.00
Jiqing High Speed Railway Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	7.21
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	Hebei China	Hebei China	Infrastructure construction business	No	49.00
Guangzhou Lihe Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Xuzhou Line 1 Rail Transit Investment Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	38.30
Shanghai Xingxin Real Estate Development Co., Ltd. (Note 3)	Shanghai China	Shanghai China	Real estate investment and development business	No	40.00
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	Beijing China	Beijing China	Real estate investment and development business	No	40.00
CCCC Jijiao Expressway Investment Development Co., Ltd.	Hebei China	Hebei China	Infrastructure construction business	No	21.00

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 (%) (Note 4)
Associates (continued) —					
Jinyu Jiaying Nanjing Real Estate Development Co., Ltd.	Nanjing, China	Nanjing, China	Real estate investment and development business	No	30.00
Beijing Zhengde Fengze Real Estate Development Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Real estate investment and development business	No	16.52
Qingdao Changming Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	22.50
Changsha Xirong Real Estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	33.00
Qingdao Yufu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00
Suzhou Mudu Zhongxin land Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	35.00
Xuchang chenheng Real Estate Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	39.00
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	25.00
Hebei Chenghong pipe gallery Engineering Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	5.00
Shandong Qilu ningliang Expressway Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	49.00
Jinan Hongbi Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Suzhou Junda National Road 2006 Construction Co., Ltd.	Anhui, China	Anhui, China	Housing construction business	No	20.00
HONG KONG CONCRETE COMPANY LIMITED	Hong Kong, China	Hong Kong, China	Sales materials	No	31.50
Shanghai Jiasheng Real Estate Development Co., Ltd.	Shanghai, China	Shanghai, China	Real estate investment and development business	No	49.00
Guangzhou Zengcheng Runyu Real Estate Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Jinan Taihui Real Estate Development Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	33.00
Guangzhou bison Real Estate Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	14.28
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	25.00
Guangzhou Ivrong Real Estate Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	16.66
Shangqiu Yunheng Urban Construction Development Co., Ltd. (Note 1)	Henan, China	Henan, China	Infrastructure construction business	No	7.61

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 (%) (Note 4)
Associates (continued) —					
Shangqiu Zhongjian Yuncheng urban construction and Development Co., Ltd. Company (Note 1)	Henan, China	Henan, China	Other business	No	9.00
CSCEC Wuhan yangsigang road and bridge construction and Operation Co., Ltd.	Hubei China	Hubei China	Infrastructure construction business	No	40.00
Xinyu Huancheng Road Construction Investment Co., Ltd. (Note 1)	Jiangxi, China	Jiangxi, China	Infrastructure construction business	No	10.00
Wuhan Zhongxia Road Construction Engineering Co., Ltd.	Hubei China	Hubei China	Infrastructure construction business	No	29.83
Nanjing CSCEC Gubei Urban Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Other business	No	45.00
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	20.00
Rizhao China Construction Eighth Bureau culture and Technology Development Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	14.00
Shanghai Fuhong Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	30.00
Beijing Jiayan Real Estate Development Co., Ltd.	Beijing China	Beijing China	Real estate investment and development business	No	49.00
Shangqiu xinhangcheng development and Construction Management Co., Ltd. (Note 1)	Henan, China	Henan, China	Other business	No	4.16
Putian Puyang University Construction Co., Ltd.	Fujian, China	Fujian, China	Housing construction business	No	32.90
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd. (Note 1)	Hubei China	Hubei China	Real estate investment and development business	No	51.00
Panzhuhua China Construction Third Bureau Government Affairs Service Center Project Construction and Development Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	9.00
Wuhan Hongtai Manulife Zhongjian Yipin Real Estate Co., Ltd. (Note 1)	Hubei China	Hubei China	Real estate investment and development business	No	51.00
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	Hubei China	Hubei China	Real estate investment and development business	No	50.00
China Construction Haoyun Co., Ltd.	Hebei China	Hebei China	Other business	No	35.00
China Construction Technology Jingmen Co., Ltd.	Hubei China	Hubei China	Other business	No	50.00
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	Chongqing, China	Chongqing, China	Real estate investment and development business	No	45.00
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
CSCEC Wuhan Huangxiaohu airport river water environment comprehensive treatment construction and Operation Co., Ltd.	Hubei China	Hubei China	Infrastructure construction business	No	42.20
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	15.00
China Construction Third Engineering Bureau Jingzhou Huanchang Lake construction and Operation Co., Ltd.	Hubei China	Hubei China	Infrastructure construction business	No	20.00

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 (%) (Note 4)
Associates (continued) —					
China Construction Third Engineering Bureau Yichang City pipe gallery construction and Operation Co., Ltd.	Hubei China	Hubei China	Infrastructure construction business	No	41.29
Sanmenxia national highway 31-0 South moving project construction management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	40.00
Beijing Zhongchao Concrete Co., Ltd.	Beijing China	Beijing China	Other business	No	30.00
Hangzhou Chengtuo Wulin Investment Development Co., Ltd. (Note 1)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00
Haikou tuoyi Real Estate Co., Ltd.	Hainan, China	Hainan, China	Real estate development and investment business	No	20.00
Sichuan xijianzhonghe Machinery Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	40.00
Sichuan xijianshantui Logistics Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	30.00
Yunnan Huali expressway investment and Development Co., Ltd.	Yunnan, China	Yunnan, China	Infrastructure construction business	No	46.00
Zhangzhou Zhanyuan Environmental Technology Co., Ltd.	Fujian, China	Fujian, China	Other business	No	19.00
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	31.36
Liupanshui Dongda highway investment and Development Co., Ltd.	Guizhou, China	Guizhou, China	Infrastructure construction business	No	50.00
Hanzhong Zhongjian pipe gallery construction development Co., Ltd.	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	41.00
Chongqing Tiancheng Yuanjiang Real Estate Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Real estate investment and development business	No	10.00
Qingdao Runfu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	47.62
Hebei xiong'an Citizen Service Center Co., Ltd. (Note 1)	Hebei China	Hebei China	Infrastructure construction business	No	50.50
Haikou Qiyue Urban Construction Co., Ltd. (Note 1)	Hainan, China	Hainan, China	Infrastructure construction business	No	2.00
Suzhou Xinghui West Ring Road Construction Co., Ltd.	Anhui, China	Anhui, China	Infrastructure construction business	No	30.05
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Shandong, China	Shandong, China	Lease business	No	30.00
Xianyi International Co., Ltd	Hong Kong, China	Hong Kong, China	Other business	No	30.00
Jinjiang zhongyun sports construction and Development Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Infrastructure construction business	No	10.00
Shantou CSCCEC new urbanization Investment Co., Ltd.	Guangdong, China	Guangdong, China	Infrastructure construction business	No	36.77
China construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd. (Note 1)	Hubei China	Hubei China	Infrastructure construction business	No	10.00
China Construction Third Engineering Bureau Shiyan aviation road construction and Operation Co., Ltd.	Hubei China	Hubei China	Infrastructure construction 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 (%) (Note 4)
Associates (continued) —					
Chengdu Chuantou Airport Construction Co., Ltd.	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
Xi'an Chuxin investment and Construction Co., Ltd.	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	49.00
Luzhou Yangtze River Second Bridge Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	10.00
Qingyang Zhongjian Yuanqing Highway Construction Management Co., Ltd.	Gansu, China	Gansu, China	Infrastructure construction business	No	24.90
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	Henan, China	Henan, China	Other business	No	30.00
Qingdao Zefu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	20.00
Xiamen Haitou Construction Technology Co., Ltd.	Fujian, China	Fujian, China	Real estate investment and development business	No	30.00
Changsha rail China Construction credit and real estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	20.00
CSCEC industry finance investment management (Tianjin) Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	16.67
Zhoukou Xintong Urban Construction Development Co., Ltd.	Henan, China	Henan, China	Other business	No	30.00
CSCEC Xi'an Urban Construction Investment Co., Ltd.	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	30.00
Ganzhou Hangyu Construction Co., Ltd. (Note 1)	Jiangxi, China	Jiangxi, China	Housing construction business	No	2.10
CSCEC Wuhan Qingling pipe gallery construction and Operation Co., Ltd. (Note 1)	Hubei China	Hubei China	Infrastructure construction business	No	9.00
Qingdao Yuefu Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate development and investment	No	20.00
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate development and investment	No	33.00
Dongguan Jiangpan Xincheng Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate development and investment	No	30.00
Huizhou Zhongjian Hongsheng Construction Engineering Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	14.85
Xiaogan CSCEC Dongfu Urban Infrastructure Investment Co., Ltd. (Note 2)	Hubei China	Hubei China	Real estate investment and development business	No	16.11
Chengdu Yirong Yijian Engineering Management Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Real estate investment and development business	No	28.57
Hanzhong Zhongjian Xingyuan urban development and Construction Co., Ltd. (Note 2)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	28.57
Zhengzhou Binshui Real Estate Co., Ltd. (Note 2)	Henan, China	Henan, China	Real estate investment and development business	No	28.57

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 (%) (Note 4)
Associates (continued) —					
Xi'an Zhonghao urban development and Construction Co., Ltd. (Note 2)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	28.57
Nanyang Fengrong Real Estate Co., Ltd. (Note 2)	Henan, China	Henan, China	Real estate investment and development business	No	28.57
Nanyang Herui construction and Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	28.57
Luoyang Zhongjian urban construction and Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	28.57
Zhengzhou Zhongjian Jiagang Real Estate Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Real estate investment and development business	No	28.57
Shangqiu Haixin Investment Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure investment and development business	No	28.57
Wenzhou Zhongjian Investment Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure investment and development business	No	28.57
Xianning CSCEC Urban Infrastructure Investment Co., Ltd. (Note 2)	Hubei China	Hubei China	Infrastructure investment and development business	No	28.57
Huaibei Zhongjian Municipal Investment Co., Ltd. (Note 2)	Anhui, China	Anhui, China	Infrastructure investment and development business	No	28.57
Zhengzhou Haichuang urban infrastructure Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	28.57
Xi'an Zhongzhu Investment Co., Ltd. (Note 2)	Shaanxi, China	Shaanxi, China	Housing construction business	No	28.57
Zhengzhou Zhongjian Hailin Real Estate Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Real estate investment and development business	No	28.57
Xinxiang Zhongjian Hongtu Real Estate Co., Ltd. (Note 2)	Henan, China	Henan, China	Real estate investment and development business	No	17.14
Henan Haichuang Investment Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure investment business	No	28.57
Yongcheng Yunpeng Urban Construction Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	20.36
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	49.00
Mianyang Zhongjian Kefa Pipe gallery Road investment and Construction Co., Ltd.	Sichuan, China	Sichuan, China	Infrastructure construction business	No	23.17

Note 1: The Group holds less than 20% or more than 50% of the shares in the aforementioned joint ventures and associates. According to the articles of association of these companies, the Group has joint control with other shareholders or the Group only has significant influence, so these companies are accounted for as joint ventures or associates.

Note 2: These companies are subsidiaries of joint venture companies or affiliated companies of the Group. According to the requirements of the "Accounting Standards for Business Interpretation No. 13", these companies have been disclosed as related parties of the Group since the current period, and comparative data will not be adjusted retrospectively.

Note 3: Due to changes in equity of these companies and other reasons, on 30 June 2020, the Group judged that these companies are no longer related parties of the Group.

Note 4: The shareholding ratio is the actual share of the net assets of the subsidiary that the Group actually enjoys.

X. Related party relationships and transactions (continued)

4. Other related parties

	Relationship with the group
China Construction Water Affairs Environmental Protection Co., Ltd.	Controlled by the same parent company
China Construction e-commerce Co., Ltd.	Controlled by the same parent company
CSCEC aluminum new materials Co., Ltd.	Controlled by the same parent company
China Automobile Trade Co., Ltd.	Controlled by the same parent company
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
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
SIPG Ruitai Development Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
SIPG Israel Haifa new port wharf Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
SIPG Ruixiang Real Estate Development Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Haitong (Taicang) automobile terminal Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
SIPG BAYPORT TERMINAL CO. LTD	Controlled by another shareholder of a subsidiary of the Group

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 ended 30 June 2020	For the six-month period ended 30 June 2019
Zhengzhou Yirongyijian Supply Chain Management Co., Ltd.	Purchase of goods	899,102	992,310
CSCEC Electronic Commerce Co., Ltd.	Purchase of goods	866,329	61,746
Macau Cement Manufacturing Co. Ltd.	Purchase of goods	40,453	47,667
Hoi Hing Building Materials Co., Ltd.	Purchase of goods	–	44,613
Hong Kong Concrete Co., Ltd.	Purchase of goods	24,342	14,731
Others	Purchase of goods and accepting services	16,377	28,571
Total		1,846,603	1,189,638

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****Contract engineering**

	Nature of the transaction	For the six months ended 30 June 2020	For the six months ended 30 June 2019
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	Contract engineering	998,235	-
CSCEC Xi'an Xingfu forest belt construction investment Co., Ltd.	Contract engineering	985,431	-
Shandong Qilu ningliang Expressway Co., Ltd.	Contract engineering	852,002	613,072
Shangqiu Zhongjian Yuncheng Urban Construction Development Co., Ltd.	Contract engineering	807,331	876,894
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd.	Contract engineering	745,752	369,637
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	Contract engineering	730,335	723,787
Xuzhou Line 3 Rail Transit Investment Development Co., Ltd.	Contract engineering	717,555	252,858
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	Contract engineering	650,953	1,832,899
China Construction Water Affairs Environmental Protection Co., Ltd.	Contract engineering	621,695	-
CCCC Jijiao Expressway Investment Development Co., Ltd.	Contract engineering	554,061	390,663
Jiqing High Speed Railway Co., Ltd.	Contract engineering	547,170	906,606
Hangzhou Chengtou Wulin Investment Development Co., Ltd.	Contract engineering	519,550	123,497
Guizhou Leirong Expressway Investment Management Co., Ltd.	Contract engineering	475,127	36,116
China Construction Third Engineering Bureau Jingzhou Huanchang Lake construction and Operation Co., Ltd.	Contract engineering	456,362	34
China Construction Third Engineering Bureau Xianning Big Continent Lake ecological construction and Operation Co.,Ltd.	Contract engineering	413,424	-
Xi'an Chuxin investment and Construction Co., Ltd.	Contract engineering	396,021	15,298
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd.	Contract engineering	387,004	29,044
Sipg Bayport Terminal Co., Ltd.	Contract engineering	355,770	53,005
Xinyu Huancheng Road Construction Investment Co., Ltd.	Contract engineering	323,922	590,566
CSCEC Xi'an comprehensive pipe gallery Investment Development Co., Ltd.	Contract engineering	323,576	-
Beijing Jianyan Real Estate Development Co., Ltd.	Contract engineering	309,704	212,893
China Construction Third Engineering Bureau Shiyan aviation road construction and Operation Co., Ltd.	Contract engineering	302,975	106,344
Zhangzhou Zhanyuan Environmental Technology Co., Ltd.	Contract engineering	302,042	-
Putian Puyang University Construction Co., Ltd.	Contract engineering	275,434	178,552
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	Contract engineering	270,346	414,342
Chengdu Chuantou Airport Construction Co., Ltd.	Contract engineering	266,314	-
Jinjiang zhongyun Sports Construction Development Co., Ltd.	Contract engineering	243,554	599,453
CSCEC Wuhan Qingling pipe gallery construction and Operation Co., Ltd.	Contract engineering	237,286	44,368
Jining Yanzhou Zhongjian Transportation Construction Development Co., Ltd.	Contract engineering	236,531	26,971
CSCEC Wuhan Huangxiaohu airport river water environment comprehensive treatment construction and Operation Co., Ltd.	Contract engineering	233,906	-
Ganzhou Hangyu Construction Co., Ltd.	Contract engineering	231,185	126,277
China Construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd.	Contract engineering	225,197	193,822

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 2020	For the six months ended 30 June 2019
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd.	Contract engineering	217,271	–
Xi'an Zhuzhong Investment Co., Ltd.	Contract engineering	210,785	–
Xuzhou Line 1 Rail Transit Investment Development Co., Ltd.	Contract engineering	196,748	814,145
Wuhan Zhongxia Road Construction Engineering Co., Ltd.	Contract engineering	194,994	562,508
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	Contract engineering	172,381	1,023,008
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	Contract engineering	158,633	590,681
Zunyi South Ring Expressway Development Co., Ltd.	Contract engineering	124,216	449,733
China Construction International (Xiangyang) Construction Co., Ltd.	Contract engineering	123,168	318,784
CSCEC Wuhan yangsigang road and bridge construction and Operation Co., Ltd.	Contract engineering	120,171	619,545
Chongqing Rail Line 9 construction and Operation Co., Ltd.	Contract engineering	–	752,612
Fast Shift Investments Limited	Contract engineering	–	276,864
Others	Contract engineering	9,364,313	6,942,705
Total		25,878,430	21,067,583

Projects sub-contracted out

	Nature of the transaction	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
CSCEC Road & Bridge Group Co., Ltd.	Projects sub-contracted out	131,116	121,306
China Construction Water Affairs Environmental Protection Co., Ltd.	Projects sub-contracted out	110,026	–
CSCEC-Dacheng Construction Ltd.	Projects sub-contracted out	49,313	20,307
CSCEC Electronic Commerce Co., Ltd.	Projects sub-contracted out	32,266	91,414
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	Projects sub-contracted out	16,384	17,495
Others	Projects sub-contracted out	89,170	32,560
Total		428,275	283,082

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(3) Related party leasing****As lessor**

	Types of leased assets	For the six months ended 30 June 2020	For the six months ended 30 June 2019
China Construction Water Affairs Environmental Protection Co., Ltd.	Office Building	1,442	474
China Construction Environmental Energy Technology Co., Ltd.	Office Building	621	–
China Construction Group	House Buildings	286	–
China Construction e-commerce Co., Ltd.	Office Building	164	157
Total		2,513	631

As lessee

	Types of leased assets	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Machinery equipment	91,653	73,590
Sichuan xijianzhonghe Machinery Co., Ltd.	Transport equipment	26,260	27,152
China construction aluminum new materials Chengdu Co., Ltd.	Materials	22,848	7,622
Sichuan xijianshantui Logistics Co., Ltd.	Transport equipment	22,207	24,275
Others	Office buildings, etc	14,968	4,501
Total		177,936	137,140

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 ended 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 Ivrong Real Estate Development Co., Ltd.	233,240	13 November 2018	29 November 2021	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	59,976	1 March 2019	29 November 2021	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	49,980	11 April 2019	10 April 2022	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	16,660	28 June 2019	10 April 2022	No
Guangzhou Ivrong 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)****(4) Related party guarantee (continued)****Offering guarantee to related parties (continued)**

For the six-month period ended 30 June 2019

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guangzhou Lihe Real Estate Development Co., Ltd.	288,000	13 December 2016	12 December 2019	No
Guangzhou Lihe Real Estate Development Co., Ltd.	639,400	13 July 2018	21 May 2021	No
Overseas Oceans	29,506	18 April 2014	17 April 2021	No
EMPIRE LAND INVESTMENTS LIMITED	175,000	5 July 2017	15 March 2022	No
EMPIRE LAND INVESTMENTS LIMITED	135,150	14 April 2017	15 March 2022	No
EMPIRE LAND INVESTMENTS LIMITED	78,500	20 January 2017	13 October 2021	No
EMPIRE LAND INVESTMENTS LIMITED	57,500	16 March 2017	15 March 2022	No
EMPIRE LAND INVESTMENTS LIMITED	40,000	3 January 2017	13 October 2021	No
EMPIRE LAND INVESTMENTS LIMITED	39,850	21 March 2017	15 March 2022	No
EMPIRE LAND INVESTMENTS LIMITED	18,750	14 February 2018	30 November 2020	No
EMPIRE LAND INVESTMENTS LIMITED	18,750	30 November 2017	21 October 2020	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	299,880	13 November 2018	29 November 2021	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	49,980	11 April 2019	10 April 2022	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	16,660	28 June 2019	10 April 2022	No
Guangzhou bison Real Estate Development Co., Ltd.	207,060	11 December 2018	1 February 2021	No
Guangzhou bison Real Estate Development Co., Ltd.	71,400	26 December 2018	2 December 2020	No
Changsha Xirong Real Estate Co., Ltd.	90,952	16 January 2019	12 December 2024	No
Total	2,256,338			

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 ended 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
China Shipping Hongyang Haifu (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
KINGTRON ENTERPRISES LIMITED	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		

For the six-month period ending 30 June 2019

	Borrowing amount	Starting date	Ending date
Sunrise JV Limited	2,400,000	11 March 2019	22 August 2024
Sunrise JV Limited	874,000	11 March 2019	No fixed maturity date
China Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	369,160	26 June 2019	No fixed maturity date
Xi'an Dingsheng Dongyue Properties Co., Ltd.	229,987	28 January 2019	No fixed maturity date
Dongguan Jiafang Real Estate Development Co., Ltd.	82,072	1 January 2019	No fixed maturity date
Qingdao Fangchuan Real Estate Co., Ltd.	61,556	24 May 2019	23 May 2020
Qingdao Fanghui Real Estate Co., Ltd.	51,154	31 May 2019	30 May 2020
Qingdao Fangchen Real Estate Co., Ltd.	40,989	30 April 2019	29 April 2020
Total	4,108,918		

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**

For the six-month period ended 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
EMPIRE LAND INVESTMENTS LIMITED	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
FAST RIGHT INVESTMENTS LIMITED	15,000	14 May 2020	No fixed maturity date
TOP REGENT HOLDINGS LIMITED	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
Xianyi International Co., Ltd.	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		

For the six-month period ended 30 June 2019

	Amount	Starting date	Ending date
Luminous Dream Limited	2,593,945	15 April 2019	No fixed maturity date
Marble Edge Limited	1,188,395	29 May 2019	No fixed maturity date
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	435,064	20 February 2019	No fixed maturity date
Shanghai Xingxin Real Estate Development Co., Ltd.	403,972	1 January 2019	31 May 2020
China Construction Xi'an Infrastructure Construction Investment Co., Ltd.	378,882	28 June 2019	No fixed maturity date
China Construction Xi'an Infrastructure Construction Investment Co., Ltd.	87,500	21 January 2019	No fixed maturity date
Overseas Oceans	78,230	1 January 2019	No fixed maturity date
Xianyi International Co., Ltd.	30,187	1 January 2019	31 May 2020
Ji'nan Tai Hui Real Estate Development Co., Ltd.	23,100	17 January 2019	No fixed maturity date
Xuchang Chen Heng Real Estate Co., Ltd.	20,000	25 January 2019	25 January 2020
Total	5,239,275		

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 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 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

For the six months ended 30 June 2019

	1 January 2019	Increase in the current period	Decrease in the current period	30 June 2019
China Construction Group	407,401	12,632,338	(8,696,905)	4,342,834
China Construction Water Environmental Protection Co., Ltd.	282,252	348,509	(398,000)	232,761
China Construction e-commerce Co., Ltd.	129,233	310,165	(210,300)	229,098
China Automobile Trade Co., Ltd.	–	57,275	(58)	57,217
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	540,000	25,135	(540,000)	25,135
CSCEC aluminum new materials Co., Ltd.	–	16,001	–	16,001
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	–	3,400	–	3,400
Nanjing CSCEC Gubei Urban Development Co., Ltd.	–	519,109	(519,041)	68
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	–	25,000	(25,000)	–
Total	1,358,886	13,936,932	(10,389,304)	4,906,514

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 ended 30 June 2020	For the six-month period ended 30 June 2019
Overseas Oceans	Trademark use right	160,570	109,060

(8) Other related parties transactions

	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
Key management's remuneration	1,663	2,911

6. Amounts due from related parties**(1) Notes receivable**

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Huizhou Zhongjian Hongsheng Construction Engineering Co., Ltd.	670,000	-	-	-
Hanzhong Zhongjian Xingyuan urban development and Construction Co., Ltd.	336,600	-	-	-
Chengdu Yirong Yijian Engineering Management Co., Ltd.	166,320	-	-	-
Qingdao Fangqian Real Estate Co., Ltd.	59,776	-	50,930	-
Hanzhong Zhongjian pipe gallery construction development Co., Ltd.	59,400	-	-	-
Xiaogan Zhongjian Dongfu Urban Infrastructure Investment Co., Ltd.	29,700	-	-	-
Others	47,827	-	-	-
Total	1,369,623	-	50,930	-

(2) Accounts receivable

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	808,016	(24,702)	1,168,242	(13,642)
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	671,228	(6,690)	651,423	(6,154)
CSCEC Xi'an comprehensive pipe gallery Investment Development Co., Ltd.	565,829	(68,947)	-	-
China Construction Water Affairs Environmental Protection Co., Ltd.	558,733	-	297,404	-
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	508,469	(104,817)	518,241	(103,714)
Xuzhou Rail Transit Investment Development Co., Ltd.	450,655	(20,279)	722,021	(32,491)
Shangang group Ruitai Development Co., Ltd.	392,715	(57,205)	435,363	(46,321)
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	333,140	(6,663)	333,140	(6,663)
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	319,737	-	82,921	-
Shangqiu Haixin Investment Co., Ltd.	286,723	(12,903)	-	-

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(2) Accounts receivable (continued)

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Xuzhou Rail Transit Investment Development Co., Ltd.	270,363	(12,166)	240,975	(10,844)
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	263,918	(5,278)	97,546	(1,951)
Guizhou Leirong Expressway Investment Management Co., Ltd.	254,805	(11,476)	371,768	-
Changsha Zhongjian International Development Co., Ltd.	203,185	-	131,909	-
Zhaotong Zhongjian Construction Investment Development Co., Ltd.	201,601	(37,467)	205,297	(37,467)
Anhui Bengwu Expressway Investment Management Co., Ltd.	200,590	(6,187)	289,727	(9,934)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	191,676	(19,168)	350,728	(15,783)
Jiqing High Speed Railway Co., Ltd.	181,966	(7,777)	145,360	(6,541)
Danjiangkou Haijia Construction Co., Ltd.	177,929	-	308,300	-
Zhuzhong Investment Co., Ltd.	162,336	(1,551)	-	-
Dazhou Dahuan Development Management Co., Ltd.	157,799	(3,156)	157,799	(3,156)
Zhengzhou Zhongjian Zhicheng comprehensive pipe gallery construction management Co., Ltd.	156,943	(7,062)	86,471	(1,729)
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	146,521	(8,013)	146,521	(11,669)
Cangzhou Bohai New Area China Construction Port Construction Management Co., Ltd.	130,392	(69,029)	151,125	(8,363)
CSCEC Wuhan yangsigang road and bridge construction and Operation Co., Ltd.	127,580	(3,982)	-	-
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	121,070	-	123,608	-
Shangang group Ruixiang Real Estate Development Co., Ltd.	120,203	(5,409)	66,831	(3,007)
Luoyang Zhongjian city construction and Development Co., Ltd.	115,744	(114,980)	-	-
Liupanshui Dongda highway investment and Development Co., Ltd.	109,562	(12,056)	129,562	(5,837)
Mianyang Zhongjian Kefa guanlang road investment and Construction Co., Ltd.	106,084	(4,790)	112,670	(5,070)
Dalian CSCEC sponge City Construction Development Co., Ltd.	96,742	(4,368)	79,693	(3,586)
Chengdu Chuantou Airport Construction Co., Ltd.	94,220	(4,240)	-	-
Sanmenxia national highway 31-0 South moving project construction management Co., Ltd.	31,713	(1,148)	495,466	(4,955)
CCCC Jijiao Expressway Investment Development Co., Ltd.	24,662	(1,110)	152,126	(8,504)
China Construction International (Xiangyang) Construction Co., Ltd.	-	-	336,349	-
Xianyi International Co., Ltd.	-	-	156,687	-
Others	3,137,380	(257,566)	2,075,039	(118,587)
Total	11,680,229	(900,185)	10,620,312	(465,968)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(3) Other receivables

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Guangzhou fuchuang Real Estate Development Co., Ltd.	1,412,576	(56,503)	-	-
Guangzhou XingLv Real Estate Development Co., Ltd.	808,792	(32,348)	-	-
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd.	393,269	(15,731)	-	-
Chongqing qingneng Yuehe Real Estate Co., Ltd.	343,449	(13,738)	-	-
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	274,013	(7,044)	220,642	(9,500)
Chongqing Tiancheng Yuanjiang Real Estate Co., Ltd.	229,242	(13,267)	106,889	(8,373)
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	143,220	(5,728)	418,200	(12,546)
Changsha rail China Construction credit and real estate Co., Ltd.	127,027	(5,081)	-	-
Mianyang Zhongjian Kefa guanlang road investment and Construction Co., Ltd.	120,446	(8,414)	192	(6)
China Construction Industry Finance Investment Management (Tianjin) Co., Ltd.	98,704	(98,704)	-	-
Dongguan Zhonghai Century City Education Technology Development Co., Ltd.	95,986	(4,299)	180,486	(11,059)
Dalian CSCEC sponge City Construction Development Co., Ltd.	90,000	(2,700)	90,000	(2,700)
CSCEC Xi'an Urban Construction Investment Co., Ltd.	85,000	(2,550)	-	-
Suzhou Junda National Road 2006 Construction Co., Ltd.	80,442	(5,631)	91,804	(3,686)
Xiamen Haitou Construction Technology Co., Ltd.	74,250	(5,198)	-	-
Zhengzhou Zhongjian Jiagang Real Estate Development Co., Ltd.	60,860	(12,169)	-	-
Qingyang Zhongjian Yuanqing Highway Construction Management Co., Ltd.	54,639	(3,067)	22,029	(704)
China Construction Third Engineering Bureau Xiangyang East West axis construction and Operation Co., Ltd.	53,242	-	-	-
Shantou CSCEC new urbanization Investment Co., Ltd.	52,920	(10,584)	52,920	(3,704)
CSCEC Dacheng Construction Co., Ltd.	51,129	(96)	7,245	(52)
Rizhao China Construction Eighth Bureau culture and Technology Development Co., Ltd.	50,000	(4,000)	450,000	(18,000)
Rizhao Transportation Co., Ltd.	50,000	(4,000)	60,636	(2,425)
Xuchang chengheng Real Estate Co., Ltd.	179	(7)	115,073	(6,712)
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd.	-	-	500,000	(100)
Fast Right Investments Limited	-	-	237,500	-
Panzhuhua China Construction Third Bureau Government Service Center Project Construction Development Co., Ltd.	-	-	68,722	(69)
Others	828,689	(67,341)	230,349	(8,063)
Total	5,578,074	(378,200)	2,852,687	(87,699)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(4) Contract assets

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	785,747	(3,650)	707,917	(3,503)
Hebei xiong'an Citizen Service Center Co., Ltd.	628,459	(1,150)	482,663	(500)
Sanmenxia national highway 31-0 South moving project construction management Co., Ltd.	507,102	(6,371)	186,733	(5,336)
Hebei Chenghong pipe gallery Engineering Co., Ltd.	474,901	(3,625)	204,003	(2,341)
CSCEC new urbanization (Xinjiang) Investment Co., Ltd.	381,314	(2,324)	330,637	(1,945)
Zunyi South Ring Expressway Development Co., Ltd.	345,749	(1,290)	-	-
Luzhou Yangtze River Second Bridge Construction Co., Ltd.	259,662	(11,548)	115,995	(10,857)
China Construction Haoyun Co., Ltd.	259,070	(988)	171,197	(1,006)
Shenzhen Shenshan special cooperation zone Zhongpu Infrastructure Investment Co., Ltd.	224,308	(1,018)	219,214	(993)
Jiqing High Speed Railway Co., Ltd.	211,712	(895)	226,489	(738)
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	158,656	(516)	154,394	(494)
CSCEC Xi'an Xingfu forest belt construction investment Co., Ltd.	150,048	(3,702)	-	-
Hanzhong Zhongjian Xingyuan urban development and Construction Co., Ltd.	121,677	(512)	-	-
Zhuzhong Investment Co., Ltd.	116,398	(349)	-	-
Guangzhou Lihe Real Estate Development Co., Ltd.	116,045	(540)	49,026	(270)
Suzhou Junda National Road 2006 Construction Co., Ltd.	106,956	(697)	-	-
Haikou Qiyue Urban Construction Co., Ltd.	105,449	(503)	100,680	(645)
Fuzhou Strait culture and Art Center construction and Development Co., Ltd.	99,590	(299)	162,101	(611)
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	93,268	(737)	90,280	(451)
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd.	90,783	(382)	-	-
Huaibei Zhongjian Municipal Investment Co., Ltd.	89,554	(330)	-	-
Zhaotong Zhongjian Construction Investment Development Co., Ltd.	89,546	(17,006)	78,776	(23,264)
Shangqiu Zhongjian Yuncheng Urban Construction Development Co., Ltd.	88,621	(419)	21,874	(173)
Shangqiu Haixin Investment Co., Ltd.	87,853	(299)	74,154	(245)
Qingyang Zhongjian Yuanqing Highway Construction Management Co., Ltd.	86,860	(420)	15,191	(76)
Nanjing Kangyuan Real Estate Development Co., Ltd.	84,561	(375)	-	-
Xi'an Zhonghao urban development and Construction Co., Ltd.	81,156	(354)	-	-
Fujian Zhongjian Yuanhong Zhuhai construction and Development Co., Ltd.	79,194	(396)	-	-
Zhengzhou Haichuang urban infrastructure Co., Ltd.	78,558	(312)	-	-
China Construction Development and construction (Foshan) Co., Ltd.	77,735	(426)	-	-
Haitong (Taicang) automobile terminal Co., Ltd.	77,559	(377)	-	-
Nanyang Herui construction and Development Co., Ltd.	77,460	(324)	-	-

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(4) Contract assets (continued)

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Panzhuhua China Construction Third Bureau Government Service Center Project Construction Development Co., Ltd.	74,876	(75)	-	-
China Construction Third Engineering Bureau Shiyan aviation road construction and Operation Co., Ltd.	70,357	(534)	10,005	(34)
Shishi Gongfu transportation construction and Development Co., Ltd.	67,540	(312)	-	-
Xi'an Dingsheng Dongyue Properties Co., Ltd.	65,030	(199)	60,679	(192)
Shangqiu xinhangcheng development and Construction Management Co., Ltd.	51,577	(224)	104,312	(495)
Mianyang Zhongjian Kefa guanlang road investment and Construction Co., Ltd.	35,228	(216)	88,876	(668)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	26,538	(146)	103,072	(442)
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	500	(2)	77,770	(61,237)
Others	2,428,235	(103,174)	868,792	(41,967)
Total	9,055,432	(167,016)	4,704,830	(158,483)

(5) Other current assets

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Shanghai Fu Hong Real Estate Co., Ltd.	2,779,350	(111,174)	2,143,194	(85,728)
CSCEC	2,630,000	(77,322)	2,630,000	(77,322)
Victor Choice Investments Limited	1,763,066	-	-	-
Fast Right Investments Limited	1,141,946	-	813,424	-
Tianjin HDA Real Estate Development Co., Ltd.	936,840	-	961,840	-
Tianjin Chuangda Real Estate Co., Ltd.	816,000	-	-	-
Xuchang Chen Heng real estate Co., Ltd.	809,399	-	809,399	-
KINGTRON ENTERPRISES LIMITED	795,155	-	-	-
Overseas Oceans	652,079	-	585,712	-
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	643,876	-	695,298	-
China Construction Xi'an Infrastructure Construction Investment Co., Ltd.	609,480	(42,664)	609,480	(22,324)
Jinan Zhonghai Dongcheng Real Estate Development Co., Ltd.	527,080	-	-	-
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	504,122	(33,440)	529,122	(26,041)
Shanghai Jiasheng Real Estate Development Co., Ltd.	491,937	-	801,723	-
Guangzhou Zengcheng run Yu Real Estate Co., Ltd.	365,600	-	-	-
Jinjiang zhongyun Sports Construction Development Co., Ltd.	360,000	(10,400)	320,000	(8,800)
Tianjin Shun Ji Property Co., Ltd.	332,668	(55,364)	339,918	(34,729)
Jinyu Jiaying Nanjing Real Estate Development Co., Ltd.	300,000	(14,400)	300,000	(14,400)
Shangqiu Yun Heng Urban Construction Development Co., Ltd.	210,967	(8,000)	210,967	(6,329)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(5) Other current assets (continued)**

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Tianjin Wan Jiang Real Estate Co., Ltd.	189,084	–	213,760	–
Ji'nan Hong Bi Real Estate Co., Ltd.	135,361	(18,472)	225,361	(16,229)
Shenzhen Chuang Liang Cci Capital Ltd.	132,600	–	449,216	–
Wuhan Hongtai Hongli Zhongjian Yipin Real Estate Co., Ltd.	–	–	1,003,971	(1,004)
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	–	–	242,634	(312)
Elite Mind International Limited	–	–	210,181	–
Others	2,533,158	(7,100)	1,299,026	(17,193)
Total	19,659,768	(378,336)	15,394,226	(310,411)

(6) Long-term receivables

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Mianyang Zhongjian Kefa guanlang road investment and Construction Co., Ltd.	120,000	(360)	–	–
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	46,875	(141)	–	–
Qingdao Yufu Real Estate Co., Ltd.	–	–	216,840	(217)
Qingdao Runfu Real Estate Co., Ltd.	–	–	96,855	(97)
Others	22,620	(483)	–	–
Total	189,495	(984)	313,695	(314)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(7) Debt Investments

	30 June 2020		31 December 2019	
	Carrying amount	Impairment provision	Carrying amount	Impairment provision
Ultra Keen Holdings Limited	4,324,054	–	4,235,495	–
TOP REGENT HOLDINGS LIMITED	1,689,193	–	1,643,465	–
Luminous Dream Limited	1,646,291	–	2,637,429	–
Dragon Star H.K. Investments Limited	1,404,851	–	1,360,948	–
Marble Edge Limited	1,256,791	–	1,213,622	–
Qingdao Changming Real Estate Co., Ltd.	900,275	–	882,330	–
Guangzhou Sui Hai Real Estate Co., Ltd.	883,750	–	1,133,750	–
Dazhou Dahuan Development Management Co., Ltd.	732,264	–	719,272	–
Beijing Nanyue Real Estate Development Co., Ltd.	708,470	–	717,487	–
Xiamen Junyi Properties Co., Ltd.	675,600	–	805,938	–
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	672,060	–	665,981	–
Xianyi International Co., Ltd.	513,425	–	749,731	–
Ji'nan Tai Hui real estate development Co., Ltd.	473,167	–	539,167	–
Jiangmen Pengjiang tianque Real Estate Development Co., Ltd.	416,002	–	221,126	–
EMPIRE LAND INVESTMENTS LIMITED	360,380	–	473,088	–
Sanya Bi Hai Jin Cheng Business Management Co., Ltd.	291,558	–	446,258	–
Changsha Yida Chuangzhi Property Development Co., Ltd.	288,524	–	274,103	–
China Construction Xi'an Infrastructure Construction Investment Co., Ltd.	270,050	(2,701)	270,264	(2,703)
Kingtron Enterprises Limited	–	–	672,572	–
Guangzhou Zengcheng run Yu Real Estate Co., Ltd.	–	–	345,600	–
Xiamen Yongjing Bay Real Estate Co., Ltd.	–	–	323,400	–
Others	1,320,651	(13,718)	922,447	(12,328)
Total	18,827,356	(16,419)	21,253,473	(15,031)

Note: As at 30 June 2020, the entrusted loan amounted RMB270,050 thousand lent to a joint venture of the Group, CSCEC Xi'an Infrastructure Construction Investment Co., Ltd. and CSCEC Xi'an Urban Construction Investment Co., Ltd. an associate of the Group, amounted RMB103,547 thousand, are presented in the entrusted loans of Note V (12).

Note: As at 31 December 2019, the entrusted loan amounted RMB270,264 thousand lent to Zhongjian Xi'an Infrastructure Construction Investment Co., Ltd. a joint venture of the Group, and the entrusted loan amounted RMB100,659 thousand lent to Zhongjian Xi'an Urban Construction Investment Co., Ltd. an associate of the Group, are presented in the entrusted loan of Note V (12).

X. Related party relationships and transactions (continued)

7. Payables to related parties

(1) Accounts payable

	30 June 2020	31 December 2019
Zhengzhou Yirongyijian Supply Chain Management Co., Ltd.	831,315	1,244,520
CSCEC Electronic Commerce Co., Ltd.	653,213	264,269
CSCEC Road & Bridge Group Co., Ltd.	290,646	386,450
CSCEC-Dacheng Construction Ltd.	233,957	130,934
Qufu Nishan cultural tourism real estate Co., Ltd.	139,575	–
Beijing China Construction Zhongchao Concrete Co., Ltd.	64,641	40,110
Shandong Zhongcheng Machinery Leasing Co., Ltd.	41,915	116,444
China Construction Technology Jingmen Co., Ltd.	38,138	35,646
Sichuan Xijianzhong Machinery Co., Ltd.	28,726	37,882
China Construction Chia Tai Technology Co., Ltd.	27,167	28,598
Beijing China Construction Runtong Electrical Engineering Construction Co., Ltd.	26,150	37,695
Others	517,617	370,568
Total	2,893,060	2,693,116

(2) Other Payables

	30 June 2020	31 December 2019
Nanjing CSCEC Gubei Urban Development Co., Ltd.	1,026,074	–
Fast Right Investments Limited	980,000	995,000
Sunrise JV Limited	918,376	924,473
Kingtron Enterprises Limited	780,000	765,000
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	645,750	706,500
Xi'an Dingsheng Dongyue Properties Co., Ltd.	639,942	639,942
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	550,000	200,000
Suzhou Maolong Real Estate Development Co., Ltd.	543,150	–
Shantou CSCEC new urbanization Investment Co., Ltd.	500,000	–
Xi'an Hehui Xingshang Properties Co., Ltd.	475,000	550,000
China Shipping Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	403,110	469,363
Guangzhou Lihe Real Estate Development Co., Ltd.	372,616	–
Zhengzhou Yirongyijian Supply Chain Management Co., Ltd.	288,962	387,848
China Resources (Taiyuan) Land Co., Ltd.	275,500	275,000
Qingdao Yuefu Real Estate Co., Ltd.	259,924	–
Qingdao Zefu Real Estate Co., Ltd.	218,496	–
Henan Haichuang Investment Co., Ltd.	185,987	–
Qingdao tengmao Real Estate Co., Ltd.	175,122	–
Guangzhou Ivrong Real Estate Development Co., Ltd.	167,433	–

X. Related party relationships and transactions (continued)**7. Payables to related parties (continued)****(2) Other Payables (continued)**

	30 June 2020	31 December 2019
Zhengzhou Zhongjian Jiagang Real Estate Development Co., Ltd.	151,060	–
China Construction Group	142,473	–
Qingdao Songmao Real Estate Co., Ltd.	141,066	–
Beijing Zhonghai excellence urban rural construction investment fund (limited partnership)	132,389	–
Guizhou leirong Expressway Investment Management Co., Ltd.	131,988	–
Guiheng Investment Co., Ltd.	120,000	410,000
Suzhou Mu Du Zhong Xin land Co., Ltd.	111,486	222,021
Speedy Champ Investments Limited	107,227	1,261,544
Shandong China Overseas Huachuang Real Estate Co., Ltd.	83,026	498,026
Dongguan Jiafang Real Estate Development Co., Ltd.	73,764	382,810
ELITE MIND INTERNATIONAL LIMITED	–	393,596
Wuhan Yangsigang road and bridge construction and operation Co. Ltd.	–	254,930
Zhengzhou public Zhongcheng Luqiao Construction Management Co., Ltd.	–	222,488
Others	2,408,184	2,303,737
Total	13,008,105	11,862,278

(3) Contract Liabilities

	30 June 2020	31 December 2019
CSCEC Chengdu rail transit investment and Construction Co., Ltd.	3,385,841	–
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,392,256	746,159
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,342,019	1,003,852
Yunnan Huali expressway investment and Development Co., Ltd.	955,573	–
China construction Wuhan Huangxiahe airport river environment comprehensive treatment construction operation Co., Ltd.	750,035	434,611
Huizhou Zhongjian municipal fifth Road Investment Co., Ltd.	369,754	32
Shangqiu Yunheng Urban Construction Development Co., Ltd.	299,722	–
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	299,228	–
Zhoukou Xintong Urban Construction Development Co., Ltd.	279,852	–
Anhui Bengwu Expressway Investment Management Co., Ltd.	278,057	240,112
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	272,142	–
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd.	271,344	–
Sanmenxia national highway 31-0 South moving project construction management Co., Ltd.	261,075	–
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	250,047	–
CSCEC Xi'an comprehensive pipe gallery Investment Development Co., Ltd.	245,091	–
Chengdu changtuo Dongjin Construction Co., Ltd.	243,518	–
Zhengzhou public Zhongcheng Luqiao Construction Management Co., Ltd.	241,503	202,227
Xuzhou Metro Line Three Investment Development Co., Ltd.	222,796	199,433
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	198,299	284,268

X. Related party relationships and transactions (continued)**7. Payables to related parties (continued)****(3) Contract Liabilities (continued)**

	30 June 2020	31 December 2019
Shanghai Port Group Israel Haifa New Port Wharf Co., Ltd.	149,701	234,303
Haikou tuoyi Real Estate Co., Ltd.	145,740	114,815
Xuzhou Metro Line One Investment Development Co., Ltd.	140,357	186,597
Xianning Dazhou lake ecological construction and Operation Co., Ltd.	93,657	463,975
Shanghai International (Group) Ruitai Development Co., Ltd.	84,974	208,037
Hangzhou Chengtou Wulin Investment Development Co., Ltd.	60,413	117,464
Jingzhou huanchanghu construction and Operation Co., Ltd.	31,800	147,784
Xi'an Zhonghao urban development and Construction Co., Ltd.	17,279	–
Xiaogan Zhongjian Dongfu Urban Infrastructure Investment Co., Ltd.	15,175	–
Chengdu Yirong Yijian Engineering Management Co., Ltd.	14,766	–
Xianning CSCEC Urban Infrastructure Investment Co., Ltd.	13,050	–
Yongcheng Yunpeng Urban Construction Co., Ltd.	6,202	–
Xinxiang Zhongjian Hongtu Real Estate Co., Ltd.	5,978	–
Nanyang Fengrong Real Estate Co., Ltd.	5,693	–
Yichang urban pipe gallery construction and Operation Co., Ltd.	5,612	147,150
Beijing Zhengde Fengze Real Estate Development Co., Ltd.	5,019	–
Zhengzhou Zhongjian Hailin Real Estate Development Co., Ltd.	4,381	–
Zhengzhou Binshui Real Estate Co., Ltd.	3,841	–
Wenzhou Zhongjian Investment Co., Ltd.	2,172	–
Fast Shift Investments Limited	–	547,363
Others	2,966,751	1,268,020
Total	15,330,713	6,546,202

(4) Entrusted loans

	30 June 2020	31 December 2019
CSCEC	2,002,111	2,000,000
Jinmao Investment (Changsha) Co., Ltd.	540,000	440,000
Total	2,542,111	2,440,000

(5) Long-term Payables

	30 June 2020	31 December 2019
Sunrise JV Limited	2,400,000	2,400,000
Others	160,331	129,304
Total	2,560,331	2,529,304

XI. Share-based payment

1. Overview

	For the six months ended 30 June 2020	2019
Number of restricted shares unlocked	–	112,527,800
Number of restricted shares forfeited	–	10,604,200
The remaining term of the contract of the outstanding stock options at the end of the year/period	2.5	3.0

	For the six months ended 30 June 2020	2019
Total amount of employee services in exchange for share based payment	228,179	554,496

The equity-settled share-based payment is as follows:

	For the six months ended 30 June 2020	2019
Accumulated amount of equity-settled share-based payment in capital surplus	1,402,396	1,174,217
Total expenses recognised in equity-settled share-based payment	228,179	554,496

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 second 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)

- (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.

(3) Increase/decrease of restricted shares in the reporting period

	For the six months ended 30 June 2020	2019
Number of restricted shares at the beginning of the period/year	709,868,803	833,000,803
Number of restricted shares unlocked in current period/year	–	(112,527,800)
Number of restricted shares forfeited in current period/year	–	(10,604,200)
Number of restricted shares at the end of the period/year	709,868,803	709,868,803

(4) The impact on the Company's financial position and operating results from restricted shares is as follows:

	For the six months ended 30 June 2020	2019
Total expenses recognised in equity-settled share-based payment	228,179	554,496
	30 June 2020	31 December 2019
Accumulated amount of equity-settled share-based payment in capital surplus	1,402,396	1,174,217

(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. As at 30 June 2020, 98,280,000 share options were granted for the plan (31 December 2019: 102,310,000).

The fair value of the Share Options was determined by the Binomial Options Pricing Model. For the six months ended 30 June 2020, the relevant cost was RMB73,058 thousand arising from staff services. (For the 2019: RMB205,425 thousand).

XII. Commitments and Contingencies

1. Commitments

(a) Capital commitments

	30 June 2020	31 December 2019
Contracted, but not provided for Capital commitments	4,526,426	4,276,122

(b) Investment commitments

The Group's significant investment commitments for the subsequent years are as follows:

Investee/Project	Total investment amounts	Investment amount as at 30 June 2020	Retained investment amounts
Yunnan Huali expressway Investment Development Co., Ltd.	2,561,000	790,000	1,771,000
Guizhou leirong Expressway Investment Management Co., Ltd.	1,866,951	742,344	1,124,607
Anhui Province Yuehuang Expressway Co., Ltd.	1,121,855	224,000	897,855
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	1,275,000	478,824	796,176
Zhongjian Xi'an Urban Construction Investment Co., Ltd.	708,040	3,000	705,040
Qingyang Zhongjianyuanqing Highway Construction Management Co., Ltd.	763,500	100,000	663,500
Wuhan Zhongjianwudi development and Construction Co., Ltd.	600,300	150,000	450,300
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	1,328,670	900,000	428,670
Anhui Bengwu Expressway Investment Management Co., Ltd.	939,750	559,787	379,963
Guizhou Weng Ma Railway North South extension line Co., Ltd.	415,160	50,560	364,600
Zhengzhou Muhai Industrial Co., Ltd.	330,000	–	330,000
Xuzhou Rail Transit Investment Development Co., Ltd.	400,000	111,000	289,000
CSCEC International (Xiangyang) Construction Co., Ltd.	500,500	217,700	282,800
CSCEC Haijia (Foshan) Investment and Construction Co., Ltd.	658,960	401,649	257,311
Shantou CSCEC new urbanization Investment Co., Ltd.	400,000	147,080	252,920
Qingyuan Fourth Construction Bureau Yuejian Investment Development Co., Ltd.	271,180	24,450	246,730
Zhongshan Cuiheng new area water conservancy investment and Construction Co., Ltd.	429,954	189,000	240,954
Liupanshui Dongda Expressway Investment Development Co., Ltd.	696,542	506,721	189,821
Nanjing Kangyuan Real Estate Development Co., Ltd.	352,800	176,400	176,400
Yuxi Zhongjian Chengnan pipe gallery construction and Operation Co., Ltd.	121,500	–	121,500
Hengshui Zhongjian Harbin Institute Project Management Co., Ltd.	300,000	180,000	120,000
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	610,000	509,640	100,360
Fuqing Zhongjian Ronghai construction and Development Co., Ltd.	80,000	10,000	70,000
Zunyi South Ring Expressway Development Co., Ltd.	1,056,840	1,000,000	56,840
Qufu Nishan cultural tourism real estate Co., Ltd.	436,617	393,956	42,661
Putian Puyang University Construction Co., Ltd.	32,900	10,000	22,900
CSCEC integrated housing (Fujian) Co., Ltd.	15,000	–	15,000
China construction infrastructure investment and Development Co., Ltd.	20,000	16,000	4,000

In addition, the Group's other investment commitments in the future were approximately RMB4.3 billion.

XII. Commitments and Contingencies (continued)

2. Operating lease commitments

The Group had total future minimum lease payments under non-cancellable leases with its lessors falling due as follows:

	30 June 2020	31 December 2019
Within 1 year	785,250	585,259
1 to 2 years	509,217	210,325
2 to 3 years	300,328	142,339
Over 3 years	223,697	183,909
Total	1,818,492	1,121,832

3. Contingencies

	30 June 2020	31 December 2019	
Contingent liabilities arising from pending litigations or arbitrations	8,182,452	6,069,121	Notes 1
Contingent liabilities arising from the provision of guarantees	78,008,602	73,144,373	Notes 2
Total	86,191,054	79,213,494	

Notes 1: As at 30 June 2020 and 31 December 2019, pending litigations in which the Group was the defending party are listed as follows:

	30 June 2020 Disputed value	31 December 2019 Disputed value
China Construction Third Engineering Bureau Co.,Ltd.	2,520,966	1,824,125
China Construction Seventh Engineering Division. Corp.Ltd	1,191,025	1,018,443
China Construction Eighth Engineering Division. Corp.Ltd.	890,015	204,073
Jilin Zhongjian Construction Engineering Co., Ltd.	763,047	950,963
China Construction First Building (Group) Corporation Limited	748,040	265,207
China Overseas Holdings Limited	697,865	508,408
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	334,047	97,958
The Company	274,490	219,702
China Construction Fifth Engineering Division Corp.,Ltd.	255,820	187,035
China Construction Decoration Group Ltd.	190,390	214,739
China Construction Second Engineering Bureau Ltd.	113,121	100,479
China Construction Engineering Design Group Corporation Limited	104,577	261,407
China Construction (Siping) infrastructure development Co., Ltd.	63,871	20,947
China Northwest design and Research Institute Co., Ltd.	30,464	–
China Construction Fourth Engineering Division Corp.Ltd.	3,565	141,034
China Construction Sixth Engineering Bureau Co., Ltd.	1,149	–
China Construction Port and Shipping Bureau Group Co., Ltd.	–	29,811
China Southwest Geotechnical Investigation&Design Institute Co.,Ltd.	–	24,790
Total	8,182,452	6,069,121

Note: The above pending litigations are mostly related with project quality, progress payment, etc. Please refer to Note V, 39 for the progress of litigation matters at 30 June 2020 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)

3. Contingencies (continued)

Notes 2: As at 30 June 2020 and 31 December 2019, the Group's external guarantees are listed as follows:

	30 June 2020 Guarantee amount	31 December 2019 Guarantee amount
Mortgage guarantee provided to property owners (Note)	72,284,845	67,602,266
Guarantees for bank loan	5,723,757	5,542,107
Total	78,008,602	73,144,373

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 2020 and for the year of 2019, 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

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.	Housing rental special corporate bonds	2,000,000	August 13 2020	3.20
China Construction International Group Co., Ltd.	Corporate bonds (first issue)	2,000,000	July 30 2020	3.48
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short term financing bonds	1,000,000	July 27 2020	1.60
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short term financing bonds	1,000,000	August 17 2020	1.85
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short term financing bonds	500,000	July 28 2020	1.49

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 intersegment transactions are transacted with reference to the prices used for transactions made to third parties at then prevailing market prices.

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	(1,639,497)	(1,665,711)	(197,668)	(37,421)	(439,146)	(421)	-	(3,979,864)
Asset impairment (losses)/reversal	(4,296)	-	169,139	-	125	-	-	164,968
Depreciation and amortisation	(2,369,207)	(737,155)	(892,471)	(69,438)	(455,949)	(23,756)	-	(4,547,976)
Profit 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

For the six months ended 30 June 2019

	For the six months ended 30 June 2019							
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	Total
Sale to external customers	434,305,976	140,454,690	97,703,703	5,040,661	7,914,285	-	-	685,419,315
Intersegment sales	10,925,000	32,923	7,664	2,440	1,306,981	-	(12,275,008)	-
Total	445,230,976	140,487,613	97,711,367	5,043,101	9,221,266	-	(12,275,008)	685,419,315
Cost of goods sold	(422,606,818)	(128,201,775)	(65,790,142)	(4,221,051)	(6,426,972)	-	11,245,966	(616,000,792)
Credit impairment losses	(789,785)	(445,020)	(97,799)	(36,216)	(126,955)	(1,978)	-	(1,497,753)
Assets impairment (losses)/reversal	(10,072)	(1,691)	1,218,953	(1,071)	(477)	-	-	1,205,642
Depreciation and amortisation	(2,464,372)	(818,612)	(846,425)	(65,609)	(412,838)	(73,729)	-	(4,681,585)
Profit before income taxes	11,875,322	8,798,812	23,928,117	188,720	891,354	(2,772,887)	(955,058)	41,954,380
Less: Income tax expenses								(9,808,018)
Net profit								32,146,362
Total segment assets	479,381,589	403,874,406	771,732,405	12,736,695	235,035,822	157,864,710	(126,757,077)	1,933,868,550
Total segment liabilities	355,011,239	318,342,070	407,850,598	6,923,799	176,773,048	341,908,648	(126,662,361)	1,480,147,041

XIV. Other important matters (continued)

1. Segment reporting (continued)

Other information

Information about products and services

Revenue from external customers

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Building construction engineering	464,365,337	434,305,976
Infrastructure construction and investment	144,408,601	140,454,690
Real estate development and investment	108,624,505	97,703,703
Prospecting and design	3,935,982	5,040,661
Others	6,853,342	7,914,285
Total	728,187,767	685,419,315

Geographic information

Revenue from external customers

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Mainland China	690,298,352	638,375,198
In other countries/geographical regions	37,889,415	47,044,117
Total	728,187,767	685,419,315

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

Non-current assets

	30 June 2020	31 December 2019
Mainland China	258,835,942	260,947,653
In other countries/geographical regions	42,278,728	30,635,140
Total	301,114,670	291,582,793

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.

XIV. Other important matters (continued)

2. Leases

As lessee

Finance Leases: As at 30 June 2020, the unrecognized financing charge amounted to RMB21,074 thousand (2019: RMB23,679 thousand), which was amortised using the effective interest method over each period of the lease term. The Group had total future minimum lease payments under non-cancellable leases with its tenants lessors falling due as follows:

	30 June 2020	31 December 2019
Within 1 year, inclusive	141,303	169,689
1 to 2 years, inclusive	160,165	152,288
2 to 3 years, inclusive	34,926	63,574
Over 3 years	27,567	28,441
Total	363,961	413,992

As a lessee, the operating lease commitments refer to note XII, 2 for details.

XV. Notes to the Company's financial statements

1. Accounts receivable

The aging analysis of accounts receivable is as follows:

	30 June 2020	31 December 2019
Within 1 year	21,090,338	23,888,813
1-2 years	5,479,573	2,659,068
2-3 years	869,561	2,436,807
3-4 years	2,147,369	388,734
4-5 years	32,709	201,669
Over 5 years	520,150	341,097
	30,139,700	29,916,188
Less: Provision for impairment	(1,999,518)	(1,829,600)
Total	28,140,182	28,086,588

Provision for impairment of accounts receivable are as follows:

For the six months ended 30 June 2020:

Opening balance of the period	Provision during the period	Reversal during the period	Write-off during the period	Other movement during the period	Closing balance of the period
1,829,600	485,004	291,297	–	(23,789)	1,999,518

2019

Balance at the end of prior year	Changes in accounting policies	Opening balance at the beginning of the year	Provision during the year	Reversal during the year	Transfer during the year	Other movement during the year	Closing balance of the year
1,583,960	585,495	2,169,455	595,711	891,982	52,441	8,857	1,829,600

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

Accounts receivable and impairment allowance are disclosed by category:

	30 June 2020			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Provision ratio (%)
Impairment allowance individually accrued	13,508,863	44.82	1,026,160	7.60
Impairment allowance accrued by credit risk portfolio	16,630,837	55.18	973,358	5.85
Total	30,139,700	100.00	1,999,518	6.63

	31 December 2019			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Provision ratio (%)
Impairment allowance individually accrued	14,609,339	48.83	1,009,564	6.91
Impairment allowance accrued by credit risk portfolio	15,306,849	51.17	820,036	5.36
Total	29,916,188	100.00	1,829,600	6.12

As at 30 June 2020, impairment allowance of accounts receivable individually accrued is as follows:

	Amount	Impairment	Expected credit loss ratio (%)	Reasons
Company 1	2,034,171	447,517	22.00	Recovery possibility
Company 2	480,363	103,563	21.56	Recovery possibility
Company 3	333,140	6,663	2.00	Recovery possibility
Company 4	270,299	210,371	77.83	Recovery possibility
Company 5	225,343	141,372	62.74	Recovery possibility
Other	10,165,547	116,674	1.15	Recovery possibility
Total	13,508,863	1,026,160		

As at 31 December 2019, impairment allowance of accounts receivable individually accrued is as follows:

	Amount	Impairment	Expected credit loss ratio (%)	Reasons
Company 1	2,004,490	440,988	22.00	Recovery possibility
Company 2	517,409	103,677	20.04	Recovery possibility
Company 3	495,466	4,955	1.00	Recovery possibility
Company 4	378,603	22,419	5.92	Recovery possibility
Company 5	270,299	210,371	77.83	Recovery possibility
Other	10,943,072	227,154	2.08	Recovery possibility
Total	14,609,339	1,009,564		

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 2020			31 December 2019		
	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	4,786,106	2.00%	95,722	4,871,767	2.00%	97,435
1-2 years	664,836	5.00%	33,242	818,301	5.00%	40,915
2-3 years	167,238	15.00%	25,086	133,891	15.00%	20,084
3-4 years	85,356	30.00%	25,607	19,147	30.00%	5,744
4-5 years	–	45.00%	–	–	45.00%	–
Over 5 years	10,382	100.00%	10,382	10,382	100.00%	10,382
Total	5,713,918		190,039	5,853,488		174,560

Portfolio 2

	30 June 2020			31 December 2019		
	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	820,070	6.00%	49,204	2,025,215	6.00%	121,513
1-2 years	650,181	12.00%	78,076	137,901	12.00%	16,548
2-3 years	19,887	25.00%	4,972	216	25.00%	54
3-4 years	17,929	45.00%	8,068	25,154	45.00%	11,319
4-5 years	–	70.00%	–	–	70.00%	–
Over 5 years	–	100.00%	–	268	100.00%	268
Total	1,508,067		140,320	2,188,754		149,702

Portfolio 3

	30 June 2020			31 December 2019		
	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	7,879,313	4.50%	354,568	6,345,230	4.50%	285,535
1-2 years	1,047,021	10.00%	104,702	576,856	10.00%	57,686
2-3 years	353,994	20.00%	70,799	228,193	20.00%	45,639
3-4 years	24,973	40.00%	9,989	9,258	40.00%	3,703
4-5 years	1,745	65.00%	1,134	5,312	65.00%	3,453
Over 5 years	101,806	100.00%	101,807	99,758	100.00%	99,758
Total	9,408,852		642,999	7,264,607		495,774

XV. Notes to the Company's financial statements (continued)

1. Accounts receivable (continued)

For the six months ended 30 June 2020, impairment allowance amounted to RMB485,004 thousand (2019:RMB595,711 thousand), reversal or collection of impairment amounted to RMB291,297 thousand (2019: RMB891,982 thousand).The major amount reversal or collection are as follows:

	Reason for reversal/ collection	Basis for determining the impairment allowance	Amount of reversal/ collection	Way of collection
Company 1	Accounts receivable of project collected	Individually accrued	27,316	Cash
Company 2	Accounts receivable of project collected	Collectively accrued	15,899	Cash
Company 3	Accounts receivable of project collected	Collectively accrued	14,792	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	13,625	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	12,735	Cash
others	Accounts receivable of project collected	Individually and collectively accrued	206,930	Cash
Total			291,297	

For the six months ended 30 June 2020, the Company has no accounts receivable written-off (2019:RMB52,441 thousand).

As at 30 June 2020, the five largest accounts receivable according to customers are as follows:

	Amount	Amount of impairment allowance	% of total accounts receivable
Total amount of the five largest accounts receivable	4,951,704	550,133	16.43%

As at 31 December 2019, the five largest accounts receivable according to customers are as follows:

	Amount	Amount of allowance for impairment	% of total accounts receivable
Total amount of the five largest accounts receivable	5,107,065	473,479	17.07%

2. Other receivables

	30 June 2020	31 December 2019
Dividends receivables	5,671,406	1,173,991
Interest receivables	4,414	3,157
Others receivables	20,385,638	21,392,563
Total	26,061,458	22,569,711

XV. Notes to the Company's financial statements (continued)**2. Other receivables (continued)**

Other receivables

The aging analysis of other receivables is as follows:

	30 June 2020	31 December 2019
Within 1 years	22,245,822	16,322,284
1-2 years	2,603,133	3,933,831
2-3 years	931,983	1,097,297
3-4 years	73,646	1,232,786
4-5 years	144,301	157,518
over 5 years	754,813	664,620
	26,753,698	23,408,336
Less: Provision for impairment	(692,240)	(838,625)
Total	26,061,458	22,569,711

Natures of other receivables are as follows:

	30 June 2020	31 December 2019
Receivables from related parties	18,611,926	20,073,488
Deposits and petty cash receivable	890,628	1,150,454
Dividends receivable	5,671,406	1,173,991
Others	1,579,738	1,010,403
	26,753,698	23,408,336
Less: Provision for impairment	(692,240)	(838,625)
Total	26,061,458	22,569,711

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

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:

For the six months ended 30 June 2020

	Stage 1 12-month expected credit losses	Stage 3 credit losses 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	(200)	200	–
– Transfer to Stage 1	1,462	(1,462)	–
Accrual	43,171	869	44,040
Reversal	(27,252)	(160,807)	(188,059)
Write-off	(370)	–	(370)
Other changes	41,893	(43,889)	(1,996)
Closing balance	94,392	597,848	692,240

2019

	Stage 1 12-month expected credit losses	Stage 3 credit losses Credit-impaired financial assets (Lifetime expected) credit losses)	Total
Opening balance	92,591	788,881	881,472
Accrual	15,425	1,021,127	1,036,552
Reversal	(26,086)	(45,097)	(71,183)
Write-off	(2,061)	(1,008,400)	(1,010,461)
Other changes	(44,181)	46,426	2,245
Closing balance	35,688	802,937	838,625

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

For the six months ended 30 June 2020

	Stage 1 12-month expected credit losses	Stage 3 credit losses Credit-impaired financial assets (Lifetime expected) credit losses)	Total
Opening balance	22,553,132	855,204	23,408,336
Changes due to the opening balance			
– Transfer to Stage 3	(225)	225	–
– Transfer to Stage 1	2,286	(2,286)	–
Accrual	10,042,598	892,899	10,935,497
Reversal	(7,322,943)	(180,373)	(7,503,316)
Write-off	(2,023)	–	(2,023)
Other changes	819,209	(904,005)	(84,796)
Closing balance	26,092,034	661,664	26,753,698

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

Other receivables (continued)

2019

	Stage 1 12-month expected credit losses	Stage 3 credit losses Credit-impaired financial assets (Lifetime expected) credit losses)	Total
Opening balance	21,021,896	807,605	21,829,501
Changes due to the opening balance			
– Transfer to Stage 3	(1,095,010)	1,095,010	–
Accrual	10,424,391	1,275	10,425,666
Reversal	(7,734,038)	(87,968)	(7,822,006)
Write-off	(19,321)	(1,008,539)	(1,027,860)
Other changes	(44,786)	47,821	3,035
Closing balance	22,553,132	855,204	23,408,336

The amount of impairment allowance for the six months ended 30 June 2020 is RMB44,040 thousand (2019: RMB1,036,552 thousand), reversal or collection of impairment amounted to RMB188,059 thousand (2019: RMB71,183 thousand). The major amount reversal or collection 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	Receivable collected	Individually accrued	149,579	Cash
Company 2	Receivable collected	Individually accrued	16,000	Cash
Company 3	Receivable collected	Individually accrued	3,264	Cash
Company 4	Receivable collected	Collectively accrued	1,247	Cash
Company 5	Receivable collected	Collectively accrued	1,052	Cash
Others	Receivable collected	Individually and collectively accrued	16,917	Cash
Total			188,059	

For the six months ended 30 June 2020, the written-off of other receivables amounted to RMB370 thousand (2019: RMB1,010,461 thousand).

XV. Notes to the Company's financial statements (continued)

2. Other receivables (continued)

Other receivables (continued)

As at 30 June 2020, other receivables from the five largest customers are as follows:

	Closing balance	% of total balance	Relation to the Company	Aging	Provision for impairment amount
Company 1	1,705,027	6.37	Due from Related parties	Within 1 year	–
Company 2	1,702,051	6.36	Due from Related parties	Within 1 year	–
Company 3	1,058,251	3.96	Due from Related parties	Within 1 year	–
Company 4	942,402	3.52	Due from Related parties	Within 1 year and 1-2 years	–
Company 5	772,226	2.89	Due from Related parties	Within 1 year	–
Total	6,179,957	23.10			–

As at 31 December 2019, other receivables from the five largest customers are as follows:

	Closing balance	% of total balance	Relation to the Company	Aging	Provision for impairment amount
Company 1	3,417,687	14.60	Due from Related parties	Within 1 year and 1-5 years	–
Company 2	1,760,500	7.52	Due from Related parties	1-5 years	–
Company 3	1,005,000	4.29	Due from Related parties	1-4 years	–
Company 4	965,546	4.12	Due from Related parties	Within 1 year	–
Company 5	915,324	3.91	Due from Related parties	Within 1 year	–
Total	8,064,057	34.44			–

3. Long-term equity investments

	30 June 2020	31 December 2019
Subsidiaries	167,010,698	162,880,983
Subsidiaries under direct control	159,661,198	156,768,828
Subsidiaries under indirect control	7,349,500	6,112,155
Joint ventures	5,478,819	4,457,648
Associates	4,066,876	4,144,278
	176,556,393	171,482,909
Less: Impairment allowance	759,180	759,180
Total	175,797,213	170,723,729

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(1) Subsidiaries under direct control

For the six months ended 30 June 2020

	Opening balance of the period	Current period movement during the period	Closing balance of the period	Cash dividend declared in the current period
China Overseas Holdings Limited	49,444,328	–	49,444,328	4,000,000
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	1,265,320
China Construction Fifth Engineering Bureau Ltd.	6,413,789	–	6,413,789	2,677,780
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	4,219,130
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	–	10,194,030	920
China State Construction Finance Co., Ltd.	4,724,554	–	4,724,554	162,064
China Construction America, Inc.	2,655,833	–	2,655,833	–
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	–
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,641,967	–	2,641,967	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	–	1,166,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	886,096	–	886,096	–
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	7,680	13,403,477	327,490
Total	156,768,828	2,892,370	159,661,198	22,650,574

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(1) Subsidiaries under direct control (continued)

2019

	Opening balance of the year	Current period movement during the year	Closing balance of the year	Cash dividend declared in the current year
China Overseas Holdings Limited	49,444,328	–	49,444,328	7,281,230
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	667,230
China Construction Second Engineering Bureau Ltd.	5,209,149	–	5,209,149	1,057,710
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	2,591,010
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	405,030
China Construction Fifth Engineering Bureau Ltd.	6,413,789	–	6,413,789	1,096,970
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	18,620
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	1,100,620
China Construction Eighth Engineering Bureau Ltd.	10,139,151	–	10,139,151	2,401,450
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	–
Shenzhen China Overseas Investment Management Co., Ltd.	3,601,537	–	3,601,537	–
Infrastructure Business of China State Construction	3,855,956	6,338,074	10,194,030	–
China State Construction Finance Co., Ltd.	4,724,554	–	4,724,554	–
China Construction America, Inc.	2,655,833	–	2,655,833	–
China State Construction Development Co., Ltd.	1,400,947	10,000	1,410,947	18,000
China State Construction Shandong Investment Co., Ltd.	1,000,000	(1,000,000)	–	–
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.	2,292,614	349,353	2,641,967	124,540
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	–	520,630	–
China Construction Decoration Group Ltd.	548,375	–	548,375	–
China Construction Capital Holding Co., Ltd.	3,000,000	–	3,000,000	–
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	833,000	333,000	1,166,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	553,096	333,000	886,096	–
China Construction North Investment Co., Ltd.	816,435	87,546	903,981	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	–	1,200,000	1,200,000	–
Others	10,161,447	3,234,350	13,395,797	129,588
Total	145,883,505	10,885,323	156,768,828	16,891,998

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 2020

	Opening balance of the period	Current period movement during the period	Closing balance of the period	Cash dividend declared in the current period
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	49,270
West Construction	942,264	–	942,264	13,188
China Construction Installation Engineering Co., Ltd.	837,305	–	837,305	3,370
CSCES 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	105,800
China Construction Wuhan Construction Investment Co., Ltd.	60,000	–	60,000	–
China Construction Bridge Co., Ltd.	300,000	–	300,000	–
Others	250,690	1,237,345	1,488,035	–
Total	6,112,155	1,237,345	7,349,500	771,902

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(2) Subsidiaries under indirect control (continued)

2019

	Opening balance of the year	Current period movement during the year	Closing balance of the year	Cash dividend declared in the current year
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	39,870
West Construction	942,264	–	942,264	10,860
China Construction Installation Engineering Co., Ltd.	837,305	–	837,305	–
CSCES Technology and Engineering Co., Ltd. (Formerly known as China Construction Steel Structure Corp. Ltd)	739,664	–	739,664	–
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
Nanning China Construction Yongshen City Construction Investment Co., Ltd.	356,700	(356,700)	–	–
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 Construction Chongqing Infrastructure Investment Co., Ltd	180,000	(180,000)	–	–
China State Construction Foshan Transportation Joint Investment Co, Ltd.	4,800	–	4,800	15,800
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 Langiang Infrastructure Investment and Development Co, Ltd.	45,000	(45,000)	–	–
China Construction Science & Technology Co., Ltd	700,000	(700,000)	–	–
China Construction Bridge Co., Ltd	300,000	–	300,000	–
China Construction South Investment Co., Ltd	1,000,000	(1,000,000)	–	–
China Construction Zhejiang Investment Co, Ltd	816,424	(816,424)	–	–
China Construction East China Investment Co., Ltd	485,000	(485,000)	–	–
Others	1,362,820	(1,112,130)	250,690	–
Total	10,807,409	(4,695,254)	6,112,155	66,530

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 2020

	Opening balance of the period	Movement during the period					Closing balance of the period
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
Joint ventures							
Zhaotong CSCEC Construction Investment Development Co., Ltd.	504,445	-	(3,587)	-	-	-	500,858
China Railway Construction Capital Construction Investment Co., Ltd.	500,023	-	-	-	-	-	500,023
CSCEC Road & Bridge Group Co., Ltd.	409,465	-	6,756	-	-	-	416,221
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	325,180	184,460	-	-	-	-	509,640
Changsha CSCEC Chengtou Pipe Well Development Investment Co., Ltd.	320,063	-	83	-	-	-	320,146
CSCES Zhanjiang Dadao Investment and Construction Co., Ltd.	318,458	13,222	(3,342)	-	-	2,644	330,982
ASEC CEMENT SPA	289,048	-	(293)	-	-	(18,767)	269,988
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co.	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	-	-	-	-	-	229,225
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	227,360	-	(123)	-	-	-	227,237
Xuzhou Metro Line Three Investment Development Co., Ltd.	100,000	-	-	-	-	-	100,000
CSCEC-Dacheng Construction Ltd	94,205	50,000	(13,255)	-	-	-	130,950
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	58,800	-	-	-	-	-	58,800
Others	577,800	581,491	(3,810)	-	-	-	1,155,481
Total	4,457,648	1,054,865	(17,571)	-	-	(16,123)	5,478,819

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(3) Joint ventures (continued)

2019

	Opening balance of the year	Movement during the year					Closing balance of the year
		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.	511,431	-	(6,986)	-	-	-	504,445
China Railway Construction Capital Construction Investment Co., Ltd.	375,477	-	124,546	-	-	-	500,023
CSCEC Road & Bridge Group Co., Ltd.	330,703	-	28,952	345	-	49,465	409,465
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	-	325,180	-	-	-	-	325,180
Changsha CSCEC Chengtou Pipe Well Development Investment Co., Ltd.	300,218	19,800	45	-	-	-	320,063
CSCES Zhanjiang Dadao Investment and Construction Co., Ltd.	16,000	314,539	(12,081)	-	-	-	318,458
ASEC CEMENT SPA	287,279	-	(437)	-	-	2,206	289,048
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co.	268,484	-	-	-	-	-	268,484
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	-	235,092	-	-	-	-	235,092
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,225	-	-	-	-	-	229,225
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	227,019	-	341	-	-	-	227,360
Xuzhou Metro Line Three Investment Development Co., Ltd.	100,000	-	-	-	-	-	100,000
CSCEC-Dacheng Construction Ltd	97,042	-	2,163	-	(5,000)	-	94,205
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	-	58,800	-	-	-	-	58,800
Chongqing Railway Line No. 9 Construction & Operation Co., Ltd.	1,600,751	(1,600,751)	-	-	-	-	-
Others	496,471	91,410	1,532	-	(11,613)	-	577,800
Total	4,840,100	(555,930)	138,075	345	(16,613)	51,671	4,457,648

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(4) Associates

For the six months ended 30 June 2020

	Opening balance of the period	Movement during the period					Closing balance of the period
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co, Ltd	1,302,988	315,725	(63,340)	-	-	-	1,555,373
Yunman Huali Expressway Investment & Development Co, Ltd	790,000	-	-	-	-	-	790,000
Xuzhou Metro Line One Investment & Development Co., Ltd.	465,000	-	-	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd	450,000	-	-	-	-	-	450,000
Anhui Province Yuehuang Expressway Co, Ltd.	224,000	-	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	199,754	-	7,445	-	-	-	207,199
Liyang Zhongjian Sander Environmental Management Co, Ltd.	140,880	-	1,947	-	-	-	142,827
Cangzhou Development Zone Beiqi Industrial Park Investment Center(LP)	75,301	(37,500)	815	-	(1,638)	-	36,978
Xinyu Ring Road Construction Investment Co, Ltd.	60,000	-	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	19,727	-	(158)	-	-	-	19,569
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co, Ltd.	19,600	-	-	-	-	-	19,600
Zhangzhou Zhanyuan Environmental Technology Co, Ltd.	19,000	28,500	-	-	-	-	47,500
Others	378,028	(328,073)	(486)	-	-	(639)	48,830
Total	4,144,278	(21,348)	(53,777)	-	(1,638)	(639)	4,066,876

XV. Notes to the Company's financial statements (continued)

3. Long-term equity investments (continued)

(4) Associates (continued)

2019

	Opening balance of the year	Movement during the year					Closing balance of the year
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co, Ltd	1,248,821	131,000	(76,833)	-	-	-	1,302,988
Yunman Huali Expressway Investment & Development Co, Ltd	-	790,000	-	-	-	-	790,000
Xuzhou Metro Line One Investment & Development Co., Ltd.	186,000	279,000	-	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd	300,000	150,000	-	-	-	-	450,000
Anhui Province Yuehuang Expressway Co, Ltd.	224,000	-	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	193,270	-	6,484	-	-	-	199,754
Liyang Zongjian Sander Environmental Management Co, Ltd.	29,947	107,008	3,925	-	-	-	140,880
Cangzhou Development Zone Beiqi Industrial Park Investment Center(LP)	75,301	-	6,538	-	(6,538)	-	75,301
Xinyu Ring Road Construction Investment Co, Ltd.	10,000	50,000	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	10,000	10,000	(273)	-	-	-	19,727
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co, Ltd.	19,600	-	-	-	-	-	19,600
Zhangzhou Zhanyuan Environmental Technology Co, Ltd.	-	19,000	-	-	-	-	19,000
Shjzhuang City Jiaojan Expressway Development Management Co., Ltd.	78,400	-	(78,400)	-	-	-	-
Others	384,148	2,561	(7,634)	-	(1,055)	8	378,028
Total	2,759,487	1,538,569	(146,193)	-	(7,593)	8	4,144,278

XV. Notes to the Company's financial statements (continued)

4. Revenue and cost of sales

	For the six months ended 30 June 2020		For the six months ended 30 June 2019	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	40,678,728	39,714,307	48,735,887	47,041,706
Revenue from other operations	27,509	17,761	18,042	28,010
	40,706,237	39,732,068	48,753,929	47,069,716

Revenue is as follows:

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Revenue from contracts with customers	40,687,338	48,737,776
Rentals	18,899	16,153
	40,706,237	48,753,929

As at 30 June 2020, part of the Group's project contracting business is still in the process of operation, and the transaction price allocated to the unfulfilled or partially unfulfilled performance obligations is related to the progress of the corresponding contract, and will be recognized 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 2020	For the six months ended 30 June 2019
Timing of revenue recognition		
Recognize revenue at a point in time		
Others	9,886	308
Recognize revenue over time		
Housing construction project	8,013,370	11,843,323
Infrastructure construction and investment	32,586,199	36,882,869
Others	77,883	11,276
Total	40,687,338	48,737,776

5. Investment income

	For the six months ended 30 June 2020	For the six months ended 30 June 2019
Investment income from disposal of long-term equity investments under cost method	23,422,476	11,583,070
Investment loss from disposal of long-term equity investments under equity method	(71,348)	(155,918)
Investment income from disposal of financial assets measured at fair value through profit or loss	–	23,570
Investment income from other equity instrument investment	4,004	54,321
Investment income from debt investment	240,910	270,905
Total	23,596,042	11,775,948

SUPPLEMENTARY INFORMATION

For the six months ended 30 June 2020

Expressed in thousands of RMB

1. Statement of non-recurring profit or loss

	For the six months ended 30 June 2020
Gains/(losses) from disposal of non-current assets	12,763
Government grants recognised through profit or loss (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or a fixed quantity)	55,236
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	303,772
Reversal of the provision on receivables and contract assets for impairment on an individual basis	849,843
Investment income from disposal of subsidiaries	18,104
Losses from non-operating activities or occasional matters	67,456
Other non-operating income and expenses than the above items	432,594
	1,739,768
Impact on income tax	(368,160)
Subtotal	1,371,608
Impact on non-controlling interests (after tax)	(115,231)
Total	1,256,377

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 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

For the six months ended 30 June 2019

	Weighted average return on net assets (%)	Earnings per share	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	7.52	0.45	0.45
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	7.06	0.42	0.42



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