



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

2021

ANNUAL REPORT

Stock Code: 601668.SH

Cover Photo: Interconnection between Taizhou Bay Bridge and Puba Port, the connection construction



CORPORATE MISSION

Expanding a happy
living environment



CORPORATE VISION

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



CORE VALUES

Quality assurance and
value creation

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CHINA SECURITIES REGULATORY COMMISSION
SHANGHAI STOCK EXCHANGE

The Company prepared its 2021 Annual Report in accordance with relevant regulations and guidelines set forth by the China Securities Regulatory Commission and the Shanghai Stock Exchange, including the Publicly Listed Company Information Disclosure Content and Format Guideline No. 2 – Content and Format of the Annual Report – the Shanghai Stock Exchange Listing Rules. This is a free translation into English of a report issued in China, solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, China law and professional auditing standards applicable in China. Should there be any inconsistency between the Chinese version and the English version, the Chinese version shall prevail. Investors can access the Company's 2021 Annual Report on the website of the Shanghai Stock Exchange (www.sse.com.cn).

Index of documents available for inspection	Financial statements signed and sealed by the legal representative (Chairman), person-in-charge of accounting (chief financial officer) and person-in-charge of the accounting department (head of the accounting department)
	The original audit 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'S STATEMENT

Dear shareholders and investors,

On behalf of the Board of Directors of CSCEC, I would like to present to you the Annual Report 2021 of the Company, and to express my sincere gratitude to all stakeholders who have long been supporting and interested in the reform and development of the Company.

In 2021, we managed to navigate well through the complexities and severe challenges. We worked with owners, customers and all participants across the industry chain to implement the new development concept in a complete, accurate and comprehensive manner, and solidly promoted the "six special actions" focusing on the strategic goal of "one creation and five aspects of strength", while constantly exploring the path of CSCEC in the new era, and forging ahead in pursuing the great ambition of building a better life for the people.

We create value, and persevere to create exceptional returns for shareholders. In 2021, the value of new contracts amounted to RMB3.53 trillion, a year-on-year increase of 10.3%, setting a new record of orders in the global construction industry; operating revenue was RMB1.89 trillion, a year-on-year increase of 17.1%, the best record ever; net profit attributable to shareholders of the listed company was RMB51.4 billion, a year-on-year increase of 14.4%; basic earnings per share was RMB1.25, a year-on-year increase of 16.8%; the operating cash flows maintained a continuous positive inflow, and the debt-to-asset ratio showed a declining trend; cash dividends exceeded RMB10 billion for the first time, and the proportion of cash dividends increased for three consecutive years; return rate of net assets and total asset turnover continued to increase, hitting new high in the past three years. Relying on its robust value creation capability, the Company ranked 13th in the Fortune Global 500, and maintained the top credit rating for the industry in the world.

We fulfill our responsibilities, and practice the mission of the times to serve the country. The Company continued to carry forward the "Spirit of Huoshenshan and Leishenshan", scientifically coordinated the normalized pandemic prevention and control for tens of thousands of projects under construction at home and abroad, built more than 100 emergency hospitals with high efficiency and quality, and endeavored to support Hong Kong and other key areas to fight the pandemic. CSCEC successfully completed the construction of major projects such as the "Great Journey" performance stage and the Central Gifts and Cultural Relics Management Center, 28 Winter Olympic venues with high quality, which demonstrated its outstanding construction capabilities. The Company took a deep dive into national major strategies and regional coordinated development strategies. In particular, it invested RMB384.4 billion in strategic regions such as Beijing-Tianjin-Hebei region, the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area (GBA), and the value of new contracts amounted to RMB3.03 trillion. The Company extensively participated in the high-quality construction of the Belt and Road Initiative (BRI), promoted the implementation of high-standard, sustainable projects that benefit people's livelihood, and maintained the steady development of overseas business.

We build up strong driving force and accelerate the reform to promote institutional innovation. The Company made every effort to deepen reform, optimized the modern corporate system with Chinese characteristics, and further improved the efficiency of corporate governance. The Company thoroughly implemented the tenure system and contractual management among subsidiaries, and the professional manager system among 64 subsidiaries, unleashing the vitality from reform and development of subsidiaries at all levels. The Company explored the implementation of various forms of medium- and long-term incentives to ignite the enthusiasm of employees to a greater extent. The Company has been awarded Grade A in the business performance assessment of the heads of the centrally-administered state-owned enterprises for 16 times, and is the only construction company among the SSE 50, FTSE China A50 Index constituent stocks.

We build the future, and actively lead technological innovation to empower industry changes. The Company did its utmost to work through the technical bottlenecks and continued to enhance the ability of "Created in China" in the construction field. The Company invested RMB39.9 billion in scientific research throughout the year, and the investment intensity exceeded 2% for the first time. It applied carbon fiber cable anchor system in thousand-ton grade to the world's first large-scale engineering project, successfully and independently developed the underlying graphics platform technology of engineering construction software and released its own software brand; promoted green and low-carbon transformation in the construction field, and accelerated the promotion and application of 5G smart construction sites. During the Reporting Period, the Company has won 5 State Science and Technology Progress Awards, including 2 first prizes; 15 Tien-yow Jeme Awards and 35 Luban Awards, and the number and quality of awards have reached a record high.

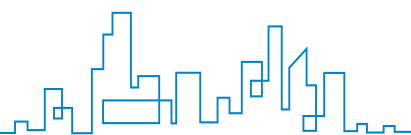
We build a beautiful society, and practice the social responsibility as a central enterprise with high standards. Taking advantage of the entire industry chain, the Company vigorously participated in the construction of urban renewal, shantytown renovation, urban infrastructure, and ecological and environmental protection projects, to guarantee people's livelihood, and continuously improve the people's sense of gain, security and happiness. The Company bravely assumed the responsibility as the head of the industrial chain, and driven upstream and downstream enterprises to overcome difficulties and for common development; created more than 2.4 million jobs, including ones for 32,000 fresh graduates, and made important contributions to stabilizing employment. The Company promoted the consolidation and expansion of poverty alleviation achievements in the assisted areas, and offered comprehensive support for the revitalization of rural industries.

In 2022, as China accelerates the construction of a new development pattern and the transformation and upgrading of the construction and real estate industry, opportunities and challenges will continue to coexist in the future. CSCEC will be committed to high-quality development, deepen reform and innovation, and further leverage its super-large-scale strategic advantages. It will be committed to "seeking progress while maintaining stability", "drawing a comprehensive and complete blueprint", safe operation, technology driven comprehensive innovation, focusing on key areas to develop emerging businesses, and promoting the optimization and upgrading of business structure. Throughout the year, we strive to secure new contract valuing more than RMB3.85 trillion and achieve operating revenue of more than RMB2.01 trillion. We will continue to maintain a high level of stable operation and deliver excellent performance in return for the love and support of our shareholders and all sectors of society.

Chairman: Zheng Xuexuan

April 15, 2022

AT A GLANCE



Value creation capability standing out



Newly signed contract value amounted to

RMB3,529.5 billion

a year-on-year increase of

10.3%



Achieving revenue of

RMB1,891.3 billion

a year-on-year increase of

17.1%



Achieving net profit attributable to shareholders of the Company of

RMB51.41 billion

a year-on-year increase of

14.4%



Weighted average return on net assets was

15.93%

remaining the leading level in the industry



Asset-liability ratio at the end of the period was

73.2%

a year-on-year decrease of

0.5 percentage points



Operating cash flows was

RMB14.36 billion

remaining positive cash inflow



Total amount of cash dividend exceeded RMB10 billion for the first time

Proposed to distribute cash dividend of **RMB2.50** (tax inclusive) for

every **ten** shares to all shareholders

The total cash dividend amounted to **RMB10.49** billion, a year-on-year increase of **16.4%**

The total amount of cash dividend **exceeded RMB10 billion** for the first time



Principal businesses improved steadily



Further consolidation on the advantages in housing construction

Newly signed contract value amounted to

RMB2,250.6 billion

a year-on-year increase of

8.3%



Achieving revenue of

RMB1,147.1 billion

a year-on-year increase of

14.6%



Infrastructure business achieved rapid growth

Newly signed contract value amounted to

RMB843.9 billion

a year-on-year increase of

24.1%



Achieving revenue of

RMB410.0 billion

a year-on-year increase of

17.7%



Survey and design business improved in both quality and quantity

Newly signed contract value amounted to

RMB12.9 billion

a year-on-year decrease of

9.8%



Achieving revenue of

RMB10.8 billion

a year-on-year increase of

2.0%





Real estate business maintained healthy and stable development

Contract sales amount was

RMB422.1 billion

a year-on-year decrease of

1.5%



Contract sales area was

21.43 million

square meters

a year-on-year decrease of

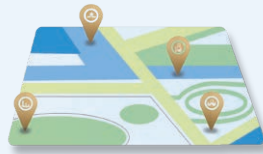
9.6%



Newly acquired land bank amounted to

18.42 million

square meters



Land bank amounted to

103.95 million

square meters at the

end of the period



Investment properties self-held reached

12.37 million square meters



Achieving revenue of

RMB5.84 billion



Overseas business developed under pressure

Newly signed contract value amounted to

RMB163.6 billion

a year-on-year decrease of

12.6%



Achieving revenue of

RMB89.3 billion

a year-on-year decrease of

0.4%





Determined actions to serve the overall situation

- Completed the construction of the “Great Journey” performance stage and the Central Gifts and Cultural Relics Management Center
- Meticulously organized the supporting work on the Winter Olympics and completed the construction of 28 Winter Olympic venues and supporting projects
- Took the advantages of the entire industry chain and proactively involved in the regional coordinated development strategy of the nation

Extensively integrated into strategic regions such as Beijing-Tianjin-Hebei region, the Yangtze River Economic Belt and Guangdong-Hong Kong-Macao Greater Bay Area
Newly signed contract value amounted to **RMB3.03** trillion, accounting for **86%** of the newly signed contract value of the Company



Corporate reform yielding remarkable results

Adhering to the “two consistent implementation principles”

Comprehensively implementing the **tenure system** and **contractual** management to subsidiaries

Focusing on **digital transformation** to enhance the development of new momentum

2 subsidiaries undergoing scientific and technological reform were selected as representative of “**Demonstration Enterprises in Scientific and Technological Reform**” by the SASAC of the State Council



Assuming social responsibility

Vigorously participating in the construction of urban renewal, shantytown renovation, urban infrastructure and ecological and environmental protection projects

Assuming the responsibility as the head of the industry chain, and driving upstream and downstream enterprises to overcome difficulties and seek common development



Achieving success in promoting the consolidation and expansion of poverty alleviation achievements in areas of targeted poverty alleviation and counterpart assistance as well as the effective connection with rural revitalization

Hired **32,000** graduates and offered over **2,400,000** jobs



Great achievements in scientific and technological innovation

Won **5** State Science and Technology Progress Awards and **15** Tien-yow Jeme Awards

Invested **RMB39.9** billion in scientific research throughout the year, with the investment intensity exceeded **2%** for the first time

The first batch of **8** CSCEC technology innovation platforms was established

10,000-ton-leveled multi-functional test system completed the structural test and analysis with a load of **10,300** tons

Successfully and independently developed the BIM underlying graphics platform technology and released its own software brand AECMate
12,233 patents were granted, including **876** invention patents



IMPORTANT NOTES

- I. **The Company's Board of Directors, Board of Supervisors and Directors, Supervisors and Senior Management guarantee that information contained in the Annual 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 Report was passed at the 15th meeting of the third session of the Board of the Company, at which all the Directors of the Company had attended.**
- III. **Ernst & Young Hua Ming LLP (Special General Partnership) issued a standard unqualified audit report to the Company.**
- IV. **Zheng Xuexuan, Head of the Company (Chairman); Wang Yunlin, Head of Accounting (Chief Financial Officer); and Xie Song, Head of the Accounting Office (Chief Accounting Officer) guarantee that the financial report set out in the Annual Report is true, accurate and complete.**
- V. **Profit distribution plan and the conversion plan of reserves to share capital for the Reporting Period considered by the Board of Directors**

On the basis of 41,940,858,844 capital shares as of the date of disclosure, the Company proposes to distribute a cash dividend of RMB2.50 (tax inclusive) for every 10 shares to all ordinary shareholders, and the ratio of the annual cash dividend payout to net profit attributable to shareholders of the Company is 20.40%. In case of any change in its total share capital prior to the record date of shareholders for profit distribution plan, the Company proposes to maintain the distribution ratio per share unchanged, and to adjust the total distribution amount accordingly. An announcement containing details of the adjustments will be made separately. The profit distribution plan was considered and approved at the 15th meeting of the third session of the Board and is subject to the consideration and approval by the 2021 annual general meeting of the Company.

VI. Risk statement with respect to forward-looking statements

Applicable N/A

This 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 Report do not constitute a material commitment to investors by the Company, and investors are advised to exercise attention.

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

No

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

No

IX. Whether more than half of the directors are unable to guarantee the truthfulness, accuracy and completeness of the Annual Report disclosed by the Company

No

X. Warning on major risks

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

The Company has described possible related risks in detail in this Report. Please refer to the relevant information set out in "VI. Discussion and Analysis of the Future Development of the Company" under SECTION III "MANAGEMENT DISCUSSION AND ANALYSIS".

XI. Miscellaneous

Applicable N/A

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

SECTION I DEFINITIONS

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

Definitions

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 International Co., Ltd. (中建国际建设有限公司) (formerly known as 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)
CSCI	China State Construction International Holdings Limited (中国建筑国际集团有限公司) (03311.HK)
China Overseas Grand Oceans	China Overseas Grand Oceans Group Limited (中国海外宏洋集团有限公司) (00081.HK)
CSC Development	China State Construction Development Holdings Limited (中国建筑兴业集团有限公司) (00830.HK)
China Overseas Property	China Overseas Property Holdings Limited (中海物业集团有限公司) (02669.HK)
West Construction	China West Construction Group Co., Ltd. (中建西部建设股份有限公司) (002302.SZ)
CSC Finance	China State Construction Finance Co., Ltd. (中建财务有限公司)
China Construction Fangcheng	China Construction Fangcheng Investment & Development Group Co., Ltd. (中建方程投资发展集团有限公司)
China Construction Capital	China Construction Capital Holdings Limited (中建资本控股有限公司)
China State Decoration	China State Decoration Group Co., Ltd. (中国建筑装饰集团有限公司)
China Construction Infrastructure	China Construction Infrastructure Co., Ltd. (中国建设基础设施有限公司)
CSCDC	China State Construction Development Co., Ltd. (中国建筑发展有限公司)
China Construction Science and Industry	China Construction Science and Industry Corporation Ltd. (中建科工集团有限公司) (formerly known as China Construction Steel Structure Co., Ltd. (中建钢构有限公司))
China Construction 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 Group Co., Ltd. (中建科技集团有限公司) (formerly known as China Construction Science & Technology Co., Ltd. (中建科技有限公司))
China Construction Harbour and Channel Engineering Bureau	China Construction Harbour and Channel Engineering Bureau Group Co., Ltd. (中建港航局集团有限公司)
Articles of Association	Articles of association of China State Construction Engineering Corporation Limited
Reporting Period	From January 1, 2021 to December 31, 2021

SECTION II COMPANY PROFILE AND KEY FINANCIAL INDICATORS

I. Corporate Information

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	Zheng Xuexuan

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
Telephone	010-86498888
Fax	010-86498170
Email	ir@cscec.com

III. Overview of 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

IV. Information Disclosure and Place for Inspection of Annual Report

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

V. Overview of Stocks

Brief information on shares				
Class of shares	Stock exchange of listing	Abbreviation	Stock code	Original ticker
A share	Shanghai Stock Exchange	CSCEC	601668	N/A

VI. Other Relevant Information

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

VII. Key Accounting Data and Financial Indicators for the Last Three Years

(I) Key accounting data

Unit: '000 yuan Currency: RMB

Key accounting data	2021	2020		Change YoY (%)	2019
		After adjustment	Before adjustment		
Revenue	1,891,338,970	1,615,050,549	1,615,023,327	17.1	1,419,836,588
Profit before income taxes	100,886,235	94,272,194	94,290,605	7.0	81,467,846
Net profit attributable to shareholders of the Company	51,407,661	44,924,929	44,944,250	14.4	41,881,399
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	49,490,347	42,666,265	42,685,522	16.0	42,491,547
Net cash flows from operating activities	14,361,321	20,273,615	20,271,781	-29.2	-34,220,077

	At the end of 2021	At the end of 2020		Change YoY (%)	At the end of 2019
		After adjustment	Before adjustment		
Net assets attributable to shareholders of the Company	343,900,090	300,463,053	300,421,431	14.5	277,197,681
Total assets	2,388,249,126	2,192,379,494	2,192,173,839	8.9	2,034,451,929
Total share capital at the end of the Reporting Period	41,948,168	41,965,072	41,965,072	-0.04	41,975,630

(II) Key financial indicators

Key financial indicators	2021	2020		Change YoY (%)	2019
		After adjustment	Before adjustment		
Basic earnings per share (RMB/share)	1.25	1.07	1.07	16.8	0.97
Diluted earnings per share (RMB/share)	1.25	1.07	1.07	16.8	0.96
Basic EPS (RMB/share) after deducting non-recurring profit or loss	1.17	0.99	0.99	18.2	0.98
Weighted average return on net assets (%)	15.93	15.53	15.54	Increase by 0.40 percentage points	15.60
Weighted average return on net assets after deducting non-recurring profit or loss (%)	15.33	14.75	14.76	Increase by 0.58 percentage points	15.84
Net assets per share attributable to ordinary shareholders (RMB/share)	7.96	6.92	6.92	15.0	6.10
Dividend per 10 shares (RMB)	2.50	2.147	2.147	16.4	1.85

Explanation on the Company's key accounting data and financial indicators for the three years preceding the end of the Reporting Period

√ 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 after deducting other equity instruments, and then divided by the total number of issued shares as at the end of the Reporting Period.
- ④ Dividends distributed are tax inclusive.

For details, please refer to Note XI “Share-based payment”, Note V. 67 “Earnings per share” to the financial statements under SECTION X “FINANCIAL REPORT”, SUPPLEMENTARY INFORMATION PROVIDED BY MANAGEMENT 2. “Return on net assets and earnings per share”, and Note VI “Changes in the scope of combination” and other relevant information.

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

- (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. Key Financial Data in 2021 by Quarter

Unit: '000 yuan Currency: RMB

	Q1 (Jan. – Mar.)	Q2 (Apr. – Jun.)	Q3 (Jul. – Sep.)	Q4 (Oct. – Dec.)
Revenue	404,730,157	531,985,806	400,331,605	554,291,402
Net profit attributable to shareholders of the Company	11,014,174	14,628,649	12,187,281	13,577,557
Net profit attributable to shareholders of the Company after deducting non-recurring profit or loss	10,968,031	13,570,348	11,997,413	12,954,555
Net cash flows from operating activities	-45,781,170	-3,962,933	6,386,180	57,719,244

Note: The Company's key quarterly financial data has not been audited.

Explanation on differences between the quarterly data and data contained in regular reports disclosed

- Applicable N/A

X. Statement of Non-Recurring Profit or Loss

Applicable N/A

Unit: '000 yuan Currency: RMB

Non-recurring items	Amount of 2021	Note (if applicable)	Amount of 2020 (after adjustment)	Amount of 2019
Gains or losses from disposal of non-current assets	332,668	/	143,538	80,472
Government grants recognized in profit or loss	498,920	Non-operating income/other income	110,094	137,067
Gains from stepped acquisition	172,276	Investment income	133,746	248,249
Income/losses arising from changes in fair value of financial assets held for trading, financial liabilities held for trading, and gains arising from disposal of financial assets held for trading, financial liabilities held for trading and other debt investments	-170,588	/	247,893	-436,009
Interest income from loans to non-financial corporations	106,939	/	58,784	492,765
Reversal of the provision on receivables and contract assets subject to impairment test on an individual basis	1,414,761	/	1,288,041	2,291,693
Income from disposal of long-term equity investments	7,743	/	7,016	274,341
Investment income from disposal of subsidiaries	4,407	/	136,721	138,333
Income/losses from non-operating activities or occasional matters	179,631	/	1,213,044	-3,127,374
Non-operating income and expenses other than the above items	161,606	/	-278,862	77,620
Impact on income tax	-525,304	/	-559,756	-615,658
Impact on non-controlling interests (after tax)	-265,745	/	-241,595	-171,647
Total	1,917,314	/	2,258,664	-610,148

Explanation on the reasons for defining the non-recurring profit or loss items set out in the Explanatory Announcement No. 1 on Information Disclosure by Public Issuers - Non-recurring Profit or Loss Items (《公开发行证券的公司信息披露解释性公告第1号 — 非经常性损益》) as recurring profit and loss items

Applicable N/A

XI. Items Measured at Fair Value

Applicable N/A

Unit: '000 yuan Currency: RMB

Items	Opening balance	Closing balance	Current changes	Effect on current profits
Exchangeable bonds	4,421,322	4,488,392	67,070	-238,750
Financial assets held for trading	244,459	71,597	-172,862	11,967
Investments in other equity instruments	5,838,384	5,065,494	-772,890	200,717
Other non-current financial assets	335,510	1,559,354	1,223,844	7,349
Accounts receivable financing	3,791,162	3,779,728	-11,434	0
Non-current assets due within one year	182,608	142,945	-39,663	0
Other debt investments	356,377	264,083	-92,294	50,443
Other current assets	2,906,177	2,218,083	-688,094	108,439
Total	18,075,999	17,589,676	-486,323	140,165

XII. Miscellaneous

Applicable N/A

SECTION III MANAGEMENT DISCUSSION AND ANALYSIS

I. The Company's Principal Business and Business Model during the Reporting Period

As one of the most integrated and largest investment and development conglomerates worldwide bestowed with the longest history of specialized development, market-oriented operation, CSCEC is a market leader in housing construction engineering, infrastructure construction and investment, real estate development and investment, survey and design, etc. CSCEC ranked 13th in Fortune Global 500 (2021) and among the top 3 on the list of Fortune China 500 for nine consecutive years, and continued to top the list of the 2020 Top 250 Global Contractors published by Engineering News-Record (ENR). CSCEC has been rated as Grade A by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council 16 times. The three 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 a "Stable" outlook, the highest credit ratings among the global industry peers.

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

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



Housing construction engineering

CSCEC has an absolute advantage in this field. It adhered to the marketing strategy of "premium market, customers, and projects" and the business strategy of "high-quality and low-cost solutions". By continuously tapping its potential and pursuing high-quality projects, the Company is committed to providing global customers with one-stop integrated services for high, large, precise, advanced, complicated and special construction projects. The Company has built a large number of landmark buildings in niche segments such as super high-rises, large venues, industrial plants, office buildings, hotels, hospitals, and schools, setting a benchmark in housing construction domestically and even globally.



Infrastructure construction and investment

The Company carries out both infrastructure construction and project investment. Relying on its strengths in technology, management and talents, CSCEC has achieved rapid development in infrastructure construction in China and the world covering urban rail transit, high-speed rail, extra-large bridges, expressways, municipal roads, urban integrated pipe corridors, ports and waterways, electric power, mining, metallurgy, petrochemicals, airports, and nuclear power plants and has completed many classic projects. Meanwhile, building on its strong capital strength, CSCEC has become a first-class infrastructure investor and developer in China. It has successively invested in and constructed a large number of national and local key projects in China, and is highly trusted in the fields of BT, BOT, PPP and other financing and investment construction models. The Company has established a long-term strategic partnership for infrastructure investment and construction with several provinces (regions), and municipalities and dozens of key cities in China. In terms of overseas market, the Company's infrastructure construction business covers dozens of countries and regions in North America, Central America, Hong Kong and Macao SARs, Southeast Asia, North Africa, Central and West Africa, South Africa, the Middle East, and Central Asia.



Real estate development and investment

CSCEC owns two real estate brands, China Overseas and CSC Land. China Overseas encompasses all real estate business of COHL, and has always ranked among the most valuable property brands in China. With strong real estate business in dozens of economically dynamic cities in the GBA, the Yangtze River Delta, the Beijing-Tianjin-Hebei Region and national strategic development areas, the Company maintains a well-established and balanced nationwide strategic business network. China Overseas is committed to becoming an outstanding international real estate development and operation group. China Overseas takes “transformation and upgrading” as the major guideline, accelerating the formation of a layout that focuses on housing development, with quality commercial property development and operations as well as education, healthcare and other emerging business segments playing an important supportive and complementary role. CSC Land is the brand used by the real estate business of the Company’s divisions and design institutes, focusing on the middle-end real estate development in first and second-tier cities, as well as the localized operation of real estate projects in third and fourth-tier cities. CSCEC has stepped up internal resources integration and coordinated business development to achieve vertical integration of a wide variety of operations ranging from investment, property development, design and construction to property operation and services. Leveraging extraordinary construction technology, advanced real estate development philosophy and first-class property service quality, it has established a sophisticated investment operation and risk management system in the real estate business area, and formed a unique competitive advantage in the industry chain.



Survey and design

CSCEC is the largest architectural design comprehensive conglomerate in China. The survey and design business arm of CSCEC mainly consists of seven top-rated major survey and design service providers, with business covering architectural design, urban planning, engineering survey, public utility design, and many other fields. The Company has established itself as a market leader in China in the fields such as airports, hotels, sports facilities, exhibition venues, ancient architecture and super high-rise buildings, and has made outstanding contributions to the sector in terms of design originality, technology innovation, and industry standards development.



Overseas operations

CSCEC is a pioneer in the domestic market that conducted international engineering contracting business. Its foreign engineering contracting business covers housing construction, manufacturing, energy, transportation, water conservancy, industry, petrochemical, hazardous substance treatment, telecommunications and sewage/waste treatment projects, and the Company successfully completed 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 various project business models such as general contracting, DB (Design-Build), EPC (Engineering-Procurement-Construct), BOT and PPP. Meanwhile, CSCEC made an active attempt in respect of capital operations such as cross-border mergers and acquisitions to enhance the quality and efficiency of overseas business development. Following the “internationalization” business philosophy, the Company seized the development opportunities of the BRI, and served the countries along the Belt and Road to improve the level of infrastructure, enhance the well-being of local people, and promote the brand influence of the Company.

II. Analysis of 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, specifically:

(I) Market-oriented operating mechanism

CSCEC adheres to the market-oriented operating mechanism, to respect, abide by, adapt to and take advantage of market rules, and gradually enhance its ability to operate in compliance with market rules. Faced with the intense market competition, CSCEC will take innovative approaches to tap into and continuously meet the real and potential needs of clients, and deliver high-quality products and value-added services to retain and attract clients. The Company will focus on performance, pursuing excellent performance through clearly defined objectives, scientific processes and efficient operations. CSCEC keeps pursuing scale growth supported by profitability. The Company will improve efficiency in turnover of assets, and achieve a higher return on assets than the industry average while utilizing and operating resources efficiently and promoting economies of scale vigorously. The Company will also continue to gain higher market share through steady growth. We always pay close attention to cash flows and take all measures to ensure net operating cash inflow for sustainable and healthy development.

(II) Direction of globalization

Adhering to the international business philosophy, solidly promoting the high-quality development of overseas business, and taking advantage of domestic and foreign markets and resources, the Company is committed to becoming a multinational company that allocates resources globally and operates efficiently. In light of the complicated business environment abroad, the Company insisted on improving quality and making progress while maintaining stability, emphasizing profitability and risk resilience, and insisting on quality and efficiency, so as to create a new situation for high-quality development of overseas business. The Company has adopted a localized operating approach. In countries where the Company operates, it endeavors to meet such countries' development needs, deeply taps into their markets and plays an important role in their urban development. Through localized operation and by establishing a community of shared interests with local partners, we contributed to the sustainable development of the host country. The Company insisted on market-oriented competition, improved its internationalization level through competition and win-win cooperation with world-class enterprises, and broadened its global thinking with a view to laying a solid foundation for the Company to participate in global competition and cooperation at a higher level and to a deeper extent.

(III) Related diversified and vertically integrated expansion

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

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

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

Providing products and services with high quality and at low cost to the public has always been the goal of CSCEC. High quality comes from the Company's technological, human resources and organizational advantages; while the advantage of low costs stems from the Company's integrated business model, benefits of scale as well as the economy 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 business development. Focusing on implementing the marketing strategy of "premium markets, customers, and projects", the Company continues to carry out "differentiation oriented" market operations and competition. Through implementing the "differentiation" strategy, subsidiaries within the Company focus on their respective market segments, their corresponding professions (specialization), or their corresponding regions (regionalization), to develop their own "core products, unique services" to reduce internal disorderly competition and strengthen the overall advantage in external competition.

(V) A management model with balanced authorization and centralization

The Company respects its development history, and seeks to form a competitive group management model based on the group company formed based on the mode of multi-legal persons. 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 delegation and management of the second-level subsidiaries. The second-level subsidiaries operate under the authorization of the Company and enjoy the corresponding authorities in proportion to responsibility. For labor-intensive and mature business, we grant larger authorization and expand market contact to speed up market response and improve service quality. For capital-intensive and less mature business, we pool resources for target market segments, and actively seek rapid breakthroughs in target markets while effectively avoiding risks. We adopt different market strategies for different market segments and implement management models accordingly.

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

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

(VII) "People-centered" human resource management

The Company adheres to the talent development strategy of "specialization, professionalization and internationalization" and has a large group of talents loyal to the Company and dedicated to their careers. They have a conviction that group interests should take precedence over individual interests, having a good knowledge of technology, management and marketing with merits such as self-discipline, self-motivation and self-betterment. The Company always follows the basic human resources management concept of "retaining talents with career development opportunities, emotional connection and rewards" and "caring for individuals". By offering occupational planning, education training and performance assessment for all employees, the Company intends to establish a compensation incentive mechanism that combines individual value creation and personal capabilities to share the results of the Company's development with its employees and implement diverse medium and long-term incentive mechanisms, while strengthening its attraction to talents and allowing talents to give full play to their abilities, so as to provide stronger support for its development.

(VIII) Development supported by the strategy of “integration of industry and finance”

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

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

The continuous efforts in innovation in science and technology have brought changes in the Company's production and organization models. Relying on the business layout throughout the industry chain, the Company has formed a technology system covering construction research and development, design leadership, professional manufacturing, technological construction, intelligent operation and maintenance with international leading edge in high-rise buildings and large-span space structure construction technology. It has built a source of original technologies for green construction and intelligent construction, has core R&D institutions including “2+6” and “CSCEC Innovation Platform”, and has undertaken 4 national key R&D projects under the “14th Five-Year Plan”.

The Company has 2 academicians of the Chinese Academy of Engineering, 1 winner of the highest science and technology award for engineering construction, 13 masters in national engineering survey and design, 4 national-level enterprise technology centers (including sub-centers), 74 enterprise technology centers at provincial and ministerial-level, 41 scientific and technological innovation platforms at provincial and ministerial level, 134 high-tech enterprises, 11 post-doctoral workstations, and more than 10 other innovation platforms in science and technology.

(X) Corporate culture in mind and action

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

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

III. Brand, Competency and Honor during the Reporting Period

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

Brand value improved steadily. CSCEC ranked 13th in the Fortune Global 500 (2021), up by five places over last year, and 3rd on the Fortune China 500 (2021) list. The Company ranked first in the UK Brand Finance "2021 Global Brand Value Top 500", topped the list of the Top 250 Global Contractors published by Engineering News-Record (ENR) for the six consecutive years, and was among the top 10 in the list of Top 250 International Contractors for the four consecutive years. The Company topped the industry in the "2020 State-owned Enterprises Brand Building Benchmarking" organized by SASAC of the State Council; included in the top ten "National Heavy Equipment" brands in the second "China Brand Power Ceremony" by China Central Television; ranked first in the industry in the evaluation of Chinese brand value organized by the China Council for Brand Development with a brand strength of 943.00 and a brand value of RMB169.576 billion, and ranked first in the construction industry list of "International Image of Chinese Enterprises" in the selection of "2021 Excellent Cases of Chinese Enterprises International Image Construction" by China International Publishing Group, and was selected as "Top 10 Outstanding Cases of the Year".

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

Further achievements in accolades and awards. During the Reporting Period, 35 projects of the Company won the Luban Prize, of which 7 projects won the China Construction Engineering Luban Prize (Overseas Projects); 95 projects won the National Quality Project Award; and the Company garnered 260 national-level professional awards such as National Construction Engineering Decoration Award, China Installation Engineering Quality Award, and China Steel Structure Gold Award, setting a new record high. 12 research projects of the Company were awarded the second "Safety Science and Technology Progress Award" of the China Association of Work Safety; 133 domestic and foreign engineering projects were awarded the 2021 ISA International Safety Award, with 7 Distinction Awards, 41 Merit Awards and 85 Pass Awards. The Hong Kong Children's Hospital project designed and constructed by CSCl won the Quality Excellence Award, being the highest award in the Hong Kong construction industry, as well as the Quality Building Award (in the Hong Kong Non-Residential Category).

More fruitful achievements in scientific and technological innovation. During the Reporting Period, the Company received five state science and technology progress awards, including 2 first prizes and 3 second prizes; 15 awards of Tien-yow Jeme Civil Engineering Prize, including 8 awards for building construction, 1 award for bridge engineering, 2 awards for road, 1 for waterway transportation, 1 for municipal engineering and 2 for residential communities, accounting for more than one-third of the total 42 awards in the year and the best results ever. The Company was granted 12,233 patents (including 876 invention patents). Both the quantity and quality of the annual high-level scientific and technological achievements are the best in the Company's history. As of the end of the Reporting Period, the Company received 80 national science and technology awards in total, 105 awards of Tien-yow Jeme Civil Engineering Prize, played a leading role in developing 97 national and industry standards and was granted 46,088 patents (including 4,051 invention patents).

Prominent performance in fulfilling social responsibility. The Company was awarded the highest honor of 2021 CAIJING Evergreen Award for Sustainable Development – "Sustainable Development Contribution Award", and has been rated as the "Excellence" in the development of corporate social responsibility in China by the Research Center on Corporate Social Responsibility of the Chinese Academy of Social Sciences for nine consecutive years. The Company was included in the "Central Enterprise ESG-Pioneer 50 Index" of the SASAC of the State Council. CSCEC shared its experience in fulfilling social responsibilities in the Collective Publication of Social Responsibility Reports of Central Enterprises (2021) by SASAC of the State Council, and three examples were selected in the "Research Report on Corporate Social Responsibility of Central Enterprises (2021)", "Research Report on Overseas Social Responsibility of Central Enterprises (2021)" and "Research Report on ESG of Listed Central Enterprises (2021)".

IV. Discussion and Analysis of Business Operation

In 2021, amid the severe and complex domestic and international environment, especially the serious impact of the COVID-19 pandemic, China maintained steady economic recovery, effectively safeguarded employment and the people's livelihood, and delivered better-than-expected results in pursuing its major objectives. The GDP exceeded RMB114.37 trillion, representing a year-on-year increase of 8.1%; the total investment in fixed assets (excluding rural households) in the whole country was RMB54.45 trillion, representing a year-on-year increase of 4.9%; the investment in real estate development was RMB14.76 trillion, representing a year-on-year increase of 4.4%; the sales of commercial houses was RMB18.19 trillion, representing a year-on-year increase of 4.8%; the sales areas of commercial houses were 1.794 billion square meters, representing a year-on-year increase of 1.9%.

In 2021, the Company implemented the decision and deployment of the CPC Central Committee and the State Council as well as the requirements of the SASAC, focused on the strategic goals of "one creation and five aspects of strength", made coordinated efforts in pandemic prevention and control as well as business development, worked hard and overcame difficulties, adhered to the general work guideline of making progress while maintaining stability, actively practiced the concept of high-quality development, and achieved excellent results in reform and development. The Company's business, as a whole, has demonstrated a good momentum of steady enhancement in quality and stable development towards excellence, ranking among the top central enterprises in terms of operating performance, and making due contributions to national pandemic prevention and control efforts, economic development and the undertaking of building an overall moderately prosperous society. In general, the Company demonstrated the following operational characteristics:



First, value creation capability standing out. Production and operation improved in terms of both quality and quantity. During the Reporting Period, the Company recorded new contracts worth RMB3.53 trillion, representing a year-on-year increase of 10.3%; recorded revenue of RMB1,891.3 billion, representing a year-on-year increase of 17.1%, and net profit attributable to shareholders of the Company of RMB51.408 billion, representing a year-on-year increase of 14.4%. The basic earnings per share (EPS) was RMB1.25, representing a year-on-year increase of 16.8%; and net assets per share attributable to ordinary shareholders was RMB7.96, representing a year-on-year increase of 15.0%. The "deleveraging" efforts achieved remarkable results, the asset-liability ratio at the end of the Reporting Period decreased by 0.5 percentage points year-on-year to 73.2%, and the weighted average return on net assets (WARA) was 15.93%, representing a year-on-year increase of 0.40 percentage points. Cash flow remained stable. The Company pays close attention to investor returns. The proportion of cash dividends has increased for three consecutive years in a row and the annual dividend has exceeded RMB10 billion for the first time. The Company accelerated the disposal of inefficient and non-performing assets to improve the efficiency of asset operation, and actively took special actions to improve basic management. The safety production was stable as a whole.



Second, determined actions to serve the overall situation. The Company continued to carry forward the "Spirit of Huoshenshan and Leishenshan", scientifically coordinated the normalized pandemic prevention and control of tens of thousands of projects under construction at home and abroad, built more than 100 emergency hospitals with high efficiency and quality, and endeavored to support Hong Kong and other key areas to fight the pandemic. It successfully completed the construction of major projects such as the "Great Journey" performance stage and the Central Gifts and Cultural Relics Management Center, 28 Winter Olympic venues with high quality, which demonstrated its outstanding construction capabilities. In active response to the major national strategies and regional coordinated development strategies, the Company invested RMB384.4 billion in strategic regions such as Beijing-Tianjin-Hebei, the Yangtze River Delta, and the GBA, and the value of new contracts amounted to RMB3.03 trillion. The Company extensively participated in the high-quality joint construction of the BRI, to promote the implementation of high-standard, sustainable projects that benefit people's livelihood, and maintained the steady development of overseas business.



Third, corporate reform yielding remarkable results. The Company continued to make every effort to deepen reform, improved the construction of a modern corporate system with Chinese characteristics, and further improved the efficiency of corporate governance. The Company thoroughly implemented the tenure system and contractual management of subsidiaries, and 64 subsidiaries implemented the professional manager system, which greatly stimulated the reform and development vitality of subsidiaries at all levels. The Company explored the implementation of various forms of medium and long-term incentives to mobilize the enthusiasm of employees to a greater extent. The Company has been awarded Grade A in the business performance assessment of the person in charge of the central enterprise 16 times, and is the only construction company among the SSE 50, FTSE China A50 Index constituent stocks.



Fourth, great achievements in scientific and technological innovation. The Company went all out to overcome the technical bottleneck and continued to enhance the ability of “Created by China” in the construction field. The Company invested RMB39.9 billion in scientific research throughout the year, and the investment intensity exceeded 2% for the first time. It applied carbon fiber thousand-ton cable anchor system to a large project, the world’s first case in the industry, and independently developed the underlying graphics platform technology of engineering construction software and released its software brand; promoted green and low-carbon transformation in the construction field, and accelerated the promotion and application of 5G smart construction sites. The Company has won 5 State Science and Technology Progress Awards, including 2 first prizes; 15 Tien-yow Jeme Awards and 35 Luban Awards, reaching a record high in the number and quality of awards.



Fifth, assuming social responsibility. Taking advantage of the entire industry chain, the Company vigorously participated in the construction of urban renewal, shantytown renovation, urban infrastructure, and ecological and environmental protection projects, to guarantee the needs of people’s livelihood, and continuously improve the people’s sense of gain, security and happiness. The Company assumed the responsibility as the head of the industrial chain and drove upstream and downstream enterprises to overcome difficulties and seek common development. The Company created more than 2.4 million social jobs and hired 32,000 graduates, making important contributions to stabilizing employment. The Company made integrated efforts to support industry, employment, education, consumption, and party building and promoted targeted poverty alleviation and counterpart assistance to consolidate and expand the achievements of poverty alleviation and promote rural revitalization.

The year 2022 is the 40th anniversary of the Company. The Company will place more emphasis on the quality of growth. In light of smart and digital city construction, “steady growth” policy on infrastructure, and the healthy development of a virtuous circle of real estate, the Company will seize opportunities and implement the “six special actions” and “dual carbon” strategy. The Company will take concrete steps to promote digital transformation, stabilize growth, carry out pandemic prevention and prioritize key issues. With a diligent and thrift approach, the Company will improve incentives and promote accountability, focus on tackling tasks throughout the year, and make unremitting efforts to build a world-class enterprise with global competitiveness.

• **Key Business Data**


Items	Unit	2021	2020	Growth YOY (%)
Total value of new contracts	RMB100 million	35,295	32,008	10.3
I. Construction business				
(I) Accumulative value of new contracts during the Reporting Period	RMB100 million	31,074	27,721	12.1
By industry				
1. Housing construction		22,506	20,779	8.3
2. Infrastructure		8,439	6,798	24.1
3. Survey and design		129	143	-9.8
By region				
1. Domestic		29,557	25,902	14.1
2. Overseas		1,517	1,819	-16.6
(II) Quantity of housing construction works	Ten thousand square meters	/	/	/
1. Accumulative area under construction		169,283	154,229	9.8
2. Accumulative area of new construction projects		38,479	34,239	12.4
3. Accumulative area of completed construction		24,176	19,079	26.7
(III) Quantity of infrastructure works	/	/	/	/
1. Road (newly signed in China)	Kilometers	4,502	4,186	7.6
2. Area (newly signed in China)	Ten thousand square meters	4,407	4,162	5.9
II. Real estate business				
(I) Contract sales during the Reporting Period	RMB100 million	4,221	4,287	-1.5
Of which: China Overseas ^①		2,983	2,960	0.8
(II) Contract sales area during the Reporting Period	Ten thousand square meters	2,143	2,370	-9.6
Of which: China Overseas		1,322	1,387	-4.7
(III) Subscription sales at the end of the Reporting Period	RMB100 million	97	106	-8.9
(IV) Average selling price during the Reporting Period	RMB/square meter	19,693	18,087	8.9
(V) Land reserve at the end of the Reporting Period ^② (Full amount)	Ten thousand square meters	10,395	11,637	-10.7
Of which: China Overseas		5,100	6,179	-17.5
(VI) Purchase of land reserve (Full amount)	Ten thousand square meters	1,842	2,042	-9.8
Of which: China Overseas		1,165	1,349	-13.6

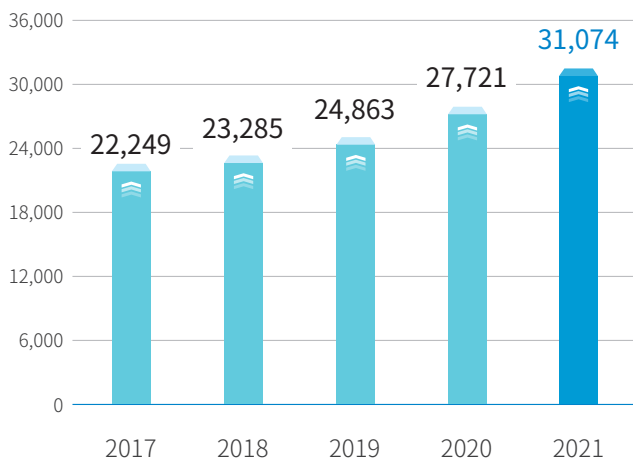
Notes: ^① China Overseas refers to the real estate business that China Overseas Land & Investment and its subsidiaries are engaged in, but does not include that of China Overseas Grand Oceans;

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

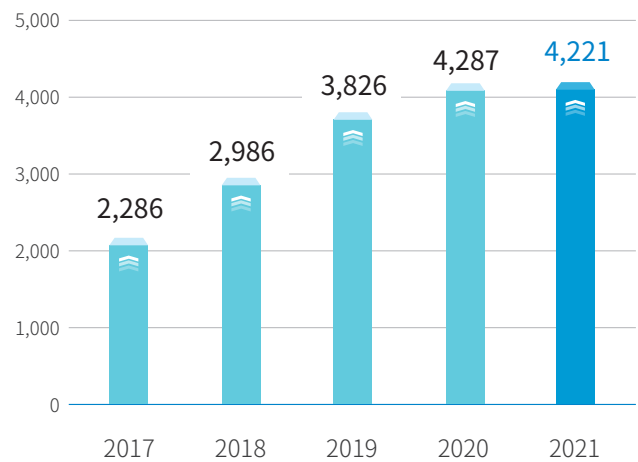
• Key Earnings Results

Unit: 100 million yuan Currency: RMB

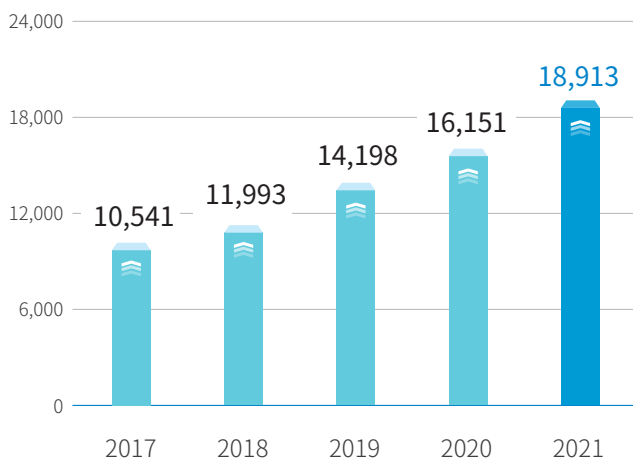
 Value of new contracts for construction business




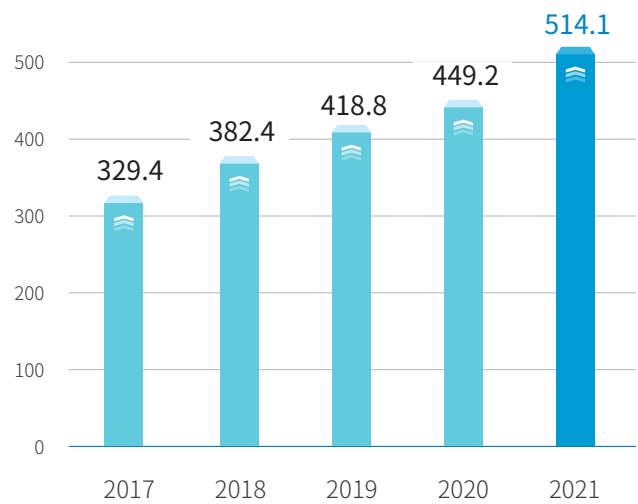
 Contract sales of real estate business



 Revenue

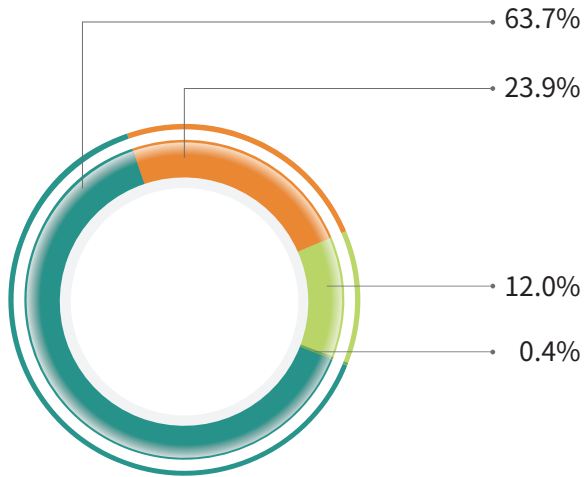


 Net profit attributable to shareholders of the Company



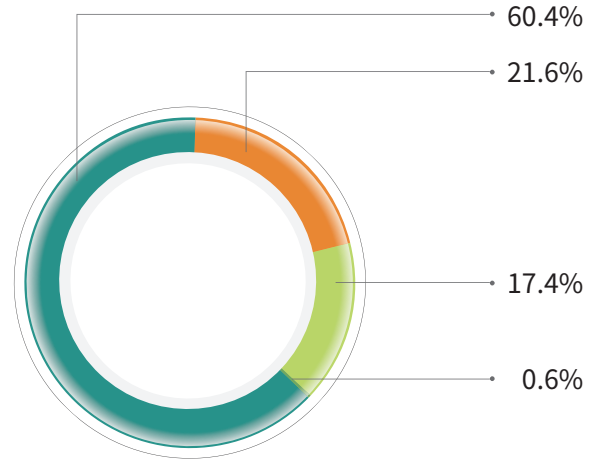
Unit: 100 million yuan Currency: RMB

Proportion of new contract value



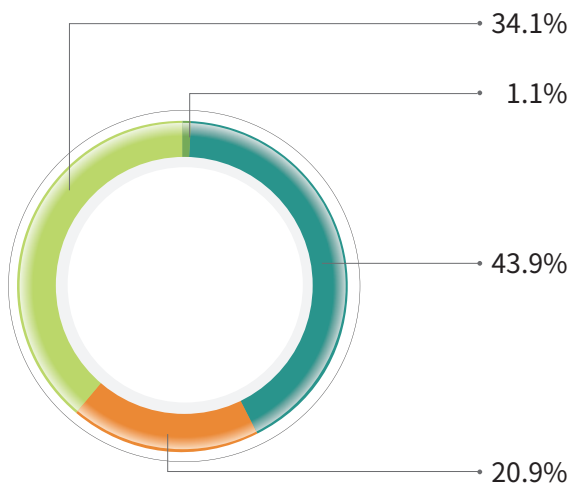
Housing construction Infrastructure Real estate Design

Proportion of segment revenue^{Note}



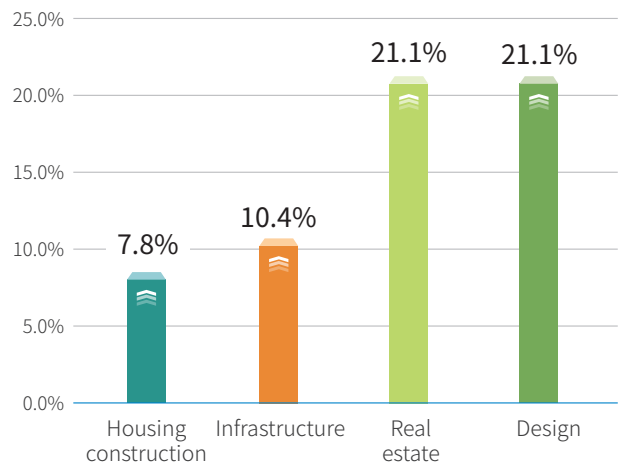
Housing construction Infrastructure Real estate Design

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).

V. Highlights of Operation Results for the Reporting Period

(I) Analysis of principal business

1. Analysis of changes in related items in the income statement and cash flow statement

Unit: '000 yuan Currency: RMB

Items	Amount in the current Reporting Period	Amount of the same period last year	Change ratio (%)
Revenue	1,891,338,970	1,615,050,549	17.1
Cost of sales	1,677,136,509	1,440,166,450	16.5
Selling and distribution expenses	6,176,686	5,530,430	11.7
General and administrative expenses	34,533,703	28,995,140	19.1
Finance expenses	11,124,140	7,801,962	42.6
R&D expenses	39,927,384	25,522,566	56.4
Net cash flows from operating activities	14,361,321	20,273,615	-29.2
Net cash flows from investing activities	-32,444,421	-52,629,397	/
Net cash flows from financing activities	52,482,968	30,818,334	70.3

Reason for changes in revenue: The Company gave full play to the advantages of the whole industry chain layout, served the national strategy, and continued to manage marketing and project performance to continuously cultivate new market growth points. The overall income maintained steady growth.

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

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

Reason for changes in general and administrative expenses: Employee remuneration, property expenses, depreciation and amortization expenses increased due to the expansion of business scale as well as the increase in management personnel and business activities.

Reason for changes in finance expenses: It was primarily due to the increase in capital needs with the expansion of business scale.

Reason for changes in R&D expenses: It was primarily due to the enhanced investment in scientific and technological research and development.

Reason for changes in net cash flows from operating activities: It was primarily due to the increase in payments for construction, real estate development and purchases in the current Reporting Period.

Reason for changes in net cash flows from investing activities: It was primarily due to the increase in cash receipts for investments, as well as the decrease in cash payments for investment in the current Reporting Period.

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

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

Applicable N/A

2. Analysis of revenue and cost

√ Applicable □ N/A

In 2021, the Company delivered revenue of RMB1,891.3 billion, a year-on-year increase of 17.1%; with cost of sales at RMB1,677.1 billion, a year-on-year increase of 16.5%. The Company recorded a gross profit of RMB214.2 billion, a year-on-year increase of 22.5%; a gross profit margin of 11.3%, a year-on-year increase of 0.5 percentage points as compared to the same period of last year.

For details related to income recognition methods, please refer to Note III. 36 "Significant accounting judgements and estimates" to the financial statements under SECTION X "FINANCIAL REPORT".

(1). Principal business by industry, product and region

Unit: '000 yuan Currency: RMB

Principal business by industry						
By industry	Revenue	Cost of sales	Gross profit margin (%)	Change YoY of revenue (%)	Change YoY of cost of sales (%)	Change YoY of gross profit margin (%)
Housing construction engineering	1,147,085,908	1,057,400,258	7.8	14.6	13.2	Increase by 1.1 percentage points
Infrastructure construction and investment	409,976,599	367,168,164	10.4	17.7	15.1	Increase by 1.9 percentage points
Real estate development and investment	330,943,286	261,229,215	21.1	22.0	30.5	Decrease by 5.1 percentage points
Survey and design	10,820,939	8,539,838	21.1	2.0	6.2	Decrease by 3.1 percentage points
Others	28,037,715	19,288,991	31.2	31.3	24.3	Increase by 3.9 percentage points
Elimination	-35,525,477	-36,489,957	/	/	/	/
Total	1,891,338,970	1,677,136,509	11.3	17.1	16.5	Increase by 0.5 percentage point

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	1,802,055,187	1,596,436,482	11.4	18.1	17.5	0.5 percentage point increased
Overseas ^{note}	89,283,783	80,700,027	9.6	-0.4	-0.7	0.3 percentage point increased
Total	1,891,338,970	1,677,136,509	11.3	17.1	16.5	0.5 percentage point increased

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

Revenue and its proportion in the last three years						
By industry	2021	Proportion (%)	2020	Proportion (%)	2019	Proportion (%)
Housing construction engineering	1,147,085,908	60.6	1,001,101,590	62.0	872,366,117	61.4
Infrastructure construction and investment	409,976,599	21.7	348,435,361	21.6	318,105,335	22.4
Real estate development and investment	330,943,286	17.5	271,292,353	16.8	216,979,828	15.3
Survey and design	10,820,939	0.6	10,607,297	0.7	9,894,280	0.7
Others	28,037,715	1.5	21,348,292	1.3	23,800,895	1.7
Elimination	-35,525,477	-1.9	-37,734,344	-2.4	-21,309,867	-1.5
Total	1,891,338,970	100	1,615,050,549	100	1,419,836,588	100

Explanation on principal business by industry, product and region

√ Applicable □ N/A

- **Housing construction engineering business**

During the Reporting Period, the Company's housing construction business grew steadily and continued to lead the mid- to high-end markets. The total value of new contracts for the whole year was RMB2,250.6 billion, a year-on-year increase of 8% with revenue at RMB1,147.1 billion, a year-on-year increase of 14.6%; gross profit was RMB89.7 billion, with a gross profit margin of 7.8%, a year-on-year increase of 1.1 percentage points.



During the Reporting Period, the Company stuck to the marketing strategy featuring “premium market, customers, and projects”, which enhanced its competitive strength in the field of medium and high-end housing construction such as super high-rise, industrial plants, educational facilities, medical and health facilities. The Company won ten bids for super high-rise projects over 300 meters and continued to build new city landmarks. In terms of medical and health facilities, the value of new contracts amounted to RMB204.4 billion, a year-on-year increase of 63.9%. The Company also undertook a large number of medical facilities and emergency engineering construction tasks, such as the relocation and reconstruction project of Shenzhen Pingshan District People's Hospital. In terms of industrial plants, the value of new contracts amounted to RMB210.5 billion, a year-on-year increase of 41.9%, and Linyi Smart Hardware Industrial Park, Hefei Lanke Electronic Information Plant Project and other projects were undertaken. In terms of education facilities, the value of new contracts amounted to RMB127.2 billion, an increase of 26.1%, and the construction project of Huangpu Research Institute of Guangzhou University and the Tianfu Campus Project of Chengdu Civil Aviation Flight College were undertaken. Besides, the Company actively participated in old city renovation and urban renewal construction, and has won the bid for a large number of livelihood projects such as the old village renovation EPC project in Liucun Gegang area of Liucun community in Guangzhou, Guangdong Province, and the shanty town renovation EPC project (Phase II) in Shatang area, Ezhou, Hubei Province.

During the Reporting Period, the Company insisted on accelerating the digital transformation and actively promoted the development of green construction, intelligent construction and construction industrialization to further consolidate its absolute advantage in the housing construction field. The high-rise building intelligent integration platforms (building-make machines), prefabricated intelligent construction platforms and intelligent construction robots independently developed by the Company have been successfully applied in many projects. The wide application of cutting-edge technologies to conventional housing construction provided strong support for project implementation. During the Reporting Period, the Company successfully completed a number of major projects such as the construction of the “Great Journey” performance stage, the construction of the Central Gifts and Cultural Relics Management Center, and the renovation of the Red Building of Peking University, and successfully completed the construction of 28 Beijing Winter Olympic venues and supporting projects. The Company made full use of its rapid construction capabilities, advanced the construction progress of Beijing Daxing Minhai Biological Vaccine Base (北京大兴民海生物疫苗基地) and the COVID-19 inactivated vaccine production capacity expansion project of Sinopharm Zhongsheng Wuhan Institute of Biology (国药中生武汉生物所新冠灭活疫苗扩产能项目) at full speed, and built more than 100 emergency hospitals with high efficiency and quality to support pandemic prevention and control.

Entered into new contracts •
with a total value of

RMB **843.9** billion

for the whole year

A year-on-year increase of

24.1 %

Recorded revenue of

RMB **410** billion

A year-on-year increase of

17.7 %

Gross profit amounted to

RMB **42.8** billion

A year-on-year increase of

45.1 %

Infrastructure construction and investment operations

During the Reporting Period, the Company continued optimization and transformation of its infrastructure business and achieved rapid growth in scale. The Company has entered into new infrastructure contracts with a total value of RMB843.9 billion for the whole year, a year-on-year increase of 24.1%. It recorded revenue of RMB410 billion, a year-on-year increase of 17.7%; and the gross profit amounted to RMB42.8 billion, a year-on-year increase of 45.1% with a gross profit margin of 10.4%, a year-on-year increase of 1.9 percentage points.

During the Reporting Period, the Company focused on key infrastructure sectors, adopted targeted actions for deployment and secured a batch of major infrastructure projects. The Company's newly signed contracts in the field of ecological and environmental protection amounted to RMB83.8 billion, a year-on-year increase of 34.7%. The Company has undertaken a series of comprehensive improvement projects for substandard water bodies in Zhongshan City, and a PPP project for the first phase of comprehensive water environment improvement projects in the central urban area of Yuanjiang, Hunan Province. The Company signed new contracts worth RMB25.5 billion in the field of railways, a year-on-year increase of 60.4%, and participated in the construction of a significant project – Sichuan-Tibet Railway. The value of new contracts in the field of rail transit was RMB114.8 billion, a year-on-year decrease of 1.5%. The Company has undertaken Bid 2 (Wuhe-Pingdi) of the Shenzhen-Huizhou Intercity Qianhai Free Trade Zone-Pingdi Section of the Intercity Railway in the Shenzhen Metropolitan Area of the GBA, Phase I Project of Changchun Rail Transit Airport Line (Line 9), Phase I Project of Chongqing Rail Transit Line 15 (K72+824~K92+369.955), and other projects. The Company has won a number of bids in the field of airports, such as the construction and management general contracting section 1 of the east terminal of the phase III expansion project of Xianyang International Airport, and the comprehensive transportation hub project of reconstruction and expansion project in the Changsha Airport, Hunan Province. With a focus on key projects in the field of nuclear power, the Company has undertaken the conventional island civil engineering of Guangdong Lufeng Nuclear Power Plant Units 5 and 6. Actively exploring the new infrastructure market, the Company has undertaken China Mobile Kunming 5G infrastructure project and Zhengzhou 5G new infrastructure communication project.

During the Reporting Period, the Company adhered to the orientation of scientific and technological innovation and made breakthroughs in key technologies of major infrastructure. With the continuous improvement in management capabilities of project performance, the Company delivered quality performance in respect of a large number of key projects crossing the sea, the river and the lake. During the Reporting Period, the Company's carbon fiber thousand-ton cable-anchor system was applied, for the first time in the world, in a large-scale project spanning the Tuhai River Bridge on Xinghua Road in Liaocheng, Shandong Province, setting a new world record as the largest span of carbon fiber cables used in the highway bridge. The first domestic IABM intelligent assembly bridge-making machine independently developed by the Company opened a new beginning for the Company's bridge assembly construction. The Yichang Wujiagang Yangtze River Bridge, a kilometer-level extra-large bridge invested, constructed and operated by the Company, and the Wuhan Fourth Ring Road Construction Project, a city ring expressway with the highest construction standard in China, opened to traffic. The first phase of Xuzhou Metro Line 3 was put into trial operation, constantly demonstrating our wisdom and power with high-quality contract performance.



Oil Depot Phase III Project of Rizhao Port Oil Terminal

- **Real estate development and investment business**

During the Reporting Period, the Company resolutely implemented the national control policy to ensure the sustainable and healthy development of the real estate business. The real estate business achieved contract sales of RMB422.1 billion throughout the year, representing a year-on-year decrease of 2%, and a contracted sales area of 21.43 million square meters, a year-on-year decrease of 10%; revenue amounted to RMB330.9 billion, representing a year-on-year increase of 22%; and gross profit amounted to RMB69.7 billion with a gross profit margin of 21.1%, representing a year-on-year decrease of 5.1 percentage points.

During the Reporting Period, the Company delivered a new construction area of 28.16 million square meters, representing a year-on-year increase of 4.9%; a completed area of 32 million square meters, representing a year-on-year increase of 16.2%; and an area under construction of 88.3 million square meters, representing a year-on-year increase of 26.3%. During the year, the newly acquired land bank was 18.42 million square meters, and the land bank at the end of the Reporting Period was approximately 103.95 million square meters. Over 70% of the Company's real estate inventory is located in first-tier and provincial capital cities.

After years of development, the Company currently owns 12.37 million square meters of self-held properties encompassing office buildings, hotels, apartments, commercial real estate and others, with a net book value of RMB122.7 billion, accounting for 5.1% of the Company's total assets. During the Reporting Period, the Company accelerated the upgrading of industry, expanded business areas such as commerce, elderly care, education, and logistics, continuously enhancing the operation and management as well as the profitability of self-held properties. The revenue from self-held properties amounted to RMB5.84 billion. The above-mentioned data of self-held properties has not been audited.

During the Reporting Period, China Overseas maintained steady operation, with contracted sales of RMB298.3 billion, a year-on-year increase of 0.8%, ranking sixth in the industry in terms of sales. China Overseas adopted a rational and scientific approach to managing the investment pace and determining the investment sequence to acquire high-quality land with a low premium and maintain the trend of robust growth. The new land reserve for the year amounted to 11.65 million square meters. Leveraging on the competitive edge in respect of compliance with the "three red lines" indicators, China Overseas adhered to lean construction to promote the development of commercial properties, education and elderly care and logistics while focusing on accelerating the principal business of residential development. In terms of commercial properties, 15 new commercial projects have been completed and the average occupancy rate has surpassed the performance before the pandemic. In green and low carbon transformation, a total of 487 green building certification projects with a total area of 89.16 million square meters have been invested and constructed in an effort to implement the national "dual carbon" strategy. CSC Land actively responded to market changes and accelerated the sales through. Contracted sales amounted to RMB123.8 billion during the Reporting Period. It has enriched the ways and methods of land acquisition, and had 6.77 million square meters of land reserves; in response to the national policies, it has accelerated the deployment of indemnificatory housing business. "Zhi Ling" platform, the first global scene smart park platform built by the Company in China, was officially put into use, and the application for independent intellectual property rights was successfully made. The Wuhan Optics Valley Star project, invested, constructed, and operated by the Company in line with the concept of green building, won a number of green building awards such as Green Building Three Stars and LEED Gold Award.

For details, please refer to "Properties under development" and "Completed properties for sale" under Note V. 8 "Inventories" and "Advances for sale of properties" under Note V. 31 "Contract liabilities" to the financial statements under SECTION X "FINANCIAL REPORT".

- **Survey and design business**

During the Reporting Period, the Company's survey and design business maintained sound development. During the year, the new contracts amounted to RMB12.9 billion, a year-on-year decrease of 10%; revenue amounted to RMB10.8 billion, a year-on-year increase of 2%; gross profit amounted to RMB2.3 billion, with a gross profit margin of 21.1%, a year-on-year decrease of 3.1 percentage points.

During the Reporting Period, the Company made persistent efforts in promoting its advantageous segments such as urban planning, airport transportation and cultural venues, and undertook a number of typical design consulting services. In terms of urban planning, the Company won the bids for the urban renewal industry upgrading planning of Beijing Yizhuang New Town, the underground space planning of Jiangbei Diance Village Area in Chongqing and the land and space planning of Yunzhou District in Datong City of Shanxi Province. In terms of airport transportation design, the Company won the bids for the planning and terminal schematic design of Shenzhen Airport T4 Area, the reconstruction and expansion Project of Leshan Airport Civil Terminal Area and Xishuangbanna Airport Phase 4 and other projects. In terms of municipal infrastructure design, the Company undertook the reconstruction and upgrading project - smart transportation supporting facilities project of G25 expansion Huzhou section Moganshan interconnection to 104 National Road connection (North Lake West Street), the Municipal Road Engineering (Phase I) of South of Wuhan Optics Valley Nanda Health Industrial Park and other projects. In terms of cultural venue design, the Company won the bids for a number of major landmark projects, such as the China Pavilion at the Dubai World Expo. In terms of whole-process consultation, the Company completed the Xi'an Happiness Forest Belt Project on a pilot basis, and has undertaken projects such as the safety and environmental protection infrastructure project of Sanming Jikou Circular Economy Industrial Park, the restoration project in Tong'an District of Xiamen, and the innovative comprehensive building of Chenzhou Hospital of Traditional Chinese Medicine.

During the Reporting Period, the Company continued to promote the transformation of the survey and design business and accelerated the improvement in the design industry system with full-field coverage, full-process services, full-value chain, and full-element growth with a view to promoting the application of BIM digital technology and the standardized design of prefabricated buildings, exploring the “general contracting + architect accountability” model, and driving the business development of the entire industry chain through design.

- **Overseas business**

During the Reporting Period, the Company made coordinated efforts in pandemic prevention and control as well as production and operation. The new contracts for overseas business amounted to RMB163.6 billion, representing a year-on-year decrease of 12.6%; revenue was RMB89.3 billion, representing a year-on-year decrease of 0.4%.

During the Reporting Period, the Company continued to optimize the market layout to develop more large-scale output markets. Against the backdrop of the increasingly complex overseas business environment, the Company concentrated on advantageous markets and extensively participated in key markets. In 2021, countries or regions in which the new contracts with a value exceeding USD100 million were signed reached 28. The Company has also contracted the phase III commercial and residential development project of Wong Chuk Hang Station in Hong Kong, the 4-3 bidding section of Phase I China-Thailand High Speed Rail (Navanakhon-Banpo section), and the Singapore Fort Canning Hill complex and other projects. The Company has carried out in-depth third-party market cooperation with international well-known enterprises, and formed a consortium with enterprises in Italy, South Korea, Australia and other countries to contract the Melbourne North East Link, one of Australia’s largest infrastructure projects. The Company and Japan Taisei jointly won the bid for the CR105 Shield Tunnel Project between Aviation Station and Loyang Station of Singapore MRT Cross-Island Line, the Company’s first overseas large-diameter tunnel project. During the Reporting Period, the Company successfully entered 4 new markets, Hungary, Mexico, Turkey and Guinea, and further expanded into Europe, Americas and other regions.

During the Reporting Period, the Company overcame the impact of the pandemic to ensure the smooth performance of key projects. The main structure of the landmark tower - the “Tallest Building in Africa” project in the CBD of the new capital of Egypt, which was constructed by the Company, was capped. The world’s first full-Mic negative pressure isolation ward infectious disease hospital - North Lantau Hospital Hong Kong Infection Control Centre, was completed and delivered within just 4 months, and the largest stadium aid project of China’s foreign aid to Cambodia National Stadium, the Suvarnabhumi Airport expansion project, an important livelihood project in Thailand, was successfully completed and handed over.



- **Other business**

Other business of the Company mainly includes the income from primary land development, lease of machinery equipment and engineering supervision and management. During the Reporting Period, revenue was RMB28 billion, a year-on-year increase of 31.3%; gross profit amounted to RMB8.7 billion, with a gross profit margin of 31.2%, a year-on-year increase of 3.9 percentage points.

For details, please refer to Note V. 52 “Revenue and cost of sales”, Note V. 65 “Expenses by nature” and Note XIV. 1 “Segment reporting” to the financial statements under SECTION X “FINANCIAL REPORT”.

(2). Analytical statement on production and sales

Applicable N/A

(3). Performance of significant procurement contract and significant sales contract

Applicable N/A

(4). Analytical statement on costs

Unit: '000 yuan Currency: RMB

By industry						
By industry	Components of operating cost	Amount in the current Reporting Period	Percentage of total cost in the current Reporting Period (%)	Amount of the same period of last year	Percentage of total cost in the same period of last year (%)	Changes in the amount of the current Reporting Period over the same period of last year (%)
Housing construction engineering	Raw materials, subcontract costs, labor costs, etc.	1,057,400,258	63.0	933,788,021	64.8	13.2
Infrastructure construction and investment	Raw materials, subcontract costs, labor costs, etc.	367,168,164	22.0	318,931,135	22.1	15.1
Real estate development and investment	Construction and installation costs, land costs, labor costs, etc.	261,229,215	15.6	200,162,296	13.9	30.5
Survey and design	Labor costs, rental of equipment	8,539,838	0.5	8,039,404	0.6	6.2
Others	Labor costs, rental of equipment	19,288,991	1.2	15,519,969	1.1	24.3
Elimination	/	-36,489,957	-2.3	-36,274,375	-2.5	/
Total	/	1,677,136,509	100	1,440,166,450	100	/

Unit: '000 yuan Currency: RMB

Main cost components							
By industry	Components of operating costs	2021	Proportion (%)	2020 (After adjustment)	Proportion (%)	2019	Proportion (%)
Housing construction engineering	Cost of sales from products	23,319,044	1.4	21,545,271	1.5	19,855,211	1.6
	Subcontracting cost	351,983,820	21.0	300,907,652	20.9	257,717,240	20.4
	Raw materials	321,016,567	19.1	286,112,366	19.9	277,250,496	22.0
	Employee benefits	34,025,491	2.0	31,128,794	2.2	27,718,240	2.2
	Other expenses	327,055,336	19.5	294,093,938	20.3	234,120,010	18.5
	Sub-total	1,057,400,258	63.0	933,788,021	64.8	816,661,197	64.7
Infrastructure construction and investment	Subcontracting cost	185,781,252	11.1	115,931,326	8.0	126,131,695	10.0
	Raw materials	87,071,828	5.2	84,942,618	5.9	87,967,301	7.0
	Staff cost	51,690,903	3.1	46,293,060	3.2	36,660,547	2.9
	Other expenses	42,624,181	2.6	71,764,131	5.0	40,219,919	3.2
	Sub-total	367,168,164	22.0	318,931,135	22.1	290,979,462	23.1
Real estate development and investment	Carry-over of real estate development products	250,814,136	15.0	190,935,051	13.3	142,772,220	11.4
	Other expenses	10,415,079	0.6	9,227,245	0.6	6,718,671	0.4
	Sub-total	261,229,215	15.6	200,162,296	13.9	149,490,891	11.8
Survey and design	Sub-total	8,539,838	0.5	8,039,404	0.6	8,071,133	0.6
Others	Sub-total	19,288,991	1.2	15,519,969	1.1	16,529,092	1.3
Elimination	/	-36,489,957	-2.3	-36,274,375	-2.5	-19,505,575	-1.5
Total		1,677,136,509	100	1,440,166,450	100	1,262,226,200	100.0

Explanation on other information of cost analysis

Applicable N/A

- (5). Changes in the scope of consolidation for the Reporting Period as a result of changes in equity interests in major subsidiaries

Applicable N/A

- (6). Significant changes in or adjustments of the businesses, products or services of the Company during the Reporting Period

Applicable N/A

- (7). Sales to major customers and major suppliers

Applicable N/A

A. Sales to major customers of the Company

In 2021, the revenue generated from/sales to the top 5 customers of the Company was RMB20.25 billion, accounting for 1.1% of the total revenue/sales of the year. Among the sales to the top five customers, the sales to related parties was RMB3.5 billion, accounting for 0.19% of the total sales for the year.

Circumstance where the proportion of sales to a single customer exceeds 50% of the total or there are new customers among the top 5 customers or heavily dependent on minority customers during the Reporting Period

Applicable N/A

Unit: '000 yuan Currency: RMB

No.	Name of customer	Sales amount	Proportion to total annual sales (%)	Remark
1	Transportation Bureau of Qiandongnan Miao and Dong Autonomous Prefecture	3,598,392	0.19	New customers among the top 5 customers
2	Jinan-Qingdao High-speed Railway Co., Ltd.	3,500,436	0.19	New customers among the top 5 customers

B. Major suppliers of the Company

During the Reporting Period, the amount of procurement from the top 5 suppliers was RMB31.484 billion, accounting for less than 1.9% of cost of sales. Among the amount of procurement from the top 5 suppliers, the amount of procurement from related parties amounted to nil, accounting for nil of the total amount of procurement for the year.

Circumstance where the proportion of purchases from a single supplier exceeds 50% of the total or there are new suppliers among the top 5 suppliers or heavily dependent on minority suppliers during the Reporting Period

Applicable N/A

The Company's business scale and its diversified business structure mean that the Company's suppliers are extensive and the level of concentration is low. Public bidding with minimum restrictions is used for the procurement of bulk materials, which ensures the supply of resources and avoids reliance on a single supplier.

Other explanations

Applicable N/A

3. Expenses

Applicable N/A

In 2021, the Company's selling and distribution expenses, general and administrative expenses, finance expenses and R&D expenses totaled RMB91.76 billion, a year-on-year increase of 35.2%. The four items of expenses accounted for 4.9% of revenue, a year-on-year increase of 0.7 percentage points.

For details, please refer to the relevant information as set out in Note V. 54 "Selling and distribution expenses", Note V. 55 "General and administrative expenses", Note V. 56 "Research and development expenses" and Note V. 57 "Finance expenses" to the financial statements under SECTION X "FINANCIAL REPORT".

4. R&D expenditures

(1). R&D expenditures

Applicable N/A

Unit: '000 yuan Currency: RMB

Expensed R&D expenditure in the current Reporting Period	39,927,384
Capitalized R&D expenditure in the current Reporting Period	/
Total R&D expenditure	39,927,384
Percentage of total R&D expenditure to total revenue (%)	2.1
Proportion of capitalization of R&D investment (%)	/

(2). R&D staff

Applicable N/A

Number of the Company's R&D staff	29,561
Percentage of R&D staff number to the Company's total number of employees (%)	8.026
R&D staff by educational background	
By educational background	Number
PhD	366
Postgraduate	4,251
Undergraduate	21,773
College	2,998
High school and below	173
R&D staff by age	
By age	Number
Aged below 30 (exclusive)	12,044
Aged 30 (inclusive) to 40 (exclusive)	12,615
Aged 40 (inclusive) to 50 (exclusive)	3,139
Aged 50 (inclusive) to 60 (exclusive)	1,693
Aged 60 and above	70

Note: R&D staff refers to personnel engaged in basic research, applied research and experimental development activities in the R&D institution during the Reporting Period. (Research and Experimental Development (R&D) Input Statistical Specifications (Trial) (Guotongzi [2019] No. 47))

(3). Explanation

Applicable N/A

In recent years, the Company has been extensively implementing the innovation-driven development strategy, insisting on integrated innovation driven by scientific and technological innovation, focusing on creating the “source” of original technology and a long industrial chain, and conquering a number of key core technologies in key areas. The R&D expenditures exceeded 2% for the first time. The investment capital was mainly used in green and intelligent construction, which opened a new pattern of high-quality development powered by scientific and technological innovation.

The Company continued to give full play to its technological advantages, continuously promoted technological layout, achievement transformation, promotion and application, and improved the technological innovation system in all business areas. In 2021, the first batch of 8 CSCEC technology innovation platforms was established, including high-performance engineering structure test analysis and safety control, civil engineering materials, intelligent construction, green construction, urban renewal and intelligent operation and maintenance, living environment and ecological environment under extreme condition, infrastructure technology and equipment.

During the Reporting Period, the Company continued to increase the R&D investment in major engineering construction equipment. In 2021, the world’s largest 10,000-ton test system independently developed by the Company completed the structural test and analysis with a load of 10,300 tons, and the key laboratory obtained the national CNAS certification qualification. Intelligent construction equipment supports the development of the principal business. Multi-functional residential building machines and 5G remote control tower cranes were applied in many projects, and straddle-type track beam adaptive flexible welding robots, culvert dredging robots, measuring robots, intelligent spraying robots and sorting robots have been developed, which can effectively improve the intelligent construction of the Company.

During the Reporting Period, the Company continued to make greater efforts in pursuing breakthroughs in key core technologies and in the technologies of rapid construction of assembly buildings, connection technology for assembly concrete structure, construction in an extreme environment, application technology of carbon fiber composite engineering materials, BIM technology and photovoltaic buildings. The Company’s self-developed thousand-ton cable-anchor system fills the gap in the domestic industry, and was applied as a demonstration in the Tuhai River Bridge in Shandong. The high-altitude pressurized and oxygen-supplemented modular building complex independently developed by the Company achieves the application of key technologies such as building group modularization, ultra-low energy consumption, and intelligent control in the southwest plateau area at an altitude of 3,500 meters. The first IABM intelligent assembly bridge machine in China developed by the Company opened a new model for the Company’s bridge assembly construction. Along with the continued promotion of R&D and application of carbon neutralization technology for buildings featuring solar photovoltaics, energy storage, direct current and flexibility, the Company has developed a series of control chips and electrical equipment with completely independent intellectual property rights, and achieved good results in key technologies such as photovoltaics, flexible charging, and DC microgrids. The AECMate domestic three-dimensional engineering image software independently developed by the Company has been widely used in the Company, and the first national digital construction technology innovation center was created. The smart bus garage in Nanshan Central District of Shenzhen, China’s first smart new energy bus machinery three-dimensional garage independently developed, designed, constructed and operated by the Company, was put into use. The garage has a variety of functions, such as three-dimensional storage of new energy buses, automatic charging and intelligent scheduling, and intelligent operation and maintenance.

(4). Reasons for material changes in the composition of R&D staff and their impact on the Company’s development in future

Applicable N/A

5. Cash flows

Applicable N/A

During the Reporting Period, the Company's net cash inflow was RMB33.7 billion, an increase of net inflow of RMB37.6 billion from the net outflow of RMB3.9 billion last year.

The Company's net cash inflow from operating activities was RMB14.4 billion, representing a year-on-year decrease of RMB5.9 billion, mainly due to the increase in project payments and costs for property development and purchases during the Reporting Period. The Company received cash from sales activities at a rate of 107.8%, a year-on-year increase of 0.3 percentage points, and the cash recovery of operating activities continued to strengthen.

The Company's net cash outflow from investing activities was RMB32.4 billion, a year-on-year decrease in a net outflow of RMB20.2 billion. This was mainly due to the increase in cash from investment income and the decrease in cash expenses in investment.

The Company's net cash inflow from financing activities was RMB52.5 billion, a year-on-year increase in a net inflow of RMB21.7 billion, mainly due to the increase in cash received from borrowings, and bond issuance and the decrease in cash payment for other financing activities.

For details, please refer to the relevant information as set out in Note V. 68 "Notes to the consolidated cash flow statement" and Note V. 69 "Supplementary information to the consolidated cash flow statement" to the financial statements under SECTION X "FINANCIAL REPORT".

6. Financing

At the end of the Reporting Period, the Company's total interest-bearing liabilities were RMB579.5 billion, representing an increase from that at the beginning of the year. This was mainly due to the increase in the Company's business volume, and accordingly in borrowings and interest expenses. At the end of the Reporting Period, the Company issued additional ordinary bonds of approximately RMB21.7 billion to the public, which well satisfied the capital need from rapid business development as well as industrial restructuring. The Company's financing structure was further optimized by increasing direct financing.

(II) Operating investment business

During the Reporting Period, the Company completed investment worth RMB443.6 billion, an increase of 1.2% over the same period of last year. In light of the changing market condition, the Company adhered to the investment strategy of placing quality first and responded actively by taking various measures to ensure the sustainable and stable development of its 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	3,304	74.5	6.3
Investment in infrastructure and housing construction	977	22.0	-11.3
Comprehensive urban construction	129	2.9	-11.6
Fixed assets and other investments	26	0.6	-7.1
By continuity of projects			
Continued investment projects	2,628	59.2	-7.0
New projects	1,808	40.8	16.0
Total	4,436	100	1.2

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

During the Reporting Period, the Company's investment in the real estate development business reached RMB330.4 billion, a year-on-year increase of 6.3%; the payback of investment return was RMB344.8 billion, a year-on-year increase of 4.9%; and the ratio of investment to income was 104.4%, a slight year-on-year decrease of 1.3 percentage points.

2. Investment in infrastructure and housing construction

During the Reporting Period, the Company's investment in infrastructure and housing construction reached RMB97.7 billion, a year-on-year decrease of 11.3%; payback of investment return was RMB49.7 billion, a year-on-year increase of 6.9%; and the income to expenses ratio of investment was 50.9%, a year-on-year increase of 9.3 percentage points.

3. Comprehensive urban construction

During the Reporting Period, the Company's investment in the comprehensive urban construction business reached RMB12.9 billion, a year-on-year decrease of 11.6%; the payback of investment return was RMB21.2 billion, a year-on-year increase of 34.1%; and the income to expenses ratio of investment was 164.0%, a year-on-year increase of 55.8 percentage points.

4. Investment and construction in key regions

The Company resolutely implemented the major decision-making and deployment of the CPC Central Committee and the State Council, took the responsibility as a central enterprise around major national strategic planning and deployment, actively practiced regional coordinated development strategies, and was deeply involved in the investment and construction in key national areas including the coordinated development of the Beijing-Tianjin-Hebei Region, the development of the Yangtze River Economic Belt, the construction of the GBA, the integrated development of the Yangtze River Delta, and the ecological protection and high-quality development of the Yellow River Basin. During the Reporting Period, the amount of investment of the Company in the Beijing-Tianjin-Hebei Region, Yangtze River Economic Belt, the GBA, the Yangtze River Delta, and the Yellow River Basin reached RMB384.4 billion, representing 86.5% of the Company's overall investment.

5. PPP business

In accordance with the national requirements on the regulated development of PPP business, and under the guidance of national policy, the Company has comprehensively cleared up and rectified the existing PPP projects, maintained reasonable control of the scale of PPP projects, and adhered to the high-quality development of PPP business.

As of the end of 2021, the Company has 404 PPP projects in hand, including equity investment of RMB655.28 billion, 19 projects at the preliminary stage, 172 projects under construction, 178 in operation and 35 proposed to be terminated in advance. In particular, the Company won new bids for 20 PPP projects during the Reporting Period, with equity investment of RMB24.08 billion, which are expected to bring contract value in general contracting of RMB42.26 billion, covering various fields such as municipal engineering, transportation, public buildings, ecology and environmental protection. In accordance with the national requirements on the regulated development of PPP business, and under the guidance of national policy, the Company adhered to the high-quality development of PPP business, which vigorously promoted the Company's steady growth and structural adjustment. It helped the Company's transformation from a company solely engaged in the housing construction business to the world's largest investment and construction conglomerate, and enhanced the brand influence of CSCEC. By industry, the equity investment in transportation was RMB238.05 billion, accounting for 36.3%; in municipal engineering was RMB223.94 billion, accounting for 34.2%; in rural comprehensive development was RMB108.32 billion, accounting for 16.5%; in cultural, sports, medical and indemnificatory housing projects was RMB58.1 billion, accounting for 8.9%; and in eco-friendly and other projects was RMB26.87 billion, accounting for 4.1%.

At the end of 2021, 178 of the Company's PPP projects were in operation, including equity investment of approximately RMB255.09 billion, accounting for 38.9%. The projects in operation were mainly in categories of municipal roads, comprehensive pipeline networks, cultural and sports venues, indemnificatory housing projects and ecological and environmental protection. In 2021, the Company prepared and released the Implementation Rules for Operation and Management and the Guidelines for Intermediate Evaluation, which further strengthened the operation management of PPP projects, and the operation and management capability has been continuously improved. On the one hand, the Company supervised its subsidiaries' preparations such as completing the planning, preparation and filing of operation plans before project operation; on the other hand, in respect of projects in operation, the Company monitored the operating and assessment results and the payments by users and the government, so as to effectively ensure the investment income. In 2021, PPP projects in operation delivered satisfactory results in evaluation and assessment, in particular, 98.3% of the projects passed the annual operation performance assessment and the payback of investment return was RMB55.44 billion, which consolidated the two responsibilities, namely performance assessment and investment return.

(III) Operating status of the professional sectors

Since the implementation of the "specialization" strategy, the Company has fostered and developed a number of professional companies with sophisticated management mechanisms, innovative capabilities and core competencies in their respective specialized fields. The Company split its principal business into 11 professional sub-sectors, which continued to maintain satisfactory development momentum as a whole. The total value of new contracts was RMB587.8 billion, a year-on-year increase of 28%; revenue was RMB403.89 billion, a year-on-year increase of 11.2%; gross profit was RMB27.02 billion, a year-on-year increase of 8.1%; and operating profit was RMB13.13 billion, a year-on-year increase of 4.4%.

During the Reporting Period, the Company's specialized division and layout became more rational, the synergetic and coordination mechanism was more sophisticated, and the overall competitive edge became more prominent. Various specialized sectors and related subsidiaries provided solid support for the Company's development in the full business area, full life cycle, and whole industry chain capabilities. China Construction Science and Industry has ranked first in the steel structure industry for nine consecutive years. The core propane dehydrogenation plant product of China Construction Industrial & Energy Engineering Group Co., Ltd. had the largest market share in the world for three consecutive years. The construction scale of glass curtain wall business of China State Decoration remains its leading position in the industry. China Construction Science & Technology and CSCI built up 35 modern assembly industry bases in key regions across the country. West Construction continued to maintain a leading position in the industry in terms of the concrete output for commercial use.

Unit: 100 million yuan Currency: RMB

Items	Name of sector	Amount of new contracts	Revenue for 2021	YoY increase (%)	Gross profit for 2021	YoY increase (%)	Operating profit for 2021	YoY increase (%)
Cross-section	Installation	535	639.3	6.3	39.0	24.2	24.3	25.2
	Steel structure	138	221.0	1.3	13.6	1.2	8.3	-9.5
	Commercial concrete	528	269.3	15.0	28.1	4.1	11.5	1.1
Housing construction	Decoration	371	388.7	16.8	21.8	-15.5	-2.7	-142.1
	Gardening	31	78.2	41.2	6.1	66.0	4.8	49.2
Infrastructure	Municipal projects	1,281	825.9	5.4	98.9	12.9	56.2	10.9
	Railways	255	110.3	9.4	-5.7	83.6	-6.7	179.2
	Rail transit	1,148	471.5	53.1	10.6	30.7	2.6	14.1
	Roads and bridges	1,281	883.8	2.1	48.0	2.3	29.9	32.4
	Electricity	60	66.1	28.8	3.1	22.1	1.3	-10.7
	Port engineering	252	84.9	4.4	6.8	4.6	1.7	10.5
Total		5,878	4,038.9	11.2	270.2	8.1	131.3	4.4

Items	Names of sector	Gross profit margin (%)			Operating profit margin (%)		
		2021	2020	YoY change (Percentage points)	2021	2020	YoY change (Percentage points)
Cross-section	Installation	6.1	5.2	0.9	3.8	3.2	0.6
	Steel structure	6.1	6.1	0.0	3.8	4.2	-0.4
	Commercial concrete	10.4	11.5	-1.1	4.3	4.9	-0.6
Housing construction	Decoration	5.6	7.8	-2.1	-0.7	1.9	-2.6
	Gardening	7.9	6.7	1.2	6.1	5.7	0.3
Infrastructure	Municipal projects	12.0	11.2	0.8	6.8	6.5	0.3
	Railways	-5.2	-3.1	-2.1	-6.1	-2.4	-3.7
	Rail transit	2.2	2.6	-0.4	0.6	0.7	-0.2
	Roads and bridges	5.4	5.4	0.0	3.4	2.6	0.8
	Electricity	4.6	4.9	-0.3	2.0	2.9	-0.9
	Port engineering	8.0	8.0	0.0	2.0	1.8	0.1
Total		6.7	6.9	-0.2	3.3	3.5	-0.2

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

 Applicable N/A

(V) Analysis of assets and liabilities

 Applicable N/A

1. Assets and liabilities

Unit: '000 yuan Currency: RMB

Items	Amount as of the end of the current Reporting Period	Percentage of the amount as of the end of the current Reporting Period to total assets (%)	Amount as of the end of the last Reporting Period	Percentage of the amount as of the end of the last Reporting Period to total assets (%)	Change of amount as of the end of the current Reporting Period compared to the last Reporting Period (%)	Remarks
Total assets	2,388,249,126	100.0	2,192,379,494	100.0	8.9	Total assets increased by RMB195.9 billion during the year, mainly due to the increase in contract assets of RMB34.8 billion, the increase in cash and bank balances of RMB31.6 billion, the increase in inventories of RMB28.3 billion and the increase in investment properties of RMB25.6 billion.
Cash and bank balances	327,460,535	13.7	295,859,878	13.5	10.7	Cash and bank balances increased by RMB31.6 billion during the year, mainly due to the increase in bank deposits arising from the increase in cash flow from operating and financing activities.
Notes receivable	17,745,605	0.7	31,990,952	1.5	-44.5	Notes receivable decreased by RMB14.2 billion during the year, mainly due to the decrease in settlement of commercial acceptance bills.
Accounts receivable	180,699,591	7.6	160,498,155	7.3	12.6	Accounts receivable increased by RMB20.2 billion for the year, which was due to the expansion of business scale and the increase in settlement.
Prepayments	49,378,222	2.1	42,242,121	1.9	16.9	Prepayments increased by RMB7.1 billion in the year, which was mainly due to the increase in prepaid land.
Other receivables	60,951,635	2.6	54,607,570	2.5	11.6	Other receivables increased by RMB6.3 billion in the year, which was mainly due to the increase in advances receivable.
Inventories	703,446,149	29.5	675,150,023	30.8	4.2	Inventories increased by RMB28.3 billion in the year, which was mainly due to the increase in cost of property development and increase in products developed.
Contract assets	215,697,090	9.0	180,867,301	8.2	19.3	Contract assets increased by RMB34.8 billion in the year, which was mainly due to the increase in completed but unsettled balance arising from the acceleration of construction progress of partial projects yet delay in owner's confirmation of rights.

Items	Amount as of the end of the current Reporting Period	Percentage of the amount as of the end of the current Reporting Period to total assets (%)	Amount as of the end of the last Reporting Period	Percentage of the amount as of the end of the last Reporting Period to total assets (%)	Change of amount as of the end of the current Reporting Period compared to the last Reporting Period (%)	Remarks
Non-current assets due within one year	44,005,530	1.8	38,138,502	1.7	15.4	Non-current assets due within one year increased by RMB5.9 billion, which was mainly due to the increase in long-term receivables due within one year.
Other current assets	110,819,567	4.6	94,304,474	4.3	17.5	Other current assets increased by RMB16.5 billion in the year, which was mainly due to the increase in prepaid taxes.
Long-term receivables	103,310,203	4.3	177,642,042	8.1	-41.8	Long-term receivables decreased by RMB74.3 billion in the year, which was mainly due to the adjustment to accounting of PPP projects for long-term receivables as a result of the changes in the accounting policies.
Long-term equity investments	100,838,539	4.2	86,415,120	3.9	16.7	Long-term equity investments increased by RMB14.4 billion in the year, which was mainly due to the increase in investment in associated companies and joint ventures.
Investment in other equity instruments	5,065,494	0.2	5,838,384	0.3	-13.2	Investment in other equity instruments decreased by RMB800 million, which was mainly due to the decrease in cost of investment in equity instruments held.
Investment properties	122,696,798	5.1	97,123,680	4.4	26.3	Investment properties increased by RMB25.6 billion in the year, which was mainly due to the increase in investment properties in the year.
Other non-current assets	223,545,320	9.4	139,945,954	6.4	59.7	Other non-current assets increased by RMB83.6 billion in the year, which was mainly due to the adjustment of the long-term receivables of some PPP projects that have not reached an unconditional right to collect to other non-current assets arising from the change in the accounting policy.
Total liabilities	1,748,546,817	73.2	1,615,231,415	73.7	8.3	Total liabilities increased by RMB133.3 billion year on year, which was mainly due to the increase in short-term borrowings, contract liabilities and long-term borrowings.
Short-term borrowings	59,945,832	2.5	29,337,096	1.3	104.3	Short-term borrowings increased by RMB30.6 billion, which was mainly due to borrowings used to fund the growing business scale and daily capital needs.
Notes payable	7,553,066	0.3	5,282,412	0.2	43.0	Notes payable increased by RMB2.3 billion in the year, which was mainly due to the increase in settlement by way of notes with the increase in business volume in the year.
Contract liabilities	323,735,026	13.6	309,491,716	14.1	4.6	Contract liabilities increased by RMB14.2 billion, which was mainly due to the increase in construction payments in advance.
Long-term borrowings	334,735,903	14.0	292,897,038	13.4	14.3	Net long-term borrowings increased by RMB41.8 billion, which was mainly due to the expanding demand for long-term funds to support the capital operation of the projects along with the growing business and continuous development of PPP projects.
Other explanation						

Nil

2. Overseas assets

Applicable N/A

(1) Asset scale

Of which: As of the end of the Reporting Period, the overseas assets of the Company amounted to RMB173.9 billion, accounting for 7.3% of the total assets.

(2) Relevant explanation on a higher proportion of overseas assets

Applicable N/A

(3) Description of overseas assets

Applicable N/A

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

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

Applicable N/A

For details, please refer to Note V. 70 "Assets with restricted ownership" to the financial statements under SECTION X "FINANCIAL REPORT".

4. Other explanation

Applicable N/A

(VI) Analysis of operating information in the industry

Applicable N/A

Analysis of operating information in the construction industry

1. Projects completed and accepted after verification during the Reporting Period

Applicable N/A

Unit: 100 million yuan Currency: RMB

Segment of industry	Housing construction	Infrastructure construction	Specialized engineering	Construction and decoration	Others	Total
Number of projects	9,750	1,725	/	/	/	11,475
Total amount	20,957	6,919	/	/	/	27,877

Applicable N/A

Unit: 100 million yuan Currency: RMB

Locations of projects	Number of projects	Total amount
Mainland China	11,250	26,891
Overseas	225	986
Of which:		
Hong Kong and Macao SARs	96	530
Southeast Asia	57	176
Middle East	18	155
North Africa	13	43
Central and Southern Africa	14	34
Americas	6	14
Europe	1	0.6
Other regions	20	34
Total	11,475	27,877

Other explanation

√ Applicable N/A

With reference to the relevant national standards, combined with its operating characteristics and structural development needs, the Company's housing construction projects include engineering general contracting and specialized contracting projects (foundation, steel structure, construction and installation, renovation and decoration, etc.); infrastructure projects include transportation engineering (roads, municipal roads, railways, urban rail transit, airports, ports and docks, parking lots, tunnels, bridges, waterways, etc.), energy engineering, petrochemical engineering, water supply and treatment engineering, environmental protection engineering, post and telecommunications engineering, disaster prevention engineering, hydraulic engineering and other projects (outdoor stadiums, outdoor recreational facilities, reclamation, artificial islands, underground comprehensive pipe corridors, pipe networks, etc.), which is also applicable to the items below.

2. Projects under construction during the Reporting Period

√ Applicable N/A

Unit: 100 million yuan Currency: RMB

Segment of industry	Housing construction	Infrastructure construction	Specialized engineering	Construction and decoration	Others	Total
Number of projects	17,970	4,910	/	/	/	22,880
Total amount	63,295	23,573	/	/	/	86,868

√ Applicable N/A

Unit: 100 million yuan Currency: RMB

Locations of projects	Number of projects	Total amount
Mainland China	22,135	81,895
Overseas	745	4,973
Of which:		
Hong Kong and Macao SARs	170	1,464
Southeast Asia	232	1,630
Middle East	79	566
North Africa	52	401
Central and Southern Africa	29	157
Americas	55	196
Europe	15	55
Other regions	113	505
Total	22,880	86,868

Other explanation

 Applicable N/A

3. Material projects under construction

 Applicable N/A

Other explanation

 Applicable N/A

4. Overseas projects during the Reporting Period

 Applicable N/A

Unit: 100 million yuan Currency: RMB

Locations of projects	Number of projects	Total amount
Hong Kong and Macao SARs	266	1,993
Southeast Asia	377	2,149
Middle East	151	1,003
North Africa	131	600
Central and Southern Africa	72	294
Americas	62	220
Europe	19	54
Other regions	159	623
Total	1,237	6,935

Other explanation

 Applicable N/A

The above project status includes completed and settled, completed and unsettled, under construction and others.

The amount of contracts for overseas projects was calculated based on the exchange rate of foreign currencies against RMB as agreed in the contract or the spot exchange rate at the time of signing the contract.

5. **Total number of new projects signed during the Reporting Period**

Applicable N/A

The total number of new projects signed during the Reporting Period was 5,920 with an amount of RMB3,107.4 billion (amount of construction contracts).

6. **Orders in hand as of the end of the Reporting Period**

Applicable N/A

The total amount of orders in hand as of the end of the Reporting Period was RMB6,490.9 billion. Among them, the amount of the contracts that have been signed but the projects have not yet started was RMB2,199.3 billion, and the amount of the unfinished part of the projects under construction was RMB4,291.6 billion.

Other explanation

Applicable N/A

7. **Other explanation**

Applicable N/A

- **The Company's qualifications in the construction industry**

As of the end of the Reporting Period, the Company had a total of 41 enterprises with special qualifications, 1 enterprise with comprehensive engineering grade-A qualification, and 68 special-grade qualifications, including 34 special-grade qualifications in general contracting of construction projects, 19 special-grade qualifications in general contracting of municipal utilities works, and 11 special-grade qualifications in general contracting of highway projects, 2 special-grade qualifications in general contracting of petrochemical projects, 1 special-grade qualification in general contracting of port and waterway projects, and 1 grade-A qualification in design-related comprehensive business.

- **The Company's quality control system, implementation standards, control measures and overall evaluation**

Based on the ISO9001 quality system, the Company continuously improved the multi-level and comprehensive quality management system such as quality organization system, regimes and supervision system, and maintained effective operation. Before the commencement of work, the Company made project quality planning, specified the objectives of project quality management, entered into the agreement regarding the quality responsibility goals of specific roles, refined the role-specific quality tasks, and made preparations for construction. During the process of construction, the Company implemented quality standardization management and guidance by examples, and refined technical communication. The Company signed project quality warranty, compiled the construction manual, and distributed it to the users. The Company attached great importance to quality assurance services, established customer files, and conducted regular and irregular quality review visits. The pass rate of the completed projects was 100%, and there was no quality accident above the general level.

- **Operation of the Company's safe production system**

The year 2021 is the first year of the "14th Five-Year Plan" and the year to break through the difficulties in the "Three-Year Action of Special Rectification for National Work Safety". Focusing on the strategic goal of "one creation and five aspects of strength", all units of CSCEC have implemented the "166" strategic initiatives, controlled risks and eliminated hidden dangers following the main line of "paying close attention to the special action of safety production", and achieved the annual work targets. Safety production supervision has been steadily improved, and the relationship between safety and development has been promoted in a coordinated manner. CSCEC released the "Work Safety Special Plan during 14th Five-Year Plan" to promote the modernization of governance system and governance capacity on work safety. CSCEC prepared the Occupational Health Management Measures, the Comprehensive Emergency Plan for Production Safety Accidents, the Guidelines for Safety Management of Integrated Pipe Gallery Operation (Trial), the Guidelines for the Operation and Safety Management of Urban Parks (Trial), the Guidelines for Safe Operation and Management of Medicare Business (Trial) and the Guidelines for Safety Management of Urban Water Supply (Drainage) Plants (Trial) to improve the internal policies and systems. No major or above production safety accidents occurred during the Reporting Period, and both the number of general production safety accidents and fatalities declined year on year.

(VII) Analysis of investment**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, investment in other equity instruments and long-term equity investments.

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	Abbreviation	Investment cost at the beginning of the Reporting Period	Changes in investment cost during the Reporting Period	Cost of investment at the end of the Reporting Period	Carrying value at the end of the Reporting Period	Gains or losses during the Reporting Period	Changes in fair value during the Reporting Period	Accounting items	Source of shares
/	SPH	1,869	-1,869	0	0	274	274	Financial assets held for trading	Purchase
/	PACIFICCENTURY	9,472	-9,472	0	0	568	173	Financial assets held for trading	Purchase
/	PACIFIC2 CENTURY2	1,403	-1,403	0	0	70	70	Financial assets held for trading	Purchase
000628.SZ	HI-TECH DEVELOPMENT	440	-440	0	0	51	-31	Financial assets held for trading	Purchase
601328.SH	BANKCOMM	2,660	0	2,660	11,624	1,127	328	Financial assets held for trading	Purchase
601838.SH	BANK OF CHENGDU	255	0	255	4,637	692	514	Financial assets held for trading	Purchase
600015.SH	HUAXIA BANK	5,558	0	5,558	7,472	-466	-867	Financial assets held for trading	Purchase
601288.SH	AGRICULTURAL BANK OF CHINA	796,467	0	796,467	873,736	55,010	-59,438	Investment in other equity instruments	Purchase
600015.SH	HUAXIA BANK	241,479	0	241,479	324,635	17,449	-37,681	Investment in other equity instruments	Purchase
601328.SH	BANKCOMM	2,005	0	2,005	6,609	454	186	Investment in other equity instruments	Purchase
00687.HK	TYSAN HOLDINGS	199,904	-199,904	0	0	473	181,434	Investment in other equity instruments	Purchase
601229.SH	BANK OF SHANGHAI	1,641	-1,641	0	0	0	-7,816	Investment in other equity instruments	Purchase
000617.SZ	CNPCCCL	1,900,000	0	1,900,000	1,274,635	46,015	-393,710	Other current assets	Purchase
600390.SH	MINMETALS CAPITAL	1,500,000	0	1,500,000	943,448	62,424	-294,384	Other current assets	Purchase
	Other investment in securities	247,446	-196,440	51,006	47,864	8,366	-4,107	Financial assets held for trading	Purchase
	Total	4,910,599	-411,169	4,499,430	3,494,660	192,507	-615,055	/	/

Notes:

- ① This table sets out the Company's investment in stock securities including financial assets held for trading, other current assets, and investment in other equity instruments.
- ② Profit and loss for the Reporting Period, with respect to financial assets held for trading, includes the investment income and changes in fair value during the holding period and the investment gains on disposal during the Reporting Period; with respect to investment in other equity instruments and other current assets, includes investment gains during the holding period.
- ③ Other securities investment refers to investment in stock securities accounted for as financial assets held for trading, investment in other equity instruments other than those listed above.
- ④ In addition to the table above, for other items included in financial assets held for trading and investment 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. "Investment in other equity instruments" under SECTION X "FINANCIAL REPORT".

4. Specific progress of material asset restructuring during the Reporting Period

Applicable N/A

(VIII) Major disposal of assets and equity interests

Applicable N/A

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

Applicable N/A

1. Major subsidiaries acquired through incorporation or investment

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
COHL	Investment holding	31,032,258	100.00	969,664,703	327,933,471	42,670,305
China Overseas Land & Investment	Real estate development and operation	HKD1,095,000,000	56.09	869,906,698	357,106,354	43,061,536
CSCI	Construction and installation	HKD1,500,000,000	64.81	179,286,946	54,138,423	6,177,487
China Overseas Property	Property management	HKD30,000,000	61.18	6,802,216	2,535,182	819,674
China Construction First Group Corporation	Construction and installation	10,000,000	100.00	99,721,060	23,043,561	3,202,001
China Construction Second Engineering Division	Construction and installation	10,000,000	100.00	142,095,900	34,570,245	2,984,120
China Construction Third Engineering Division	Construction and installation	5,039,865	100.00	242,655,878	61,476,805	8,649,607
China Construction Fourth Engineering Division	Construction and installation	8,000,000	100.00	112,190,250	21,489,473	623,488
China Construction Fifth Engineering Division	Construction and installation	10,000,000	100.00	162,478,449	35,775,878	3,435,608
China Construction Sixth Engineering Division	Construction and installation	4,277,946	100.00	60,154,498	12,448,890	249,821
China Construction Seventh Engineering Division	Construction and installation	6,000,000	100.00	115,788,645	23,666,205	1,838,318
China Construction Eighth Engineering Division	Construction and installation	14,950,000	100.00	263,672,145	66,481,266	9,865,739
China Construction Engineering Design Group	Engineering survey and design	510,000	100.00	3,341,585	1,166,716	99,131
China State Decoration	Industrial renovation and decoration	1,000,000	100.00	16,344,162	1,805,663	-884,031
China Construction Fangcheng	Infrastructure construction	5,000,000	100.00	55,070,748	16,903,116	1,376,760

2. Major subsidiaries acquired through business combination under common control

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
CSECEC Xinjiang Construction & Engineering	Construction and installation	3,500,000	85.00	56,813,056	15,818,076	1,662,510
West Construction	Construction materials	1,262,354	57.79	30,019,720	11,458,399	980,921
Shenzhen China Overseas Investment (深圳中海投资)	Real estate development and operation	2,650,000	100.00	488,913	461,381	11,011
CSC Finance	Finance	10,000,000	80.00	107,386,256	13,015,533	825,789

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

Unit: '000 yuan Currency: RMB

Name	Nature of business	Registered capital	Shareholding ratio (%)	Total assets	Net assets	Net profit
CSC Development	Construction and installation	HKD100,000,000	48.00	7,202,753	1,317,658	235,861
China Construction Harbour and Channel Engineering Bureau	Infrastructure construction	1,333,333	70.00	9,172,085	2,168,183	164,743

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

(X) Structured entities under the control of the Company

Applicable N/A

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

VI. Discussion and Analysis of the Future Development of the Company

(I) Industrial development and trends

Applicable N/A

The construction industry is an important pillar industry of the national economy and is closely related to the overall development of the national economy and the improvement of people's lives. As China has been accelerating the transformation and upgrading of the construction industry in recent years, the industrial scale and construction capacity have continuously improved, making important contributions to economic and social development, urban and rural construction and improvement of people's livelihood. In 2021, the total output value of the national construction industry was RMB26.39 trillion, a year-on-year increase of 6.2%. The growth trend will maintain, and the construction industry shows strong development resilience.

The housing construction market has potential for development. According to data released by the National Bureau of Statistics, at the end of 2021, the urbanization rate of the permanent population of China was 64.72%, an increase of 0.83 percentage points from that at the end of 2020. China's urbanization rate is increasing at an average rate of one percentage point every year; that is to say, 10 million people migrate to work and live in urban areas every year, which will inevitably drive investment and construction needs in public service facilities, and housing, among others. The housing construction market has strong potentials for development. China is extensively implementing the people-oriented urbanization strategy and continuously optimizing the spatial layout and form of urbanization. China is vigorously promoting the integrated development of urban agglomerations such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the GBA, and the Chengdu-Chongqing region, developing modern metropolitan circles, strengthening the global resource allocation, scientific and technological innovation strategy, and high-end industry leading functions of megacities, improving the livable and business-friendly functions of large and medium-sized cities, and promoting urbanization construction with county towns as an important carrier. From the perspective of segments, all regions are accelerating the transformation of old urban communities, factories and blocks, strengthening the supply of indemnificatory housing and the construction of people's livelihood facilities such as medical and health care, culture and entertainment, sports and health, and nursery and elderly care, which will bring new opportunities for construction enterprises.

Infrastructure investment business focuses on key areas. In 2021, the central and local governments stayed focusing on the investment and construction of “two novels and one major” (i.e. novel infrastructure construction, novel urbanization construction, and the construction of major projects regarding transportation and water conservancy) and shortcomings. China accelerated the construction of a transportation powerhouse to improve comprehensive transportation channels, comprehensive transportation hubs and logistics networks, and actively promoted the construction of key urban agglomerations, inter-city railways in metropolitan areas, city-suburban railways and high-grade highways and accelerated the construction of 5G, industrial Internet, and big data centers. The pace is accelerated to improve municipal engineering, agriculture and rural areas, public safety, scientific research facilities, ecological environmental protection, public health, material reserves, disaster prevention and mitigation, and people’s livelihood facilities. In 2021, the national investment in fixed assets (excluding those in rural households) was RMB54.45 trillion, an increase of 4.9% over the previous year. With the moderately advanced infrastructure investment, the implementation of 102 major engineering projects and special planning key projects under the “14th Five-Year Plan” will drive the investment and construction of conventional and new infrastructure. From the perspective of market segments, rail transit, underground space, ecological environmental protection, and telecommunication facilities are expected to become the fastest growing areas, and the total market volume of highways and railways will maintain at a high level.

Real estate is shifting to inventory model. In 2021, the central government maintained the positioning of “housing for live in instead of for speculation”, strengthened guidance on expectations, and explored new development models such as encouraging both housing renting and purchase. China moved faster to develop the long-term rental market, promoted the construction of indemnificatory housing, supported the commercial housing market to better satisfy homebuyers’ reasonable housing demand, and promoted a virtuous circle and healthy development of the real estate industry based on specific conditions of cities. Throughout the year, the national investment in real estate development amounted to RMB14.76 trillion, a year-on-year increase of 4.4%; the national sales of commercial properties amounted to RMB18.19 trillion, a year-on-year increase of 4.8%; the national sales area of commercial properties was RMB1.794 billion square meters, a year-on-year increase of 1.9%. With the continuation of real estate regulating policy and the official implementation of “three red lines” and “centralized land supply”, the real estate incremental market stabilized, and the industry will gradually develop from an incremental model to a reserve model. As an inevitable product of the reserve model, urban renewal brings huge potentials and opportunities in that it stimulates the renovation of old communities, indemnificatory housing, long-term rental apartments, property management and others, and drives the construction of public supporting facilities and other markets.

The survey and design have entered a transitional period. In 2021, the “dual carbon” goal, urban renewal and rural revitalization have vigorously driven the development of the survey and design industry, and ushered in new market opportunities for new segments such as urban planning, airport transportation design, municipal infrastructure design, and cultural venue design. Meanwhile, the application of BIM digital technology, the rapid advancement of novel building industrialization and intelligent construction technology represented by prefabricated buildings, as well as the continuous promotion of the general contracting model, will promote industry transformation and innovation.

(II) Development strategies

Applicable N/A

During the “14th Five-Year Plan”, the Company will accelerate the implementation of the “166” strategic initiative under the guidance of the strategic goal of “one creation and five aspects of strength”, focus on main duties and principal business, and solidly promote the continuous high-quality, innovative, green, optimized, and digital development and security development and transformation. The Company will moderately expand emerging business in close relation to the principal business to further enhance the Company’s core competitiveness and create a world-class investment and construction group.

1. Investment and operation business. Committed to becoming an outstanding international real estate development and operation group, the Company will continue to take “transformation and upgrading” as the keynote, accelerate the formation of a pattern that focuses on residential product development, supplemented by high-quality commercial development and operation as well as by emerging business such as education and healthcare. Infrastructure investment and operation business is a key part for the Company to optimize its business structure and achieve transformation and upgrading. During the “14th Five-Year Plan” period, the Company will attach great importance to investment management and the safe and stable operation of projects, and strive to enhance “three key aspects of capabilities”, i.e., operation management, professional implementation and risk mitigation. With regard to new-type urbanization business, the Company will proactively seize opportunities, implement the national strategic deployment of urban renewal actions, coordinate regional distribution, concentrate relevant resources, and give full play to its “four-in-one” advantage. The Company will focus on the zoning development and large-scale urban renewal, station-city integration, urban operation, etc., coordinate urban planning, construction, and operation management to create a livable, green, resilient, smart and humane city, and continuously improve the quality of the urban living environment and people’s life, dedicated to becoming a leading domestic urban service operator.

2. **Engineering construction business.** The Company should continue to consolidate its absolute dominant position in the housing construction market. In accordance with the principle of steady development with efficiency enhancement, the business will focus on expanding projects in the public investment and high-quality real estate developers' residential and commercial office projects, and continue to improve its competitiveness in super high-rise and large-span projects. The Company aims to set an industry benchmark in supply chain management, informatization, construction quality, energy conservation and environmental protection and production safety, deliver scientific research results reaching domestic and international leading levels, and continuously improve its market competitiveness and quality of development. Infrastructure business remains an important aspect of the Company's optimization of its business structure. The Company will more actively seize the development opportunities brought by the country's major strategies, focus on key markets with an integrated approach combining provinces, districts and metropolitan areas, improve its management system, and strive to make up for the shortcomings. In doing so, the Company strives to obtain the economic and social benefits and promote the further optimization of the Company's business structure for a stronger and larger infrastructure business during the "14th Five-Year Plan" period. The Company continues to deepen reforms and innovations in the construction business, optimize the internal coordination mechanism of the system, and grow stronger, better and larger to become the industry leader in terms of scale, technology and quality, as well as the first choice for high-end customers.
3. **Survey and design business.** Through the survey and design business, the Company will enhance its brand influence, cultivate high-end talents, strengthen technological innovation, and provide strong support for the Company's general engineering contracting business. The Company will also expand its survey and design business, build the core competence of the brand, focus on key professional directions, achieve distinctive and differentiated development, and enhance the original ability of product solutions to strengthen brand building. The Company will create a highland of talents in survey and design, and prepare high-end talent reserves, strengthen business synergy and linkage, and innovate business cooperation models. Taking advantage of development opportunities such as the BRI, the Company will actively cooperate with entities within and outside the system to expand overseas survey and design business.
4. **New business.** The Company will further intensify the development of new business, and vigorously create an innovative atmosphere within the Company that encourages bold explorations and innovation and tolerates failure. The Company will implement classified policies, and give appropriate special considerations in terms of resource input, performance appraisal and management procedures. Giving full play to its advantages, the Company will continue to explore new business forms and cultivate new momentum, with a focus on key areas and directions such as new materials, equipment, and energy, new infrastructure, digital business, and ecological and environmental protection business, striving to make new business an important business segment by the end of the "14th Five-Year Plan".
5. **International business.** During the "14th Five-Year Plan" period, in the face of the severe and complex international environment and challenges brought by the pandemic, the Company will adhere to the direction of developing global business, improve the international operation mechanism and model, seize BRI opportunities, enhance its voice and influence in the global industry, and become an outstanding representative of "Chinese Construction" in the global market. Meanwhile, the Company will focus on delivering international talents and learn advanced management practices and business philosophy from leading international enterprises to improve its overall management.

During the "14th Five-Year Plan" period, the Company will, based on the needs of the new development stage, implement the new development concept and accelerate the construction of a new development pattern. With promoting high-quality development as the theme and deepening the supply-side structural reform as the main line, the Company will seize the new opportunities brought by demand-side reform, and following the country's "14th Five-Year Plan" and 2035 long-term vision goals, proactively adapt to the new situation and meet new challenges. The Company will fully explore new opportunities in crises and changes. Bearing in mind the overall strategy of the great rejuvenation of the Chinese nation as well as the profound changes unseen in the world in a century, the Company will maintain strategic focus and remain committed to development, amplify its advantages and complement shortcomings, coordinate development and safety, and take full advantage of the domestic and international markets and resources for more quality, efficient, sustainable and secure development, realizing its vision of "building a world-class comprehensive enterprise group in investment and construction of global competitiveness".

(III) Operation plan

√ Applicable □ N/A

In 2022, the Company plans to achieve the amount of newly signed contracts of more than RMB3.85 trillion, and a revenue of more than RMB2.01 trillion. Adhering to the general work guideline of making progress while maintaining stability and the new development concept, the Company will focus on high-quality development, the strategic goal of "one creation and five aspects of strength", the "166" strategic measures, and high-quality development. The Company will strive to solve the issue of unbalanced and insufficient development, and promote reform in terms of quality, efficiency and driving force. The Company will adhere to scientific research and judgment, accurately respond to the external situation and national policies, take the initiative to study new situations, solve new problems, and creatively promote the work throughout the year. The Company will also make persistent efforts in the implementation of the Company's reform and development tasks.

The business plan does not constitute a commitment to investors in terms of the Company's performance. Investors are advised to maintain sufficient risk awareness, and should understand the difference between the business plan and commitments of performance.

(IV) Potential risks

Applicable N/A

1. Customer credit risks

Adhering to the regulatory policy that “houses are for living in, not speculation” and in light of the “three red lines”, the new policy on the concentration of housing loans and the market condition, the vulnerable property enterprises with high debt, high leverage and excessive diversification have experienced financial distress. Additionally, affected by the pandemic, Chinese economic development is facing the “triple pressure” of shrinking demand, supply shocks and weakening expectations, and investment in infrastructure and real estate markets has slowed down significantly. As an upstream enterprise in the industry chain, CSCEC has a close cooperative relationship with real estate companies and is affected to a certain extent by the spillover of customer debt risks. While strictly implementing the national real estate control policy, the Company attaches great importance to the prevention and resolution of customer credit risks, strengthens policy research and the management of marketing bottom lines and manages customer credit risks by category to optimize contract payment conditions. It also strengthens the monitoring of project performance by establishing a public opinion supervision system for risky customers, and holds regular risk prevention and control seminars to strengthen the normalized management mechanism for customer credit risks prevention and response.

2. Macro-economic risks

Under the impact of the pandemic, the evolution of the century landscape has accelerated, and the external political and economic environment has become more complex, severe and uncertain. As China's position was greatly affected by the international landscape, the Company's internationalization process has been greatly hindered. The declined domestic economic growth, enhanced downward pressure on the economy, the declining growth trend of the construction industry as a whole and the rising cost of building materials posed challenges to the profit margin of the Company. Confronted with the complex and evolving domestic and international environment, the Company proactively served to build a new development pattern and vigorously promoted its structural adjustment and transformation centering on the high-quality development, the strategic goal of “one creation and five aspects of strength” and the “six commitments”. The Company further strengthened research on macroeconomic and industrial policies to closely follow national and local investment and construction hotspots and implement the strategic plan for the “14th Five-Year Plan”, and conduct regular research and revisions in light of changes in the external environment to ensure that the plan plays a guiding role. The key tasks in the next stage are arranged based on the quarterly economic operation analysis meeting, the timely analysis on the macroeconomic condition, the highlights of the operations, research on major problems in the Company's operation as well as the analysis on the changes in market condition.

3. Pandemic prevention and control risks

The global pandemic development remains unclear at present. The fast-spreading and highly concealed Omicron variant has become the mainstream variant in the world. Coupled with the multiple, widespread and frequent occurrences of the pandemic within China, the pandemic prevention and control remains challenging. CSCEC engages in a labor-intensive construction industry and undertakes projects from many domestic and overseas countries; hence, there remain challenges and uncertainties in pandemic prevention and control. To mitigate the pandemic prevention and control risks, the Company will earnestly implement the general strategy of “guarding against imported cases and preventing a resurgence of the outbreak at home” and the “dynamic zero-Covid policy”, strengthen pandemic prevention, stay current with national policies on pandemic prevention to implement precise policies and response to normalized pandemic prevention and control. It will maintain pandemic prevention and control as its work highlights overseas to ensure appropriate prevention and control efforts and standards. Based on guidelines for prevention and control of office spaces and engineering projects, classification standards, key measures and key points of processing are defined to form a complete set of measures in response to infectious within the scope of responsibility. Pandemic risks will be addressed following the steps including all-staff investigation, the provincial leader performing the responsibility of the territorial lead unit for pandemic prevention, analysis and judgment of the special class of the headquarters and adjustment of the status of pandemic prevention and control. The Company will enhance its pandemic prevention and control information system, increase the intensity and frequency of video inspections, supervise the investigation and rectification of pandemic risks and hidden dangers, and prepare well for closed-loop management.

4. Public opinion risks

Currently, the society has entered the 5G all-media era, and profound changes have taken place in the ecology of public opinion, media structure and communication methods. Under the new normal of public opinion, the Company's daily management and operations in all aspects may be exposed to public opinion risks, affecting its brand and reputation. In order to mitigate public opinion risks, the Company strictly enforces compliance management in all aspects of production and operation and practices and makes good use of basic skills to prevent public opinion risks from the root cause. Meanwhile, the Company organizes regular training on press releases and public opinion guidance to help staff at all levels learn to communicate with the public correctly and accurately, identify problems and respond to social concerns. The Company keeps optimizing the whole-process management system for joint prevention and control of public opinion, strengthens the monitoring and collection of public opinion, and establishes a rapid response mechanism to ensure early detection, immediate warning, and rapid disposal of public opinion risks, and strictly prevent offline problems from turning into major negative public opinion. The Company continues to improve the emergency plan and disposal mechanism, further refine the disposal process, optimize disposal measures, organize drills on a regular basis, and constantly test the operability and pertinence to ensure pragmatism, effectiveness and efficiency.

5. Safety, environmental protection and quality risks

Projects undertaken by CSCEC are widely distributed and ranged. With the expansion of scale, new business formats keep rising. Constrained by such factors as safety education and training, risk hazard investigation and control costs, the objective conditions of industrial production technology and open-air construction, and the need to improve the professionalization, specialization and skill level of construction workers, the Company faces higher requirements and challenges in safety, environmental protection and quality risks prevention and resolution. The Company attaches great importance to safety production, ecological environment protection and quality safety, and continuously improves the safety production risk prevention and control system. The Company identifies production safety risks for different business types, distinguishes the bottom plate and the short plate based on Cannikin's law, and implements hierarchical and classified management. The Company will continue to carry out special inspections on normalized production safety, and dispatch experts on production safety supervision of enterprises at all levels to form an inspection team for cross-inspection and common improvement; formulate the Ecological and Environmental Protection Management Benchmarking Evaluation Plan, urge enterprises at all levels to keep improving the environmental protection risk management system, and establish a standardized and normalized environmental protection management benchmarking assessment working mechanism, so as to promote the overall improvement of the system-wide environmental risk management. It will improve the quality risk management and control system, resolutely eliminate major engineering quality accidents, and ensure the quality and safety of engineering structures.

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

For details of the Company's goodwill and its impairment, please refer to the relevant information as set out in Note V. 22 "Goodwill" to the financial statements under SECTION X "FINANCIAL REPORT".

(V) Miscellaneous

Applicable N/A

VII. Details of and Reasons for the Company's Non-disclosure Due to Inapplicability or Other Special Reasons such as Involvement of State or Trade Secrets

Applicable N/A

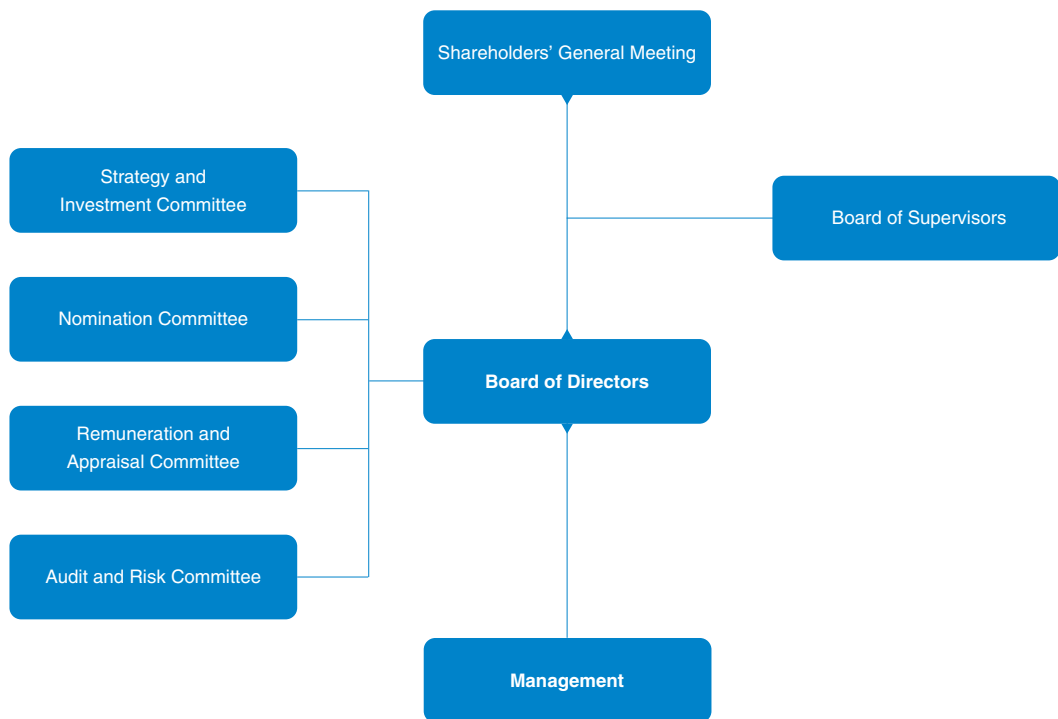
SECTION IV CORPORATE GOVERNANCE

I. Information on Corporate Governance

√ Applicable □ N/A

(I) Establishment of corporate governance mechanism

During the Reporting Period, the Company operated strictly in accordance with the laws and regulations of the People's Republic of China (PRC) such as the Company Law and the Securities Law, as well as the administrative regulations issued by the China Securities Regulatory Commission and the relevant requirements of various rules formulated by the Shanghai Stock Exchange. It established and improved a standardized and comprehensive corporate governance structure, and effectively constructed a set of systematic and complete corporate governance systems. The Company continued to track legislative developments, extensively implemented the country's latest corporate governance requirements, and further revised the corporate governance system to maintain the scientific nature, rationality and effectiveness of the system. The Company has been a sample stock of the SSE Corporate Governance Index for eleven years in a row, and was included in the List of Corporate Governance Demonstration State-owned Enterprises maintained by the SASAC; the Board of Directors won the "Best Board of Directors" award from the Golden Round Table of the Board of Directors for 10 consecutive years.



Corporate Governance Structure

1. Shareholders' general meeting

The Company convenes and holds general meetings in strict accordance with the Articles of Association and the Rules of Procedures of Shareholders' General Meeting to ensure that all shareholders, especially minority shareholders, enjoy equal rights to fully exercise their voting rights. For major matters that may affect the interests of minority investors, the Company separately counts and announces the voting results at the general meeting to fully protect the legitimate rights and interests of minority investors. The Company provides on-site and online voting methods for shareholders to participate in the general meetings to ensure that all shareholders have equal rights to express their opinions and demands. Besides, the Company also engages lawyers to attend the general meetings to confirm and witness the convening procedures, matters to be considered, and the identities of the attendees to ensure the legality and validity of the general meetings.

2. Board of Directors

During the Reporting Period, the Board of the Company convened a meeting to elect directors in accordance with laws and regulations. The Board currently comprises 6 directors, including 4 independent directors. There are four special committees under the Board, including Strategy and Investment Committee, Nomination Committee, Remuneration and Appraisal Committee, and Audit and Risk Committee. The Company keeps enhancing the normative construction of the Board to promote the standardized operation of the Board. During the Reporting Period, the Company strengthened the top-level design of the Board and formulated special implementation plans; clarified the boundaries of powers and responsibilities between the Board and other governance divisions and formulated a list of decision-making matters of the Board to optimize the scope and standards of the authorization; enhanced the responsibilities of the Board and its special committees in formulating strategies, risk prevention and control, and sustainable development, and revised and implemented relevant rules of procedure; actively explored and innovated the working mechanism of the Board and established a pre-meeting communication mechanism to consolidate the supervision mechanism for board resolutions, and improve independence director's work and performance service guarantee mechanism.

3. Board of Supervisors

During the Reporting Period, the Board of Supervisors of the Company convened a meeting to elect supervisors in accordance with laws and regulations. The Board of Supervisors currently comprises 5 supervisors, including 2 employee representative supervisors. The structure and composition of the Board of Supervisors comply with the requirements of laws and regulations. The Board of Supervisors held meetings under the Articles of Association, the Rules of Procedures of the Board of Supervisors and laws and regulation, and conscientiously performed their duties, supervised and inspected the performance of directors and senior management personnel and the legality and compliance of the Company's financial affairs, and fully safeguarded the legitimate rights and interests of the Company and shareholders. The office under the Company's Board of Supervisors assists in performing duties of the Board of Supervisors.

(II) Information disclosure

The Company continued to improve the quality of information disclosure by combining statutory information disclosure with voluntary information disclosure. During the Reporting Period, the Company prepared and disclosed 149 compliance documents, including periodic reports and provisional announcements, involving the related party transactions, external investments, external guarantees, share repurchase and equity incentive and other matters. The Company was awarded Grade A in the 2020-2021 Information Disclosure Work Evaluation of the Shanghai Stock Exchange. It will further improve the international level of periodic reports, prepare and publish periodic reports and provisional announcements in English version to meet the needs of overseas investors and stakeholders.

(III) Investor relations management

The Company attached importance to the management and maintenance of investor relations to enrich investor communication channels, intensify investor exchanges, and communicate with investors through performance briefings, general meetings, investment strategy meetings, and investor open days. Throughout the year, the Company held 3 performance briefings for global investors in the form of "on-site + announcement + text", which attracted more than 100 institutional investors and small and medium investors. The Company made full use of the investor hotline, IR mailbox, and the SSE E-interactive platform to maintain investors. The Company responded to more than 300 questions on the SSE e-interactive platform throughout the year, with a response rate close to 100%, and answered more than 200 valid calls from investors. The Company released the investor protection report for the first time. In addition, the Company broadened channels for investors to obtain information by creating an investor relations WeChat public account platform (CSCEC Investor Relations).

During the Reporting Period, the Company strictly complied with the Administrative Measures for Information Disclosure and Internal Reports of Material Information, the Administrative Measures for Accountability Regarding Major Errors in the Annual Report Information Disclosure, the Regulations on the Management of Funds from Related Party Transactions, the Measures on the Management of Shares and Changes in Shareholdings of the Directors, Supervisors and Senior Management in the Company, and the Administrative Measures on Insider Registration. There was no major violation of relevant rules or serious corporate governance non-compliance with relevant regulations and the CSRC requirements. The Company was not subject to administrative punishment or notice of criticism by the CSRC, nor was it punished by other regulatory agencies or condemned by the stock exchange.

Whether the corporate governance is seriously non-compliant with laws, regulations and the requirements of the CSRC on governance of listed companies; if yes, please provide the reasons

Applicable N/A

II. Specific Measures of the Controlling Shareholder and De Facto Controller of the Company for Ensuring the Independence of the Company in Terms of Assets, Personnel, Finance, Organization and Business; and Solutions, Work Progress and Subsequent Work Plan for Addressing the Impact on the Company's Independence

Applicable N/A

Information on the business of the controlling shareholder, de facto controller and other entities under their respective control that are engaged in the same or similar business as the Company, as well as the impact of horizontal competition or major changes in horizontal competition on the Company, the measures taken, the progress of the solution and the follow-up solution.

Applicable N/A

The controlling shareholder of the Company is China State Construction (formerly known as China State Construction Engineering (中国建筑工程总公司)). In December 2007, China State Construction Engineering restructured its affiliates and all assets as a whole, initiated and established China State Construction Engineering Corporation Limited, and injected all its principal business and assets, liabilities, qualifications and brands into CSCEC which was listed on the Shanghai Stock Exchange in July 2009 as a whole. After the listing, China State Construction, as the substantial shareholder, mainly conducts operation and management activities on the platform of CSCEC. As of December 31, 2021, the latest audited total assets, operating income and net profit of CSCEC accounted for more than 99% of the corresponding indicators of China State Construction. During the Reporting Period, the controlling shareholder of the Company strictly regulated their own behavior, exercised their rights and performed their obligations in accordance with the law. The Company strictly guarded against risks such as capital occupation by the controlling shareholder and illegal guarantees, and urged the controlling shareholder to fulfill its commitments and maintain independence from the controlling shareholder in terms of assets, personnel, finance, organization, and business.

III. Overview on the General Meeting of Shareholders

Meeting	Date	Search index of the designated website for publishing resolutions	Date of disclosure of resolutions	Resolutions
The first extraordinary general meeting in 2021	January 15, 2021	www.sse.com.cn	January 16, 2021	Considered and approved the Proposal on Amending the Working Rules of the Independent Directors of China State Construction Engineering Corporation Limited, the Proposal on Repurchase of Participants' Shares under the Phases II and III Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited, the Proposal on Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation and the Proposal on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation
2020 annual general meeting	May 13, 2021	www.sse.com.cn	May 14, 2021	Considered and approved the 2020 Work Report of the Board of Directors of China State Construction Engineering Corporation Limited, the 2020 Work Report of Independent Directors of China State Construction Engineering Corporation Limited, the 2020 Work Report of the Board of Supervisors of China State Construction Engineering Corporation Limited, the Proposal on the 2020 Final Accounts Report of China State Construction Engineering Corporation Limited, the Proposal on the 2020 Profit Distribution Plan of China State Construction Engineering Corporation Limited, the Proposal on the 2020 Annual Report of China State Construction Engineering Corporation Limited, the Proposal on 2021 Financial Budget Report of China State Construction Engineering Corporation Limited, the Proposal on the Implementation of the 2020 Investment Budget and the 2021 Proposed Investment Budget Plan of China State Construction Engineering Corporation Limited, the Proposal on Re-appointment of Internal Control Auditor in 2021 of China State Construction Engineering Corporation Limited, the Proposal on Re-appointment of Financial Report Auditor in 2021 of China State Construction Engineering Corporation Limited, the Proposal on Financing Guarantee in 2021 of China State Construction Engineering Corporation Limited, the Proposal on the Registration of Domestic Bond Quota in 2021 of China State Construction Engineering Corporation Limited, the Proposal on Renewal of Liability Insurance in 2021 to 2023 for Directors, Supervisors and Senior Management of China State Construction Engineering Corporation Limited, the Proposal on Election of Directors of the Third Session of the Board of Directors of the Company, the Proposal on Election of Independent Directors of the Third Session of the Board of Directors of the Company, and the Proposal on Election of Shareholder Representative Supervisors of the Third Session of the Board of Supervisors
2021 second extraordinary general meeting	October 25, 2021	www.sse.com.cn	October 26, 2021	Considered and approved the Proposal on Guarantee and Cross-guarantee of the Parent Company in Respect of the North East Link in Australia
2021 third extraordinary general meeting	December 15, 2021	www.sse.com.cn	December 16, 2021	Considered and approved the Proposal on Amending the Articles of Association of China State Construction Engineering Corporation Limited, the Proposal on Amending the Rules of Procedures of the Board of Directors of China State Construction Engineering Corporation Limited, the Proposal on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation, the Proposal on Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation, the Proposal on Repurchase of Participants' Shares under Phases III and IV Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited

Preferred shareholders with voting rights recovered request convening extraordinary general meeting

Applicable N/A

Description of general meetings

Applicable N/A

During the Reporting Period, a total of 4 proposals were considered at the first extraordinary general meeting in 2021 of the Company, and all were approved by voting. A total of 16 proposals were considered at the 2020 annual general meeting of the Company, and all were approved by voting. One proposal was considered at the second extraordinary general meeting in 2021 of the Company, and it was approved by voting. A total of 5 proposals were considered at the third extraordinary general meeting in 2021 of the Company, and all were approved by voting. The resolutions were disclosed on the website of the Shanghai Stock Exchange, China Securities Journal, the Shanghai Securities News, the Securities Times and the Securities Daily.

IV. Directors, Supervisors and Senior Management

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

√ Applicable □ N/A

Unit: 0,000 shares

Name	Position	Gender	Age	Commencement date of the term of office	Expiry date of the term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Share changes during the year	Reason for changes	Total pre-tax remuneration received from the Company during the Reporting Period (0'000 yuan)	Whether to obtain remuneration from related parties of the Company
Incumbent directors, supervisors and senior management											
	Chairman			November 26, 2021	May 12, 2024						
Zheng Xuexuan	Director	Male	55	May 7, 2019	May 12, 2024	50.4	50.4	0	/	/	Yes
	President			March 4, 2020	February 25, 2022						
Zhang Zhaoxiang	Director			December 7, 2020	May 12, 2024						
	President	Male	58	February 25, 2022	Upon a new appointment/ dismissal by the Board of Directors	0	0	0	/	/	Yes
Xu Wenrong	Independent director	Male	60	May 13, 2021	May 12, 2024	0	0	0	/	/	No
Jia Chen	Independent director	Male	66	January 9, 2018	May 12, 2024	0	0	0	/	8	No
Sun Chengming	Independent director	Male	62	May 13, 2021	May 12, 2024	0	0	0	/	4	No
Li Ping	Independent director	Male	68	May 13, 2021	May 12, 2024	0	0	0	/	4	No
Shi Zhiping	Chairman of the Board of Supervisors	Male	58	August 24, 2020	May 12, 2024	88.7	23.8	-59.9	Repurchase of restricted shares held as he was appointed as the chairman of the Board of Supervisors	164.40	No
Li Jianbo	Supervisor	Male	64	January 9, 2018	May 12, 2024	44.8	44.8	0	/	6	No
Tian Shifang	Supervisor	Male	64	January 9, 2018	May 12, 2024	15.4	15.4	0	/	6	No
Ly Xiaogang	Employee representative supervisor	Male	60	May 13, 2021	May 12, 2024	16.7	16.7	0	/	4	No
Qu Hongguang	Employee representative supervisor	Male	60	May 13, 2021	May 12, 2024	9.8	0	-9.8	Decrease in shareholding through secondary market prior to his appointment as an employee representative supervisor	4	No
Wang Yunlin	Vice president, chief financial officer	Male	58	January 15, 2019	Upon a new appointment/ dismissal by the Board of Directors	0	0	0	/	/	Yes

Name	Position	Gender	Age	Commencement date of the term of office	Expiry date of the term of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Share changes during the year	Reason for changes	Total pre-tax remuneration received from the Company during the Reporting Period ('0000 yuan)	Whether to obtain remuneration from related parties of the Company
Zhao Xiaoliang	Vice president	Male	56	January 19, 2016	Upon a new appointment/ dismissal by the Board of Directors	0	0	0	/	/	Yes
Ma Zeping	Vice president	Male	59	December 1, 2010	Upon a new appointment/ dismissal by the Board of Directors	50.4	50.4	0	/	/	Yes
Zhou Yong	Vice president	Male	51	January 28, 2019	Upon a new appointment/ dismissal by the Board of Directors	83.7	83.7	0	/	/	Yes
Shan Guangxiu	Vice president	Female	51	September 11, 2020	Upon a new appointment/ dismissal by the Board of Directors	122.046	122.046	0	/	/	Yes
Huang Kesi	Vice president	Male	61	October 27, 2017	Upon a new appointment/ dismissal by the Board of Directors	134.716	134.716	0	/	568.38 ^{Note 1}	No
Xue Kejing	Secretary to the Board	Male	58	June 15, 2018	Upon a new appointment/ dismissal by the Board of Directors	129.9	201.9	72.0	Grant of the Phase IV restricted A shares	122.99	No
Resigned directors, supervisors and senior management											
Zhou Naixiang	Former chairman	Male	60	October 10, 2019	November 26, 2021	0	0	0	/	/	Yes
Yang Chunjin	Former independent director	Male	71	January 9, 2018	May 13, 2021	0	0	0	/	4.5	No
Yu Hailong	Former independent director	Male	71	January 9, 2018	May 13, 2021	0	0	0	/	2.5	No
Zheng Changhong	Former independent director	Male	66	January 9, 2018	May 13, 2021	0	0	0	/	4.5	No
Ning Wangchu	Former employee representative supervisor	Male	64	January 9, 2018	May 13, 2021	22.12	22.17	0.05	Increase in shareholding through secondary market after resignation	2.5	No
Lu Yanbin	Former employee representative supervisor	Male	64	January 9, 2018	May 13, 2021	15.4	15.4	0	/	2.5	No
Total	/	/	/	/	/	779.082	781.432	2.35	/	908.27	/

Note 1: Including shortfall in 2018 and 2019.

Note 2: Considering the appointment and dismissal of the leadership of China State Construction by the Organization Department of the CPC Central Committee and the SASAC of the State Council, remuneration of the leaders of China State Construction will be paid by China State Construction and disclosed on the Company's official website. Senior management personnel who hold concurrent positions in China State Construction have been exempted from approval by the CSRC.

Directors



Mr. Zheng Xuexuan

Secretary of the Leading Party Members (LPM) Group and Chairman of China State Construction Engineering Corporation, Chairman of CSCEC, professor-level senior engineer and PhD holder. Mr. Zheng was general manager, Party Committee secretary and Chairman of CSCEC Algeria; general manager of the human resources department, assistant general manager, vice president, director and president of CSCEC; and LPM Group member, deputy general manager, director, LPM Group deputy secretary, Chairman of labor union, Party Committee secretary and general manager of China State Construction Engineering Corporation. He has been LPM Group secretary and Chairman of China State Construction Engineering Corporation as well as Chairman of CSCEC since November 2021. He was a representative of the 17th National Congress of the Communist Party of China, and is also a National Model Worker.



Mr. Zhang Zhaoxiang

LPM Group deputy secretary, director, general manager, chairman of labor union, Party Committee secretary of China State Construction Engineering Corporation; director and president of CSCEC; senior engineer and Master's degree holder. Mr. Zhang successively served as principal and Party Committee secretary of China Nonferrous Engineering and Research Institute (中国有色工程设计研究总院); chairman of the board and general manager of China ENFI Engineering Corporation (中国恩菲工程技术有限公司); Standing Committee member of the Party Committee, deputy general manager, director, general manager and Party Committee deputy secretary of Metallurgical Corporation of China Ltd.; Standing Committee member of the Party Committee, Party Committee deputy secretary, general manager, Party Committee secretary and director of China Metallurgical Group Corporation; LPM Group member and deputy general manager of China Minmetals Corporation. He has been LPM Group deputy secretary of China State Construction Engineering Corporation since July 2020, a director of China State Construction Engineering Corporation since August 2020, Party Committee secretary of China State Construction Engineering Corporation since September 2020, chairman of the labor union of China State Construction Engineering Corporation and director of CSCEC since December 2020, general manager of China State Construction Engineering Corporation and president of CSCEC since February 2022.



Mr. Xu Wenrong

An independent director of CSCEC, professor-level senior engineer, PhD holder. Mr. Xu served as the vice director, general manager of international exploration department, director and Party Committee deputy secretary of Petroleum Geophysical Exploration Bureau; vice chairman, general manager and Party Committee deputy secretary of Bureau of Geophysical Prospecting INC., China National Petroleum Corporation; assistant to the general manager and chief of the development and research department of China National Petroleum Corporation; chairman of CNPC Services & Engineering Ltd.; director, deputy general manager, LPM Group member and head of the discipline inspection group of China Shipping (Group) Company; deputy general manager and LPM Group member of China National Petroleum Corporation; deputy general manager, LPM Group deputy secretary of China National Petroleum Corporation and chairman of the Board of Supervisors of PetroChina Company Limited. He was engaged as a full-time external director of central enterprise in September 2020, an external director of China FAW Group Co., Ltd. since December 2020, an external director of China National Building Material Group Co., Ltd. since January 2021 and an external director of CSCEC since May 2021.



Mr. Jia Chen

An independent director of CSCEC, researcher-level senior engineer and bachelor's degree holder. Mr. Jia successively served as Deputy Director-General of the Accounting Regulatory Department, Deputy Director-General of the Comprehensive Department, Director General of the Department of Treaty and Law, Director General of the Enterprises Department and Director General of the Department of Tax Policy of the Ministry of Finance; LPM Group member and deputy general manager of China North Industries Group Corporation Limited. He was appointed as an external director of China Mobile Communications Group Co., Ltd. in March 2017, and as an independent director of CSCEC in January 2018.



Mr. Sun Chengming

An independent director of CSCEC, senior engineer and master's degree holder. Mr. Sun was deputy general manager and Party Committee member of China Merchants Group; chairman, general manager and Party Committee secretary of China Merchants Shekou Industrial Zone Holdings Co., Ltd.; general manager and party branch secretary of China Merchants Industry Holdings Co., Ltd. He has been an external director of State Development & Investment Corp., Ltd. since December 2020, and an external director of CSCEC since May 2021. He is also a member of Guangdong Provincial Committee of Chinese People's Political Consultative Conference.



Mr. Li Ping

An independent director of CSCEC, senior engineer and master's degree holder. Mr. Li was formerly the Deputy Director-General of the Directorate General of Telecommunications, P&T, China; vice chairman and executive deputy general manager of China Telecom (Hong Kong) Group Limited; deputy general manager and LPM Group member of China Telecom; external director of China Aerospace Science & Technology Corporation, external director of China Reform Holdings Corporation Ltd. He has served as an independent supervisor and chairman of the Board of Supervisors of Yangtze Optical Fibre and Cable Joint Stock Limited Company since January 2020 and an independent director of CSCEC since May 2021.

Supervisors



Mr. Shi Zhiping

Chairman of the Board of Supervisors and chief information officer of CSCEC, researcher-level senior engineer and a bachelor's degree holder. Mr. Shi was a Standing Committee member of the Party Committee and deputy chief of China Machinery Industry Information Institute, director of the Information Center of the SASAC under the State Council, and assistant president of CSCEC. He has been chief information officer of CSCEC since July 2014 and chairman of the Board of Supervisors of CSCEC since August 2020.



Mr. Li Jianbo

A supervisor of CSCEC, professor-level senior engineer and bachelor's degree holder. Mr. Li was successively the chief of human resources department, deputy general manager and general manager of China State Construction Engineering Corporation; and an executive director, Party Committee secretary and vice chairman of China Overseas Holdings Limited. He was appointed as a supervisor of CSCEC in January 2018.



Mr. Tian Shifang

A supervisor of CSCEC, senior accountant. Mr. Tian was the deputy chief of the audit department of China Construction Eighth Engineering Division Corp. Ltd.; director, chief accountant and Party Committee member of the Second Construction Co., Ltd. of China Construction Eighth Engineering Division; director, chief accountant and Party Committee member of China Construction Port Engineering Group Co., Ltd.; and director, chief financial officer and Party Committee member of China Construction Harbour and Channel Engineering Bureau Group Co., Ltd. He was appointed as a supervisor of CSCEC in January 2018.



Mr. Lv Xiaogang

A supervisor of CSCEC, senior political engineer, senior engineer and master's degree holder. Mr. Lv was a secretary of the Youth League Committee and a Party Committee member of China Construction Sixth Engineering Division Corp. Ltd.; manager of Quanzhou Branch of China Construction Sixth Engineering Division Corp. Ltd.; and deputy chief, director, standing committee member of the Party Committee, chairman of the labor union and executive of China Construction Sixth Engineering Division Corp. Ltd. He was appointed as a supervisor of CSCEC in May 2021.



Mr. Qu Hongguang

A supervisor of CSCEC, senior engineer and bachelor's degree holder. Mr. Qu was the deputy head of No.1 Branch, deputy dean and dean of Shanghai Branch, principal of East China Branch of China Northwest Architecture Design and Research Institute Co., Ltd.; Party committee member, deputy general manager and executive of China Northwest Architecture Design and Research Institute Co., Ltd. He was appointed as a supervisor of CSCEC in May 2021.

Senior Management



Mr. Wang Yunlin

A LPM Group member and chief accountant of China State Construction Engineering Corporation; vice president and chief financial officer of CSCEC, researcher-level senior accountant and master's degree holder. Mr. Wang served as chief accountant of Second Research Institute of China Aerospace Science and Industry Corporation Limited (CASIC); deputy director and director of the Finance Department of CASIC, director and chairman of Aerospace Securities Co., Ltd.; director of Aisino Corporation; deputy chief accountant, LPM Group member and chief accountant of CASIC. He has been a LPM Group member of China State Construction Engineering Corporation since November 2018, chief accountant of China State Construction Engineering Corporation since December 2018 and vice chairman and chief financial officer of CSCEC since January 2019.



Mr. Zhao Xiaojiang

A LPM Group member and deputy general manager of China State Construction Engineering Corporation and vice president of CSCEC, senior engineer, and a Ph.D. holder. Mr. Zhao served as a secretary in the General Office of the State Council (at both deputy bureau level and bureau level); Deputy Mayor of Nanjing (temporary position); a Standing Committee member of the Party Committee and Deputy Mayor (temporary position) of Nanjing; Deputy Secretary of Yangzhou Municipal Committee (at the municipal level); Party Committee Deputy Secretary of Lianyungang, Acting Mayor, Mayor and LPM Group Secretary of the Municipal Government of Lianyungang. He has been a LPM Group member of China State Construction Engineering Corporation since November 2015, vice president of CSCEC since January 2016, and vice general manager of China State Construction Engineering Corporation since January 2017.



Mr. Ma Zeping

A LPM Group member and deputy general manager of China State Construction Engineering Corporation, vice president of CSCEC, professor-level senior engineer, doctor's degree holder. Mr. Ma served as deputy director of China Construction Eighth Engineering Division; General Manager and Secretary of Party Work Committee of Infrastructure Business Department of China State Construction Engineering Corporation; executive director and deputy general manager of CSCEC International Operations; assistant general manager of China State Construction Engineering Corporation; General Manager and Executive Director of China Construction Infrastructure Co., Ltd.; assistant general manager of CSCEC; chairman of China State Construction Railway Construction Co., Ltd. (中建铁路建设有限公司), chairman of China State Construction Port Engineering Group Corporation Limited and chairman of China Construction South Investment Co., Ltd. He has been the vice president of CSCEC since December 2010, a LPM Group member of China State Construction Engineering Corporation since November 2015, and a deputy general manager of China State Construction Engineering Corporation since January 2017, and is a National Model Worker.



Mr. Zhou Yong

A LPM Group member and deputy general manager of China State Construction Engineering Corporation, vice president of CSCEC, professor-level senior engineer, holder of bachelor's degree. Mr. Zhou served as a director, deputy general manager, Party Committee member, executive director, vice chairman, Party Committee secretary and chairman of China Overseas Holdings Limited. He has been a LPM Group member of China State Construction Engineering Corporation since December 2018, deputy general manager of China State Construction Engineering Corporation and vice president of CSCEC since January 2019 and a member of the 13th National Political Consultative Committee.



Ms. Shan Guangxiu

A LPM Group member and deputy general manager of China State Construction Engineering Corporation, vice president of CSCEC, senior economist, master's degree holder. Ms. Shan was deputy general manager and general manager of the human resources department (cadre affairs department) of China State Construction Engineering Corporation; Party Committee deputy secretary, director and deputy general manager of China Construction First Group Corporation Limited. She was appointed as a LPM Group member and deputy general manager of China State Construction Engineering Corporation in June 2020 and as vice president of CSCEC in September 2020.



Mr. Huang Kesi

Vice president of CSCEC, professor-level senior engineer and holder of master's degree. Mr. Huang served as a Standing Committee member of Party Committee, deputy bureau head, chief economist, director, general manager, Party Committee secretary and chairman of China Construction Eighth Engineering Division Corp. Ltd.; chairman of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.; Party Committee secretary and chairman of China Construction Second Engineering Division Corp. Ltd. He has been vice president of CSCEC since October 2017 and was granted the National May 1st Labor Medal.



Mr. Xue Keqing

Secretary to the Board of CSCEC, senior accountant, bachelor's degree holder. Mr. Xue served as deputy manager of financial and capital department, general manager of investment department, general manager of capital department, general manager of financing and investment department and general manager of finance department of China State Construction Engineering Corporation; director, general manager and vice president of China State Construction Finance Co., Ltd.; executive director of China Overseas Holdings Limited; deputy chief accountant and chief financial officer of CSCEC. He was appointed as Secretary to the Board of CSCEC in June 2018.

Other explanation

Applicable N/A

- On May 13, 2021, the Company held the 2020 annual general meeting, at which, Mr. Zhou Naixiang, Mr. Zheng Xuexuan and Mr. Zhang Zhaoxiang were elected as directors of the third session of the Board; Mr. Xu Wenrong, Mr. Jia Chen, Mr. Sun Chengming and Mr. Li Ping as independent directors of the third session of the Board. The seven members mentioned above comprised the third session of the Board of the Company; Mr. Shi Zhiping, Mr. Li Jianbo and Mr. Tian Shifang were elected as shareholder representative supervisors of the third session of the Board of Supervisors, who comprise the third session of the Board of Supervisors together with Mr. Lv Xiaogang and Mr. Qu Hongguang elected at the Workers' Congress.
- On November 26, 2021, the Board received the resignation report of Mr. Zhou Naixiang, chairman of the Company, who applied to resign from his positions as chairman and director of the third session of the Board, chairman of the Strategy and Investment Committee and chairman of the Nomination Committee under the Board due to his new appointment. On the same day, the Company convened the 8th meeting of the third session of the Board, at which, Mr. Zheng Xuexuan was elected as chairman of the third session of the Board, chairman of the Strategy and Investment Committee and chairman of the Nomination Committee.
- On February 25, 2022, the Company held the 13th meeting of the third session of the Board, at which, Mr. Zhang Zhaoxiang was elected as president of the Company and a member of the Strategy and Investment Committee under the third session of the Board.

(II) Incumbent and resigned directors, supervisors and senior management during the Reporting Period

1. Positions in the Company's shareholders

√ Applicable N/A

Name	Name of the Company's shareholders	Positions in the Company's shareholders	Commencement date of the term of office	Expiry date of the term of office
Zheng Xuexuan	China State Construction Engineering Corporation	Chairman	November 2021	/
		LPM Group secretary	November 2021	/
		General manager	December 2019	November 2021
Zhang Zhaoxiang	China State Construction Engineering Corporation	Director, general manager, LPM Group deputy secretary	August 2020, February 2022, July 2020	/
Wang Yunlin	China State Construction Engineering Corporation	Chief accountant, LPM Group member	December 2018, November 2018	/
Zhao Xiaojiang	China State Construction Engineering Corporation	Deputy general manager, LPM Group member	January 2017, November 2015	/
Ma Zeping	China State Construction Engineering Corporation	Deputy general manager, LPM Group member	January 2017, November 2015	/
Zhou Yong	China State Construction Engineering Corporation	Deputy general manager, LPM Group member	January 2019, December 2018	/
Shan Guangxiu	China State Construction Engineering Corporation	Deputy general manager, LPM Group member	June 2020, June 2020	/
		Chairman	September 2019	October 2021
Zhou Naixiang	China State Construction Engineering Corporation	LPM Group secretary	August 2019	September 2021
		Employment at Company's shareholders	Nil	

2. Positions in other entities

√ Applicable N/A

Name	Entity Name	Positions in other entities	Commencement date of the term of office	Expiry date of the term of office
Xu Wenrong	China FAW Group Co., Ltd.	External director	December 2020	/
Xu Wenrong	China National Building Material Group Co., Ltd.	External director	January 2021	/
Jia Chen	China Mobile Communications Group Co., Ltd.	External director	March 2017	/
Sun Chengming	State Development & Investment Corp., Ltd.	External director	December 2020	/
Li Ping	Yangtze Optical Fibre and Cable Joint Stock Limited Company	Chairman of the Board of Supervisors, independent director	January 2020	January 2023
Yu Hailong	Metallurgical Corporation of China Ltd.	Independent director	November 2014	January 2022
Zheng Changhong	China Communications Construction Company Limited	Independent non-executive director	November 2017	February 2022
Zheng Changhong	Overseas Chinese Town Holdings Company	External director	January 2018	/
Explanation on positions in other entities	/			

(III) Remunerations of directors, supervisors and senior management

√ Applicable N/A

Decision-making procedures for remunerations of the directors, supervisors and senior management	The business performance evaluation and personal performance evaluation are carried out by SASAC of the State Council and the Board of Directors, and the remuneration is subject to approval by SASAC of the State Council.
Basis for determining the remunerations of the directors, supervisors and senior management	Relevant policies of SASAC of the State Council on the remuneration management of heads and external directors of central enterprises, and the remuneration management measures of China State Construction Engineering Corporation Limited.
Actual payments of remunerations of the directors, supervisors and senior management	The total remuneration (including basic salary, performance bonus, insurance benefits and allowances) received by the current directors (excluding independent directors), supervisors and senior management of the Company for the year was RMB8,807,700. The total allowances of the independent directors were RMB275,000.
Remunerations received in aggregate by all the directors, supervisors and senior management at the end of the Reporting Period	RMB9,082,700

(IV) Changes in directors, supervisors and senior management

√ Applicable N/A

Name	Positions held	Change	Reason for change
Zheng Xuexuan	Chairman	Appointment	Work required
Zheng Xuexuan	President	Dismissal	Work required
Zhang Zhaoxiang	President	Appointment	Work required
Xu Wenrong	Independent director	Election	Work required
Sun Chengming	Independent director	Election	Work required
Li Ping	Independent director	Election	Work required
Lv Xiaogang	Employee representative supervisor	Election	Work required
Qu Hongguang	Employee representative supervisor	Election	Work required
Zhou Naixiang	Chairman	Resignation	Work transfer
Yang Chunjin	Independent director	Resignation	Re-election
Yu Hailong	Independent director	Resignation	Re-election
Zheng Changhong	Independent director	Resignation	Re-election
Ning Wangchu	Employee representative supervisor	Resignation	Re-election
Lu Yanbin	Employee representative supervisor	Resignation	Re-election

(V) Explanation on being punished by securities regulatory authority in the past three years

 Applicable √ N/A

(VI) Others

 Applicable √ N/A

V. Details of Board Meetings during the Reporting Period

Meeting	Date	Resolutions
52nd meeting of the second session of the Board	January 27, 2021	Considered and approved 2 proposals, including the Proposal on Election of Zhang Zhaoxiang as a Member of the Personnel and Remuneration Committee of the Second Session of the Board of China State Construction Engineering Corporation Limited
53rd meeting of the second session of the Board	April 16, 2021	Considered and approved 24 proposals, including the 2020 Work Report of the Board of Directors of China State Construction Engineering Corporation Limited
54th meeting of the second session of the Board	April 22, 2021	Considered and approved 3 proposals, including the Proposal on Director Candidates for the Third Session of the Board of China State Construction Engineering Corporation Limited
55th meeting of the second session of the Board	April 29, 2021	Considered and approved 2 proposals, including the Proposal on 2021 Q1 Financial Analysis Report of China State Construction Engineering Corporation Limited
1st meeting of the third session of the Board	May 13, 2021	Considered and approved 6 proposals, including the Proposal on Election of Chairman of the Third Session of the Board of China State Construction Engineering Corporation Limited
2nd meeting of the third session of the Board	July 23, 2021	Considered and approved 3 proposals, including the Proposal on the Provision of RMB1.4 Billion of Entrusted Loans by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited
3rd meeting of the third session of the Board	August 27, 2021	Considered and approved 5 proposals, including 2021 Interim Work Report of President of China State Construction Engineering Corporation Limited
4th meeting of the third session of the Board	September 30, 2021	Considered and approved 2 proposals, including the Proposal on Guarantee and Cross-guarantee of the Parent Company in Respect of the North East Link in Australia
5th meeting of the third session of the Board	October 26, 2021	Considered and approved 10 proposals, including the Proposal on 2021 Q3 financial analysis report of China State Construction Engineering Corporation Limited
6th meeting of the third session of the Board	November 16, 2021	Considered and approved the Proposal on the GBA Intercity Network (Fangcun to Baiyun Airport Intercity) and the simultaneous implementation of engineering financing and investment-driven general contracting projects
7th meeting of the third session of the Board	November 23, 2021	Considered and approved the Proposal on the Real Estate Development Project of China Construction Eighth Engineering Division Corp. Ltd. and CSCEC International Operations in the Suzhou New District CSCEC International Operations Headquarters Base Plots
8th meeting of the third session of the Board	November 26, 2021	Considered and approved 9 proposals, including the Proposal on Election of Zheng Xuexuan as Chairman of China State Construction Engineering Corporation Limited
9th meeting of the third session of the Board	December 8, 2021	Considered and approved 3 proposals, including the Proposal on Capital Increase to and Connected Transaction with China State Construction Finance Co., Ltd. by CSCEC and Its Controlling Shareholder
10th meeting of the third session of the Board	December 23, 2021	Considered and approved the Proposal on COHL's Donation to Build Hope Primary School in Xiushui County in Jiujiang City of Jiangxi Province
11th meeting of the third session of the Board	December 27, 2021	Considered and approved 4 proposals, including the Proposal on the 2021 Second Tranche of Unlocking under the Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited

VI. Directors' Performance of Duties

(I) Directors' attendance at Board meetings and general meetings

Name of director	Independent director or not	Attendance at Board meetings						Attendance of general meetings Times of attendance
		No. of meetings to attend during the year	Attendance in person	Attendance by means of communication	Attendance by proxy	Absence	Absence for two consecutive times	
Zheng Xuexuan	No	15	15	8	0	0	No	3
Zhang Zhaoxiang	No	15	15	8	0	0	No	3
Xu Wenrong	Yes	11	11	5	0	0	No	2
Jia Chen	Yes	15	15	8	0	0	No	3
Sun Chengming	Yes	11	11	5	0	0	No	1
Li Ping	Yes	11	11	5	0	0	No	1
Zhou Naixiang	No	11	6	4	5	0	No	1
Yang Chunjin	Yes	4	4	3	0	0	No	0
Yu Hailong	Yes	4	4	3	0	0	No	0
Zheng Changhong	Yes	4	4	3	0	0	No	1

Description of the members of the Board who failed to attend Board meetings in person for two consecutive times

Applicable N/A

No. of Board meetings held during the year	15
Including: No. of on-site Board meetings	6
No. of Board meetings held by means of communication	8
No. of Board meetings held both on-site and by means of communication	1

(II) Disagreement of the directors on matters related to the Company

Applicable N/A

(III) Miscellaneous

Applicable N/A

The Company's independent directors reviewed and supervised the performance of president Mr. Zheng Xuexuan, vice president and chief financial officer Mr. Wang Yunlin, vice president Mr. Zhao Xiaojiang, vice president Mr. Ma Zeping, vice president Mr. Zhou Yong and vice president Ms. Shan Guangxiu, who also served as senior executives of the Company's controlling shareholder, China State Construction Engineering Corporation, and expressed the following independent opinions: Mr. Zheng Xuexuan, Mr. Wang Yunlin, Mr. Zhao Xiaojiang, Mr. Ma Zeping, Mr. Zhou Yong and Ms. Shan Guangxiu earnestly and diligently fulfilled their commitments, performed their duties as senior management of the Company as a priority, well handled the relation between the Company and the controlling shareholder, and maintained the interests of the Company and all shareholders in 2021, and they did not do anything that would harm the benefits of the shareholders of the Company, especially minority shareholders because of their part-time jobs.

VII. Special Committees under the Board

√ Applicable □ N/A

(I) Special committees under the Board

Special committee	Members
Strategy and Investment Committee	Chairman: Zheng Xuexuan Members: Zhang Zhaoxiang, Xu Wenrong, Sun Chengming, Li Ping
Nomination Committee	Chairman: Zheng Xuexuan Members: Zhang Zhaoxiang, Xu Wenrong, Jia Chen, Sun Chengming
Remuneration and Appraisal Committee	Chairman: Xu Wenrong Members: Jia Chen, Li Ping
Audit and Risk Committee	Chairman: Jia Chen Members: Xu Wenrong, Sun Chengming, Li Ping

(II) Special committee's performance of duties

The Board of Directors has set up the Strategy and Investment Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit and Risk Committee, which earnestly organizes research and diligently deliberates professional issues, and effectively exerts the full deliberation and decision-making support functions of the special committees. During the Reporting Period, the Proposal on Adjusting the Setting of Special Committees of the Board of Directors of China State Construction Engineering Corporation Limited was considered and approved at the first meeting of the third session of the Board of Directors on May 13, 2021. The former "Strategy Committee" was renamed as "Strategy and Investment Committee"; the former "Personnel and Remuneration Committee" was divided into "Nomination Committee" and "Remuneration and Appraisal Committee"; the former "Audit Committee" was renamed as "Audit and Risk Committee". During the Reporting Period, we actively organized and participated in the work of relevant special committees, and effectively played the role of independent directors and special committees in corporate governance and major decision-making. In 2021, the special committees of the Board of Directors held 17 meetings in total and considered 40 issues (including 4 reports).

(III) Special committee meetings

1. The Strategy and Investment Committee held 6 meetings during the Reporting Period

Date	Proposals/plan considered and approved	Important opinions and recommendations	Performance of other duties
April 13, 2021	The Proposal on the Implementation of the 2020 Investment Budget and the 2021 Proposed Investment Budget Plan of China State Construction Engineering Corporation Limited and the Proposal on the Registration of Domestic Bond Quota in 2021 of China State Construction Engineering Corporation Limited.	The proposals were approved at the meeting and it was agreed to submit the proposals to the Board of Directors for consideration.	/
August 27, 2021	The "14th Five-Year" Strategic Plan of China State Construction Engineering Corporation Limited.	The "14th Five-Year" Development Plan formulated by the Company was approved at the meeting. It is believed that the Plan proposed the development strategy, overall planning and development goals in line with the internal and external environment of the Company and could guide the Company's future operation and development. It was agreed to submit the Plan to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on the preparation of the Company's "14th Five-Year" strategic plan.
November 16, 2021	The Proposal on the GBA Intercity Network (Fangcun-Baiyun Airport Intercity Line) and the Simultaneous Implementation of Engineering Financing and Investment-driven General Contracting Projects.	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on the investment project.

Date	Proposals/plan considered and approved	Important opinions and recommendations	Performance of other duties
November 23, 2021	The Proposal on the Real Estate Development Project of China Construction Eighth Engineering Division Corp. Ltd. and CSCEC International Operations in the Suzhou New District CSCEC International Operations Headquarters Base Plots.	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on the investment project.
December 8, 2021	The Proposal on the Hunan G4 Beijing-Hong Kong-Macao Expressway Leiyang-Yizhang (Hunan-Guangdong Boundary) Section Expansion Project Bundled Lingling-Daoxian Expressway Project.	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on the investment project.
December 27, 2021	The Proposal on the Phase I PPP Project of Guanyang (Guangxi-Hunan Boundary)-Tian'e (Xialao) Highway (Jiangyong-Guilin (Guangxi Section)).	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on the investment project.

2. The Remuneration and Appraisal Committee held 2 meetings during the Reporting Period

Date	Proposals considered and approved	Important opinions and recommendations	Performance of other duties
November 26, 2021	The Proposal on Repurchase of Participants' Shares under the Phases III and IV Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited.	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on this repurchase proposal.
December 27, 2021	The Proposal on Amending the Remuneration and Appraisal Management Measures for Senior Management of China State Construction Engineering Corporation Limited, the Proposal on the 2021 Second Tranche of Unlocking under the Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited, and the Proposal on Repurchase of Participants' Shares under the Phases III and IV Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited.	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the reports on the three proposals.

3. The Audit and Risk Committee held 7 meetings during the Reporting Period

Date	Proposals/reports considered and approved	Important opinions and recommendations	Performance of other duties
April 15, 2021	Report on the Performance of Duties of the Audit Committee of the Second Session of the Board of China State Construction Engineering Corporation Limited for 2020, the Proposal on the 2020 Final Accounts Report of China State Construction Engineering Corporation Limited, the Proposal on the 2020 Internal Control Evaluation Report of China State Construction Engineering Corporation Limited, the Proposal on the 2021 Significant Risk Evaluation Report of CSCEC, the Report on Implementation of 2020 Internal Audit of China State Construction Engineering Corporation Limited, the Proposal on the Work Report on 2020 Internal Control System of CSCEC, the Proposal on Re-appointment of Internal Control Auditor in 2021 of China State Construction Engineering Corporation Limited, the Proposal on Re-appointment of Financial Report Auditor in 2021 of China State Construction Engineering Corporation Limited, the Proposal on 2021 Audit Plan of China State Construction Engineering Corporation Limited, and the Proposal on Renewal of Liability Insurance in 2021 to 2023 for Directors, Supervisors and Senior Management of China State Construction Engineering Corporation Limited.	It was believed that the 2020 annual report and final accounts report of the Company were prepared in accordance with the requirements of regulatory authority and the Listing Rules as well as the actual operation of the Company. The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	The Committee listened to and discussed the Ernst & Young's report on the 2020 consolidated financial statements and internal control audit.
April 28, 2021	The Proposal on 2021 Q1 Financial Analysis Report of China State Construction Engineering Corporation Limited.	The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	/

Date	Proposals/reports considered and approved	Important opinions and recommendations	Performance of other duties
July 2, 2021	The Proposal on Amending the Internal Control, System Management and Quality, Environment, Occupational Health and Safety System Management Regulations; the Proposal on the Provision of RMB1.4 Billion of Entrusted Loans by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited and the Proposal on the Provision of RMB60 Million of Entrusted Loans by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited.	It was believed that the related party transactions were conducted under market-oriented rules, in line with the principles of openness, fairness and impartiality, and without prejudice to the interests of the Company and shareholders, and were legal and reasonable business practices. The proposal was approved at the meeting and it was agreed to submit the proposal to the Board of Directors for consideration.	/
August 27, 2021	The 2021 Interim Financial Analysis Report of China State Construction Engineering Corporation Limited and the Proposal on Changes in Accounting Policy of China State Construction Engineering Corporation Limited.	The Company's operating achievements in the first half of the year were fully affirmed at the meeting. In order to ensure the achievement of the annual target, the meeting put forward opinions and recommendations on matters such as strengthening strategic guidance, reducing the accounts receivable, inventory and liabilities. The proposal and report were approved at the meeting and it was agreed to submit the proposal and report to the Board of Directors of the Company for deliberation.	The Committee listened to and discussed the report on the review of the Company's interim financial statements in 2021, as well as the report on the implementation of internal audit, issues identified, rectification and accountability in the first half of 2021 were heard and discussed.
October 25, 2021	The Proposal on 2021 Q3 Financial Analysis Report of China State Construction Engineering Corporation Limited.	The Company's results in the first three quarters were fully affirmed at the meeting. It was recommended to maintain the development trend, remain sober, adhere to rationality and pragmatism, pay attention to operating cash flow, and focus on preventing operational risks.	The Committee listened to and discussed the report on the "14th Five-Year" audit special plan of China State Construction Engineering Corporation Limited.
November 26, 2021	The Proposal on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and the Proposal on Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation.	It was believed that the related party transactions were conducted under market-oriented rules, in line with the principles of openness, fairness and impartiality, and without prejudice to the interests of the Company and shareholders, and were legal and reasonable business practices. The proposals were approved and it was agreed to submit the proposals to the Board of Directors for consideration.	The Committee held a special communication meeting for independent directors to listen to and discuss the report on the related party transaction proposal at the meeting.
December 7, 2021	The Proposal on Appointment of Gu Xiaobai as General Manager of the Audit Department of the Company and the Proposal on Capital Increase to and Connected Transaction with China State Construction Finance Co., Ltd. by CSCEC and Its Controlling Shareholder.	The proposals were approved at the meeting and it was agreed to submit the proposals to the Board of Directors for consideration.	/

4. The Personnel and Remuneration Committee held 2 meetings during the Reporting Period

Date	Proposals considered and approved	Important opinions and recommendations	Performance of other duties
January 26, 2021	The Proposal on Election of Zhang Zhaoxiang as a Member of the Personnel and Remuneration Committee of the Second Session of the Board of China State Construction Engineering Corporation Limited.	The proposals were approved at the meeting and it was agreed to submit the proposals to the Board of Directors for consideration.	/
April 14, 2021	The 2020 Work Report of Senior Management of China State Construction Engineering Corporation Limited, the Proposal on Recommending Director Candidates for the Third Session of the Board of China State Construction Engineering Corporation Limited and the Proposal on Recommending Independent Director Candidates for the Third Session of the Board of China State Construction Engineering Corporation Limited.	The proposals were approved at the meeting and it was agreed to submit the proposals to the Board of Directors for consideration.	/

(IV) Specific explanation on disagreement

Applicable N/A

VIII. Explanation of the Board of Supervisors on the Risks Identified

√ Applicable □ N/A

In 2021, the Board of Supervisors of CSCEC performed its duties conscientiously in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Articles of Association and the Rules of Procedure of Board of Supervisors. Focusing on risk prevention and control, the Board of Supervisors supervised the significant events in operation of the Company, financial conditions, internal controls and directors' and senior management's performance of duties, and has no objection to the supervised matters during the Reporting Period. The major work of the Board of Supervisors for 2021 are as follows:

(I) Meetings of the Board of Supervisors

The Board of Supervisors held 11 meetings in total during the Reporting Period, including the 35th to 37th meetings of the second session of the Board of Supervisors, the first to the eighth meetings of the third session of the Board of Supervisors. And 48 proposals were considered and approved at such meetings and disclosed in announcements. Members of the Board of Supervisors actively attended important meetings of the Company during the Reporting Period, including 4 shareholders' general meetings, 7 Board meeting and 4 meetings of the Audit Committee of the Board, as well as important meetings in the Company's daily operation, and have no objection to the supervised matters.

(II) Supervision and inspection of the Board of Supervisors

During the Reporting Period, based on the Company's risk management and focusing on the Company's key business and procedures, the Board of Supervisors conducted special inspection and supervision on the following:

The Board of Supervisors made extensive on-site investigation of some subsidiaries and projects. During the Reporting Period, the Board of Supervisors performed various special investigations on China State Construction Silkroad, China Northwest Architecture Design and Research Institute, the Beijing National Communication Center for Science and Technology project of China Construction First Group Construction & Development Co., Ltd., and China National Convention Center phase II project of the First Construction Engineering Co., Ltd of China Construction Second Division. Based on the Group's key work deployment and risk prevention requirements, the Board of Supervisors focused on the production and operation of subsidiaries, the construction, operation and management of PPP projects, and the actual production, operation and management of construction projects. In addition, the Board of Supervisors also investigated and understood the strategic concept of the "14th Five-Year Plan" of the subsidiaries, analyzed problems identified in development, and gave opinions and recommendations on strengths, weaknesses, exploration and innovation to the subsidiaries.

The Board of Supervisors guided its General Office to conduct special investigations on the implementation of science and technology policies and the transformation of scientific and technological achievements, to systematically understand the Company's achievements and measures in the construction of scientific and technological innovation system, the management of scientific and technological subjects, the formation and transformation of scientific and technological achievements, and the entitlement to the benefits of favorable national and local science and technology policies, and promote scientific and technological innovation and support the Company's high-quality development. It carried out special research on major investment projects, continuously monitored the risks in the Company's investment to keep abreast of the whole-process management and control of major investment projects, put forward management suggestions and measures, and promoted its subsidiaries to improve the level of risk prevention and control in investment business.

The Board of Supervisors continuously monitored the construction and efficacy of the Company's internal control system, carried out internal control supervision and evaluation together with the audit system with a focus on key management and control processes and core business processes that affect the high-quality development of the Company, to evaluate the efficiency of internal control based on risk-oriented and compliance-based standards. It focused on major decision-making, marketing, investment management and control, external guarantees, bidding and procurement, fund management and other fields, to further promote the refinement and standardization of corporate management.

(III) Independent opinion of the Board of Supervisors

1. Overall management and performance evaluation

During the Reporting Period, the Company adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the decisions and arrangements of the CPC Central Committee and the State Council, kept in mind the mission of central enterprises, assumed responsibility, acted proactively, and worked hard to overcome the adverse factors of the COVID-19 pandemic. In response to the huge changes and challenges brought by changes in the external environment to the Company's expansion, project management, investment and financing, among others, it has undertaken and completed a large number of national key projects and major infrastructure projects, and strived to complete the annual goals and tasks. The Company's operating efficiency and development quality have been continuously improved, and the corporate governance capacity and level of governance have been continuously enhanced. The Company achieved a good start during the "14th Five-Year Plan" period.

2. Independent opinions on specific matters

(1) Compliance of the Company's operation

During the Reporting Period, the Company operated in accordance with the Company Law and the Articles of Association and related policies and regulations, and the decision-making procedures were legal and valid. The directors and senior management of the Company performed their duties diligently and conscientiously and were not found to have violated any laws, regulations or the Articles of Association, or damage the interests of the Company and its shareholders.

(2) Authenticity of financial reports

During the Reporting Period, the Company's financial statements were prepared in compliance with the Accounting Regulations for Enterprises, the Accounting Standards for Enterprises and other relevant regulations. The Company's 2021 financial report truly reflects its financial condition and operating results. Ernst & Young Hua Ming LLP (Special General Partnership) issued a standard unqualified audit report, which is objective and fair.

(3) The Company's acquisition and disposal of assets

During the Reporting Period, the Company's acquisition and disposal of assets were not found to be detrimental to the interests of shareholders or the Company.

(4) The Company's related party transactions

During the Reporting Period, the Company's related party transactions mainly involved related party sales, related party purchases, property leasing, capital borrowing interest, among others. They are necessary and inevitable for ordinary production and operation, and have a positive effect on the Company's development. The voting procedures of related party transactions were legal and valid and no event was found to be detrimental to the interests of shareholders or the Company.

(5) Special explanation on the Company's 2021 Internal Control Evaluation Report

During the Reporting Period, the Board of Supervisors paid attention to and urged the Company's internal control system construction and internal control testing rectification. No violations of the Guidelines for Internal Control of Listed Companies and the Basic Internal Control Norms for Enterprises have been found. The evaluation report on the Company's internal control objectively, truthfully and accurately reflected the actual situation of the Company's internal control.

IX. Employees of the Parent Company and Major Subsidiaries during the Reporting Period

(I) Employees

Number of existing staff of the parent company	389
Number of existing staff of major subsidiaries	367,938
Total number of existing staff	368,327
Number of resigned or retired staff to whom the parent company and major subsidiaries are liable (Total number of retired cadres and staff at the end of 2021)	67,758

Expertise	
Category	Number
Operation and management	12,130
Project construction	202,532
Survey and design	21,958
Properties development	39,632
Professional management	92,075
Total	368,327

Education background	
Category	Number
Master's Degree or above	30,941
Undergraduate Degree	239,354
Associate Degree	49,556
Technical secondary school and below	48,476
Total	368,327

(II) Remuneration Policy

Applicable N/A

The Company adheres to market and performance orientation, and strengthens salary evaluation and incentives. The Company closely associates remuneration distribution with corporate benefits and personal performance, and the remuneration is directly proportional to performance, which effectively mobilizes the enthusiasm, initiative and creativity of employees. Meanwhile, with a focus on value creation, the Company adheres to linkage of payroll growth and corporate financial performance growth, strengthens benchmarking management, improves performance-based salary management, and strengthens the pertinence, accuracy and effectiveness of remuneration distribution. The Company continuously improves the effective and constrained remuneration distribution system to promote corporate vitality, competitiveness and creativity.

(III) Training Program

Applicable N/A

Focusing closely on the "14th Five-Year Plan" and key annual priorities, adhering to a clear-cut stand on politics to ensure the full and complete implementation of central government documents, and relying on "leadership, professionalism and occupational capabilities", the Company further improved the key talent cultivation project of CSCEC, steadily promoted the construction of training systems, and continuously improved education and training ability, to strengthen overall coordination and organization guidance, promote the smooth development of education and training, and provide internal drivers for the Company's talent team building.

(IV) Labor Service Outsourcing

Applicable N/A

X. Profit Distribution Plan or Proposed Reserves Capitalization Plan

(I) Formulation, execution, or adjustment of cash dividend policy

Applicable N/A

1. Specific policy on profit distribution

According to the Articles of Association, the Company may distribute dividends in cash, stock, a combination of both and other means permitted by laws and regulations; the Company shall preferentially make profit distribution in the form of cash dividends. In the event that the Company is operating well and the Board of Directors believes that the Company's share price does not match the size of its share capital, and the distribution of dividends in stock is in the interests of shareholders of the Company as a whole, the Company may propose stock dividend and other distribution proposals when the conditions for distribution in the form of cash dividends are satisfied. Except for special circumstances as determined by the Board of Directors of the Company, the Company shall distribute dividends in cash when the Company records a profit in current year and the accumulated undistributed profits are positive. The profits distributed in cash each year shall, in principle, be not less than 15% of the distributable profits of that year.

2. Execution of cash dividend policy during the Reporting Period

On May 13, 2021, the Proposal on 2020 Profit Distribution Plan of China State Construction Engineering Corporation Limited was considered and approved at the 2020 annual general meeting of the Company through a combination of on-site open ballot and internet voting; on June 23, 2021, the Company released the Announcement on Implementing Rights and Interests Distribution for 2020 of China State Construction Engineering Corporation Limited; on June 30, 2021, the Company distributed cash dividends to all shareholders, marking the full implementation of the profit distribution plan in 2020. The Company distributed profits in strict compliance with relevant provisions of the Articles of Association and the resolutions passed at the general meetings.

3. Proposed annual profit distribution plan

In accordance with relevant provisions of the Company Law and the Articles of Association, the profit distribution plan for 2021 has been formulated on the basis of the Profit Distribution Plan of China State Construction Engineering Corporation Limited for 2021 considered and approved at the 15th meeting of the third session of the Board of Directors of the Company by taking into account shareholder returns, the Company's capital demand for business development and other factors.

Proposed profit distribution plan for 2021: The net profit attributable to shareholders of the listed company under the consolidated statements amounted to RMB51.408 billion; retained earnings of the parent company was RMB48.666 billion, and the listed company proposed to distribute cash dividend of RMB2.50 (tax inclusive) per ten shares to all shareholders. As of the date of disclosure, the total share capital of the Company was 41,940,858,844 shares and cash dividend proposed to be distributed on this basis was approximately RMB10.49 billion (tax inclusive). Cash dividend of the Company in the year accounted for 20.40% of the net profit attributable to shareholders of the parent company under the consolidated statements. In case of any change in the total share capital of the Company prior to the record date of shareholders for profit distribution, the Company proposes to maintain the distribution ratio per share unchanged, and to adjust the total distribution amount accordingly. An announcement containing details of the adjustments will be made separately.

The independent directors of the Company have expressed opinions on this proposed plan, which is still subject to the approval by the 2021 annual general meeting of the Company. A combination of on-site open ballot and internet voting will be adopted at the 2021 annual general meeting of the Company so as to ensure that minority shareholders have adequate opportunities to express their opinions and appeals, thereby fully safeguarding their legal interests.

Explanation on the cash dividend to be distributed by the Company for the current year is as follows:

(1) Industry where the Company operates and its characteristics

The construction industry in which the Company is involved is featured by fierce market competition. The projects undertaken are characterized by large volume and long production cycle, and the capital demand for maintaining daily operation is relatively large.

(2) Development stage of the Company and its own business model

In 2021, the Company hit a new record high in terms of the value of new contracts and revenue. The advantages of the whole industry chain have been consolidated, and the development quality of each business segment has been continuously improved. The Company actively integrated into the national strategy to promote a more reasonable regional layout and accelerate reform, so as to highlight the "high-quality" development trend, benchmark against new development concepts and world-class enterprises, and continuously enhance global competitiveness and brand influence.

(3) Profitability and capital needs of the Company

Since the listing of the Company, the return on net assets has remained at a high level of approximately 15%, delivering stable investment returns to its shareholders. As the Company increases its reform and innovation efforts, it needs to increase its investment in innovative business and new technologies. In addition, in order to meet the needs of daily operation and the progress of projects, the Company needs to maintain a certain amount of retained earnings.

(4) Reasons for the Company to keep part of the undistributed profit

Currently, the downward pressure on the world economy is increasing, and the international situations are changing rapidly. To enhance its resilience against risks, objectively, the Company needs to keep a certain amount of retained earnings. The retained earnings accumulated by the Company over the years are attributable to all investors. With quicker transformation from high-speed development to high-quality development, the profitability of the Company will be improved gradually, thus enabling the Company to offer better returns to investors in the future.

(5) Purpose of the undistributed profit retained by the Company and its estimated income

The retained undistributed profit will be used to support the Company in capturing strategic development opportunities and to deepen the Company's strategy, increase structural adjustment and transformation and upgrading, and to seek new profit growth points. CSCEC has maintained a stable cash dividend policy for years, demonstrating the ability to maintain stable development and sustained dividend distribution. In 2022, the Company will strive to improve its value-creation capacity under the development goals of "one creation and five aspects of strength" and reward shareholders with excellent operating results.

This proposed profit distribution plan complies with the relevant laws, regulations and the Articles of Association with compliant and transparent profit distribution procedures. CSCEC has maintained a stable cash dividend policy with an increase in the cash dividend to be distributed per share for the current year over last year. This demonstrates the ability of CSCEC to maintain stable development and sustained dividend distribution, as well as its determination to reward shareholders with excellent operating results.

(II) Plans or proposed plans for profit distribution or reserve capitalization of the Company in the last five years (including the Reporting Period)

Unit: '000 Currency: RMB

Year of dividend distribution	Number of bonus shares per 10 shares (shares)	Amount of dividends distributed per 10 shares (RMB) (tax inclusive)	Number of shares capitalized per 10 shares (shares)	Amount of cash dividends (tax inclusive)	Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the year of dividend distribution	Percentage of the net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements (%)
2021	0	2.50	0	10,485,215	51,407,661	20.40
2020	0	2.147	0	9,006,272	44,924,929	20.05
2019	0	1.85	0	7,763,538	41,881,399	18.53
2018	0	1.68	0	7,052,853	38,241,324	18.44
2017	0	2.15	4	6,447,723	32,941,799	19.57

(III) Specific explanation on cash dividend policy

√ Applicable N/A

Was it in compliance with the requirements of the Company's Articles of Association and the resolution of the general meeting	√ Yes <input type="checkbox"/> No
Were the dividend distribution criteria and proportion well-defined and clear	√ Yes <input type="checkbox"/> No
Were related decision-making processes and mechanisms complete	√ Yes <input type="checkbox"/> No
Did independent directors fulfil their duties and play their roles	√ Yes <input type="checkbox"/> No
Were the minority shareholders given adequate opportunities to voice their opinions and make requests and were their legal interests fully protected	√ Yes <input type="checkbox"/> No

(IV) If, during the Reporting Period, the Company records a profit and the profit distributable to the ordinary shareholders of the parent company is positive but there is no proposed plan for distribution in the form of cash dividends, the Company shall disclose in detail the reasons, and the purpose and usage plan of the undistributed profits

 Applicable N/A**XI. Equity Incentive Scheme, Employee Stock Ownership Plan or Other Employee Incentive Measures of the Company and Their Implications**

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

√ Applicable N/A

Summary of matters	Index for details
912.036 million restricted shares granted by the Company to participants of the phase IV restricted A share incentive scheme was changed from circulating shares not subject to trading moratorium to circulating shares subject to trading moratorium on January 13, 2021.	Announcement on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme published on January 13, 2021.
On January 15, 2021, the Proposal on Repurchase of Participants' Shares under the Phases II and III Restricted A Share Incentive Schemes of China State Construction Engineering Corporation Limited was considered and approved at the 2021 First Extraordinary General Meeting of CSCEC.	Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021.

Summary of matters	Index for details
<p>It was considered and approved by the Company to repurchase restricted shares subject to restriction on unlocking from 156 participants involved in the phases II and III restricted A share incentive schemes. A total of 11,511,000 restricted shares were repurchased, of which, the number of phase II and phase III restricted A shares were 4,067,000 shares (2,905,000 shares before ex-rights) and 7,444,000 shares, respectively. The phase II restricted A shares were repurchased at the adjusted grant price of RMB3.47571 per share (RMB4.866 per share before the reserve capitalization of the Company), and the phase III restricted A shares were repurchased at the price of RMB3.468 per share. The total amount of funds for the repurchase was RMB39,951,522. After all the repurchased shares are cancelled, the registered capital of the Company will reduce by RMB11,511,000.</p>	<p>Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases II and III Restricted Shares and Notice to Creditors published on January 16, 2021.</p>
<p>195,076,000 shares were unlocked for listing and trading on January 21, 2021 as the first tranche in 2020 under the phase III restricted A share incentive scheme.</p>	<p>Announcement on the 2020 First Tranche of Unlocking under the Phase III Restricted A Share Incentive Scheme and Listing of Shares published on January 16, 2021.</p>
<p>On January 14, 2021, the Company completed the grant and registration of 912,036,000 phase IV restricted A shares.</p>	<p>Announcement on the Results of Grant under Phase IV Restricted A Share Incentive Scheme published on January 19, 2021.</p>
<p>107,940,000 shares were unlocked for listing and trading on February 18, 2021 as the third tranche in 2020 under the phase II restricted A share incentive scheme.</p>	<p>Announcement on the 2020 Third Tranche of Unlocking under Phase II Restricted A Share Incentive Scheme published on February 6, 2021.</p>
<p>The Company's repurchase and cancellation of restricted shares involved a total of 185 participants of the Company's phases I, II and III restricted A share incentive schemes (including simultaneous repurchase from 42 participants of the phases II and III restricted A shares). A total of 16,903,667 restricted shares were repurchased and cancelled (578,667, 5,621,000 and 10,704,000 restricted shares under phases I, II and III respectively). After the completion of the repurchase and cancellation, a total of 489,000 restricted shares were to be repurchased by the Company, and 1,303,585,000 restricted shares under the share incentive schemes were remained. The registered capital and share capital of the Company will reduce by RMB16,903,667 (16,903,667 shares) to RMB41,948,167,844 (41,948,167,844 shares).</p>	<p>Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 7, 2021.</p>
<p>Pursuant to the Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited and the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited, a total of 29 participants (34 participants, if calculated respectively) triggered relevant provisions on share repurchase. As considered and approved at the eighth meeting of the third session of the Board of Directors and the sixth meeting of the third session of the Board of Supervisors, the Company repurchased 5.12 million Phase III restricted shares from such participants, accounting for 0.85% of the granted 599.91 million Phase III restricted shares and 0.0122% of the total share capital of the Company. The number of Phase IV restricted shares repurchased was 1.92 million shares, accounting for 0.21% of the granted 912.036 million Phase IV restricted shares and 0.0046% of the total share capital of the Company. The total amount of funds for the repurchase was RMB23,631,360. All such funds were internal resources of the Company.</p>	<p>Announcement on the Repurchase of Part of Participants' Shares under the Phases III and IV Restricted A Share Incentive Schemes published on November 27, 2021.</p>
<p>It was considered and approved by the Company to repurchase restricted shares subject to restriction on unlocking from a total of 29 participants (34 participants, if calculated respectively) involved in the phases III and IV restricted A share incentive schemes. A total of 7,040,000 restricted shares were repurchased, of which, the number of restricted A shares under phase III and phase IV were 5,120,000 shares and 1,920,000 shares, respectively. The phase III restricted A shares were repurchased at the price of RMB3.468 per share, and the phase IV restricted A shares were repurchased at the price of RMB3.06 per share. The total amount of funds for the repurchase was RMB23,631,360. After all the repurchased shares are cancelled, the registered capital of the Company will reduce by RMB7,040,000.</p>	<p>Announcement on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phases III and IV Restricted Shares and Notice to Creditors published on December 16, 2021.</p>

Summary of matters	Index for details
Pursuant to the Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited and the Phase IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited, 58 participants (61 participants, if calculated respectively) triggered relevant provisions on share repurchase. As considered and approved at the eleventh meeting of the third session of the Board of Directors and the eighth meeting of the third session of the Board of Supervisors, the Company repurchased 4.316 million Phase III restricted shares from such participants, accounting for 0.72% of the granted 599.91 million Phase III restricted shares and 0.0103% of the total share capital of the Company. The number of Phase IV restricted shares repurchased was 1.89 million shares, accounting for 0.21% of the granted 912.036 million Phase IV restricted shares and 0.0045% of the total share capital of the Company. The phase III restricted A shares were repurchased at the price of RMB3.468 per share, and the phase IV restricted A shares were repurchased at the price of RMB3.06 per share. The total amount of funds for the repurchase was RMB20,802,764.41. All such funds were internal resources of the Company.	Announcement on the Repurchase of Part of Participants' Shares under the Phases III and IV Restricted A Share Incentive Schemes published on December 28, 2021.
190,784,000 shares were unlocked for listing and trading on January 19, 2022 as the second tranche in 2021 under the phase III restricted A share incentive scheme.	Announcement on the 2021 Second Tranche of Unlocking under the Phase III Restricted A Share Incentive Scheme and Listing of Shares, published on January 12, 2022.

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

Information of equity incentives

Applicable N/A

Other explanation

Applicable N/A

For implications of the restricted shares of the Company on its financial position and operating results, please refer to the relevant information of Note XI "Shares-based payment" to the financial statements under SECTION X "FINANCIAL REPORT".

Information of employee stock ownership plan

Applicable N/A

Other incentives

Applicable N/A

(III) Stock options granted to directors 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 year	Number of restricted shares granted during the Reporting Period	Grant price of restricted shares (RMB/share)	Unlocked shares	Locked shares	Number of restricted shares held at the end of the Reporting Period	Market price at the end of the Reporting Period (RMB 0'000)
Zheng Xuexuan	Chairman of the Board	0	0	/	0	0	0	0
Zhang Zhaoxiang	Director, president	0	0	/	0	0	0	0
Xu Wenrong	Independent director	0	0	/	0	0	0	0
Jia Chen	Independent director	0	0	/	0	0	0	0
Sun Chengming	Independent director	0	0	/	0	0	0	0
Li Ping	Independent director	0	0	/	0	0	0	0
Shi Zhiping	Chairman of the Board of Supervisors	59.9	0	/	0	0	0	0
Li Jianbo	Supervisor	0	0	/	0	0	0	0
Tian Shifang	Supervisor	0	0	/	0	0	0	0

Name	Position	Number of restricted shares held at the beginning of the year	Number of restricted shares granted during the Reporting Period	Grant price of restricted shares (RMB/share)	Unlocked shares	Locked shares	Number of restricted shares held at the end of the Reporting Period	Market price at the end of the Reporting Period (RMB 0'000)
Lv Xiaogang	Employee representative supervisor	9.8	0	/	9.8	0	0	0
Qu Hongguang	Employee representative supervisor	9.8	0	/	9.8	0	0	0
Wang Yunlin	Vice president, chief financial officer	0	0	/	0	0	0	0
Zhao Xiaojiang	Vice president	0	0	/	0	0	0	0
Ma Zeping	Vice president	0	0	/	0	0	0	0
Zhou Yong	Vice president	59.9	0	/	27.9	32	32	160
Huang Kesi	Vice president	59.9	0	/	27.9	32	32	160
Shan Guangxiu	Vice president	59.9	0	/	27.9	32	32	160
Xue Keqing	Secretary of the Board	59.9	72	3.06	27.9	104	104	520
Total	/	319.1	72	/	131.2	200	200	/

(IV) Appraisal mechanism for senior management and the establishment and implementation of incentive mechanism during the Reporting Period

Applicable N/A

For details, please refer to the relevant information under "IV. Directors, Supervisors and Senior Management" in this section.

XII. Establishment and Implementation of Internal Control System during the Reporting Period

Applicable N/A

During the Reporting Period, the Company continued to optimize the internal control system, revised and improved the internal control rules, and ensured the effective implementation of various rules. It further streamlined and standardized various business processes to improve the Company's management and risk prevention and control. The Company has continuously improved its internal control process, covering all aspects including decision-making, execution, supervision, and feedback. The Company's improved internal control are more comprehensive and effective.

For details of the Company's internal control evaluation report, please refer to the 2021 Internal Control Evaluation Report of CSCEC reviewed and approved at the 15th meeting of the third session of the Board of the Company and disclosed on the website of the Shanghai Stock Exchange.

Description of material defects of internal control during the Reporting Period

Applicable N/A

XIII. Management and Control of Subsidiaries during the Reporting Period

Applicable N/A

The Company has formulated the CSCEC management systems, including: the Information Disclosure and Internal Material Information Reporting Management Regulations (2019 Edition); the Fund Management Regulations; the Administrative Measures for Subsidiary Governance Structure; the Administrative Measures for the Organizational Structure of the Headquarters of Subsidiaries; the Administrative Measures for the Evaluation and Appraisal of the Operating Results of Subsidiaries; the Administrative Measures for Economic Behaviors Related to Long-Term Equity Investments; the Accounting Systems; the Investment Management Regulations; and the Internal Control, System Management and Quality, Environment, Occupational Health and Safety System Management Regulations. Relying on the above management systems, the Company has established an internal control system based on

the Articles of Association. The internal control system primarily comprises investment, property rights, finance, corporate governance, performance appraisal, material information reporting, information disclosure and other management systems, and has been strictly and thoroughly implemented. The Company can effectively manage and control its subsidiaries by setting approval and authorization permissions in the internal control system.

XIV. Information on Internal Control Audit Report

Applicable N/A

Upon approval by shareholders at the general meeting, the Company engaged Ernst & Young Hua Ming LLP (Special General Partnership) to audit the effectiveness of the Company's internal control related to the financial report as of December 31, 2021. The auditor has issued a standard unqualified internal control audit report.

For details of the internal control audit report, please refer to 2021 Internal Control Audit Report of CSCEC considered and approved at the 15th meeting of the third session of the Board and disclosed on the website of the Shanghai Stock Exchange.

Whether the Internal Control Audit Report is disclosed: Yes

Type of opinion of the internal control audit report: Standard unqualified opinion

XV. Self-inspection and Rectification in the Special Governance Action of Listed Companies

During the Reporting Period, the Company thoroughly implemented the spirit and requirements of the Opinions on Further Improving the Quality of Listed Companies issued by the State Council and the Announcement on Launching Special Actions on Governance of Listed Companies issued by the CSRC to actively promote self-inspection and rectification of special corporate governance actions. Based on the self-inspection checklist, the Company formulated special implementation plans to comprehensively review and self-inspect the Company's basic condition, the operation and decision-making of the organization, the independence of the Company, related party transactions, capital transactions, external guarantees, the establishment of an internal control system, information disclosure and transparency, institutional (foreign) investors, etc. The self-inspection findings show the compliance of the Company's corporate governance in all aspects. Specifically, the Company has established a relatively complete corporate governance system in accordance with the laws and regulations such as the Company Law, Securities Law and the Code of Corporate Governance for Listed Companies. In addition, the Shareholders' general meetings, the Board of Directors, the Board of Supervisors and the management operate in a standardized manner. The directors, supervisors and senior management are diligent and conscientious. The internal control system is sound and effective. The information disclosure is open and transparent. No matter that may have a material adverse impact on the interests of investors is identified. The Company will further consolidate the achievements of corporate governance, improve the level of corporate governance, and promote the sustainable, healthy and high-quality development of the Company.

XVI. Miscellaneous

Applicable N/A

SECTION V ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. Environmental Information

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

Applicable N/A

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

Applicable N/A

1. Administrative penalties due to environmental issues

Applicable N/A

During the Reporting Period, a total of 206 construction projects of the Company's subsidiaries received administrative penalties due to environmental problems such as construction noise, dust, sewage and solid waste, involving a total fine of approximately RMB7.765 million¹. To date, all of the issues involved in the aforementioned administrative penalties have been rectified.

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

Applicable N/A

The Company attaches great importance to ecological environmental protection. During the Reporting Period, there were no emergency environmental incidents, major environmental pollution or ecological damage incidents caused by the Company. The impact of the production and operation activities of the Company on the environment mainly included noise, dust and solid waste, most of which took place in the course of construction. To minimize the impact on the environment, prior to the commencement of the project, the Company identified the environmental factors, prepared preliminary planning for environmental protection and green construction, and developed a program according to relevant requirements. The Company was also equipped with and operated in a standardized manner various pollution prevention facilities such as automatic spraying, vehicle washing, sedimentation tanks and acoustic sheds, gave priority to new technologies and processes of energy conservation and environmental protection, so as to minimize the energy consumption and pollutant discharge. In addition, for the construction projects invested by the Company, the Company has continuously been conducting environmental impact assessments in accordance with the laws, and implementing the energy conservation and environmental protection requirements in the entire process of design, construction and operation to ensure the pollution prevention facilities were designed, constructed and put into operation at the same time as the main body of the project, so as to minimize the impact of production on the environment.

3. Reasons for not disclosing other environmental information

Applicable N/A

- (III) Relevant information conducive to protecting ecology, preventing pollution, and fulfilling environmental responsibilities

Applicable N/A

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

¹ Note: Statistics on administrative penalties are mainly based on the self-inspection of the Company and its subsidiaries.

1. **Strengthening the construction of ecological protection and management system.** During the Reporting Period, the Company modified a number of rules and regulations such as the management measures and guidance for ecological environmental protection to include the latest policies and regulations in a timely manner, required and urged its subsidiaries at all levels to adequately staff themselves with full and part-time environmental management personnel, and improved systems and organizational management system.
2. **Launching initiatives specific to improving ecological environmental protection management.** During the Reporting Period, the Company carried out initiatives specific to improving ecological environmental protection management, oversaw its subsidiaries at all levels to enhance the identification of ecological and environmental hazards, control compliance and consolidate management foundation in conjunction with new trends, tasks and headwinds in ecological environment. The investigation and rectification of hazards through the specific initiatives effectively improved the Company's capability to prevent and control environmental risks as well as its environmental protection management system.
3. **Strengthening the ecological publicity and training.** To respond to the "Environment Day on June 5", National Energy Conservation Awareness Week and National Low-carbon Day, the Company organized and urged its subsidiaries at all levels to launch a wide range of ecological and environmental protection publicity and training activities, proactively implemented the latest national policies and regulations, paid visits to and made exchanges on model projects and publicize advanced management experience and technology measures, with a focus on the enhancement of the ecological and environmental awareness among the management staff at all levels and their performance of obligations.
4. **Strengthening the prevention and control of pollution at the construction site.** The Company has strictly implemented various prevention and control requirements on pollution such as air, noise, water, soil and solid waste, enhanced the implementation of environmental protection measures, actively explored innovation and improved the effect of the implementation. For example, the Shenzhen Satellite Hall project (深圳卫星厅项目) adopted diversified recycling technology in disposing of building waste featuring "mobile crushing plant + automatic brick pressing workshop + recycled concrete mixing plant" to crush and sieve wasted concrete based on grade. It further processed rock flour, slag and other fine aggregates produced by the crushing plant, so as to manufacture a variety of baking-free recycled cement bricks such as standard bricks, loading-bearing hollow bricks and light-aggregate hollow bricks for physical engineering projects. This technology improved both green and environmental protection and economic benefit.
5. **Proactively promoting green and low-carbon construction.** Upholding the concept of green development, the Company proactively promoted the branding of premium green construction. Taking one of its subsidiaries COHL as an example, such company invested in and obtained green construction certification for 490 projects in total in 2021, with an area of 89.27 million square meters. It has obtained seven awards including "Chinese Green Property Index TOP30 (ranked first)", "Chinese Green Property Operation Index TOP10", "Chinese Green Property Index (in terms of state-owned, commercial and residential property companies) TOP10", "TOP10 Chinese Full Renovation Enterprises", and "TOP10 Chinese Prefabricated Construction Enterprises" for three consecutive years. As appraised and certified by China Lianhe Equator Environmental Impact Assessment Co., Ltd., a director unit under the Green Finance Committee of China Society for Finance and Banking, based on the percentage of green operating revenue and environmental performance of China Overseas, China Overseas is awarded the highest grade of dark green (G-AAA).
6. **Proactively participating in outsourced pollution control and ecological restoration.** The Company has undertaken the environmental protection and ecological restoration of rivers, mines, deserts and other key areas. For example, the Company invested, constructed and operated the sewerage transmission project in the core area of the East Lake of Wuhan. The project lasted for three years, and completed China's first high-quality deep sewerage transmission tunnel in the East Lake with a length of 17.5km and a maximum depth of 51.5m. Half of the sewerage discharged by Wuchang was transported through the deep tunnel to a sewerage disposal plant for concentrated processing. The deep tunnel has a capacity of 1.5 million tons per day and serves over 3 million residents within an area of 30 square kilometers. As a pioneering project in the transmission of urban sewerage through a deep tunnel in China, it expanded the vertical space of the city, protected the water quality of the East Lake and improved the living environment of the city.

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

√ Applicable □ N/A

Following the instructions and working principles on carbon peak and carbon neutrality announced by President Xi Jinping, the CPC Central Committee and the State Council, CSCEC made up and enhanced areas of weakness across all business sections, and actively respond to strategic requirements based on facts. The Company raised its political stance and closely submitted to the leadership of the Party by focusing on its status quo, specifying the goal of energy conservation, establishing professional institutions, structuring industrial layout and developing green construction and other key aspects. More efforts were made to integrate the green and low-carbon concept into the entire production and operation process, help the Company contribute to carbon peak and carbon neutrality, improve the green construction capacity and build an exemplar enterprise of low-carbon construction so as to promote the high-quality development of the construction industry.

- 1. Strengthening the leadership of the Party and the top-level design.** CSCEC held several high-level meetings to make arrangements relating to energy conservation and carbon reduction. It stressed that “dual carbon” (carbon peak and carbon neutrality) initiatives shall be carried out from a holistic picture in the long term and the “dual carbon” mode of CSCEC shall be developed throughout its construction. It would establish a distinctive system of products and technologies and become a superior comprehensive service provider integrating planning, design, construction and product in the “dual carbon” field of the construction sector to offer holistic, complete and scientific package solutions for rural and urban construction and development in various regions. CSCEC has adopted energy conservation and carbon reduction in all aspects of its development, launched specific “dual carbon” initiatives, and actively explored efficiency-enhancement in the energy conservation and carbon reduction, investment and operation, survey and design, mode of construction, transition to low-carbon businesses, dual carbon technologies, green finance and other aspects.
- 2. Strengthening green investment operations and promoting the low-carbon transition.** CSCEC strived to implement the requirements of green and carbon saving in all sectors and aspects of investment, construction and operation. As an advocator of green construction in the industry, the Company has required its subordinate units and projects to actively follow green construction practices by making full use of intelligent management platforms such as BIM, yzw.cn, and digital construction in projects under construction. The Company promoted the use of temporary construction facilities for box-type houses, energy-saving equipment such as solar street lights and air energy heat pumps, the reduction and resource utilization of construction waste, and effectively implemented the green construction concepts in every aspect and every stage of production, achieving a higher level of and better results in energy saving and carbon reduction. In 2021, the Company’s subsidiary COHL transformed 5,807 air conditioners of intelligent control in total, with an accumulated number of 11,156 units, covering over 91% of its projects. 9.036 million kw/h of electricity would be saved and approximately 9,000 tons of carbon emission would be reduced each year. The Company’s subsidiary China Overseas Land & Investment ensured all its newly-developed residential projects to obtain the national green building one-star certification and developed orientation and requirements of green building planning and design by promoting the green building rating of each project.
- 3. Establishing a special research institute to conduct industrial technology studies.** The Industrial Technology Institute for Carbon Peak and Carbon Neutrality (sponsored) (碳达峰碳中和产业技术研究院) of CSCEC was founded in Suzhou and led by the Company jointly with academic think tanks, renowned colleges and universities and other research institutions to study policies of carbon peak and carbon neutrality, trend of the industry development and the Company’s future plans and research, formulate management systems of carbon peak and carbon neutrality in its subsidiaries at all levels, monitor carbon emission and study calculation methods. The Company set up the Green and Low-Carbon Development Research Center with the support of the China State Construction Industry Research Institute (中建产研院), and explored the establishment of a construction-related carbon emission database and statistical monitoring platform, strengthened the research and application of comprehensive carbon reduction technologies such as energy saving, water saving, material saving, greening and carbon sink in the construction process to provide effective technological support for carbon emission reduction based on the research results of the sub-project of the 13th Five-Year Plan national key R&D program undertaken by the Company, namely Research and Development Platform of Building Carbon Emission Information Accounting (《建筑碳排放信息化核算平台研发》).
- 4. Improving the green and low-carbon management system to promote the green transition and upgrading of the entire industry.** In terms of management systems, the Company has revised a series of management systems such as the Provisions on the Responsibility Management on Ecological Environmental Protection (Trial) (《生态环境保护工作责任管理规定(试行)》), the Ecological Environmental Protection Management Measures (《生态环保管理办法》) and the Ecological Environmental Protection Management Manual (《生态环保管理手册》) after taking into account of the new situation and new requirements of green, low-carbon, ecological and environmental protection. In terms of institutional and personnel management, the Company strengthened the construction and staffing of institutions at all levels, enhanced the promotion, education and training, and focused on improving the capacity to promote green and low-carbon work in a systematic, overall and coordinative manner. As the first enterprise advocating green construction in the industry, CSCEC has actively carried out green construction and intelligent construction engineering practices, advocated electricity saving, water saving, land saving, material saving and environmental protection throughout the entire construction process, promoted temporary construction facilities for box-type houses, independently developed and applied intelligent construction management platforms, and carried out construction waste-related reduction and resource utilization. While strengthening internal management, CSCEC has actively delivered green construction and management results across the entire society and industry, and played a leading and exemplary role within the industry. The Company led the compilation of COOC Sound Building Standards (《COOC健康建筑标准》) which covers 142 items for assessment in 5 major categories, making an overall evaluation on each project in terms of energy consumption, environment, space, intelligence, emergency response and services. In addition, CSCEC has participated in formulating dozens of national, local and industrial standards in recent years, which promoted the green and low-carbon transition and upgrading in the whole industry.

5. **Vigorously developing prefabricated buildings and launching green financial products.** As of the end of December 2021, the Company invested and constructed more than 35 steel structure and concrete component production plants, with annual production capacity ranking top in the industry. The Company promoted the transformation of construction methods, reduced energy and resource consumption, and promoted the effective implementation of carbon emission reduction. Taking the North Lantau Hospital Hong Kong Infection Control Centre project undertaken by the Company as an example, it only took two and a half months to complete the streamlined manufacturing of 524 assembled building units and one month to complete the site installation, significantly reducing the construction waste and energy and resource consumption throughout the construction process. In addition, CSCEC is highly concerned about the green finance, carbon tax and related policies of the inter-bank market and stock exchanges, and actively organized subsidiaries to promote the issuance of green bonds. On June 17, 2021, China Overseas Land & Investment issued the first “green + carbon neutrality” bonds by a domestic real estate enterprise with the China Overseas International Centre located in the core business district of Chengdu Financial City as the underlying assets, with an issue amount of RMB2.1 billion at the interest rate of 3.6%.
6. **Developing green and low-carbon industrial deployment and carrying out demonstration projects.** Collaborating with the National Institute of Metrology of China and other related institutes, the Company developed an integrated mode of measurement for carbon emission in the context of dual carbon and an evaluation system and industrial system for life-cycle carbon emission in the construction sector through combined research on theoretical computation and real monitoring. Also, the Company solicited to establish several key demonstration projects for energy conservation and carbon reduction in Beijing, Shenzhen, Suzhou, Wuhan, Qingdao, Chengdu and other cities. The types of projects include self-occupied office buildings, business operation parks, industrial parks, operation and maintenance of infrastructure, building projects in progress and infrastructure projects in progress. The demonstration projects helped to promote the green and low-carbon working mode and the demonstration application of advanced green construction technologies, facilitate the use of new energy and achieve a new mode of green and low-carbon construction.

II. Introduction of Social Responsibilities

Applicable N/A

The Company will release its report on the fulfilment of social responsibilities in 2021 on the website of the Shanghai Stock Exchange titled CSCEC: 2021 Sustainability Report. Please refer to the report on the introduction relating to the Company's social responsibilities.

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

Applicable N/A

(I) Planning of rural revitalization

The Company and its controlling shareholder China State Construction resolutely implemented the decisions and deployments of the CPC Central Committee and the State Council on targeted poverty alleviation and peer support, and met the requirement of “sticking to responsibility, policy, support and regulation regardless of the lifting of poverty-stricken titles”. The Company provided targeted and concrete assistance to Kangle County, Zhuoni County and Kang County in Gansu Province (the three counties of Gansu), and peer support to Changting County, Fujian Province. In May 2021, CSCEC established a rural revitalization leading team and a promotion team to coordinate the targeted poverty alleviation, peer support and provision of assistance. In addition, it studied and developed the Key Points of Rural Revitalization in 2021, held the 2021 rural revitalization work meeting to make deployment for the rural revitalization throughout the year. The List of Tasks for Targeted Support in 2021 (《2021年度定点帮扶工作任务清单》) and the Implementation Plan regarding Peer Assistance to the Original Central Soviet Area in Changting County, Fujian (《对口支援福建省长汀县原中央苏区实施方案》) and other documents were issued to give full play to the Company's advantage of “whole industrial chain” in the construction industry, with a view to making “combined efforts” in reducing poverty through industrial development, employment, education, consumption and Communist Party's initiatives, promoting the consolidation and expansion of poverty alleviation achievements in targeted areas and effective connection with rural revitalization.

(II) Summary of rural revitalization

In 2021, CSCEC organized and convened the 2021 rural revitalization work meeting to summarize targeted poverty alleviation work. It honored 4 prizes for outstanding contribution to poverty alleviation, 8 advanced groups and 35 advanced individuals and made deployment of rural revitalization. The Company invited the CPC and government officials in the targeted areas eight times, sent over 780 officers of the Company at all levels to carry out research and supervision on the targeted areas including the three counties of Gansu and Changting County of Fujian and held 27 seminars to discuss with the local CPC committees and governments on the plan for rural revitalization.

CSCEC invested in and raised funds for targeted areas at a total amount of RMB137 million in respect of peer assistance, dispatched 19 cadres to fulfill the poverty alleviation responsibility and 17 predominant subsidiaries to make joint efforts to lift the areas out of poverty. 35 subsidiaries fully participated in poverty alleviation by promoting consumption to market the feature agricultural products such as quinoa of “Yunjian Woye (云间沃野)”, Kangle mushroom and Kang mooncake, purchasing and helping to promote the sales of agricultural products of over RMB72 million. It donated to construct 11 workshops for poverty alleviation and supported 125 leading enterprises (cooperatives) through e-commerce sales. 123 poverty alleviation projects were implemented, including the homestay group phase I in Kangle County, the tourism demonstration park phase IV in Kang County, Taoyan industrial park in Zhuoni County and Songmaoling Battle Memorial, the start of the Long March by the Central Red Army in Changting County. It organized its seven professional design institutes to complete rural revitalization-oriented village planning for 91 villages in Kangle County, assisted in training 2,868 grassroots cadres, leaders in rural revitalization and technicians in the three counties of Gansu, held training courses for senior skilled personnel of CSCEC together with Gansu Vocational College of Architecture (GVCA) and provided order-oriented training for 131 students in financial difficulties. In addition, CSCEC has built 67 demonstration villages for export of construction labor, recruited and transferred 2,494 local people and donated to construct Wenjiahe Hope Primary School and Laoshugou Primary School in Kangle County which were completed and put into operation as scheduled. The peer-to-peer cooperation among Party units from 19 villages in the three counties of Gansu was conducted, and 3 demonstration sites of rural revitalization were newly developed. It planned a rural tourism planning contest in Tongmu Village, Changting County to provide intellectual support for the protection and development of the ancient villages.

CSCEC was awarded the highest rating in multiple evaluations of targeted poverty alleviation performance of centrally-administered state-owned enterprises. It was invited to share its experience at the forum on rural revitalization and industrial development projects in Gansu Province, the press conference on collaboration between the eastern and western regions in Gansu Province and targeted support by centrally-administered state-owned enterprises and the forum on centrally-administered state-owned enterprises supporting rural revitalization and high-quality development in Gansu. The Northwest Company of China Construction Eighth Engineering Division was awarded the title of “National Advanced Group for Poverty Alleviation”, four subsidiaries were awarded the “Advanced Group for Poverty Alleviation in Gansu Province”, and one cadre fulfilling the temporary post was awarded the “Advanced Individual for Poverty Alleviation in Gansu Province”.

(III) Subsequent plans for assisting in rural revitalization

In 2022, CSCEC will truly implement the important speeches on rural revitalization given by President Xi Jinping, the decisions and plans of the CPC Central Committee and State Council about targeted assistance and support for the development of old revolutionary base areas and soviet areas. By emphasizing “sticking to responsibility, policy, support and regulation regardless of the lifting of poverty-stricken titles” and following the general requirements of a thriving business, suitable ecological living environments, social etiquette and civility, effective governance, and prosperity, CSCEC will fully leverage the strength of “whole industrial chain” of construction enterprises to ensure assistance efforts in targeted three counties in Gansu Province and support for Changting County in Fujian Province, and do its best to help targeted regions consolidate and advance their achievements in poverty alleviation and kick off a good start of rural revitalization. CSCEC will develop poverty relief-oriented workshops and farm-owned cooperatives to empower supported regions to expand their feature industries. Based on local demands, the Company will help carry forward tourism and village planning, construct tourism infrastructure, and protect and develop red tourism resources to support the development of tourism. Moreover, the Company will support the development of local construction enterprises and build material companies by establishing subsidiaries in supported areas. Greater efforts will be made to develop construction labour model villages and provide CPC school training for migrant workers. In addition, we will actively recruit undergraduates in supported regions where our subsidiaries are located for steady employment. We will also make efforts to improve education infrastructure, introduce advanced teaching concepts and teacher teams, and carry forward innovative-driven training for officials working at the grassroots, the heads of rural revitalization work, technicians and other groups, so as to promote talent cultivation. By relying on online platforms, we will continue to create feature product brands and maintain our efforts in procurement and sales to create more revenue for farmers. Beyond that, we will expand the pairing scope of CPC construction, fully implement the establishment of rural revitalization demonstration sites, organize welfare activities for social etiquette and civility, and boost the development of cultural revitalization organization.

SECTION VI IMPORTANT MATTERS

I. Fulfillment of Commitments

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

√ Applicable □ N/A

Background of commitment	Type of commitment	Commitment Party	Contents of commitment	Time and term of commitment	Is there a time limit for performance?	Have the commitments been strictly and timely fulfilled?	Alternative plan 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 the relevant contents of the Letter of Content 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 titles of land and other properties	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 the 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 titles of land and other properties	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 the future final settlement, 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 contents as those set out in the Entrusted Management Agreement, to China Overseas Land & Investment, a holding subsidiary listed in Hong Kong. Please refer to the relevant content of the 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 the relevant content of the Listing Documents – Listing by Way of Introduction of the Entire Issued Share Capital of the Company on the Main Board of The Stock Exchange of Hong Kong Limited published by China Overseas Property on October 14, 2015.	During the commitment term	Yes	Yes	In the process of performance	N/A
	Others	Officers who also hold positions in China State Construction	Undertook to fulfill his/her duties diligently during his/her term of office as an officer of the Company, properly handle the relationship between the Company and its controlling shareholder, live up to the trust of the Board of Directors and all shareholders of the Company, defend the interests of the Company and shareholders, and not to do anything detrimental to the interests of the Company and its minority shareholders due to serving two entities concurrently.	During the commitment term	Yes	Yes	In the process of performance	N/A

(II) Where the Company has profit forecasts on assets or projects, and the Reporting Period is within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor

Fulfilled Not Fulfilled N/A

(III) Completion of performance commitment and its effect on goodwill impairment test

Applicable N/A

II. Any Non-operating Misappropriation of Funds by the Controlling Shareholder and Other Related Parties during the Reporting Period

Applicable N/A

III. Guarantees in Violation of Regulations

Applicable N/A

IV. The Company's Explanation on the "Audit Report with Modified Opinion" of the Accounting Firm

Applicable N/A

V. The Company's Analysis of and Explanation on the Causes and Impacts of Changes in Accounting Policies and Estimates or Corrections of Material Accounting Errors

(I) The Company's analysis of and explanation on the causes and impacts of changes in accounting policies and estimates

Applicable N/A

In accordance with relevant requirements of Accounting Standards for Business Enterprises No. 21 – Leases (the "New Lease Standards"), the Company has implemented New Lease Standards since January 1, 2021. Compared with original lease standards, the main change of New Lease Standards is to remove the requirement on the classification of lessees' finance lease and operating lease, and request the lessees to recognize corresponding right-of-use assets and lease liabilities in the balance sheet for all leases (except short-term leases and low-value assets leases for which simplified treatment is selected), and to respectively recognize depreciation and interest expense. Please refer to the Company's Announcement on Change in Accounting Policy dated December 24, 2020 for details.

Pursuant to Accounting Standards for Business Enterprises Interpretation No. 14 (the "Interpretation No. 14"), the social capital contributors who offer or outsource constructing services (including construction and renovation and expansion, the same hereinafter) to other parties shall determine their status as a main responsible party or an agent, perform accounting treatment and recognize contract assets in accordance with Accounting Standards for Business Enterprises No. 14 – Revenue. Social capital contributors who provide various services (such as providing both PPP project asset construction services and post-completion operating and maintenance services) under PPP project contracts, shall identify any single performance obligation in the contract according to the requirements of Accounting Standards for Business Enterprises No. 14 – Revenue, and shall allocate the respective transaction price to each performance obligation in relative proportion of the individual selling price to each fulfillment obligation. The Company conducts accounting treatment in accordance with the above provision since January 1, 2021. According to the transition provisions, the information of comparable periods is not subject to adjustment. The differences arising from implementation between the above requirements on the first day and the current standards are included in the amount of retained earnings and other related items in the financial statements at the beginning of this year. Please refer to the Company's Announcement on Change in Accounting Policy dated August 28, 2021 for details.

For the impact of changes in relevant accounting policies on the Company's financial statements, please refer to Note III. 37 "Changes in accounting policies and estimates" to the financial statements under SECTION X "FINANCIAL REPORT".

- (II) The Company's analysis of and explanation on the reasons and impacts of the corrections of major accounting errors
 Applicable N/A
- (III) Communications with the former accounting firm
 Applicable N/A
- (IV) Other explanation
 Applicable N/A

VI. Appointment and Dismissal of the Accounting Firm

Unit: '0,000 yuan Currency: RMB

Currently appointed	
Name of domestic accounting firm	Ernst & Young Hua Ming LLP (Special General Partnership)
Remuneration of domestic accounting firm	4,180
Audit service years of domestic accounting firm	2

	Name	Remuneration
Accounting firm for internal control audit	Ernst & Young Hua Ming LLP (Special General Partnership)	315
Financial adviser	/	/
Sponsor	/	/

Explanation on appointment and dismissal of accounting firm

Applicable N/A

On May 13, 2021, as considered and approved at the 2020 annual general meeting of the Company, Ernst & Young Hua Ming LLP (Special General Partnership) was engaged as the auditor for the financial report and internal control of the Company for 2021, for a term of one year. For details, please refer to the Announcement on Renewal of Appointment of Auditor for Financial Reports published on April 17, 2021, the Announcement on Renewal of Appointment of Auditor for Internal Control published on April 17, 2021, the Information on 2020 Annual General Meeting published on April 30, 2021, and the Announcement on Resolutions of 2020 Annual General Meeting published on May 14, 2021, by the Company.

Explanation on change of accounting firm during the audit period

Applicable N/A

VII. Risks of Delisting

- (I) Causes of delisting warning
 Applicable N/A
- (II) Measures to be taken by the Company
 Applicable N/A
- (III) Circumstances of and Reasons for Delisting
 Applicable N/A

VIII. Matters Related to Insolvency Reorganization

Applicable N/A

IX. Matters Related to Significant Litigation and Arbitration

There were significant litigations and arbitrations during the year There was no significant litigation or arbitration during the year

(I) Litigations and arbitrations disclosed in provisional announcements without subsequent progress

Applicable N/A

(II) Litigations and arbitrations not disclosed in provisional announcements or with subsequent progress

Applicable N/A

(III) Other explanation

Applicable N/A

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

Applicable N/A

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

Applicable N/A

XII. Material Related Party Transactions

(I) Related party transactions regarding ordinary course of business

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

√ Applicable □ N/A

Summary of matters	Index for details
<p>On December 29, 2020 and January 15, 2021, the Proposal on the Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation was considered and approved at the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and 2021 first extraordinary general meeting of the Company.</p> <p>The Company and China State Construction renewed the Comprehensive Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Engineering Corporation Limited in respect of the related party transactions arising from the sales, procurement, commercial factoring services, financial leasing services, property leasing and other business between the Company, and China State Construction and its subsidiaries. During the term of the agreement, the sales between the Company and China State Construction and its subsidiaries shall not exceed RMB3.1 billion; procurement shall not exceed RMB9.2 billion; the maximum balance of commercial factoring services (excluding those from CSC Finance) shall not exceed RMB0.5 billion, and factoring interest and service fee shall not exceed RMB0.03 billion; the maximum balance of financial leasing services (excluding those from CSC Finance) shall not exceed RMB0.2 billion, and financial leasing interest and service fee shall not exceed RMB0.01 billion; property leasing shall not exceed RMB0.2 billion; other daily related party transactions shall not exceed RMB0.6 billion (RMB0.35 billion for interest on capital borrowings, RMB0.05 billion for signing trademark license agreement, and RMB0.2 billion for others).</p> <p>During the Reporting Period, the sales between the Company and China State Construction and its subsidiaries was RMB1.03 billion; the procurement was RMB5.28 billion; the maximum balance of commercial factoring services (excluding those from CSC Finance) was RMB8 million; factoring interest and service fee was RMB0.2 million; no financial leasing service was provided; the property leasing was RMB30 million; other daily related party transactions were RMB130 million. The amount of actual daily related party transactions of the Company was within the range set out in the agreement.</p>	<p>Announcement on the Resolutions of the 51st Meeting of the Second Session of the Board of Directors, Announcement on the Resolutions of the 34th Meeting of the Second Session of the Board of Supervisors, and Announcement on the Renewal of the Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation and Daily Related Party Transactions published on December 30, 2020.</p> <p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021.</p>
<p>On December 29, 2020 and January 15, 2021, the Proposal on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation was considered and approved at the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors and 2021 first extraordinary general meeting of the Company.</p> <p>CSC Finance, a subsidiary of the Company, and China State Construction renewed the Financial Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Finance Co., Ltd. in respect of the related party transactions arising from the deposits, loans, financial and financing consultancy and other relevant financial services provided to China State Construction and its subsidiaries (excluding CSCEC and subsidiaries of CSCEC) by CSC Finance. During the term of the agreement, the daily balance cap of the deposits (inclusive of accrued interests) to be placed by China State Construction and its subsidiaries with CSC Finance shall not exceed RMB20.0 billion, with the daily balance of loans (inclusive of accrued interests) to be obtained not exceeding the daily balance cap of the deposits (inclusive of accrued interests); the fees to be charged by CSC Finance for providing other financial services to China State Construction and its subsidiaries shall not exceed RMB0.3 billion.</p> <p>During the Reporting Period, the actual daily balance cap of the deposits (inclusive of accrued interests) and ending deposit balance (inclusive of accrued interests) placed by China State Construction and its subsidiaries with CSC Finance were RMB8.51 billion and RMB3.22 billion, respectively; the maximum daily loan balance (inclusive of accrued interests) was RMB6.82 billion, and the ending loan balance (inclusive of accrued interests) was RMB4.79 billion; the fees to be charged by CSC Finance for providing other financial services to China State Construction and its subsidiaries were RMB3 million.</p>	<p>Announcement on the Resolutions of the 51st Meeting of the Second Session of the Board of Directors, Announcement on the Resolutions of the 34th Meeting of the Second Session of the Board of Supervisors, and Announcement on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and Daily Related Party Transactions published on December 30, 2020.</p> <p>Announcement on the Resolutions of the 2021 First Extraordinary General Meeting published on January 16, 2021.</p>

Summary of matters	Index for details
<p>On July 23, 2021, the Proposal on the Provision of RMB1.4 Billion of Entrusted Loans by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited and the Proposal on the Provision of RMB60 Million of Entrusted Loans by China State Construction Engineering Corporation to China State Construction Engineering Corporation Limited were considered and approved at the 2nd meeting of the third session of the Board of Directors and the 2nd meeting of the third session of the Board of Supervisors of the Company.</p> <p>On July 26, 2021, the Company signed the Entrusted Loan Contract with China State Construction and CSC Finance, under which China State Construction will provide RMB1.4 billion of entrusted loans to CSCEC through CSC Finance, with a term of one-year, early repayment allowed and an interest rate of 2.99% per annum. The Company signed the Entrusted Loan Contract with China State Construction and CSC Finance, under which China State Construction will provide RMB60 million of entrusted loans to CSCEC through CSC Finance, with a term of 3 years, early repayment allowed and an interest rate of 3.8% per annum.</p>	<p>Announcement on the Resolutions of the 2nd Meeting of the Third Session of the Board of Directors, Announcement on the Resolutions of the 2nd Meeting of the Third Session of the Board of Supervisors, and Announcement of CSCEC on Provision of Entrusted Loans to the Company by Its Controlling Shareholder and Related Party Transactions published on July 24, 2021.</p>
<p>On November 26, 2021 and December 15, 2021, the Proposal on the Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation was considered and approved at the 8th meeting of the third session of the Board of Directors, the 6th meeting of the third session of the Board of Supervisors and 2021 third extraordinary general meeting of the Company.</p> <p>The Company and China State Construction renewed the Comprehensive Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Engineering Corporation Limited in respect of the related party transactions arising from the sales, procurement, commercial factoring services, financial leasing services, property leasing and other business between the Company, and China State Construction and its subsidiaries. During the term of the agreement in 2022, the sales between the Company and China State Construction and its subsidiaries shall not exceed RMB1.5 billion; procurement shall not exceed RMB8.5 billion; the maximum balance of commercial factoring services (excluding those from CSC Finance) shall not exceed RMB0.1 billion, and factoring interest and service fee shall not exceed RMB5 million; the maximum balance of financial leasing services (excluding those from CSC Finance) shall not exceed RMB0.05 billion, and financial leasing interest and service fee shall not exceed RMB2 million; property leasing shall not exceed RMB0.06 billion; other daily related party transactions shall not exceed RMB0.2 billion.</p>	<p>Announcement on the Resolutions of the 8th Meeting of the Third Session of the Board of Directors, Announcement on the Resolutions of the 6th Meeting of the Third Session of the Board of Supervisors, and Announcement on the Renewal of the Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation and Daily Related Party Transactions published on November 27, 2021.</p> <p>Announcement on the Resolutions of the 2021 Third Extraordinary General Meeting published on December 16, 2021.</p>
<p>On November 26, 2021 and December 15, 2021, the Proposal on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation was considered and approved at the 8th meeting of the third session of the Board of Directors, the 6th meeting of the third session of the Board of Supervisors and 2021 third extraordinary general meeting of the Company.</p> <p>CSC Finance, a subsidiary of the Company, and China State Construction renewed the Financial Services Framework Agreement Between China State Construction Engineering Corporation and China State Construction Finance Co., Ltd. in respect of the related party transactions arising from the deposits, loans, financial and financing consultancy and other relevant financial services provided to China State Construction and its subsidiaries by CSC Finance. During the term of the agreement, the daily balance cap of the deposits (inclusive of accrued interests) to be placed by China State Construction and its subsidiaries with CSC Finance shall not exceed RMB20.0 billion, with the daily balance of loans (inclusive of accrued interests) to be obtained not exceeding the daily balance cap of the deposits (inclusive of accrued interests); the fees to be charged by CSC Finance for providing other financial services to China State Construction and its subsidiaries shall not exceed RMB0.3 billion.</p>	<p>Announcement on the Resolutions of the 8th Meeting of the Third Session of the Board of Directors, Announcement on the Resolutions of the 6th Meeting of the Third Session of the Board of Supervisors, and Announcement on the Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and Daily Related Party Transaction published on November 27, 2021.</p> <p>Announcement on the Resolutions of the 2021 Third Extraordinary General Meeting published on December 16, 2021.</p>

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

(II) Related party transactions as a result of acquisition or disposal of assets or equity

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

Applicable N/A

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

4. Disclosure of performance achieved for the Reporting Period if with agreed-upon performance targets

Applicable N/A

(III) Material related party transactions in joint external investment

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

Applicable N/A

Summary of matter	Index for details
<p>On December 8, 2021, the Proposal on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions was considered and approved at the 9th meeting of the third session of the Board of Directors and the 7th meeting of the third session of the Board of Supervisors of the Company.</p> <p>China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation contributed to the capital increase in China State Construction Finance Co., Ltd. in cash based on the current proportion of their shareholding in China State Construction Finance Co., Ltd., among which, the contribution of CSCEC and China State Construction was RMB1.6 billion and RMB400 million, respectively. Upon the completion of the capital increase, the registered capital of CSC Finance will increase to RMB12 billion.</p> <p>This matter constituted a related party transaction, but does not constitute a major asset reorganization as required by the Management Measures for Major Asset Reorganization of Listed Companies. As of this related party transaction, except for the related party transactions with China State Construction that have been considered and approved at the Company's general meeting, the related party transactions between the Company and China State Construction within the past 12 months have not reached 5% of audited net assets of the Company for the latest period, and the related party transaction does not need to be submitted to the Company's general meeting for consideration. The related party transaction was conducted in accordance with fair and reasonable commercial terms, and the pricing was fair and reasonable. The transaction followed the principles of objectivity, equity and fairness, and was in the interest of the Company. There was no matter that would harm the interests of shareholders, especially minority shareholders. This related party transaction will not have a negative impact on the Company.</p>	<p>Announcement on Resolutions of the 9th Meeting of Third Session of Board of Directors, Announcement on Resolutions of the 7th Meeting of Third Session of Board of Supervisors, Announcement on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions published on December 9, 2021.</p>

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

(IV) Creditor's rights and debts with related parties

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

Applicable N/A

2. Matters disclosed in provisional announcements but with further progress or changes in subsequent implementation

Applicable N/A

3. Matters not disclosed in provisional announcements

Applicable N/A

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

Applicable N/A

1. Deposit

Applicable N/A

Unit: '000 yuan Currency: RMB

Related party	Relationship	Maximum daily deposit limit (Inclusive of accrued interest)	Deposit interest rate range (%)	Opening balance	Amount incurred during the Reporting Period		
					Total deposit during the Reporting Period	Total withdrawal during the Reporting Period	Closing balance
China State Construction and its subsidiaries	Controlling shareholder and its directly or indirectly controlled entities	20,000,000	0.455-1.755	2,310,771	33,806,750	32,894,656	3,222,865
Total	/	/	/	2,310,771	33,806,750	32,894,656	3,222,865

2. Loan

Applicable N/A

Unit: '000 yuan Currency: RMB

Related party	Relationship	Loan facility	Loan interest rate range (%)	Amount incurred during the period			
				Opening balance	Total loans during the Reporting Period	Total repayments during the Reporting Period	Closing balance
China State Construction and its subsidiaries	Controlling shareholder and its directly or indirectly controlled entities	Not exceeding the maximum daily deposit limit (Inclusive of accrued interest)	3.2-3.7	5,970,000	4,965,386	6,139,386	4,796,000
Total	/	/	/	5,970,000	4,965,386	6,139,386	4,796,000

3. Credit facility or other financial businesses

√ Applicable N/A

Unit: '000 yuan Currency: RMB

Related party	Relationship	Business type	Total amount	Actual amount incurred
China State Construction and its subsidiaries	Controlling shareholder and its directly or indirectly controlled entities	Other financial businesses	300,000	3,045

4. Other explanation

√ Applicable N/A

The above related party transactions of the Company have been considered and approved by the 51st meeting of the second session of the Board of Directors, the 34th meeting of the second session of the Board of Supervisors, the 2021 first extraordinary general meeting, and the 2nd meeting of the third session of the Board of Directors, the 2nd meeting of the third session of the Board of Supervisors, the 2021 third extraordinary general meeting, of the Company. For details, please refer to "(I) Related party transactions regarding ordinary course of business" in "XII. Material Related Party Transactions" under SECTION VI.

(VI) Miscellaneous

√ Applicable N/A

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

XIII. Material Contracts and Their Fulfillment

(I) Custody, contracting, and leasing

1. Custody

 Applicable N/A

2. Contracting

 Applicable N/A

3. Leasing

 Applicable N/A

(II) 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	Commencement date of guarantee (execution date of agreement)	Commencement date of guarantee	Expiry date of guarantee	Type of guarantee	Collateral (if any)	Has the guarantee been fulfilled?	Overdue amount	Is there counter guarantee?	Is the guarantee provided to the related party?	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	Nil	No	0	Yes	No	Nil
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiani Property Development Company Limited (重庆嘉益房地产开发有限公司)	1,28,800	November 20, 2020	November 20, 2020	November 20, 2025	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiani Property Development Company Limited (重庆嘉益房地产开发有限公司)	22,500	February 9, 2021	February 9, 2021	March 15, 2022	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiani Property Development Company Limited (重庆嘉益房地产开发有限公司)	39,850	March 16, 2017	March 16, 2017	March 15, 2022	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiani Property Development Company Limited (重庆嘉益房地产开发有限公司)	1,35,150	April 14, 2017	April 14, 2017	March 15, 2022	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Chongqing Jiani 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	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Qingdao Haijia Real Estate Co., Ltd. (青岛海捷置业有限公司)	78,662	June 7, 2021	June 7, 2021	June 7, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Guangzhou Bihuen Real Estate Development Company Limited (广州碧辉房地产开发有限公司)	173,000	December 11, 2018	December 11, 2018	December 6, 2023	Joint and several liability guarantee	Nil	No	0	No	Yes	Associate
China Overseas Holdings Limited	Holding subsidiary	Guangzhou Jie Property Development Company Limited (广州捷房地产开发有限公司)	1,000	April 22, 2019	April 22, 2019	April 21, 2022	Joint and several liability guarantee	Nil	No	0	No	Yes	Associate
China Overseas Holdings Limited	Holding subsidiary	Guangzhou Jie Property Development Company Limited (广州捷房地产开发有限公司)	162,000	June 29, 2020	June 29, 2020	June 28, 2023	Joint and several liability guarantee	Nil	No	0	No	Yes	Associate
China Overseas Holdings Limited	Holding subsidiary	Infinite Sun Limited	1,067,661	December 4, 2019	December 4, 2019	December 4, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Matle Edge Investments Limited	773,348	June 1, 2020	June 1, 2020	December 1, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Dragon Star Investments Limited	665,973	July 27, 2020	July 27, 2020	January 27, 2025	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Ultra Keen Holdings Limited	1,665,689	November 11, 2020	November 11, 2020	October 30, 2025	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
China Overseas Holdings Limited	Holding subsidiary	Grand Ample Ltd	1,059,660	June 22, 2021	June 22, 2021	June 22, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
Shanghai CSCEC Shenhuo Investment Development Co., Ltd. (上海申耀申晟泰投资有限公司)	Holding subsidiary	Guangzhou Fuchuan Real Estate Development Co., Ltd. (广州孚创房地产开发有限公司)	1,113,500	August 5, 2021	August 5, 2021	December 30, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
Shanghai China Construction Eighth Division Investment Development Co., Ltd. (上海中建八局投资发展有限公司)	Holding subsidiary	Suzhou Dongfu Yongou Real Estate Co., Ltd. (苏州东孚永佑置业有限公司)	49,000	December 19, 2021	December 19, 2021	December 18, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Joint venture
Shanghai China Construction Eighth Division Investment Development Co., Ltd. (上海中建八局投资发展有限公司)	Holding subsidiary	Zhongye Yongmeo (Suzhou) Real Estate Development Co., Ltd. (中耀永茂(苏州)房地产开发有限公司)	173,250	April 10, 2021	April 10, 2021	April 9, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Associate
Shanghai China Construction Eighth Division Investment Development Co., Ltd. (上海中建八局投资发展有限公司)	Holding subsidiary	Suzhou Fuyuan Real Estate Co., Ltd. (苏州孚元置业有限公司)	564,400	December 29, 2020	December 29, 2020	May 31, 2024	Joint and several liability guarantee	Nil	No	0	No	Yes	Associate

Guarantor	Relationship between guarantor and the listed company	Guaranteed party	Guaranteed amount	Commencement date of guarantee (execution date of agreement)	Commenement date of guarantee	Expiry date of guarantee	Type of guarantee	Collateral (if any)	Has the guarantee been fulfilled?	Is the guarantee overdue?	Overdue amount	Is there counter guarantee?	Is the guarantee provided to the related party?	Relationship
Total amount of guarantees provided during the Reporting Period (excluding guarantees provided to subsidiaries)														
Total balance of guarantees as of the end of the Reporting Period (A) (excluding guarantees provided to subsidiaries)														
2,486,772														
11,789,053														
Guarantees provided by the Company to its subsidiaries														
Total amount of guarantees provided to subsidiaries during the Reporting Period														
Total balance of guarantees provided to subsidiaries as of the end of the Reporting Period (B)														
266,332,818														
284,980,089														
Total amount of guarantees (A+B)														
268,819,630														
Of which:														
Amount of guarantees provided to shareholders, de facto controller and their related parties (C)														
0														
Amount of debt guarantees provided directly or indirectly to guaranteed parties with an asset-liability ratio of over 70% (D)														
190,587,326														
Total amount of guarantees exceeding 50% of net assets attributable to the parent company (E)														
94,382,773														
Total of the above three classes of guarantees (C+D+E)														
284,980,089														
Explanation on contingent joint and several liability for undue guarantees														
N/A														
As of the end of the Reporting Period, the balance of the guarantees provided by the Company to external parties (excluding the guarantees and mortgages provided to its holding subsidiaries) amounted to RMB11,789 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 RMB95,397 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 caused by the provision of such guarantees to the Company remained relatively low.														
During the Reporting Period, the Company provided a performance guarantee of RMB51.2 billion for China Construction Oceania in respect of the North East Link Project in Australia, and had completed the approval procedures as required.														
The Company's independent directors have reviewed the guarantees provided by the Company to external parties as of December 31, 2021, and expressed relevant specific explanations and independent opinions.														

(III) Cash asset management entrusted to others

1. Entrusted wealth management

(1). Overall wealth management

 Applicable N/A

(2). Single entrusted wealth management

 Applicable N/A

(3). Impairment provision for entrusted wealth management

 Applicable N/A

2. Entrusted loans

(1). Overall entrusted loans

 Applicable N/A

Unit: '000 yuan Currency: RMB

Type	Source of funds	Amount incurred	Outstanding balance	Amount due but not recovered
General entrusted loan	Self-owned funds	-430,896	633,106	0

Others

 Applicable N/A

As of the end of the Reporting Period, the total external entrusted loan of the Company amounted to approximately RMB0.633 billion, which was mainly incurred from the financing and investing activities conducted by the Company to drive its general contracting projects. Please refer to Note V. 12 "Debt investments" to the financial statements under SECTION X "FINANCIAL REPORT".

(2). Single entrusted loans

 Applicable N/A

Others

 Applicable N/A

(3). Impairment provision for entrusted loans

 Applicable N/A

3. Other investments and wealth management and derivative investments

 Applicable N/A

(IV) 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 contract for the PPP Project of Wuzhou-Leye Highway Guangning-Cangwu-Zhaoping (Guangxi Section)(梧州至乐业公路广宁苍梧至昭平(广西段)PPP项目施工总承包合同)	China State Construction Engineering Corporation Limited, China Construction Infrastructure Co., Ltd., China Construction Second Engineering Division Co., Ltd., China Construction Fifth Engineering Division Corp., Ltd. and China Construction Eighth Engineering Division Co., Ltd.	157.00	Infrastructure construction
2	Construction contract for the main project of Bid 2 (Wuhe-Pingdi) of the Shenzhen-Huizhou Intercity Qianhai Free Trade Zone-Pingdi Section of the Intercity Railway in the Shenzhen Metropolitan Area of the GBA (粤港澳大湾区深圳都市圈城际铁路深圳至惠州城际前海保税区至坪地段工程 2 标(五和-坪地)主体工程总承包合同)	China State Construction Engineering Corporation Limited, China Construction First Group Corporation Limited, China Construction Second Engineering Division Co., Ltd., China Construction Fourth Engineering Division Corp. Ltd., China Construction Sixth Engineering Division Corp. Ltd., China Construction Eighth Engineering Division Corp. Ltd. and China Construction Communications Engineering Group Co., Ltd.	137.40	Infrastructure construction
3	Construction contract for Changchun Metro Airport Line (Line 9) phase I (长春市城市轨道交通空港线(9号线)一期工程施工合同) Contract for relocation of pipes for Changchun Metro Airport Line (Line 9) phase I (长春市城市轨道交通空港线(9号线)一期工程管线迁改合同)	China State Construction Engineering Corporation Limited, China Construction First Group Corporation Limited, China Construction Second Engineering Division Co., Ltd., China Construction Third Engineering Division Group Co., Ltd., China Construction Sixth Engineering Division Corp. Ltd., China Construction Seventh Engineering Division Corp. Ltd., China Construction Eighth Engineering Division Corp. Ltd., and China Construction Industrial & Energy Engineering Group Co., Ltd.	76.82	Infrastructure construction
4	General contract for the survey, design and construction of the old village renovation project in Liucun village and Gegang area of Liucun community, Guangzhou (广州刘村社区刘村、格岗片区旧村改造项目勘察设计施工总承包合同)	The First Construction Co., Ltd. of China Construction Third Engineering Division	66.38	Housing construction
5	General contracting (section I) project contract for construction and management of east terminal building of Xi'an Xianyang International Airport phase III expansion project (西安咸阳国际机场三期扩建工程东航站楼施工及管理总承包一标段工程合同)	China Construction Eighth Engineering Division Corp. Ltd.	63.61	Infrastructure construction
6	General contract for the composite project for Equity Cooperation of Fuzhou Modern Logistics City Core Area Development Project (phase I) (福州现代物流城核心区开发项目(一期)股权投资、工程总承包一体化项目合同)	CSCEC Strait Construction and Development Co., Ltd.	60.44	Infrastructure construction
7	Cooperation contract for Neijiang Dengjiaba new town construction project (内江邓家坝新城建设项目合作合同)	China Construction Seventh Division Installation Engineering Co., Ltd. (中建七局安装工程有限责任公司)	60.29	Housing construction
8	General contract for construction of Chongqing Metro Line 15 phase I project (K72+824-K92+369.955) (重庆轨道交通 15 号线一期工程(K72+824-K92+369.955)施工总承包合同)	China State Construction Engineering Corporation Limited, China Construction Third Engineering Division Group Co., Ltd., China Construction Fifth Engineering Division Corp. Ltd., and China Construction Sixth Engineering Division Corp. Ltd.	58.01	Infrastructure construction
9	General EPC contract for renovation of shanty towns in Shatang area of Ezhou (phase II) (鄂州市沙塘片区棚户区改造项目(二期)EPC 总承包项目合同)	China Construction Third Engineering Division Group Co., Ltd.	55.00	Housing construction
10	General contract for construction of plot 806 in Hetangxia old village renovation project for reconstruction of resettlement area (何棠下旧村改造项目复建安置区 806 地块工程施工总承包合同) General contract for construction of plot 713 (primary school) and plot 718 in the financing area for Hetangxia old village renovation project (何棠下旧村改造项目融资区 713 地块(小学)、718 地块工程施工总承包合同) General contract for construction of plot 714 in the financing area for Hetangxia old village renovation project (何棠下旧村改造项目融资区 714 地块工程施工总承包合同)	The Second Construction Co., Ltd. of China Construction Third Engineering Division	50.45	Housing construction
11	General engineering contract for the construction of CITIC Financial Center (中信金融中心)施工总承包工程(施工合同)	The Second Construction Co., Ltd. of China Construction Third Engineering Division	50.11	Housing construction
12	Construction contract for general contracting project for construction of the second tender section Kunming Wujiaaba Central Park (昆明巫家坝中央公园(二标段)施工总承包项目建设工程施工合同)	China Construction Seventh Engineering Division Corp. Ltd.	47.16	Infrastructure construction
13	General construction engineering contract for western semiconductor integrated circuit high-tech industrial park project (西部半导体集成电路高科技产业园项目建设工程总承包合同)	China Construction Seventh Engineering Division Corp. Ltd.	44.76	Housing construction
14	Contract for Zhangqiu Wanda Plaza project in Jinan (济南阜丰万达广场项目工程合同)	China Construction Second Engineering Division Co., Ltd.	43.68	Housing construction
15	Construction contract for EPC project in Gedian Development Zone for coordinated development of Wuhan and Ezhou (葛店开发区葛店黄陂同城补短板 EPC 项目工程合同)	China Construction Third Engineering Division Group Co., Ltd.	42.84	Infrastructure construction
16	The general construction contract (phrase I) (EPC) for the design, procurement and construction of the urban renewal and reconstruction project in Xiufeng Industrial Zone, Shenzhen (深圳市秀峰工业区城市更新改造项目设计采购施工总承包工程(EPC)一期合同)	CSCEC4 Civil Engineering Co., Ltd.	42.00	Housing construction
17	The general construction contract for the tender section II of the old residential area renovation project in the east and west districts of Huafu village (华富村东、西区旧住宅区改造项目 II 标段施工总承包工程(施工合同))	China Construction Third Engineering Division Group Co., Ltd.	41.90	Housing construction
18	Contract for the construction of comprehensive transportation hub in Changsha Airport reconstruction and expansion project (长沙机场改扩建工程综合交通枢纽工程合同)	China Construction Fifth Engineering Division Corp. Ltd.	40.21	Infrastructure construction

No.	Name of contract	Signing Party	Value of contract	Type of contract
19	Contract for the first bid section of EPC+O (design, construction, procurement, operation) for the comprehensive project of substandard water improvement in Zhongshan City (Qianshan River Basin, Qishan River Basin, Banfu Town, Nanlang River Basin) (中山市水达标水体整治综合工程(前山河流域、岐山河流域、板芙镇、南朗流域)EPC+O(设计、施工、采购、运营)第一标段合同)	China Construction Eighth Engineering Division Corp. Ltd.	38.79	Infrastructure construction
20	General construction contract for International Business District and International Residential District of Changchun Airport New Area (长春空港新区国际商业区和国际居住区施工总承包合同)	China Construction Third Engineering Division Urban Construction Co., Ltd.	38.58	Housing construction
21	General contracting contract for the construction of Tanzhou Hong Kong and Macau City-State project in Zhongshan City (中山市坦洲港澳城邦项目施工总承包工程合同)	The First Construction Engineering Co., Ltd. of China Construction Fourth Division	37.05	Housing construction
22	Contract for the construction of the first bid section of the main project of the reconstruction and expansion project of Beijing-Taipei Expressway Jinan-Tai' an section (京台高速公路济南至泰安段改扩建工程项目主体工程施工一标段合同)	China Construction Eighth Engineering Division Corp. Ltd.	36.73	Infrastructure construction
23	The general contracting contract for Xi'an resettlement community and supporting project (西安团结安置社区及配套项目施工总承包合同)	The Fourth Construction Co., Ltd. of CSCEC 7th Division	36.25	Housing construction
24	The general contracting (EPC) contract for the construction of Enshi National Sports Center and the overall relocation of Enshi Vocational and Technical College (兴建恩施民族体育运动中心和整体迁建恩施职业技术学院项目工程总承包(EPC)合同)	China Construction Third Engineering Division Group Co., Ltd.	35.68	Housing construction
25	Contract for Hohai University Changdang Lake University Science Park project (河海大学长荡湖大学科技园项目工程合同)	China Construction Second Engineering Division Co., Ltd.	35.61	Housing construction
26	The general contracting contract for construction of 01-01 plot(upper part, including basement) in urban renewal project in Meiyuan Area, Sungang Street, Luohu District (罗湖区笋岗街道城建梅园片区城市更新单元项目 01-01 地块上部工程(含地下室)施工总承包工程合同)	China Construction Third Engineering Division Group Co., Ltd.	35.55	Housing construction
27	The general contracting contract for construction of Hehong Taohuayuan Project 1#, 6#, 7#, 8# plots and school (和混桃花源项目 1#、6#、7#、8# 地块及学校施工总承包工程合同)	China Construction Science & Technology Group Co., Ltd.	35.00	Housing construction
28	General EPC contract for Smart Economy Industrial Park (Yunshang Economic Demonstration Park) project (智慧经济产业园(云上经济示范园)项目 EPC 工程总承包合同)	China State Construction Engineering Corporation Limited	34.58	Housing construction
29	General contract for Shanghai Midea Global Innovation Park Project (上海美的全球创新园项目工程总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	34.17	Housing construction
30	EPC contract for Qihe County Century Avenue Road construction project (齐河县世纪大道道路建设工程 EPC 项目合同)	China Construction Sixth Engineering Division Co., Ltd.	33.95	Infrastructure construction
31	Contract for Guangzhou Baiyun Taoranli urban health town and complex project (广州白云陶然里城市康养小镇及综合体项目合同)	China Construction Xinyue Construction Engineering Co., Ltd. (中建新越建设工程有限公司)	33.53	Housing construction
32	General contract for the first phase project of Nantong China-Europe Industrial Park (南通中欧产业园一期项目工程总承包合同)	The First Company of China Eighth Engineering Bureau Ltd.	33.48	Housing construction
33	(EPC) engineering contract for Shangrao Daihu Lake Sunshine City Project (上饶带湖阳光城项目(EPC)工程合同)	China Construction Second Engineering Division Co., Ltd.	33.40	Housing construction
34	Construction contract for YHSG - 3 tender section of Wuzhi - Jiyan section of the Yanhuang Expressway (沿黄高速武陟至济源段高速公路 YHSG-3 标段施工承包合同协议书)	China Construction Eighth Engineering Division Corp. Ltd.	33.39	Infrastructure construction
35	General contract for the first phase project of Nantong China-Europe Industrial Park (南通中欧产业园一期项目工程总承包合同)	East China Construction Co., Ltd of China Construction Fifth Engineering Division (中建五局华东建设有限公司)	32.65	Housing construction
36	General contract for the construction of Hefei Lanke Electronic Information Plant Project (合肥蓝科电子信息厂房项目施工总承包合同)	China Construction First Group Construction & Development Co., Ltd.	32.32	Housing construction
37	Engineering contract for China -ASEAN Mayors Plaza Project (中国 -东盟市长大厦项目工程合同)	China Construction Eighth Engineering Division Corp. Ltd.	31.88	Housing construction
38	General contract for the second tender section of Tian'e to Beihai (Tian'e via Fengshan to Bama section) financing + construction project (天峨至北海(天峨经凤山至巴马段)融资+工程总承包 No2 标段合同)	CSCEC Railway Investment Transit Construction Co., Ltd. (中建铁路投资交通建设有限公司)	31.81	Housing construction
39	General construction contract for the Relocation and Reconstruction Project of Pingshan District People's Hospital (坪山区人民医院迁址重建项目施工总承包合同)	China Construction Science and Industry Corporation Ltd.	31.15	Housing construction
40	Contract for Xiamen New International Conference & Exhibition Center - Exhibition Center section I project (厦门新会展中心 - 展览中心 I 标段工程合同)	China Construction Fourth Engineering Division Corp. Ltd.	31.14	Infrastructure construction
41	General construction (EPC) contract for the High-speed Railway Xincheng Division (phase II) of Xi'an Honghui Hospital project (西安市红会医院高铁新城院区(二期)项目工程总承包 epc 合同)	China Construction Third Engineering Division Group Co., Ltd.	31.11	Housing construction
42	Engineering, procurement and construction contract for the Yangtze River Delta (Jiashan) Financial Innovation Center Project (长三角(嘉善)金融创新中心项目设计采购施工工程总承包合同)	China Construction Third Engineering Division Group Co., Ltd.	30.79	Housing construction
43	Contract for the EPC+O (Survey, Design, Procurement, Construction + Operation) of second tender section of Zhongshan City's comprehensive improvement project for substandard water bodies (Qijiang River Basin - Henglan Town, Guzhen Town, Qijiang River Basin - Xiaolan Town, Dongsheng Town, Minsianlanwei Watershed, Wenming Watershed, Maziyong Watershed, Damangdaowei Watershed, Zhupaiwei Basin) (中山市水达标水体整治工程(岐江河流域-横栏镇、古镇镇, 岐江河流域-小榄镇、东升镇, 民三联围流域, 文明围流域, 麻子涌流域、大芒刀围流域、竹排围流域)EPC+O(勘察设计、采购、施工+运营)(第二标段)合同)	China Construction Eighth Engineering Division Corp. Ltd.	30.26	Infrastructure construction
44	General construction contract for the design, procurement and construction of the construction and installation project of the Jiaying Railway Station area (south square plot, style renovation) and the municipal landscape decoration project (North Square, Xuangong Lane area) (嘉兴火车站区域(南广场地块、风貌改造)建安工程及(北广场、宣公弄区域)市政景观装修设计采购施工总承包合同)	China Construction Eighth Engineering Division Corp. Ltd.	30.02	Infrastructure construction
45	Engineering contract for Yashilin Changsha (International) Sericulture and Silk Intelligent Manufacturing Project (雅士林长沙(国际)茧丝绸智能制造产业园项目工程合同)	China Construction Fifth Engineering Division Corp. Ltd.	30.00	Housing construction
46	EPC project contract for Xilankapu international resort (西兰卡普国际康养度假区 EPC 项目工程合同)	China Construction Communications Engineering Group Co., Ltd.	30.00	Infrastructure construction
47	General contracting construction contract for the reserved land project in Shibi No. 2 Village, Panyu District, Guangzhou (广州市番禺区市桥二村留用地项目总承包工程施工合同)	China Construction Fifth Engineering Division Corp. Ltd.	30.00	Housing construction
48	General construction contract for Shenzhen Nanshan 163 project (深圳南山 163 项目施工总承包合同)	The First Construction Co., Ltd. of China Construction Third Engineering Division	30.00	Housing construction
49	General contracting contract for Heyou International Hospital Project Phase I Civil Engineering (和佑国际医院项目一期土建总承包工程合同)	China Construction Third Engineering Division Group Co., Ltd.	30.00	Housing construction
50	General contracting construction contract for Huizhou Jinfeng Luofu Zhigu Project (phase II) (惠州锦丰罗浮智谷项目(二期)工程项目施工总承包合同)	The Second Construction Co., Ltd. of China Construction Second Division	30.00	Housing construction

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

2. Major overseas business contracts during the Reporting Period

Unit: 100 million dollars Currency: USD

No.	Name of contract	Signing Party	Value of contract	Type of contract
1	Engineering contract for the highrise complex project in Egypt's New Alamein City (埃及阿拉曼新城超高综合体项目工程合同)	China State Construction Engineering Corporation Limited	19.25	Housing construction
2	General construction contract for the design and construction of North East Link Project in Australia (澳大利亚东北干线项目设计施工总承包合同)	China Construction Oceania (中建大洋洲公司)	14.06	Infrastructure construction
3	Contract for Wong Chuk Hang station phase III commercial and residential development project (黄竹坑站第三期商业及住宅发展项目合同)	China Overseas Building Construction Limited	6.95	Housing construction
4	Contract for Canninghill mixed-use development project	China Construction (South Pacific) Development Co. Pte. Ltd.	5.40	Housing construction
5	China-Thailand Railway Bangkok –Nong Khai section (phase I project: Bangkok – Nakhon Ratchasima section) 4-3 tender section: Civil engineering contract for Nava Nakhon – Banpo section (中泰铁路曼谷 – 奔开段(一期项目: 曼谷 – 呵叻段) 4-3标段: 那瓦那空 – 班坡段土建工程合同)	China State Construction Engineering Corporation Limited	3.72	Infrastructure construction
6	Contract for Wong Chuk Hang station phase IV commercial and residential project (黄竹坑站第四期商住项目合同)	China Overseas Building Construction Limited	2.90	Housing construction
7	Residential Contract for Site No. 1, Area 4B, Lot 6576, Kai Tak, Kowloon (九龙启德 6576 地段 4B 区一号地盘住宅合同)	China Overseas Building Construction Limited	2.89	Housing construction
8	Contract for the first and second phases of the Yuxiao International Project in Maputo, the capital of Mozambique (1#, 2#, 3# and 4# towers and annexed podium buildings, 12-storey annexed apartment buildings) (莫桑比克首都马普托市域濠国际项目一期 二期工程(1# 2# 3#和 4#塔楼及附属裙楼 12 层附属公寓楼)项目合同)	China Construction Fifth Engineering Division Corp. Ltd.	2.68	Housing construction
9	Engineering contract for North District Hospital Expansion (北区医院扩展基础工程合同)	China State Construction Engineering (Hong Kong) Limited	2.66	Housing construction
10	Contract for New World Kai Tak 6574 residential project (新世界启德 6574 住宅项目合同)	China Overseas Building Construction Limited	2.57	Housing construction
11	Contract for Gyeongju Industrial Park site clearance and supporting infrastructure project (庆州产业园区场地清理与配套基础设施项目合同)	China Construction Sixth Engineering Division Co., Ltd.	2.05	Infrastructure construction
12	Commercial contract for the apartment 1 project on the North Shore of Auckland, New Zealand (新西兰奥克兰北岸 1 号公寓项目商务合同)	China Construction Second Engineering Division Corp. Ltd.	1.98	Housing construction
13	Contract for student dormitory project of Hong Kong Baptist University (浸会大学学生宿舍项目合同)	China State Construction Engineering (Hong Kong) Limited	1.95	Housing construction
14	Contract for Bali Exhibition Center project (巴厘岛展览中心项目合同)	China Construction First Group Corporation Limited	1.95	Housing construction
15	Contract for ICON OCEANA TOWER project	China Construction UCF Group (Philippines) Co., Ltd. (中国建筑先锋集团(菲律宾)有限公司)	1.94	Housing construction
16	Main contract for Kathmandu-Telai/Madhasi Expressway Project, Nepal (尼泊尔加德满都 – 特来 / 马德哈西快速路项目主合同)	China State Construction Engineering Corporation Limited	1.83	Infrastructure construction
17	Contract for residential development project in Section 6603, Kai Tak, Kowloon (九龙启德 6603 段住宅发展项目合同)	China Overseas Building Construction Limited	1.79	Housing construction

No.	Name of contract	Signing Party	Value of contract	Type of contract
18	Contract for Housing Department Lei Yue Mun public housing development project (phase IV) (房屋署鲤鱼门公营房屋发展计划第四期项目合同)	China State Construction Engineering (Hong Kong) Limited	1.77	Housing construction
19	General contract for ATLI-Sohna Industrial Park Phase I Construction General Contracting Project (Section I, Section II)	China Construction Xiaoxiang (India) Co., Ltd. (中国建筑潇湘(印度)有限公司)	1.76	Housing construction
20	Contract for Tsing Yi Ching Hong Road North phase I and phase II public housing project (青衣青康路北一及二期公屋项目合同)	China State Construction Engineering (Hong Kong) Limited	1.72	Housing construction
21	Contract for Jeju Island health care project (济州岛康养工程项目合同)	China Construction Sixth Engineering Division Co., Ltd.	1.64	Housing construction
22	Contract for Tuen Mun logistics centre project (屯门物流中心项目合同)	China Overseas Building Construction Limited	1.44	Housing construction
23	General Contract (EPC) Agreement for Duolan Building (朵澜大厦 EPC 总承包合同协议书)	China Construction Mongolia Co., Ltd. (中建股份蒙古国有限责任公司)	1.38	Housing construction
24	Contract for public housing project (phase I) in Wenyi District 1, Chuncheon City, South Korea (韩国春川市温衣 1 地区公共住宅工程项目(一期)合同)	China Construction Sixth Engineering Division Co., Ltd.	1.37	Housing construction
25	Al Nawras Island Resort & Golf Course Development	China Construction Middle East Co., Ltd. (中建中东有限责任公司)	1.36	Housing construction
26	Contract for public housing project (phase II) in Wenyi District 1, Chuncheon City, South Korea (韩国春川市温衣 1 地区公共住宅工程项目(二期)合同)	China Construction Sixth Engineering Division Co., Ltd.	1.35	Housing construction
27	Engineering Contract for reconstruction of residential superstructure and foundation works at 135 Tai Hang Road IL9076 (大坑道 135 号 IL9076 重建住宅上盖及基础工程合同)	China Overseas Building Construction Limited	1.34	Housing construction
28	Contract for Samanea Philippines trade city project (星迈黎亚菲律宾商贸城项目合同)	China Construction Fifth Engineering Division Corp. Ltd.	1.34	Housing construction
29	Contract for KCC. GenCon. NTPL OA project	China Construction Third Engineering Division Group Co., Ltd. Philippine Branch (中国建筑第三工程局有限公司菲律宾分公司)	1.29	Housing construction
30	Contract for Construction of VIVO Garden project	China Construction UCF Group (Philippines) Co., Ltd. (中国建筑先锋集团(菲律宾)有限公司)	1.24	Housing construction
31	Contract for Cambodia Phnom Penh Capital International Finance Apartment project (柬埔寨金边首都国际公寓项目合同)	China Construction Huazhong Cambodia Co., Ltd. (中建华中柬埔寨有限责任公司)	1.23	Housing construction
32	General contract for Cambodia Royal Financial Center project (柬埔寨皇家金融中心项目总承包合同)	China Construction Sixth Engineering Division Co., Ltd.	1.10	Housing construction
33	Contract for Mongolia Chagan Tolgoi coal mine construction and road construction project (蒙古国查干陶勒盖煤矿建设及道路施工项目合同)	China Construction Mongolia Co., Ltd. (中建股份蒙古国有限责任公司)	1.09	Housing construction
34	Contract for Fernvale Land EC project	Rich Construction Company Pte Ltd (丰盛建筑有限公司)	1.08	Housing construction

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

3. Newly-signed comprehensive credit facility contracts

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

No.	Name of comprehensive credit facility contract	Credit grantor	Accredited party	Comprehensive credit facility limit	Credit period
1	Master agreement on trading and financial credit facility business	The Export-Import Bank of China	China State Construction Engineering Corporation Limited	RMB12.0 billion	January 18, 2021 – December 14, 2023
2	Facility letter	BNP Paribas China Co., Ltd. Beijing Branch	China State Construction Engineering Corporation Limited	USD0.1 billion	June 4, 2021 – no fixed expiry date
3	Credit facility agreement	China Merchants Bank Co., Ltd., Beijing Branch	China State Construction Engineering Corporation Limited	RMB6.0 billion	November 24, 2021 – November 23, 2023
4	Credit facility limit contract	Bank of China Limited (Beijing BOC Tower Branch)	China State Construction Engineering Corporation Limited	RMB36.5 billion	December 18, 2021 – November 14, 2022

4. Newly-signed strategic cooperation and business cooperation agreement

During the Reporting Period, the Company continued to increase its strategic cooperation with various local governments, large domestic and foreign enterprises and financial institutions. The following are the major cooperation agreements entered into by the Company.

No.	Name of contract	Signing date	Contents of contract
1	Cooperation Memorandum between Changchun People's Government and China State Construction Engineering Corporation Limited	March 8, 2021	According to the overall development planning for the construction of a modern metropolitan area in Changchun, CSCEC will fully participate in the economic and social construction of Changchun, invest in and construct a number of demonstration projects and high-quality projects. The cooperation focuses on: developing a smart city construction demonstration project of Changchun; actively participating in the renovation of old residential, industrial areas, the development of new urban areas, the construction of major transportation infrastructure, and the comprehensive management of river basins and development and construction along the basins; and continuously scaling up and improving the technology standard of, the Changchun prefabricated construction industrial park.
2	Strategic Cooperation Framework Agreement between the People's Government of Putuo District, Shanghai and China State Construction Engineering Corporation Limited	March 16, 2021	According to the overall planning of the People's Government of Putuo District, Shanghai, and taking into account of the development of CSCEC, it will help Putuo District to build the headquarters of integrated and innovative enterprises in the Yangtze River Delta and achieve win-win cooperation between the two parties. The cooperation is carried out based on the principles of complementary advantages, mutual benefit, and common development. The cooperation focuses on: jointly promoting the construction of the Shanghai regional headquarters of CSCEC; serving the integrated development strategy of the Yangtze River Delta; and driving the development and construction of the Carbon Neutral City on the left bank of Suzhou Creek.
3	Strategic Cooperation Framework Agreement between Beijing Economic – Technological Development Area Management Committee and China State Construction Engineering Corporation Limited	March 31, 2021	According to the overall planning of Beijing Economic – Technological Development Area (BDA), and taking into account of the development of CSCEC, it will achieve resource sharing, complementary advantages, mutual benefit and win-win relationships, and develop a stable and sustainable preferred partnership with the BDA through efficient, pragmatic and innovative cooperation models. The cooperation focuses on: actively participating in the development of the BDA; guiding enterprises to settle in the BDA; exploring new ways of cooperation; jointly cultivating technology-based enterprises; participating in the planning of a new Beijing E-Town, the development of the BDA, including housing and infrastructure construction projects, such as new form of urbanization, sponge cities, industrial parks, watershed management, landmark parks and urban renewal.

No.	Name of contract	Signing date	Contents of contract
4	Strategic Cooperation Framework Agreement between Putian People's Government and China State Construction Engineering Corporation Limited	April 26, 2021	According to the overall planning of the Putian People's Government, and taking into account the development of CSCEC, an all-round, wide-ranging and in-depth strategic cooperation mechanism will be established and improved through both government promotion and market operation on the basis of fairness, justice, mutual benefit, and win-win. The cooperation focuses on: urban infrastructure, comprehensive urban development and renewal, construction of new infrastructure, revitalization of existing infrastructure assets and in-depth cooperation in the industrial integration and development.
5	Strategic Cooperation Framework Agreement between Fuzhou People's Government and China State Construction Engineering Corporation Limited	April 26, 2021	According to the overall planning of Fuzhou People's Government, and taking into account of the development of CSCEC, the cooperation will be carried out based on the principles of complementary advantages, mutual benefit and common development. The cooperation focuses on: planning, design, investment or construction in the areas of urban construction, ecological and environmental protection, transportation, industrial upgrading, cultural, educational, sports, health and public buildings, infrastructure and public facilities; making greater efforts in guidance and supervision of projects of related enterprises under CSCEC in Fuzhou; actively supporting Fuzhou to improve the functions of new districts and industrial parks, and enhance the carrying capacity of industries and population.
6	Beijing Investment Group Co., Ltd.	October 15, 2021	According to the overall planning of Beijing Investment Group Co., Ltd. (北京城市副中心投资建设集团有限公司), and taking into account of the development of CSCEC, the cooperation will be carried out based on the principles of voluntary win-win, mutual benefit, complementary advantages, and common development. The cooperation focuses on: in terms of urban development and construction, the two parties will conduct comprehensive cooperation in such areas as infrastructure, housing construction, ecological and environmental protection; in terms of investment and financing, the two parties will carry out operation in urban renewal, property development, financial business; in terms of assets operation, the two parties will carry out in-depth cooperation in operation of industrial park, operation services in commercial properties, smart city, and urban public service facilities.
7	Jinan People's Government	December 3, 2021	According to the overall planning of Jinan People's Government, and taking into account of the development of CSCEC, the cooperation will be carried out based on the principles of complementary advantages, mutual benefit, mutual support and common development. The key cooperation areas include: constructing New and Old Growth Drivers Transformation Pilot Area (新旧动能转换起步区), promoting comprehensive investment and development and urban renewal in Jinan; participating in the investment and construction in major infrastructure in Jinan; promoting industrial development of Jinan's cultural tourism and ecological and environmental protection; leading construction industry to achieve the goal of "carbon peak and carbon neutrality"; boosting the synergetic development of smart building and manufacturing and construction industrialization; enhancing the in-depth cooperation with local enterprises in Jinan.

XIV. Explanation on Other Material Matters that Have Significant Impacts on Value Judgement and Investment Decision-making by Investors

Applicable N/A

XV. Index of Information Disclosure

During the Reporting Period, the Company published 149 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 2020	January 7, 2021
2	Announcement of CSCEC on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme	January 13, 2021
3	Announcement of CSCEC on the 2020 First Tranche of Unlocking under the Phase III Restricted A Share Incentive Scheme and Listing of Shares	January 16, 2021
4	Legal Opinions of King & Wood Mallesons on Relevant Matters regarding First Tranche of Unlocking in 2020 in Respect of Phase III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	January 16, 2021
5	Announcement on Resolutions of the 2021 First Extraordinary General Meeting of CSCEC	January 16, 2021
6	Legal Opinions of King & Wood Mallesons on the 2021 First Extraordinary General Meeting of China State Construction Engineering Corporation Limited	January 16, 2021
7	Working Rules for Independent Directors of China State Construction Engineering Corporation Limited	January 16, 2021
8	Announcement of CSCEC on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phase II and III Restricted Shares and Notice to Creditors	January 16, 2021
9	Announcement of CSCEC on the Results of Granting under Phase IV Restricted A Share Incentive Scheme	January 19, 2021
10	Announcement on Significant Project of CSCEC	January 26, 2021
11	Announcement on Resolutions of the 52nd Meeting of Second Session of Board of Directors of CSCEC	January 28, 2021
12	Announcement of CSCEC on the Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares	February 6, 2021
13	Legal Opinions of King & Wood Mallesons on Relevant Matters regarding Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	February 6, 2021
14	CSCEC Briefings on Business in January 2021	February 10, 2021
15	Announcement on Significant Project of CSCEC	February 25, 2021
16	CSCEC Briefings on Business from January to February 2021	March 12, 2021
17	Announcement of CSCEC on Winning the Bid for the PPP Project of Wuzhou-Leye Highway Guangning-Cangwu-Zhaoping (Guangxi Section)	March 24, 2021
18	Announcement on Significant Project of CSCEC	March 25, 2021
19	Announcement of CSCEC on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme	April 7, 2021
20	Legal Opinions of King & Wood Mallesons on Relevant Matters regarding Repurchase and Cancellation of Part of Restricted Shares under Phases I, II and III Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	April 7, 2021
21	Advance Announcement of CSCEC on Performance Presentation and Cash Dividend Meeting of 2020	April 10, 2021
22	Announcement on Resolutions of the 53rd Meeting of Second Session of Board of Directors of CSCEC	April 17, 2021
23	2020 Sustainability Report of China State Construction Engineering Corporation Limited	April 17, 2021
24	Report on the Performance of Duties of the Audit Committee of the Second Session of Board of Directors of China State Construction Engineering Corporation Limited for 2020	April 17, 2021
25	Independent Opinions of Independent Directors on the Concurrent Appointment of Some Officers of the Company as Officers of the Controlling Shareholder	April 17, 2021
26	Announcement on Resolutions of the 35th Meeting of Second Session of Board of Supervisors of CSCEC	April 17, 2021
27	Announcement of CSCEC on Re-appointment of Auditor for Financial Reports	April 17, 2021
28	Independent Opinions of Independent Directors on Re-appointment of the Company's Auditor for Financial Reports in 2021	April 17, 2021
29	Opinions of Independent Directors on Prior Approval of Re-appointment of the Company's Auditor for Financial Reports in 2021	April 17, 2021
30	Announcement of CSCEC on Re-appointment of the Auditor for Internal Control	April 17, 2021
31	Independent Opinions of Independent Directors on Re-appointment of the Company's Auditor for Internal Control in 2021	April 17, 2021
32	Opinions of Independent Directors on Prior Approval of Re-appointment of the Company's Auditor for Internal Control in 2021	April 17, 2021

No.	Matter	Date of disclosure
33	Independent Opinions of Independent Directors on the Registered Domestic Bond Quota of the Company in 2021	April 17, 2021
34	Announcement of CSCEC on Proposed Additional Financing Guarantee Amount in 2021	April 17, 2021
35	Independent Opinions of Independent Directors on Financing Guarantee Amount of the Company in 2021	April 17, 2021
36	2020 Investor Protection Work Report of China State Construction Engineering Corporation Limited	April 17, 2021
37	Independent Opinions of Independent Directors on 2020 Internal Control Evaluation Report	April 17, 2021
38	2020 Internal Control Evaluation Report of China State Construction Engineering Corporation Limited	April 17, 2021
39	Accounting Firm's Audit Report on the Company's Internal Control	April 17, 2021
40	Announcement of CSCEC on Profit Distribution for 2020	April 17, 2021
41	Independent Opinions of Independent Directors on the 2020 Profit Distribution Plan of the Company	April 17, 2021
42	Summary of 2020 Annual Report of China State Construction Engineering Corporation Limited	April 17, 2021
43	2020 Annual Report of China State Construction Engineering Corporation Limited	April 17, 2021
44	2020 Annual Financial Statements and Audit Report of China State Construction Engineering Corporation Limited	April 17, 2021
45	Accounting Firm's Special Report on Misappropriation of Funds by Controlling Shareholder and Other Related Parties	April 17, 2021
46	2020 Work Report of Independent Directors of China State Construction Engineering Corporation Limited	April 17, 2021
47	CSCEC Briefings on Business from January to March 2021	April 20, 2021
48	Notice of China State Construction Engineering Corporation Limited on Convening 2020 Annual General Meeting	April 23, 2021
49	Announcement on Resolutions of the 54th Meeting of Second Session of Board of Directors of CSCEC	April 23, 2021
50	Independent Opinions of Independent Directors of China State Construction Engineering Corporation Limited on Nomination of Candidates for Directors and Independent Directors of the Third Session of Board of Directors	April 23, 2021
51	Independent Director Candidate Statement of China State Construction Engineering Corporation Limited	April 23, 2021
52	Independent Director Nominee Statement of China State Construction Engineering Corporation Limited	April 23, 2021
53	Announcement on Resolutions of the 36th Meeting of Second Session of Board of Supervisors of CSCEC	April 23, 2021
54	Announcement on Significant Project of CSCEC	April 28, 2021
55	Report Text of Q1 2021 of CSCEC	April 30, 2021
56	Report of Q1 2021 of CSCEC	April 30, 2021
57	Announcement on Resolutions of the 55th Meeting of Second Session of Board of Directors of CSCEC	April 30, 2021
58	Announcement on Resolutions of the 37th Meeting of Second Session of Board of Supervisors of CSCEC	April 30, 2021
59	Information on 2020 Annual General Meeting of CSCEC	April 30, 2021
60	Announcement of CSCEC on the Election of Employee Representative Supervisors	May 8, 2021
61	Announcement on Resolutions of 2020 Annual General Meeting of CSCEC	May 14, 2021
62	Legal Opinions of King & Wood Mallesons on 2020 Annual General Meeting of China State Construction Engineering Corporation Limited	May 14, 2021
63	Announcement on Resolutions of the 1st Meeting of Third Session of Board of Supervisors of CSCEC	May 14, 2021
64	Announcement on Resolutions of the 1st Meeting of Third Session of Board of Directors of CSCEC	May 14, 2021
65	CSCEC Briefings on Business from January to April 2021	May 22, 2021
66	Announcement on Significant Project of CSCEC	May 27, 2021
67	CSCEC Briefings on Business from January to May 2021	June 23, 2021
68	Announcement of CSCEC on Implementing Rights and Interests Distribution for 2020	June 23, 2021
69	Announcement on Significant Project of CSCEC	June 24, 2021
70	Announcement of CSCEC on Estimated Growth in 2021 Semiannual Results	July 13, 2021
71	CSCEC Briefings on Business from January to June 2021	July 13, 2021
72	Announcement on Resolutions of the 2nd Meeting of Third Session of Board of Directors of CSCEC	July 24, 2021
73	Announcement on Resolutions of the 2nd Meeting of Third Session of Board of Supervisors of CSCEC	July 24, 2021
74	Announcement on Entrusted Loans by CSCEC's Controlling Shareholders to the Company and Related Party Transaction	July 24, 2021
75	Opinions of Independent Directors on Prior Approval of Entrusted Loans of RMB1.4 Billion by China State Construction Engineering Corporation to the Company	July 24, 2021
76	Independent Opinions of Independent Directors on Entrusted Loans of RMB1.4 Billion by China State Construction Engineering Corporation to the Company	July 24, 2021
77	Opinions of Independent Directors on Prior Approval of Entrusted Loans of RMB60 Million by China State Construction Engineering Corporation to the Company	July 24, 2021
78	Independent Opinions of Independent Directors on Entrusted Loans of RMB60 Million by China State Construction Engineering Corporation to the Company	July 24, 2021
79	Announcement on Significant Projects of CSCEC	July 28, 2021
80	CSCEC Briefings on Business from January to July 2021	August 18, 2021
81	Announcement of CSCEC on Convening 2021 Semiannual Results Meeting	August 24, 2021

No.	Matter	Date of disclosure
82	Announcement on Significant Project of CSCEC	August 25, 2021
83	Summary of 2021 Semiannual Report of CSCEC	August 28, 2021
84	2021 Semiannual Report of China State Construction Engineering Corporation Limited	August 28, 2021
85	Announcement on Resolutions of the 3rd Meeting of Third Session of Board of Directors of CSCEC	August 28, 2021
86	Announcement of CSCEC on Changes in Accounting Policies	August 28, 2021
87	Independent Opinions of Independent Directors on Changes in Accounting Policies	August 28, 2021
88	Announcement on Resolutions of the 3rd Meeting of Third Session of Board of Supervisors of CSCEC	August 28, 2021
89	CSCEC Briefings on Business from January to August 2021	September 14, 2021
90	Announcement on Participating in the Collective Reception Day for Investors of Listed Companies in Beijing in 2021	September 15, 2021
91	Announcement on Results of International Credit Rating of CSCEC	September 25, 2021
92	Announcement on Significant Project of CSCEC	September 29, 2021
93	Announcement on Resolutions of the 4th Meeting of Third Session of Board of Supervisors of CSCEC	October 8, 2021
94	Announcement on Resolutions of the 4th Meeting of Third Session of Board of Directors of CSCEC	October 8, 2021
95	Independent Opinions of Independent Directors on External Guarantee Matters of the Company	October 8, 2021
96	Announcement of CSCEC on Additional External Guarantees	October 8, 2021
97	Notice of CSCEC on Convening the 2021 Second Extraordinary General Meeting	October 8, 2021
98	Information on the 2021 Second Extraordinary General Meeting of CSCEC	October 16, 2021
99	CSCEC Briefings on Business from January to September 2021	October 19, 2021
100	Announcement on Significant Project of CSCEC	October 22, 2021
101	Announcement on Resolutions of the 2021 Second Extraordinary General Meeting of CSCEC	October 26, 2021
102	Legal Opinions of King & Wood Mallesons on the 2021 Second Extraordinary General Meeting of China State Construction Engineering Corporation Limited	October 26, 2021
103	Announcement on Resolutions of the 5th Meeting of Third Session of Board of Supervisors of CSCEC	October 27, 2021
104	Announcement on Resolutions of the 5th Meeting of Third Session of Board of Directors of CSCEC	October 27, 2021
105	Rules of Procedure of Nomination Committee of the Board of Directors of China State Construction Engineering Corporation Limited (Revised in October 2021)	October 27, 2021
106	Rules of Procedure of Remuneration and Appraisal Committee of the Board of Directors of China State Construction Engineering Corporation Limited (Revised in October 2021)	October 27, 2021
107	Rules of Procedure of Strategic and Investment Committee of the Board of Directors of China State Construction Engineering Corporation Limited (Revised in October 2021)	October 27, 2021
108	Rules of Procedure of Audit and Risk Committee of the Board of Directors of China State Construction Engineering Corporation Limited (Revised in October 2021)	October 27, 2021
109	Report of Q3 2021 of CSCEC	October 27, 2021
110	Announcement of CSCEC on Amendments to the Rules of Procedure of the Board of Directors of China State Construction Engineering Corporation Limited	October 27, 2021
111	Rules of Procedure of the Board of Directors of China State Construction Engineering Corporation Limited (2021 Revised Draft)	October 27, 2021
112	CSCEC Briefings on Business from January to October 2021	November 19, 2021
113	Announcement on Significant Project of CSCEC	November 25, 2021
114	Announcement of CSCEC on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction Engineering Corporation and Daily Related Party Transactions	November 27, 2021
115	Opinions of Independent Directors on Prior Approval of Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction	November 27, 2021
116	Independent Opinions of Independent Directors on Renewal of the Financial Services Framework Agreement between China State Construction Finance Co., Ltd. and China State Construction	November 27, 2021
117	Announcement of CSCEC on Amendments to Articles of Association of China State Construction Engineering Corporation Limited	November 27, 2021
118	Articles of Association of China State Construction Engineering Corporation Limited (2021 Revised Draft)	November 27, 2021
119	Announcement of CSCEC on Resignation of Chairman and Election of New Chairman	November 27, 2021

No.	Matter	Date of disclosure
120	Announcement of CSCEC on Renewal of the Comprehensive Services Framework Agreement between the Company and China State Construction Engineering Corporation and Daily Related Party Transactions	November 27, 2021
121	Opinions of Independent Directors on Prior Approval of Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation	November 27, 2021
122	Independent Opinions of Independent Directors on Renewal of the Comprehensive Services Framework Agreement between China State Construction Engineering Corporation Limited and China State Construction Engineering Corporation	November 27, 2021
123	Announcement of CSCEC on the Repurchase of Part of Participants' Shares under the Phase III and IV Restricted A Share Incentive Scheme	November 27, 2021
124	Legal Opinions of King & Wood Mallesons on Relevant Matters regarding the Repurchase and Cancellation of Part of Restricted Shares in Respect of Phase III and IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	November 27, 2021
125	Notice of CSCEC on Convening the 2021 Third Extraordinary General Meeting	November 27, 2021
126	Announcement on Resolutions of the 8th Meeting of the Third Session of the Board of Directors of CSCEC	November 27, 2021
127	Announcement on Resolutions of the 6th Meeting of the Third Session of the Board of Supervisors	November 27, 2021
128	Announcement of CSCEC on Winning the Bid for the Intercity Project of Fangcun Village, Guangzhou-Baiyun Airport	December 8, 2021
129	Information on the 2021 Third Extraordinary General Meeting of CSCEC	December 8, 2021
130	Announcement on Resolutions of the 9th Meeting of the Third Session of the Board of Directors of CSCEC	December 9, 2021
131	Announcement on Resolutions of the 7th Meeting of the Third Session of the Board of Supervisors of CSCEC	December 9, 2021
132	Announcement of CSCEC on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions	December 9, 2021
133	Opinions of Independent Directors on Prior Approval of the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions	December 9, 2021
134	Independent Opinions of Independent Directors on the Capital Increase in China State Construction Finance Co., Ltd. by the Company and its Controlling Shareholders and Related Party Transactions	December 9, 2021
135	CSCEC Briefings on Business from January to November 2021	December 11, 2021
136	Announcement on Resolutions of the 2021 Third Extraordinary General Meeting of CSCEC	December 16, 2021
137	Legal Opinions of King & Wood Mallesons on the 2021 Third Extraordinary General Meeting of China State Construction Engineering Corporation Limited	December 16, 2021
138	Articles of association of China State Construction Engineering Corporation Limited (Revised in December 2021)	December 16, 2021
139	Rules of Procedure of the Board of Directors of China State Construction Engineering Corporation Limited (Revised in December 2021)	December 16, 2021
140	Announcement of CSCEC on Decrease in Registered Capital of the Company after Repurchase and Cancellation of Part of Phase III and IV Restricted Shares and Notice to Creditors	December 16, 2021
141	Announcement of CSCEC on Winning the Bid for the Capacity Expansion Project of G4 Beijing-Hong Kong-Macau Expressway in Dashi, Leiyang-Yizhang (Hunan-Guangdong Boundary) of Hunan Province Bound to the Expressway Project of Lingling-Dao County	December 16, 2021
142	Announcement of CSCEC on Investment and Development of Real Estate Project in Suzhou New District by the Subsidiary Associated with the Company	December 21, 2021
143	Announcement of CSCEC on Changes in Business Registration of Legal Representative	December 23, 2021
144	Independent Opinions of Independent Directors on the Second Tranche of Unlocking in 2021 in Respect of Phase III Restricted A Share Incentive Scheme	December 28, 2021
145	Announcement on Resolutions of the 8th Meeting of Third Session of Board of Supervisors of CSCEC	December 28, 2021
146	Announcement of CSCEC on the Repurchase of Part of Participants' Shares under the Phase III and IV Restricted A Share Incentive Scheme	December 28, 2021
147	Legal Opinions of King & Wood Mallesons on Relevant Matters regarding the Repurchase and Cancellation of Part of Restricted Shares in Respect of Phase III and IV Restricted A Share Incentive Scheme of China State Construction Engineering Corporation Limited	December 28, 2021
148	Announcement on Significant Project of CSCEC	December 28, 2021
149	Announcement on Resolutions of the 11th Meeting of the Third Session of the Board of Directors of CSCEC	December 28, 2021

SECTION VII CHANGES IN 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:

Unit: Share(s)

	Before the change			Increase/decrease upon the change (+, -)			After the change	
	Number	Percentage (%)	Issue of new shares	Conversion from reserve	Others	Subtotal	Number	Percentage (%)
I. Shares subject to trading moratorium	711,468,667	1.70			592,116,333	592,116,333	1,303,585,000	3.11
1. State-owned shares								
2. State-owned legal person shares								
3. Other domestic shares	711,468,667	1.70			592,116,333	592,116,333	1,303,585,000	3.11
Including: Shares held by domestic non-state-owned legal persons								
Shares held by domestic natural persons	711,468,667	1.70			592,116,333	592,116,333	1,303,585,000	3.11
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	41,253,602,844	98.30			-609,020,000	-609,020,000	40,644,582,844	96.89
1. RMB ordinary shares	41,253,602,844	98.30			-609,020,000	-609,020,000	40,644,582,844	96.89
2. Domestic listed foreign shares								
3. Overseas listed foreign shares								
4. Others								
III. Total number of shares	41,965,071,511	100.00			-16,903,667	-16,903,667	41,948,167,844	100.00

2. Explanation on changes in shares

Applicable N/A

During the Reporting Period, there were four changes in the Company's shares as a result of the Company's grant of restricted shares, unlocking of restricted shares, repurchase and cancellation of some restricted shares. The details are as follows:

- (1) The Company repurchased 912,036,000 ordinary A shares of the Company issued and listed on the Shanghai Stock Exchange from the secondary market through centralized bidding trading, and granted 912,036,000 ordinary A shares to 2,765 participants at a grant price of RMB3.06 per share. The repurchased shares were changed from circulating shares not subject to trading moratorium to circulating shares subject to trading moratorium on January 13, 2021, all the aforementioned transfer procedures for this grant of restricted shares were completed on January 14, 2021, and all transfers have been made from the Company's special repurchase account to the participants. After the completion of the above grant, the total share capital of the Company were 41,965,071,511 shares. For details, please refer to the Announcement on the Granting under Phase IV Restricted A Share Incentive Scheme published on December 24, 2020, the Announcement on the Progress of Granting under Phase IV Restricted A Share Incentive Scheme published on January 13, 2021 and the Announcement on the Results of Grant under Phase IV Restricted A Share Incentive Scheme published on January 19, 2021.
- (2) The Company completed the unlocking of the first tranche of 195,076,000 restricted shares under the Phase III restricted A share incentive scheme, converting circulating shares subject to trading moratorium to circulating shares not subject to trading moratorium and the date of listing and trading was January 21, 2021. After the completion of the above unlocking, the total share capital of the Company amounted to 41,965,071,511 shares. For details, please refer to the Announcement on the 2020 First Tranche of Unlocking under the Phase III Restricted A Share Incentive Scheme and Listing of Shares published on January 16, 2021.
- (3) The Company completed the unlocking of the third tranche of 107,940,000 restricted shares under the Phase II restricted A share incentive scheme, converting circulating shares subject to trading moratorium to circulating shares not subject to trading moratorium and the date of listing and trading was February 18, 2021. After the completion of the above unlocking, the total share capital of the Company amounted to 41,965,071,511 shares. For details, please refer to the Announcement on the Third Tranche of Unlocking in 2020 in Respect of Phase II Restricted A Share Incentive Scheme and Listing of Shares published on February 6, 2021.
- (4) The Company completed the repurchase from the participants of 16,903,667 restricted shares that were not eligible for unlocking, and cancelled the shares on April 9, 2021. After the completion of the repurchase and cancellation, the registered capital (and share capital) of the Company was decreased by RMB16,903,667 (or 16,903,667 shares) to RMB41,948,167,844 (or 41,948,167,844 shares). For details, please refer to the Announcement on Implementation of Repurchase and Cancellation of Part of Restricted Shares under the Equity Incentive Scheme published on April 7, 2021.

3. The impact, if any, of changes in shares on financial indicators such as earnings per share, net asset per share for the latest year and the latest period

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 year	Number of shares released from trading moratorium for the year	Number of new shares subject to trading moratorium for the year	Number of shares subject to trading moratorium at the end of the year	Reason for the trading moratorium	Date of release from trading moratorium
Participants of restricted stock incentive plan	711,468,667	-319,919,667	912,036,000	1,303,585,000	During the trading moratorium period	/
Total	711,468,667	-319,919,667	912,036,000	1,303,585,000	/	/

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

II. Issuance and Listing of Securities

(I) Issue of securities during the Reporting Period

□ Applicable √ N/A

(II) Changes in the Company’s total number of shares and structure of shareholders and changes in structure of asset and liability of the Company

□ Applicable √ N/A

(III) Existing internal employee shares

□ Applicable √ N/A

III. Shareholders and De Facto Controller

(I) Total number of shareholders

Total number of ordinary shareholders as of the end of the Reporting Period	506,618
Total number of ordinary shareholders at the end of the month immediately before the date of disclosure of the Annual Report	451,386
Total number of preferred shareholders with voting rights restored as of the end of the Reporting Period	N/A
Total number of preferred shareholders with voting rights restored at the end of the month immediately before the date of disclosure of the Annual Report	N/A

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

Unit: Share(s)

Shareholding of top ten shareholders							
Name of shareholder (full name)	Increase/decrease during the Reporting Period	Number of shares held at the end of the Reporting Period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
					Status	Number	
China State Construction Engineering Corporation	0	23,630,695,997	56.33	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Limited	310,481,249	1,459,605,675	3.48	0	Nil	0	Other
China Securities Finance Corporation Limited	-100	1,258,300,898	3.00	0	Nil	0	Other
Central Huijin Asset Management Ltd.	-12,695,300	583,327,120	1.39	0	Nil	0	State-owned legal person
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	20,933,940	177,103,003	0.42	0	Nil	0	Securities investment fund
GIC PRIVATE LIMITED	-46,303,133	169,417,999	0.40	0	Nil	0	Overseas legal person
Bank of Communications Co., Ltd. - E Fund 50 SSE Index Enhanced Securities Investment Fund	1,000,000	137,642,126	0.33	0	Nil	0	Securities investment fund
National Social Security Fund Portfolio 413	102,923,043	133,561,820	0.32	0	Nil	0	Other
Bank of Communications Co., Ltd. - GF CSI – Infrastructure Index Trading Open-ended Index Securities Investment Fund	119,026,300	119,026,300	0.28	0	Nil	0	Securities investment fund
China Merchants Bank Co., Ltd. – ICBC Credit Suisse Strategic Foresight Hybrid Securities Investment Fund	107,265,906	107,265,906	0.26	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
Hong Kong Securities Clearing Company Limited	1,459,605,675	RMB ordinary shares	1,459,605,675
China Securities Finance Corporation Limited	1,258,300,898	RMB ordinary shares	1,258,300,898
Central Huijin Asset Management Ltd.	583,327,120	RMB ordinary shares	583,327,120
Industrial & Commercial Bank of China – SSE Index 50 Trading Open-end Index Securities Investment Fund	177,103,003	RMB ordinary shares	177,103,003
GIC PRIVATE LIMITED	169,417,999	RMB ordinary shares	169,417,999
Bank of Communications Co., Ltd. - E Fund 50 SSE Index Enhanced Securities Investment Fund	137,642,126	RMB ordinary shares	137,642,126
National Social Security Fund Portfolio 413	133,561,820	RMB ordinary shares	133,561,820
Bank of Communications Co., Ltd. – GF CSI – Infrastructure Index Trading Open-ended Index Securities Investment Fund	119,026,300	RMB ordinary shares	119,026,300
China Merchants Bank Co., Ltd. – ICBC Credit Suisse Strategic Foresight Hybrid Securities Investment Fund	107,265,906	RMB ordinary shares	107,265,906
Descriptions on special repurchase accounts among top 10 shareholders	N/A		
Descriptions on entrusted voting rights, being entrusted voting rights or waiving voting rights of the above shareholders	N/A		
Descriptions of the related shareholder 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

IV. Controlling Shareholder and De Facto Controller

(I) Controlling shareholder

1. Legal person

Applicable N/A

Name	China State Construction Engineering Corporation
Person in charge of the company or legal representative	Zheng Xuexuan
Date of establishment	It was established on June 11, 1982 following the official announcement of the former Ministry of Urban and Rural Construction and Environmental Protection, and the former State Administration for Industry and Commerce issued a business license to China State Construction Engineering Corporation on March 25, 1983. It was transformed to a wholly state-owned company on November 28, 2017, and changed its name to China State Construction Engineering Corporation.
Principal business	The operation of state-owned assets within the scope authorized by the State Council; undertaking of survey, design, construction, installation and consultation of civil and constructional engineering projects at home and abroad; operation of real estate; decoration works; sculpture and frescoes business; undertaking of foreign economic assistance projects of the state; contracting of foreign-related projects in the PRC, organization of non-trade enterprises overseas, carrying out of labor service cooperation in the PRC using foreign resources, funds and technology, and export business of equipment and materials required for foreign projects; production and operation of construction materials and other non-metallic mineral products, metal products for construction, tools, construction engineering machinery and drilling machinery; import and export of goods, import and export of technology, agent service for import and export; project investment; real estate development; engineering survey and design; construction project management; technical consulting, technical services; property management. (Market entities may independently choose business items and carry out business activities in accordance with the law; as for items subject to approval in accordance with the law, relevant business activities shall be carried out with the approval of the competent authorities and within the scope of the approval; business activities of the forbidden and restricted projects as required by the national and municipal industry policies are not allowed.)
Shareholding and equity participation in other domestic and overseas listed companies during the Reporting Period	Apart from the Company and the listed companies controlled by the Company, China State Construction holds 27.05% shares of CSCEC Scimee Sci. & Tech. Co., Ltd. (stock abbreviation: SCIMEE, stock code: 300425.SZ) through its wholly-owned subsidiary, Beijing Zhongjian Qiming Enterprise Management Co., Ltd. (北京中建启明企业管理有限公司) (“Zhongjian Qiming”). Zhongjian Qiming is the controlling shareholder of SCIMEE.
Other matters	/

2. Natural person

Applicable N/A

3. Special explanation on absence of a controlling shareholder of the Company

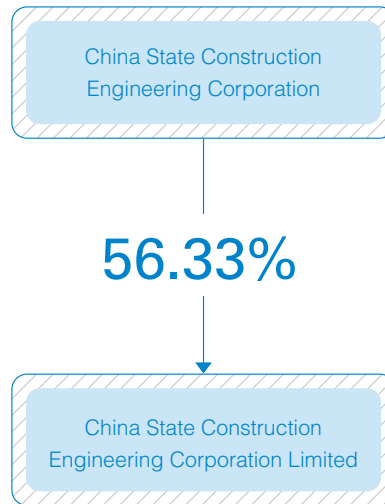
Applicable N/A

4. Details of the index and the date of changes of the controlling shareholder during the Reporting Period

Applicable N/A

5. Chart showing the ownership and controlling relationship between the Company and the controlling shareholder

Applicable N/A



(II) De Facto Controller

1. Legal person

Applicable N/A

Name	State-owned Assets Supervision and Administration Commission of the State Council
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2. Natural person

Applicable N/A

3. Special explanation on absence of a de facto controller of the Company

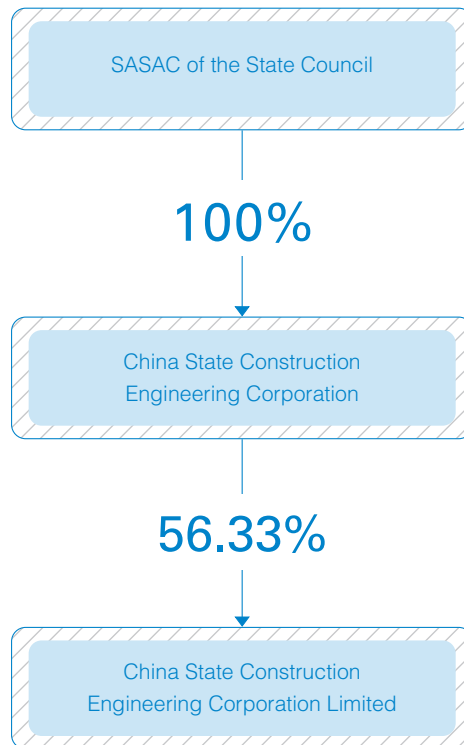
Applicable N/A

4. Details of the index and the date of changes of the de facto controller during the Reporting Period

Applicable N/A

5. Chart showing the ownership and controlling relationship between the Company and the de facto controller

Applicable N/A



6. The de facto controller controlling the Company through a trust or other asset management company

Applicable N/A

- (III) Other information of the controlling shareholder and the de facto controller

Applicable N/A

- V. The accumulated number of shares pledged by the Controlling Shareholders of the Company or the largest shareholder and its parties acting in concert represents more than 80% of the number of the shares of the Company held by them**

Applicable N/A

- VI. Other Corporate Shareholders Holding More than 10% of the Shares**

Applicable N/A

- VII. Explanation on Restrictions on the Reduction of Shareholding**

Applicable N/A

- VIII. Details of the Implementation of Share Repurchase during the Reporting Period**

Applicable N/A

SECTION VIII INFORMATION ON PREFERENCE SHARES

Applicable N/A

SECTION IX INFORMATION ON BONDS

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

Applicable N/A

(I) Enterprise bonds

Applicable N/A

(II) Corporate bonds

Applicable N/A

1. Basic information of corporate bonds

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

Applicable N/A

Outstanding bonds

Applicable N/A

Explanation on debts overdue

Applicable N/A

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

Applicable N/A

3. Intermediaries that provide services to the issuance of corporate bonds and the duration business

Applicable N/A

4. Use of raised funds at the end of the Reporting Period

Applicable N/A

5. Adjustment of credit rating results

Applicable N/A

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

Applicable N/A

7. Explanation of other information of corporate bonds

√ Applicable □ N/A

The existing corporate bonds of subsidiaries as at the date of the report are as follows:

Subsidiaries' Issuance of Corporate Bonds

Unit: '000 yuan Currency: RMB

No.	Bonds	Abbreviation	Date of issuance	Effective date	Maturity date	Issue size/ current size	Interest rate (%)	Repayment of principal and payment of interest
1	3.95% USD guaranteed notes due in 2022 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2211	November 15, 2012	November 15, 2012	November 15, 2022	4,462,990.00	3.95	Normal
2	5.35% USD guaranteed notes due in 2042 of China Overseas Land & Investment Ltd.	CHINA.OVS.M4211	November 15, 2012	November 15, 2012	November 15, 2042	1,912,710.00	5.35	Normal
3	5.375% USD guaranteed notes due in 2023 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2310	October 29, 2013	October 29, 2013	October 29, 2023	3,187,850.00	5.375	Normal
4	6.375% USD guaranteed notes due in 2043 of China Overseas Land & Investment Ltd.	CHINA.OVS.M4310	October 29, 2013	October 29, 2013	October 29, 2043	3,187,850.00	6.375	Normal
5	5.95% USD guaranteed notes due in 2024 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2405	May 8, 2014	May 8, 2014	May 8, 2024	4,462,990.00	5.95	Normal
6	6.45% USD guaranteed notes due in 2024 of China Overseas Land & Investment Ltd.	CHINA.OVS.N3406	June 11, 2014	June 11, 2014	June 11, 2034	3,187,850.00	6.45	Normal
7	0% convertible bonds due in 2023 of China Overseas Holdings Limited	CHINA.OVS.B2301	January 5, 2016	/	January 5, 2023	3,808,843.18	/	Normal
8	2016 corporate bonds of China Overseas Property Group Co., Ltd. publicly issued (Tranche 1)	16 China Overseas 01	August 22, 2016	August 23, 2016	August 23, 2026	6,000,000.00	3.10	Normal
9	2.9% USD guaranteed notes due in 2022 of China State Construction Engineering Corporation Limited	CSCEC II N2207	July 5, 2017	July 5, 2017	July 5, 2022	3,187,850.00	2.90	Normal
10	3.5% USD guaranteed notes due in 2027 of China State Construction Engineering Corporation Limited	CSCEC II N2707	July 5, 2017	July 5, 2017	July 5, 2027	3,187,850.00	3.50	Normal
11	3.375% USD guaranteed notes due in 2022 of China State Construction International Holdings Limited	CSCFIN II N2211	November 29, 2017	November 29, 2017	November 29, 2022	3,506,635.00	3.375	Normal
12	3.875% USD guaranteed notes due in 2027 of China State Construction International Holdings Limited	CSCFIN II N2711	November 29, 2017	November 29, 2017	November 29, 2027	1,588,925.00	3.875	Normal
13	2018 renewable corporate bonds of China Construction Sixth Engineering Division Corp., Ltd.	18 China Construction Y1	February 6, 2018	February 7, 2018	February 7, 2023	1,000,000.00	6.55	Normal
14	4.25% USD guaranteed notes due in 2023 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2304	April 26, 2018	April 26, 2018	April 26, 2023	4,781,775.00	4.25	Normal
15	4.75% USD guaranteed notes due in 2028 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2804	April 26, 2018	April 26, 2018	April 26, 2028	4,781,775.00	4.75	Normal
16	2019 corporate bonds (Tranche 1) (Variety 2) of China Overseas Property Group Co., Ltd. publicly issued to qualified investors	19 China Overseas 02	January 23, 2019	January 24, 2019	January 24, 2026	1,500,000.00	3.75	Normal
17	3.45% USD medium-term notes due in 2029 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2907	July 15, 2019	July 15, 2019	July 15, 2029	2,889,065.00	3.45	Normal
18	2.9% HKD medium-term notes due in 2025 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2501	July 15, 2019	July 15, 2019	January 15, 2025	1,636,200.00	2.90	Normal
19	3.05% USD medium-term notes due in 2029 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2911	November 27, 2019	November 27, 2019	November 27, 2029	1,874,455.80	3.05	Normal
20	4% perpetual bonds of China State Construction International Holdings Limited	CSCFIN III SGPS	December 3, 2019	December 3, 2019	December 3, 2024	3,187,850.00	4.00	Normal
21	2.375% USD medium-term notes due in 2025 of China Overseas Land & Investment Ltd.	CHINA.OVS.N2503	March 2, 2020	March 2, 2020	March 2, 2025	1,912,710.00	2.375	Normal

No.	Bonds	Abbreviation	Date of issuance	Effective date	Maturity date	Issue size/ current size	Interest rate (%)	Repayment of principal and payment of interest
22	2.75% USD medium-term notes due in 2030 of China Overseas Land & Investment Ltd.	CHINA.OVS NS3003	March 2, 2020	March 2, 2020	March 2, 2030	3,187,850.00	2.75	Normal
23	3.125% USD medium-term notes due in 2035 of China Overseas Land & Investment Ltd.	CHINA.OVS NS503	March 2, 2020	March 2, 2020	March 2, 2035	1,275,140.00	3.125	Normal
24	2020 renewable corporate bonds (Tranche 1) (Variety 1) of China Construction Second Engineering Division Corp. Ltd. publicly issued to professional investors	20 China Construction G2 Y1	June 24, 2020	June 30, 2020	June 30, 2023	1,500,000.00	3.74	Normal
25	2020 panda corporate bonds (Tranche 1) of China State Construction International Holdings Limited	20 CSCFIN G1	July 28, 2020	July 29, 2020	July 29, 2023	2,000,000.00	3.48	Normal
26	2020 corporate bonds (Tranche 1) (Variety 1) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	20 China Overseas 01	August 13, 2020	August 14, 2020	August 14, 2026	2,000,000.00	3.20	Normal
27	2020 renewable corporate bonds (Tranche 1) of China Construction First Group Corporation Limited publicly issued	20 China Construction G1 Y1	September 4, 2020	September 7, 2020	September 7, 2023	1,500,000.00	4.30	Normal
28	2020 renewable corporate bonds (Tranche 2) of China Construction First Group Corporation Limited publicly issued	20 China Construction G1 Y2	September 23, 2020	September 24, 2020	September 24, 2023	1,500,000.00	4.40	Normal
29	2020 renewable corporate bonds (Tranche 1) of China Construction Science and Industry Corporation Ltd. publicly issued	20 CCSI Y1	October 26, 2020	October 27, 2020	October 26, 2023	900,000.00	5.60	Normal
30	Public issuance of corporate bonds to professional investors by China Overseas Development Group Co., Ltd. in 2020 (Tranche 1) (Variety 1)	20 China Overseas 03	November 6, 2020	November 9, 2020	November 9, 2023	2,400,000.00	3.40	Normal
31	2020 renewable corporate bonds (Tranche 1) of China Construction Science and Industry Corporation Ltd. publicly issued	20 CCSI Y2	December 22, 2020	December 23, 2020	December 22, 2023	600,000.00	5.80	Normal
32	3.4% perpetual bonds of China State Construction International Holdings Limited	CSC FIN SGPSB	June 8, 2021	June 8, 2021	June 8, 2026	3,187,850.00	3.40	Normal
33	2021 corporate bonds (Tranche 1) (Variety 1) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 01	June 11, 2021	June 15, 2021	June 15, 2024	2,000,000.00	3.25	Normal
34	2021 corporate bonds (Tranche 1) (Variety 2) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 02	June 11, 2021	June 15, 2021	June 15, 2026	1,000,000.00	3.55	Normal
35	2021 corporate bonds (Tranche 2) (Variety 1) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 03	July 9, 2021	July 12, 2021	July 12, 2025	1,000,000.00	3.10	Normal
36	2021 corporate bonds (Tranche 2) (Variety 2) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 04	July 9, 2021	July 12, 2021	July 12, 2025	2,000,000.00	3.25	Normal
37	2021 corporate bonds (Tranche 3) (Variety 1) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 05	August 6, 2021	August 9, 2021	August 9, 2025	500,000.00	2.75	Normal
38	2021 renewable corporate bonds (Tranche 2) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 06	August 6, 2021	August 9, 2021	August 9, 2028	1,500,000.00	3.25	Normal
39	2021 renewable corporate bonds (Tranche 1) of China Construction First Group Corporation Limited publicly issued to professional investors	21 China Construction G1 Y1	November 10, 2021	November 12, 2021	November 12, 2024	1,000,000.00	3.48	Normal
40	2021 corporate bonds (Tranche 4) (Variety 1) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 07	November 24, 2021	November 25, 2021	November 25, 2024	1,700,000.00	3.08	Normal
41	2021 corporate bonds (Tranche 4) (Variety 2) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 08	November 24, 2021	November 25, 2021	November 25, 2026	1,200,000.00	3.38	Normal
42	2021 renewable corporate bonds (Tranche 1) (Variety 1) of China Construction Fangcheng Investment & Development Co., Ltd. publicly issued to professional investors	21 Fangcheng Y1	December 6, 2021	December 8, 2021	December 8, 2023	500,000.00	3.80	Normal
43	2021 renewable corporate bonds (Tranche 1) (Variety 2) of China Construction Fangcheng Investment & Development Co., Ltd. publicly issued to professional investors	21 Fangcheng Y2	December 6, 2021	December 8, 2021	December 8, 2024	1,200,000.00	4.25	Normal
44	2021 corporate bonds (Tranche 5) (Variety 1) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 09	December 17, 2021	December 20, 2021	December 20, 2024	1,300,000.00	2.88	Normal
45	2021 corporate bonds (Tranche 5) (Variety 2) of China Overseas Development Group Co., Ltd. publicly issued to professional investors	21 China Overseas 10	December 17, 2021	December 20, 2021	December 20, 2026	800,000.00	3.38	Normal
46	2021 green renewable corporate bonds of China Construction Science & Technology Group Co., Ltd. publicly issued to professional investors	G CCST Y1	December 24, 2021	December 28, 2021	December 28, 2024	300,000.00	4.30	Normal
47	2022 corporate bonds (Tranche 1) (Variety 1) China Overseas Development Group Co., Ltd. publicly issued to professional investors	22 China Overseas 01	April 1, 2022	April 7, 2022	April 7, 2025	2,000,000.00	3.05	Normal
48	2022 corporate bonds (Tranche 1) (Variety 2) China Overseas Development Group Co., Ltd. publicly issued to professional investors	22 China Overseas 02	April 1, 2022	April 7, 2022	April 7, 2027	1,000,000.00	3.50	Normal

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

√ Applicable □ N/A

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

Unit: '000 yuan Currency: RMB

No.	Bonds	Abbreviation	Code	Date of issuance	Effective date	Maturity date	Balance	Interest rate (%)	Method to repay principal and pay interest	Venue of trading	Arrangement to ensure the suitability of investors (if any)	Trading mechanism	Whether it is exposed to termination of the listing
1	2018 medium-term notes (Tranche 1) of China State Construction Engineering Corporation Limited	18 CSCEC MTN001	101800694	August 15, 2018	August 17, 2018	August 17, 2023	5,000,000.00	4.70	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
2	2018 medium-term notes (Tranche 2) of China State Construction Engineering Corporation Limited	18 CSCEC MTN002	101800900	August 15, 2018	August 17, 2018	August 17, 2023	5,000,000.00	4.70	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
3	2020 medium-term notes (Tranche 1) of China State Construction Engineering Corporation Limited	20 CSCEC MTN001	102000581	April 1, 2020	April 3, 2020	April 3, 2023	4,000,000.00	3.29	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
4	2020 medium-term notes (Tranche 2) of China State Construction Engineering Corporation Limited	20 CSCEC MTN002	102000650	April 9, 2020	April 13, 2020	April 13, 2023	3,000,000.00	3.10	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No
5	2020 medium-term notes (Tranche 3) of China State Construction Engineering Corporation Limited	20 CSCEC MTN003	102000748	April 16, 2020	April 20, 2020	April 20, 2023	3,000,000.00	3.09	Payment of interest on an annual basis and principal upon maturity	Inter-bank bond market	/	Bidding, quotation, inquiry and agreement	No

For relevant details, please refer to Note V. 34 "Non-current liabilities due within one year" and Note V. 37 "Bonds repayable" to the financial statements under SECTION X "FINANCIAL REPORT".

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

Applicable N/A

Outstanding bonds

Applicable N/A

Payment of interest and repayment of principal of bonds during the Reporting Period

Applicable N/A

Bonds	Description of payment of interest
2018 medium-term notes (Tranche 1) of China State Construction Engineering Corporation Limited	Normal payment of interest
2018 medium-term notes (Tranche 2) of China State Construction Engineering Corporation Limited	Normal payment of interest
2020 medium-term notes (Tranche 1) of China State Construction Engineering Corporation Limited	Normal payment of interest
2020 medium-term notes (Tranche 2) of China State Construction Engineering Corporation Limited	Normal payment of interest
2020 medium-term notes (Tranche 3) of China State Construction Engineering Corporation Limited	Normal payment of interest

2. The triggering and performance of issuer or investor option terms, investor protection terms

Applicable N/A

3. Intermediaries providing services for bond issuance and business over the duration

Intermediary	Office address	Name of signatory accountants	Contact person	Tel
Ernst & Young Hua Ming LLP (Special General Partnership)	Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue, Dongcheng District, Beijing, PRC	Zhou Ying, Yang Shujuan, Shen Yan	Zhou Ying	010-58153000

Changes to the above intermediary

Applicable N/A

4. Use of proceeds at the end of the Reporting Period

Applicable N/A

Unit: '000 yuan Currency: RMB

Bonds	Total amount of proceeds	Used amount	Unused amount	Operation of the special account for proceeds (if any)	Rectification on illegal use of proceeds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
2018 medium-term notes (Tranche 1) of China State Construction Engineering Corporation Limited	5,000,000.00	5,000,000.00	0 /	/	/	Yes
2018 medium-term notes (Tranche 2) of China State Construction Engineering Corporation Limited	5,000,000.00	5,000,000.00	0 /	/	/	Yes
2020 medium-term notes (Tranche 1) of China State Construction Engineering Corporation Limited	4,000,000.00	4,000,000.00	0 /	/	/	Yes
2020 medium-term notes (Tranche 2) of China State Construction Engineering Corporation Limited	3,000,000.00	3,000,000.00	0 /	/	/	Yes
2020 medium-term notes (Tranche 3) of China State Construction Engineering Corporation Limited	3,000,000.00	3,000,000.00	0 /	/	/	Yes

The solicitation of the proceeds for construction projects and operating benefits

Applicable N/A

Explanations of changing the use of proceeds from above-mentioned bonds during the Reporting Period

Applicable N/A

Other explanations

Applicable N/A

5. Adjustment of credit rating results

Applicable N/A

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

Applicable N/A

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

√ Applicable □ N/A

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

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

Unit: '000 yuan Currency: RMB

No.	Bonds	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issuance size/ current size	Interest rate (%)	Repayment of principal and interest payment
1	Tranche 1 of medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2017	17 China Construction Seventh Division MTN001	December 26, 2017	December 28, 2017	December 28, 2022	2,500,000.00	7.00	Normal
2	Tranche 1 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2018	18 China Construction Second Division MTN001	April 17, 2018	April 18, 2018	April 18, 2023	1,000,000.00	5.03	Normal
3	Tranche 1 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2018	18 China Construction Communications MTN001	July 23, 2018	July 25, 2018	July 25, 2023	500,000.00	5.10	Normal
4	Tranche 1 of medium-term note of China Construction First Group Corporation Limited in 2018 (Variety II)	18 China Construction First Group MTN001B	December 5, 2018	December 7, 2018	December 7, 2023	500,000.00	5.50	Normal
5	Tranche 1 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2019	19 China Construction Communications MTN001	April 10, 2019	April 12, 2019	April 12, 2024	300,000.00	4.75	Normal
6	Tranche 1 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2019	19 China Construction Second Division MTN001	June 4, 2019	June 6, 2019	June 6, 2022	3,000,000.00	4.75	Normal
7	Tranche 1 of medium-term note of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	19 CSCEC Xinjiang MTN001	June 20, 2019	June 24, 2019	June 24, 2022	800,000.00	5.73	Normal
8	Tranche 1 of medium-term note of China Construction Communications Engineering Group Co., Ltd. in 2020	20 China Construction Communications MTN001	March 11, 2020	March 13, 2020	March 13, 2023	800,000.00	4.20	Normal
9	Tranche 1 of medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2020 (debt for the pandemic prevention and control)	20 China Construction Seventh Division (Debt for Pandemic Prevention and Control) MTN001	March 25, 2020	March 27, 2020	March 27, 2023	2,000,000.00	3.70	Normal
10	Tranche 1 of medium-term note of China Construction Fifth Engineering Division Corp. Ltd. in 2020	20 China Construction Fifth Division MTN001	April 21, 2020	April 22, 2020	April 22, 2023	2,000,000.00	3.35	Normal
11	Tranche 1 of medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2020	20 China Construction Eighth Division MTN001	June 11, 2020	June 15, 2020	June 11, 2025	2,000,000.00	4.04	Normal
12	Tranche 2 of medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2020	20 China Construction Eighth Division MTN002	August 26, 2020	August 28, 2020	August 26, 2023	2,000,000.00	4.45	Normal
13	Tranche 1 of medium-term note of China Construction Sixth Engineering Division Corp. Ltd. in 2020	20 China Construction Sixth Division MTN001	September 3, 2020	September 7, 2020	September 7, 2023	600,000.00	5.60	Normal
14	Tranche 1 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2020	20 China Construction Second Division MTN001	September 29, 2020	September 30, 2020	September 30, 2023	1,500,000.00	4.80	Normal
15	Tranche 1 of medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2020	20 China Construction Fourth Division MTN001	October 19, 2020	October 21, 2020	October 21, 2023	1,500,000.00	5.10	Normal
16	Tranche 2 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2020	20 China Construction Second Division MTN002	October 26, 2020	October 28, 2020	October 28, 2023	1,000,000.00	4.78	Normal
17	Tranche 1 of RMB/medium-term note of China State Construction International Investments Limited in 2020	20 China Construction Investments MTN001	October 26, 2020	October 28, 2020	October 28, 2023	500,000.00	3.45	Normal
18	Tranche 2 of medium-term note of China Construction Sixth Engineering Division Corp. Ltd. in 2020	20 China Construction Sixth Division MTN002	October 27, 2020	October 29, 2020	October 29, 2023	700,000.00	5.00	Normal
19	Tranche 2 of medium-term note of China Construction Third Engineering Division Group Co., Ltd. in 2020	20 China Construction Third Division MTN002	October 27, 2020	October 28, 2020	October 28, 2023	1,500,000.00	4.50	Normal
20	Tranche 1 of medium-term note of CSCEC Strait Construction and Development Co., Ltd. in 2020	20 CSCEC Strait MTN001	November 3, 2020	November 5, 2020	November 5, 2023	1,000,000.00	4.85	Normal
21	Tranche 2 of medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2020	20 China Construction Fourth Division MTN002	November 3, 2020	November 5, 2020	November 5, 2023	2,500,000.00	5.05	Normal

No.	Bonds	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issuance size/current size	Interest rate (%)	Repayment of principal and interest payment
22	Tranche 3 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2020	20 China Construction Second Division MTN003	November 4, 2020	November 6, 2020	November 6, 2023	1,000,000.00	4.60	Normal
23	Tranche 3 of medium-term note of China Construction Third Engineering Division Group Co., Ltd. in 2020 (Variety I)	20 China Construction Third Division MTN003A	November 11, 2020	November 12, 2020	November 12, 2022	300,000.00	4.10	Normal
24	Tranche 3 of medium-term note of China Construction Third Engineering Division Group Co., Ltd. in 2020 (Variety II)	20 China Construction Third Division MTN003B	November 11, 2020	November 12, 2020	November 12, 2023	1,200,000.00	4.45	Normal
25	Tranche 4 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2020 (Variety II)	20 China Construction Second Division MTN004B	November 25, 2020	November 27, 2020	November 27, 2023	1,000,000.00	4.89	Normal
26	Tranche 4 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2020 (Variety I)	20 China Construction Second Division MTN004A	November 25, 2020	November 27, 2020	November 27, 2022	500,000.00	4.50	Normal
27	Tranche 1 of medium-term note of China Overseas Development Group Co., Ltd. in 2020	20 China Overseas Development MTN001	December 10, 2020	December 14, 2020	December 14, 2023	1,500,000.00	3.60	Normal
28	Tranche 1 of medium-term note of China Construction Third Engineering Division Group Co., Ltd. in 2020	20 China Construction Third Division MTN001	December 21, 2020	December 22, 2020	December 22, 2023	2,000,000.00	4.70	Normal
29	Tranche 1 of medium-term note of China Overseas Development Group Co., Ltd. in 2021	21 China Overseas Development MTN001	January 13, 2021	January 15, 2021	January 15, 2024	1,500,000.00	3.95	Normal
30	Tranche 1 of medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2021	21 China Construction Eighth Division MTN001	March 19, 2021	March 23, 2021	March 19, 2024	3,000,000.00	4.48	Normal
31	Tranche 1 of medium-term note of China State Construction International Investments Limited in 2021	21 China Construction Investments MTN001	May 27, 2021	May 31, 2021	May 31, 2024	1,000,000.00	3.52	Normal
32	Tranche 1 of medium-term note of China West Construction Group Co., Ltd. in 2021	21 China West Construction MTN001	August 18, 2021	August 20, 2021	August 20, 2024	700,000.00	3.35	Normal
33	Tranche 1 of medium-term note of China Construction Industrial & Energy Engineering Group Co., Ltd. in 2021	21 China Construction Industrial & Energy MTN001	August 20, 2021	August 24, 2021	August 24, 2024	300,000.00	4.96	Normal
34	Tranche 1 of medium-term note of China Construction Second Engineering Division Co., Ltd. in 2021	21 China Construction Second Division MTN001	August 30, 2021	September 1, 2021	September 1, 2024	1,500,000.00	3.56	Normal
35	Tranche 1 of medium-term note of China Construction Fifth Engineering Division Corp. Ltd. in 2021	21 China Construction Fifth Division MTN001	September 27, 2021	September 28, 2021	September 28, 2024	2,000,000.00	3.80	Normal
36	Tranche 1 of medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2021	21 China Construction Fourth Division MTN001	October 25, 2021	October 27, 2021	October 27, 2024	1,000,000.00	4.30	Normal
37	Tranche 2 of medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2021	21 China Construction Fourth Division MTN002	November 15, 2021	November 17, 2021	November 17, 2024	2,000,000.00	4.18	Normal
38	Tranche 1 of medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2021	China Construction Seventh Division MTN001	November 17, 2021	November 19, 2021	November 19, 2024	1,500,000.00	3.60	Normal
39	Tranche 2 of medium-term note of China Construction Fifth Engineering Division Corp. Ltd. in 2021	21 China Construction Fifth Division MTN002	November 24, 2021	November 26, 2021	November 26, 2024	2,500,000.00	3.60	Normal
40	Tranche 2 of medium-term note of China West Construction Group Co., Ltd. in 2021	21 China West Construction MTN002	December 1, 2021	December 3, 2021	December 3, 2024	600,000.00	4.30	Normal
41	Tranche 1 of medium-term note of China Construction Third Engineering Division Group Co., Ltd. in 2021	21 China Construction Third Division MTN001	December 7, 2021	December 9, 2021	December 9, 2024	1,300,000.00	3.95	Normal
42	Tranche 2 of medium-term note of China Construction Third Engineering Division Group Co., Ltd. in 2021	21 China Construction Third Division MTN002	December 9, 2021	December 13, 2021	December 13, 2024	1,200,000.00	3.35	Normal
43	Tranche 1 of medium-term note of China Construction Infrastructure Co., Ltd. in 2021	21 China Construction MTN001	December 9, 2021	December 13, 2021	December 13, 2024	500,000.00	3.80	Normal
44	Tranche 3 of medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2021 (Variety I)	21 China Construction Fourth Division MTN003A	December 16, 2021	December 20, 2021	December 20, 2026	1,000,000.00	3.3	Normal
45	Tranche 3 of medium-term note of China Construction Fourth Engineering Division Corp. Ltd. in 2021 (Variety II)	21 China Construction Fourth Division MTN003B	December 16, 2021	December 20, 2021	December 20, 2026	1,000,000.00	3.95	Normal
46	Tranche 2 of medium-term note of China State Construction International Investments Limited in 2021	21 China Construction Investments MTN002	December 27, 2021	December 29, 2021	December 29, 2024	1,500,000.00	3.10	Normal
47	Tranche 1 of super & short-term commercial paper of China Construction Sixth Engineering Division Corp. Ltd. in 2022	22 China Construction Sixth Division SCP001	January 11, 2022	January 13, 2022	May 13, 2022	800,000.00	2.68	Normal
48	Tranche 2 of super & short-term commercial paper of China Construction Seventh Engineering Division Corp. Ltd. in 2022	22 China Construction Seventh Division SCP002	January 12, 2022	January 13, 2022	April 20, 2022	1,000,000.00	2.45	Normal
49	Tranche 1 of medium-term note of China Overseas Development Group Co., Ltd. in 2022 (Variety I)	22 China Overseas Development MTN001A	January 12, 2022	January 14, 2022	January 14, 2025	1,800,000.00	2.88	Normal

No.	Bonds	Abbreviation	Date of issuance	Interest commencement date	Maturity date	Issuance size/ current size	Interest rate (%)	Repayment of principal and interest payment
50	Tranche 1 of medium-term note of China Overseas Development Group Co., Ltd. in 2022 (Variety II)	22 China Overseas Development MTN001B	January 12, 2022	January 14, 2022	January 14, 2027	1,200,000.00	3.25	Normal
51	Tranche 2 of green medium-term note of China Overseas Development Group Co., Ltd. in 2022	22 China Overseas Development MTN002 (green)	February 21, 2022	February 23, 2022	February 23, 2027	1,000,000.00	3.22	Normal
52	Tranche 2 of super & short-term commercial paper of China Construction First Group Corporation, Limited in 2022	22 China Construction First Group SCP002	February 24, 2022	February 25, 2022	June 29, 2022	1,000,000.00	2.09	Normal
53	Tranche 1 of super & short-term commercial paper of China Construction Second Engineering Division Co., Ltd. in 2022	22 China Construction Second Division SCP001	March 9, 2022	March 10, 2022	June 24, 2022	1,500,000.00	2	Normal
54	Tranche 3 of super & short-term commercial paper of China Construction Seventh Engineering Division Corp. Ltd. in 2022	22 China Construction Seventh Division SCP003	March 9, 2022	March 10, 2022	September 6, 2022	1,000,000.00	2.4	Normal
55	Tranche 4 of super & short-term commercial paper of China Construction Seventh Engineering Division Corp. Ltd. in 2022	22 China Construction Seventh Division SCP004	March 9, 2022	March 10, 2022	September 6, 2022	500,000.00	2.4	Normal
56	Tranche 5 of super & short-term commercial paper of China Construction Seventh Engineering Division Corp. Ltd. in 2022	22 China Construction Seventh Division SCP005	March 10, 2022	March 11, 2022	June 9, 2022	500,000.00	2.35	Normal
57	Tranche 7 of super & short-term commercial paper of China Construction Seventh Engineering Division Corp. Ltd. in 2022	22 China Construction Seventh Division SCP007	March 11, 2022	March 14, 2022	October 10, 2022	500,000.00	2.42	Normal
58	Tranche 6 of super & short-term commercial paper of China Construction Seventh Engineering Division Corp. Ltd. in 2022	22 China Construction Seventh Division SCP006	March 14, 2022	March 14, 2022	June 12, 2022	500,000.00	2.35	Normal
59	Tranche 1 of super & short-term commercial paper of China Construction Eighth Engineering Division Corp. Ltd. in 2022	22 China Construction Eighth Division SCP001	March 17, 2022	March 18, 2022	June 29, 2022	4,000,000.00	2	Normal
60	Tranche 2 of super & short-term commercial paper of China Construction Eighth Engineering Division Corp. Ltd. in 2022	22 China Construction Eighth Division SCP002	March 25, 2022	March 28, 2022	April 25, 2022	3,500,000.00	2	Normal
61	Tranche 3 of super & short-term commercial paper of China Construction Eighth Engineering Division Corp. Ltd. in 2022	22 China Construction Eighth Division SCP003	March 25, 2022	March 28, 2022	April 25, 2022	2,500,000.00	2	Normal
62	Tranche 2 of super & short-term commercial paper of China Construction Sixth Engineering Division Corp. Ltd. in 2022	22 China Construction Sixth Division SCP002	March 28, 2022	March 30, 2022	July 28, 2022	700,000.00	2.6	Normal
63	Tranche 3 of super & short-term commercial paper of China Construction First Group Corporation, Limited in 2022	22 China Construction First Group SCP003	March 29, 2022	March 31, 2022	June 29, 2022	2,000,000.00	2.08	Normal
64	Tranche 5 of super & short-term commercial paper of China Construction Third Engineering Division Group Co., Ltd. in 2022	22 China Construction Third Division SCP005	March 28, 2022	March 29, 2022	June 27, 2022	3,000,000.00	2.05	Normal
65	Tranche 1 of green medium-term note of China Overseas Development Group Co., Ltd. in 2022	22 China Overseas Development MTN001 (green)	March 31, 2022	April 2, 2022	April 2, 2025	960,000.00	2.88	Normal
66	Tranche 6 of super & short-term commercial paper of China Construction Third Engineering Division Group Co., Ltd. in 2022	22 China Construction Third Division SCP006	April 6, 2022	April 7, 2022	June 26, 2022	2,000,000.00	2.05	Normal

For relevant details, please refer to Note V. 35 "Non-current liabilities due within one year" and Note V. 38 "Bonds repayable" to the financial statements under SECTION X "FINANCIAL REPORT".

- (IV) Loss in the Company's consolidated statement during the Reporting Period exceeded 10% of its net assets at the end of the previous year
 Applicable N/A
- (V) The delinquency of interest-bearing debts excluding the bond as at the end of the Reporting Period
 Applicable N/A
- (VI) The violation of laws and regulations, Articles of Association and the information disclosure affairs management system and the impact of the agreement or commitment of the bond prospectus on the rights and interests of bond investors
 Applicable N/A

(VII) Key accounting data and financial indicators for the last two years as at the end of the Reporting Period

√ Applicable □ N/A

Unit: '000 yuan Currency: RMB

Major indicators	2021	2020	Increase/decrease as at the end of the Reporting Period as compared to the end of last year (%)	Reason for the change
Net profit after deducting non-recurring profit or loss	75,815,178	68,672,600	Increase by 10.4 percentage points	Increase in operating profit
Current ratio (%)	134.5	131.9	Increase by 2.6 percentage points	/
Quick ratio (%)	65.4	63.2	Increase by 2.2 percentage points	Increase in quick assets
Gearing ratio (%)	73.2	73.7	Decrease by 0.5 percentage points	Increase in total asset
Debt-to-EBITDA ratio	21.9	23.2	/	/
Interest coverage ratio	3.1	3.0	Increase by 0.1 percentage points	Increase in profit before interest and tax
Cash interest coverage ratio	2.7	3.0	/	Decrease in net cash flow from operating activities
EBITDA interest coverage ratio	3.5	3.4	Increase by 0.1 percentage points	Increase in profit before interest and tax
Loan repayment ratio (%)	100.0	100.0	/	/
Interest repayment ratio (%)	100.0	100.0	/	/

II. Information on Convertible Corporate Bonds

□ Applicable √ N/A

SECTION X FINANCIAL REPORT

I. Audit Report

Applicable N/A

See the attached for details

II. Financial Statements

See the attached for details

Chairman: Zheng Xuexuan

Date of approval by the Board of Directors for submission: April 15, 2022

Amendments

Applicable N/A

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AUDITOR'S REPORT

Ernst & Young Hua Ming (2022) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

To the Shareholders of China State Construction Engineering Corporation Limited,

(I) Opinion

We have audited the financial statements of China State Construction Engineering Corporation Limited (hereinafter the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2021, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position as at 31 December 2021, and their financial performance and cash flows for the year ended in accordance with the requirements of Accounting Standards for Business Enterprises ("ASBEs").

(II) Basis for opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with *China Code of Ethics for Certified Public Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(III) Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2022) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(III) Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from construction contracts	
<p>The revenue of the Company is mainly derived from construction contracts and recognised based on the performance progress over the period of the contract. Depending on the nature of construction projects, determined by input method, the performance progress is measured by reference to the percentage of actual contract costs incurred to the total budgeted costs. Management makes estimates on the revenue and budgeted costs at the inception of each contract. Management shall continuously review and revise financial impacts arising from the changes in the estimated total revenue and budgeted costs based on factors such as scope changes and cost to completion throughout the contract period.</p> <p>Estimates in respect of revenue, budgeted costs as well as the progress of related construction services involve management's use of significant estimates and judgements, and have significant impact on the recognition of revenue. Therefore, we identified the revenue recognition from construction contracts as a key audit matter.</p> <p>The accounting policies and disclosures are included in notes III.25 and III.36 and note V.52 to the financial statements.</p>	<p>We obtained an understanding of, tested and evaluated the relevant controls over revenue recognition from construction contracts, including the key internal control of preparation of revenue and budgeted costs, the determination of performance progress, and the calculation of revenue according to the performance progress.</p> <p>We obtained the list of construction contracts from management, and we performed the following procedures on a sample basis:</p> <ul style="list-style-type: none"> • Reviewed the key terms of the construction contracts, revenue and budgeted costs from management, as well as supporting documents such as changes on budgeted costs, variation orders made to the original contracts and claims and incentives, evaluating the appropriateness of management's estimation basis of revenue and budgeted costs; • Tested the accuracy of actual costs incurred during the year by reviewing supporting documents and verifying whether the actual costs were recorded in the appropriate accounting period; • Recalculated performance progress based on contract costs of incurred and total projected costs of contracts, recalculated revenue recognised for the current period based on projected total revenue and performance progress, tested accuracy and performed analytical procedure based on gross margins. • Visiting selected samples of sites of construction projects to observe the progress, discussing with the site project management, comparing the performance progress with ledger record, and evaluating the reasonableness of the performance progress of the construction projects. <p>Meanwhile, we evaluated the adequacy of disclosure of revenue recognition from construction contracts.</p>

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2022) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(III) Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment allowance of accounts receivable, contract assets	
<p>The impairment allowance of accounts receivable, contract assets was recognised based on expected credit losses (ECLs). The management determines the ECLs based on reasonable and supportable information on past events, current conditions and forecasts of future economic conditions etc., which involves significant management's judgements and estimates. The balances of the Company's accounts receivable and contract assets are significant, and their recoverability has a significant impact on the financial statements. Therefore, we identified the impairment allowance of accounts receivable, contract assets as a key audit matter.</p> <p>The accounting policies and disclosures are included in notes III.9 and III.36 and note V.4, V.9 to the financial statements.</p>	<p>We obtained an understanding of, tested and evaluated the relevant controls over the impairment allowance test of accounts receivable and contract assets.</p> <p>For accounts receivable and contract assets which the management assesses the ECLs individually, we checked supporting documents to assess the customers' payment ability and the historical settlement of the contract assets on a sample basis. Combined with the customers' financial position, credit status, project progress, historical payment record and forecasted future economic situation, we evaluated the rationality and sufficiency of the management's provision of ECLs.</p> <p>For accounts receivable, contract assets which the management assesses the ECLs collectively by reference to the credit risk characteristics based on the historical payment, settlement and ageing profile, combined with the current condition and forward-looking adjustments, we evaluated the appropriateness of classification by the management and the estimated ECLs rate for different categories. On a sample basis, we assessed the accuracy of the credit risk classification and ageing profiles of accounts receivable and contract assets receivables, and recalculated the provision of ECLs.</p> <p>We inspected the subsequent payments of accounts receivable and the subsequent settlements of contract assets on a sample basis.</p> <p>Meanwhile, we evaluated the adequacy of disclosure of impairment of accounts receivable and contract assets.</p>

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2022) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(IV) Other information

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

(V) Responsibilities of the management and those charged with governance for the financial statements

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

(VI) Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2022) Shen Zi No.61398485_A01

China State Construction Engineering Corporation Limited

(VI) Auditor's responsibilities for the audit of the financial statements (continued)

- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide statements to the governance regarding compliance with ethical requirements relating to independence, communicating with them all relationships and other matters that may reasonably be considered to affect the independence, as well as the relevant precautions (if applicable).

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

Chinese Certified Public Accountant:Zhou Ying

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant:Yang Shujuan

Chinese Certified Public Accountant:Shen Yan

China Beijing

15 April,2022

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

ASSETS	Note V	31 December 2021	31 December 2020 (restated)
Current assets			
Cash and bank balances	1	327,460,535	295,859,878
Financial assets held for trading	2	71,597	244,459
Notes receivable	3	17,745,605	31,990,952
Accounts receivable	4	180,699,591	160,498,155
Accounts receivables financing	5	3,779,728	3,791,162
Prepayments	6	49,378,222	42,242,121
Other receivables	7	60,951,635	54,607,570
Inventories	8	703,446,149	675,150,023
Contract assets	9	215,697,090	180,867,301
Current portion of non-current assets	10	44,005,530	38,138,502
Other current assets	11	110,819,567	94,304,474
Total current assets		1,714,055,249	1,577,694,597
Non-current assets			
Debt investments	12	20,945,330	14,605,329
Other debt investments		264,083	356,377
Long-term receivables	13	103,310,203	177,642,042
Long-term equity investments	14	100,838,539	86,415,120
Investments in other equity instruments	15	5,065,494	5,838,384
Other non-current financial assets	16	1,559,354	335,510
Investment properties	17	122,696,798	97,123,680
Fixed assets	18	43,455,961	39,263,784
Construction in progress	19	3,706,669	10,933,271
Right of use assets	20	5,881,473	–
Intangible assets	21	20,653,060	22,559,648
Goodwill	22	2,237,894	2,290,261
Long-term prepaid expenses	23	1,131,410	1,124,757
Deferred tax assets	24	18,902,289	16,250,780
Other non-current assets	25	223,545,320	139,945,954
Total non-current assets		674,193,877	614,684,897
TOTAL ASSETS		2,388,249,126	2,192,379,494

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

CONSOLIDATED BALANCE SHEET (continued)

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	Note V	31 December 2021	31 December 2020 (restated)
Current liabilities			
Short-term borrowings	27	59,945,832	29,337,096
Notes payable	28	7,553,066	5,282,412
Accounts payable	29	516,475,667	502,434,840
Advances from customers	30	782,465	607,427
Contract liabilities	31	323,735,026	309,491,716
Employee benefits payable	32	8,551,111	8,202,023
Taxes and surcharges payable	33	69,072,227	64,027,130
Other payables	34	126,723,159	118,321,540
Current portion of non-current liabilities	35	81,358,402	88,146,285
Other current liabilities	36	80,421,081	70,316,955
Total current liabilities		1,274,618,036	1,196,167,424
Non-current liabilities			
Long-term borrowings	37	334,735,903	292,897,038
Bonds payable	38	99,460,750	88,782,471
Lease liability	39	3,682,337	–
Long-term payables	40	16,491,996	17,500,260
Long-term employee benefits payable	41	1,809,320	1,999,420
Provisions	42	4,421,887	3,849,660
Deferred income	43	475,514	482,490
Deferred tax liabilities	24	5,394,969	6,056,150
Other non-current liabilities	44	7,456,105	7,496,502
Total non-current liabilities		473,928,781	419,063,991
TOTAL LIABILITIES		1,748,546,817	1,615,231,415
Shareholders' equity			
Paid-in capital	45	41,948,168	41,965,072
Other equity instruments	46	10,000,000	10,000,000
Including: Perpetual bonds		10,000,000	10,000,000
Capital reserve	47	11,260,535	10,321,251
Less: Treasury shares		(3,485,347)	(4,204,385)
Other comprehensive income	48	(613,252)	(1,179,401)
Special reserve	49	123,239	136,273
General risk reserve		1,741,579	1,383,765
Surplus reserve	50	12,843,667	10,101,632
Retained earnings	51	270,081,501	231,938,846
Total equity attributable to the shareholders		343,900,090	300,463,053
Non-controlling interests		295,802,219	276,685,026
Total shareholders' equity		639,702,309	577,148,079
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,388,249,126	2,192,379,494

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2021	2020 (restated)
Revenue	52	1,891,338,970	1,615,050,549
Less: Cost of sales	52	1,677,136,509	1,440,166,450
Taxes and surcharges	53	14,778,889	15,895,789
Selling and distribution expenses	54	6,176,686	5,530,430
General and administrative expenses	55	34,533,703	28,995,140
Research and development expenses	56	39,927,384	25,522,566
Finance expenses	57	11,124,140	7,801,962
Including: Interest expenses		13,853,118	12,427,610
Interest income		3,195,369	3,761,232
Add: Other income	58	767,676	612,668
Investment income	59	4,710,415	6,165,537
Including: Share of profit of associates and joint ventures		4,931,592	5,932,094
Losses from derecognition of financial assets measured at amortised cost		(1,968,990)	(2,200,204)
Gains/(losses) arising from changes in fair value	60	(236,593)	50,773
Credit impairment losses	61	(9,211,291)	(3,341,317)
Asset impairment losses	62	(3,418,017)	(328,450)
Gains on disposals of assets		327,051	166,167
Operating profit		100,600,900	94,463,590
Add: Non-operating income	63	832,105	809,191
Less: Non-operating expenses	64	546,770	1,000,587
Profit before income taxes		100,886,235	94,272,194
Less: Income tax expenses	66	23,153,743	23,340,930
Profit		77,732,492	70,931,264
Including: Net loss of the merged party under business combination under common control before the combination		(4,548)	(19,116)
Classified by continuity of operations			
Profit from continuing operations		77,732,492	70,931,264
Classified by ownership of the equity			
Profit attributable to owners of the parent		51,407,661	44,924,929
Profit attributable to non-controlling interests		26,324,831	26,006,335

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

CONSOLIDATED INCOME STATEMENT (continued)

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2021	2020 (restated)
Other comprehensive income, net of tax		193,930	938,030
Attributable to owners of the parents	48	391,948	908,034
Other comprehensive income that will not be reclassified to profit or loss		(465,812)	(776,873)
Remeasurement gains or losses of a defined benefit plan		1,689	(44,024)
Changes in fair value of investments in other equity instruments		(467,501)	(732,849)
Other comprehensive income that may be reclassified to profit or loss		857,760	1,684,907
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		(33,066)	95,073
Changes in fair value of other debt investments		(3,180)	(22,825)
Exchange differences on translation of foreign currency financial statements		894,006	1,612,659
Attributable to non-controlling interests	48	(198,018)	29,996
Total comprehensive income		77,926,422	71,869,294
Including:			
Attributable to owners of the parent		51,799,609	45,832,963
Attributable to non-controlling interests		26,126,813	26,036,331
Earnings per share	67		
Basic earnings per share (RMB/share)		1.25	1.07
Diluted earnings per share (RMB/share)		1.25	1.07

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Attributable to shareholders of the Company										Non-controlling interests	Total shareholders equity
	Paid-in capital	Other equity instruments Perpetual bonds	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserves	General risk reserves	Surplus reserves	Retained earnings	Subtotal		
I. Balance at the end of prior year	41,965,072	10,000,000	10,265,751	(4,204,385)	(1,179,401)	185,769	1,383,765	10,101,632	231,953,228	300,421,431	276,673,670	577,095,101
Add: Business combination under common control	-	-	55,500	-	-	504	-	-	(14,382)	41,622	11,356	52,978
Other changes in accounting policies	-	-	-	-	-	-	-	-	(672,735)	(672,735)	-	(672,735)
II. Balance at the beginning of the year	41,965,072	10,000,000	10,321,251	(4,204,385)	(1,179,401)	136,273	1,383,765	10,101,632	231,266,111	299,790,318	276,685,026	576,475,344
III. Changes for the year	-	-	-	-	391,948	-	-	-	51,407,661	51,799,609	26,126,813	77,926,422
1. Total comprehensive income	-	-	-	-	391,948	-	-	-	51,407,661	51,799,609	26,126,813	77,926,422
2. Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-	8,289,357	8,289,357
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	23,965,025	23,965,025
(2) Capital contributions by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	(26,349,347)	(26,349,347)
(3) Capital deductions by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
(4) Amount of share payments included in shareholders' equity	-	-	888,052	-	-	-	-	-	-	888,052	62,911	950,963
(5) Effect on changes in shareholding of subsidiaries	-	-	3,865	-	-	-	-	-	-	3,865	(230,028)	(226,163)
(6) Buyback and cancellation of locked restricted shares	(16,904)	-	(40,495)	57,399	-	-	-	-	-	-	-	-
(7) Effects on unlocking restricted stocks	-	-	-	661,639	-	-	-	-	-	661,639	-	661,639
(8) Business combination under common control	-	-	(40,380)	-	-	-	-	-	-	(40,380)	-	(40,380)
(9) Other	-	-	128,242	-	-	-	-	-	2,351	130,593	(11,769)	118,824
3. Profit distribution	-	-	-	-	-	-	-	2,742,035	(2,742,035)	-	-	-
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	2,742,035	(2,742,035)	-	-	-
(2) Appropriation to general risk reserve	-	-	-	-	-	-	357,814	-	(357,814)	-	-	-
(3) Profit distribution to shareholders	-	-	-	-	-	-	-	(9,006,272)	(9,006,272)	(9,006,272)	(8,509,858)	(17,516,130)
(4) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	(314,300)	(314,300)	(314,300)	(4,220,815)	(4,535,115)
4. Transfer within equity	-	-	-	-	174,201	-	-	-	(174,201)	-	-	-
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	174,201	-	-	-	(174,201)	-	-	-
5. Special reserve	-	-	-	-	-	31,636,921	-	-	-	31,636,921	125,114	31,762,035
(1) Extraction for the year ended 31 December 2021	-	-	-	-	-	31,636,921	-	-	-	31,636,921	125,114	31,762,035
(2) Use for the year ended 31 December 2021	-	-	-	-	(31,649,955)	-	-	-	-	(31,649,955)	(130,210)	(31,780,165)
III. Balance at the end of the year	41,948,168	10,000,000	11,200,535	(3,485,347)	(613,252)	123,239	1,741,579	12,843,667	270,081,501	343,900,090	295,802,219	639,702,309

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2020 (restated)

(All amounts in RMB Thousand Yuan unless otherwise stated)

	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 incomes	Special reserves	General risk reserves	Surplus reserves	Retained earnings	Subtotal		
		Preference shares	Perpetual bonds										
I. Balance at the end of prior year	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
Add: Business combination under the same control	-	-	-	55,500	-	-	-	-	-	4,939	60,439	11,151	71,590
II. Balance at the beginning of the year	41,975,630	14,975,410	6,000,000	12,083,110	(2,501,460)	(1,776,745)	88,474	1,151,202	7,716,149	197,546,350	277,258,120	224,648,790	501,906,910
III. Changes for the year	-	-	-	-	-	908,034	-	-	44,924,929	45,832,963	26,036,331	26,036,331	71,869,294
1. Total comprehensive income	-	-	-	-	-	908,034	-	-	-	-	-	-	-
2. Owners' contributions and reductions in capital	-	-	-	-	-	-	-	-	-	-	-	12,666,433	12,666,433
(1) Capital contributions by shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-
(2) Capital contributions by the holders of other equity instruments	-	(14,975,410)	4,000,000	-	-	-	-	-	-	-	(10,975,410)	23,430,843	12,455,433
(3) Amount of share payments included in shareholders' equity	-	-	-	511,905	-	-	-	-	-	-	511,905	12,022	523,927
(4) Effect on changes in shareholding of subsidiaries	-	-	-	(260,799)	-	-	-	-	-	-	(260,799)	(256,611)	(517,410)
(5) Buyback and cancellation of locked restricted shares	(10,558)	-	-	(25,655)	36,213	-	-	-	-	-	-	-	-
(6) Effect on repurchases and grant employees restricted shares	-	-	-	(2,001,452)	(2,790,630)	-	-	-	-	-	(4,792,282)	-	(4,792,282)
(7) Effects on unlocking restricted stocks	-	-	-	-	1,051,692	-	-	-	-	-	1,051,692	-	1,051,692
(8) Others	-	-	-	14,242	-	-	-	-	-	(29,067)	(14,825)	(175,419)	(190,244)
3. Profit distribution	-	-	-	-	-	-	-	-	2,385,483	(2,385,483)	-	-	-
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	-	2,385,483	(2,385,483)	-	-	-
(2) Appropriation to general risk reserve	-	-	-	-	-	-	232,563	-	-	(232,563)	-	-	-
(3) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,763,538)	(7,763,538)	(7,257,600)	(15,021,138)	
(4) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	-	(402,574)	(402,574)	(2,434,574)	(2,837,148)	
4. Transfer within equity	-	-	-	-	-	(310,690)	-	-	-	310,690	-	-	-
(1) Other comprehensive income transferring to retained earnings	-	-	-	-	-	(310,690)	-	-	-	-	-	-	-
5. Special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
(1) Extraction for the year ended 31 December 2020	-	-	-	-	-	-	26,514,815	-	-	-	26,514,815	86,967	26,601,782
(2) Use for the year ended 31 December 2020	-	-	-	-	-	-	(26,467,016)	-	-	-	(26,467,016)	(72,156)	(26,539,172)
6. Others	-	-	-	-	-	-	-	-	-	(29,898)	(29,898)	-	(29,898)
IV. Balance at the end of the year	41,965,072	-	10,000,000	10,321,251	(4,204,365)	(1,179,401)	136,273	1,383,765	10,101,632	231,938,846	300,463,053	276,665,026	577,146,079

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2021	2020 (restated)
I. Cash flows from operating activities			
Cash receipts from sales of goods and rendering of services		2,020,204,424	1,718,954,014
Refund of taxes and surcharges		228,438	195,961
Cash receipts relating to other operating activities	68	18,237,429	16,380,131
Sub-total cash flows from operating activities		2,038,670,291	1,735,530,106
Cash payments for goods and services		1,825,291,250	1,543,707,419
Cash payments to and on behalf of employees		93,169,465	78,606,639
Payments of taxes and surcharges		74,249,685	65,843,217
Cash payments relating to other operating activities	68	31,598,570	27,099,216
Sub-total cash flows used in operating activities		2,024,308,970	1,715,256,491
Net cash flows from operating activities	69	14,361,321	20,273,615
II. Cash flows from investing activities			
Cash receipts from disposal of investments		5,800,117	6,358,245
Cash receipts from returns on investments		4,768,125	3,944,880
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		2,796,912	3,277,269
Net cash receipts from acquisition of subsidiaries and other business units		3,059,952	20,018
Cash receipts relating to other investing activities	68	9,038,667	15,930,043
Sub-total cash flows from investing activities		25,463,773	29,530,455
Cash payments to acquire fixed assets, intangible assets and other long-term assets		31,118,089	49,499,349
Cash payments for investments		12,244,805	13,207,131
Net cash payments to acquire subsidiaries and other business units		343,490	2,496,697
Cash payments relating to other investing activities	68	14,201,810	16,956,675
Sub-total cash flows used in investing activities		57,908,194	82,159,852
Net cash flows used in investing activities		(32,444,421)	(52,629,397)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note V	2021	2020 (restated)
III. Cash flows from financing activities			
Cash receipts from capital contributions		32,254,382	57,099,738
Including: Cash receipts from capital contributions from non-controlling shareholders of subsidiaries		32,254,382	47,099,738
Cash receipts from borrowings		392,944,290	271,675,668
Cash receipts from issuance of bonds		26,701,560	21,637,147
Cash receipts relating to other financing activities	68	16,056,412	14,260,156
Sub-total cash flows from financing activities		467,956,644	364,672,709
Repayments of borrowings		338,892,813	254,873,899
Cash payments for distribution of dividends or profit and interest expenses		44,853,002	40,943,900
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries		12,320,924	10,065,197
Cash payments to acquire non-controlling interest of subsidiaries		226,163	517,410
Other cash payments relating to financing activities	68	31,501,698	37,519,166
Sub-total cash flows used in financing activities		415,473,676	333,854,375
Net cash flows from financing activities		52,482,968	30,818,334
IV. Effect of foreign exchange rate changes on cash and cash equivalents		(706,107)	(2,328,275)
V. Net increase/(decrease) in cash and cash equivalents		33,693,761	(3,865,723)
Add: Cash and cash equivalents at the beginning of the year		267,864,268	271,729,991
VI. Cash and cash equivalents at the end of the year	69	301,558,029	267,864,268

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY BALANCE SHEET

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

ASSETS	Note XV	31 December 2021	31 December 2020
Current assets			
Cash and bank balances		22,054,786	24,262,315
Including: Deposited in financial company		5,722,693	9,985,623
Notes receivable		164,340	129,092
Accounts receivable	1	25,073,418	24,796,051
Accounts receivable financing		12,000	1,300
Prepayments		6,381,174	7,975,589
Other receivables	2	19,783,629	22,028,907
Inventories		126,677	114,451
Contract assets		11,932,569	10,364,480
Current portion of non-current assets		1,373,488	1,638,727
Other current assets		4,007,670	4,006,076
Total current assets		90,909,751	95,316,988
Non-current assets			
Debt investments		5,916,668	8,597,518
Long-term receivables		22,537	4,109
Long-term equity investments	3	205,860,857	184,728,922
Investments in other equity instruments		1,353,916	1,148,493
Other non-current financial assets		305,804	300,000
Investment properties		512,764	590,927
Fixed assets		962,829	799,412
Construction in progress		188,792	82,790
Right of use assets		403,122	–
Intangible assets		115,395	128,294
Long-term prepaid expenses		35,867	24,084
Deferred tax assets		1,244,055	756,192
Other non-current assets		6,886,085	5,600,968
Total non-current assets		223,808,691	202,761,709
TOTAL ASSETS		314,718,442	298,078,697

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

COMPANY BALANCE SHEET (continued)

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

LIABILITIES AND SHAREHOLDERS' EQUITY	31 December 2021	31 December 2020
Current liabilities		
Short-term borrowings	30,947,377	29,526,988
Accounts payable	48,935,866	43,286,709
Contract liabilities	12,400,313	15,009,805
Employee benefit payable	359,814	376,220
Taxes payable	3,020,084	2,488,417
Other payables	45,350,607	48,191,653
Current portion of non-current liabilities	7,941,396	8,918,702
Other current liabilities	3,623,984	3,451,995
Total current liabilities	152,579,441	151,250,489
Non-current liabilities		
Long-term borrowings	2,861,000	3,323,000
Bonds payable	9,994,870	9,991,784
Lease liabilities	286,967	–
Long-term payables	9,734,635	13,861,836
Long-term employee benefit payable	129,050	148,830
Provisions	26,621	25,092
Deferred income	2,452	4,521
Total non-current liabilities	23,035,595	27,355,063
TOTAL LIABILITIES	175,615,036	178,605,552
Shareholders' equity		
Paid-in capital	41,948,168	41,965,072
Other equity instruments	10,000,000	10,000,000
Including: Perpetual bonds	10,000,000	10,000,000
Capital reserve	29,824,590	29,016,685
Less: Treasury shares	(3,485,347)	(4,204,385)
Other comprehensive income	(693,172)	(738,725)
Special reserve	–	25,106
Surplus reserve	12,843,667	10,101,632
Retained earnings	48,665,500	33,307,760
Total shareholders' equity	139,103,406	119,473,145
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	314,718,442	298,078,697

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY INCOME STATEMENT

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Note XV	2021	2020
Revenue	4	86,061,467	93,591,736
Less: Cost of sales	4	81,661,678	92,105,955
Taxes and surcharges		91,924	101,818
General and administrative expenses		1,706,239	1,100,393
Research and development expenses		224,910	106,352
Finance expenses		2,126,214	2,354,191
Including: Interest expenses		1,932,186	2,277,633
Interest income		202,669	234,754
Add: Other income		6,854	12,869
Investment income	5	29,971,620	28,912,147
Including: Share of losses of associates and joint ventures		(155,552)	(23,932)
Derecognised losses of financial assets measured at amortized cost		(1,073)	–
Profit from changes in fair value		5,804	–
Credit impairment losses		(1,604,500)	(410,674)
Asset impairment losses		(12,500)	(363,436)
(Losses)/Gains on disposals of assets		(133)	858
Operating profit		28,617,647	25,974,791
Add: Non-operating income		5,853	8,097
Less: Non-operating expenses		122,660	42,395
Profit before income taxes		28,500,840	25,940,493
Less: Income tax expenses		1,080,493	2,140,049
Profit		27,420,347	23,800,444
Including: Profit from continuing operations		27,420,347	23,800,444
Other comprehensive income, net of tax		45,553	(507,651)
Other comprehensive income that will not be reclassified to profit or loss		108,082	(169,398)
Remeasurement gains or losses of a defined benefit plan		7,160	(8,370)
Changes in fair value of investments in other equity instruments		100,922	(161,028)
Other comprehensive income that may be reclassified to profit or loss		(62,529)	(338,253)
Shares of other comprehensive losses that will be reclassified subsequently into profit or loss by the investee under equity method		(626)	(164)
Exchange differences on translation of foreign currency financial statements		(61,903)	(338,089)
Total comprehensive income		27,465,900	23,292,793

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Paid-in capital	Other equity instruments Perpetual bonds	Capital reserves	Less: Treasury shares	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
I. Balance at the beginning of the year	41,965,072	10,000,000	29,016,685	(4,204,385)	(738,725)	25,106	10,101,632	33,307,760	119,473,145
II. Changes for the year									
1. Total comprehensive income	-	-	-	-	45,553	-	-	27,420,347	27,465,900
2. Owners' contributions and reductions in capita									
(1) Capital contributions by the holders of other equity instruments	-	-	836,446	-	-	-	-	-	836,446
(2) Buyback and cancellation of locked restricted shares	(16,904)	-	(40,495)	57,399	-	-	-	-	-
(3) Effect on unlocking restricted shares	-	-	-	661,639	-	-	-	-	661,639
(4) Other	-	-	11,954	-	-	-	-	-	11,954
3. Profit distribution									
(1) Appropriation to surplus reserve	-	-	-	-	-	-	2,742,035	(2,742,035)	-
(2) Profit distribution to shareholders	-	-	-	-	-	-	-	(9,006,272)	(9,006,272)
(3) Profit distribution to holders of other equity instruments	-	-	-	-	-	-	-	(314,300)	(314,300)
4. Special reserve									
(1) Extraction for the year ended 31 December 2021	-	-	-	-	-	614,982	-	-	614,982
(2) Use for the year ended 31 December 2021	-	-	-	-	-	(640,088)	-	-	(640,088)
III. Balance at the end of the year	41,948,168	10,000,000	29,824,590	(3,485,347)	(693,172)	-	12,843,667	48,665,500	139,103,406

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

COMPANY STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2020

(All amounts in RMB Thousand Yuan unless otherwise stated)

	Paid-in capital	Other equity instruments		Less: Treasury shares	Capital reserves	Other comprehensive incomes	Special reserves	Surplus reserves	Retained earnings	Total shareholders' equity
		Preference shares	Perpetual bonds							
I. Balance at the beginning of the year	41,975,630	14,975,410	6,000,000	(2,501,460)	30,537,559	126,114	-	7,716,149	19,701,723	118,531,125
II. Changes for the year										
1. Total comprehensive income	-	-	-	-	-	(507,651)	-	-	23,800,444	23,292,793
2. Owners' contributions and reduction in capital										
(1) Capital contributions by the holders of other equity instruments	-	(14,975,410)	4,000,000	-	-	-	-	-	-	(10,975,410)
(2) Amount of share payments included in shareholders' equity	-	-	-	-	506,233	-	-	-	-	506,233
(3) Buyback and cancellation of locked restricted shares	(10,558)	-	-	36,213	(25,655)	-	-	-	-	-
(4) Effect on repurchases and grant employees restricted shares	-	-	-	(2,790,830)	-	-	-	-	-	(4,792,282)
(5) Effect on unlocking restricted shares	-	-	-	1,051,692	-	-	-	-	-	1,051,692
3. Profit distribution										
(1) Appropriation to surplus reserve	-	-	-	-	-	-	-	2,385,483	(2,385,483)	-
(2) Profit distribution to shareholders	-	-	-	-	-	-	-	-	(7,763,538)	(7,763,538)
(3) 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) Extraction for the year ended 31 December 2020	-	-	-	-	-	-	834,406	-	-	834,406
(2) Use for the year ended 31 December 2020	-	-	-	-	-	-	(809,300)	-	-	(809,300)
III. Balance at the end of the year	41,965,072	-	10,000,000	(4,204,385)	29,016,685	(738,725)	25,106	10,101,632	33,307,760	119,473,145

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	2021	2020
I. Cash flows from operating activities		
Cash receipts from sales of goods and rendering of services	84,813,566	104,193,886
Refund of taxes and surcharges	33,230	45,982
Cash receipts relating to other operating activities	7,219,308	8,257,093
Sub-total cash flows from operating activities	92,066,104	112,496,961
Cash payments for goods and services	83,942,735	98,878,560
Cash payments to and on behalf of employees	2,249,935	1,775,759
Payments of taxes and surcharges	1,389,799	1,335,772
Cash payments relating to other operating activities	3,440,679	4,329,908
Sub-total cash flows used in operating activities	91,023,148	106,319,999
Net cash flows from operating activities	1,042,956	6,176,962
II. Cash flows from investing activities		
Cash receipts from disposal of investments	506,606	417,343
Cash receipts from returns on investments	29,590,909	28,768,632
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	12,595	515
Cash receipts relating to other investing activities	3,760,120	1,909,891
Sub-total cash flows from investing activities	33,870,230	31,096,381
Cash payments to acquire fixed assets, intangible assets and other long-term assets	547,593	244,550
Cash payments for investments	21,674,396	13,235,510
Cash payments relating to other investing activities	603,694	1,039,292
Sub-total cash flows used in investing activities	22,825,683	14,519,352
Net cash flows from investing activities	11,044,547	16,577,029

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

COMPANY STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2021

(All amounts in RMB Thousand Yuan unless otherwise stated)

	2021	2020
III. Cash flows from financing activities		
Cash receipts from capital contributions	–	10,000,000
Cash receipts from borrowings	43,460,000	51,500,000
Cash receipts relating to other financing activities	200,000	5,256,079
Sub-total cash flows from financing activities	43,660,000	66,756,079
Repayments of borrowings	45,522,000	48,022,000
Cash payments for distribution of dividends or profit and interest expenses	11,027,366	11,088,697
Other cash payments relating to financing activities	1,092,512	28,104,100
Sub-total cash flows used in financing activities	57,641,878	87,214,797
Net cash flows used in financing activities	(13,981,878)	(20,458,718)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(70,063)	(160,243)
V. Net decrease/(increase) in cash and cash equivalents	(1,964,438)	2,135,030
Add: Cash and cash equivalents at the beginning of the year	23,663,373	21,528,343
VI. Cash and cash equivalents at the end of the year	21,698,935	23,663,373

The financial statements have been signed by:

Chairman: Zheng Xuexuan

Chief Finance Officer: Wang Yunlin

Head of the Finance Department: Xie Song

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

NOTES TO THE FINANCIAL STATEMENTS

I. General information

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

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

The Company was established on 10 December 2007 in Beijing, PRC, and its head quarter is situated in Beijing, PRC. The parent company and the ultimate parent company of the Company is CSCEC. The Company was listed on Shanghai Stock Exchange ("A shares") for trading in July 2009. As at 31 December 2021, total share capital of the Company was approximately RMB41.9 billion at the par value of RMB1.00 per share. As at 31 December 2021, CSCEC held approximately 23,630,700,000 shares, representing 56.33% of the total share capital.

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

These financial statements are authorised for issue by the Company's Board of Directors on 15 April 2022.

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

II. Basis of preparation of the financial statements

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

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

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

III. Significant accounting policies and estimates

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

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 31 December 2021, and the financial performance and the cash flows for the year ended in accordance with ASBEs.

2. Accounting period

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

3. Functional currency

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

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

III. Significant accounting policies and estimates (continued)

4. Business combinations

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

Business combinations involving entities under common control

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

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

Business combinations not involving entities under common control

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

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

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

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

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

5. Consolidated financial statements

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

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

III. Significant accounting policies and estimates (continued)

5. Consolidated financial statements (continued)

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

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

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

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

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

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

6. Classification of joint arrangement and joint operation

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

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

7. Cash and cash equivalents

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

8. Foreign currency transactions and foreign currency translation

The Group translates foreign currency transactions into its functional currency.

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

For foreign operations, the Group translates their functional currency amounts into RMB when preparing the financial statements as follows: as at the balance sheet date, the assets and liabilities are translated using the spot exchange rates at the balance sheet date, and equity items other than "unappropriated profit" are translated at the spot exchange rates at the dates of transactions; revenue and expense items in profit or loss are translated using the average exchange rates (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses 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 average exchange rates (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case cash flows are translated using the spot exchange rates prevailing on the dates of cash flows). The effect of exchange rate changes on cash is separately presented as an adjustment item in the statement of cash flows.

III. Significant accounting policies and estimates (continued)

9. Financial instruments

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

Recognition and derecognition

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

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

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

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

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

Contract change due to benchmark interest rate reform

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

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

Classification and measurement of financial assets

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

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

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

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

Debt investments measured at amortised cost

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

III. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

Debt investments at fair value through other comprehensive income

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

Equity investments at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Classification and measurement of financial liabilities

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

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

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

Impairment of financial assets

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

III. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

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

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

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

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

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

Grouping 1	Engineering projects
Grouping 2	Real estate projects
Grouping 3	Unmatured warranties
Grouping 4	Investments not confirmed by projects owner
Grouping 5	Primary land development projects
Grouping 6	Other contract assets

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

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

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

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

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

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

III. Significant accounting policies and estimates (continued)

9. Financial instruments (continued)

Impairment of financial assets (continued)

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

Offsetting of financial instruments

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

Financial guarantee contracts

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

Transfer of financial assets

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

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

Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the guarantee amount. The guarantee amount is the maximum

amount of consideration that the Group could be required to repay.

10. Inventories

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

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

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

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

Turnover materials are amortised based upon numbers of usage.

The Group adopts the perpetual inventory system.

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

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

III. Significant accounting policies and estimates (continued)

11. Long-term equity investments

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

A long-term equity investment is initially measured at its initial investment cost on acquisition. For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the acquirer's share of the carrying value of shareholder's equity of the party being absorbed at the combination date. For the difference between the initial investment cost and the book value of the merger consideration, the capital reserve shall be adjusted (if it is not enough to offset, the retained earnings shall be offset); for other comprehensive income before the merger date, the accounting treatment shall be conducted on the same basis as the direct disposal of relevant assets or liabilities by the investee. The shareholder's equity recognised 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 recognised 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 recognised due to changes in other shareholders' equity of the investee other than net profit and loss, other comprehensive income and profit distribution, When the investment is disposed, it is transferred to the current profit and loss; among them, the long-term equity investment after disposal is carried forward proportionally, and the financial instrument converted after disposal is carried forward in full; the accumulated fair value change of the equity investment held before the

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

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

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

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

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

III. Significant accounting policies and estimates (continued)

11. Long-term equity investments (continued)

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

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

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

12. Investment properties

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

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

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

13. Fixed assets

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

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

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.

III. Significant accounting policies and estimates (continued)

14. Construction in progress

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

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

15. Borrowing costs

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

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

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

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

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

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

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

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

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

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

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

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

17. Intangible assets

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

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

III. Significant accounting policies and estimates (continued)

17. Intangible assets (continued)

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

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

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

The Group classifies the expenditures on an internal research and development project into expenditure on the research phase and expenditure on the development phase. Expenditure on the research phase is recognised in profit or loss as incurred. Expenditure on the development phase is capitalised only when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits (among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset); (iv) the availability of adequate technical, financial and other resources to complete the development

and the ability to use or sell the intangible asset; and (v) the ability to measure reliably the expenditure attributable to the intangible asset during the development phase. Expenditure on the development phase which does not meet these above criteria is recognised in profit or loss when incurred.

18. Impairment of assets

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

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

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

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

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

III. Significant accounting policies and estimates (continued)

18. Impairment of assets (continued)

When testing an asset group (a set of asset groups) to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group firstly tests the asset group (set of asset groups), excluding the amount of goodwill allocated, for impairment, i.e., the Group determines and compares the recoverable amount with the related carrying amount and recognises any impairment loss. After that, the Group tests the asset group (set of asset groups), including goodwill, for impairment, the carrying amount of the related asset group (set of asset groups) is compared to its recoverable amount. If the carrying amount of the asset group (set of asset groups) is higher than its recoverable amount, the amount of the impairment loss is firstly used to reduce the carrying amount of the goodwill allocated to the asset group (set of asset groups), and then used to reduce the carrying amount of other assets (other than the goodwill) within the asset group (set of asset groups), on a pro-rata basis of the carrying amount of each asset.

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

19. Long-term prepaid expenses

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

20. Employee benefits

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

Short-term employee benefits

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

Post-employment benefits (defined contribution plan)

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

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.

III. Significant accounting policies and estimates (continued)

20. Employee benefits (continued)

Early retirement benefits

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

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

21. Lease liabilities (Applicable from 1 January 2021)

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

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

22. Provisions

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

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

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

23. Share-based payments

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

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

The cost of equity-settled transactions is recognised, together with a corresponding increase in capital reserve, over the period in which the specified performance and service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each end of the reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

III. Significant accounting policies and estimates (continued)

23. Share-based payments (continued)

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

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

24. Other equity instruments

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. When the perpetual bonds are in the same order of repayment as ordinary bonds and other debts issued by the issuer, the Group considers whether the repayment order results in the expectation of contractual obligation of holder to pay cash or other financial assets to issuer cautiously. For the perpetual bonds classified as equity instruments, the Group has no contractual obligation to pay cash or other financial assets.

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

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. The preference shareholders shall be distributed to the dividends prior to the ordinary shareholders, and the Company shall not distribute profits to the shareholders of ordinary shares until the agreed current dividend of

preference shares is fully distributed. The general meeting of shareholders of the Company has the right to decide to cancel the payment of part or all of the current dividends of the preference shares, which does not constitute a default of the Company. The preference shares is a non-cumulative dividend type preference shares. The Company classifies the preference shares as other equity instruments.

25. Revenue from contracts with customers

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

Revenue from construction contracts

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

Revenue from sales of real estate

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

III. Significant accounting policies and estimates (continued)

25. Revenue from contracts with customers (continued)

Revenue from design services

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

Contracts for the sale of goods

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

Variable consideration

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

Significant financing components

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

Warranties

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

Principal/agent

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

Contract modifications

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

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

III. Significant accounting policies and estimates (continued)

25. Revenue from contracts with customers (continued)

Contract modifications (continued)

- (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 Public-Private Partnership ("PPP")

Public-Private-Partnership project contracts refers to the contract established by the Group and the government for PPP project cooperation in accordance with laws and regulations, and the contract shall meet the following features at the same time (hereinafter referred to as "double features"):

- (1) The Group provides public products and services on behalf of the government by using PPP project assets during the contractually agreed operation period;
- (2) The Group is compensated for the public goods and services it provides for the period agreed in the contract.

The following conditions shall be met at the same time (hereinafter referred to as "double controls"):

- (1) The government controls or regulates the type, object and price of public goods and services that the Group must provide in the use of PPP project assets;
- (2) When the PPP project contract is terminated, the government party controls the significant residual interests of the PPP project assets through ownership, income rights or other forms of control.

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

In accordance with the PPP contract, during the operation of PPP project, the Group, entitled to collect certain cash flows (or other financial assets), should recognise revenue and receivables simultaneously when the social capital party has the right to collect such consideration (a right is only determined by the passage of time), in accordance

with "Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments".

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

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

Recognition of revenue from Build-Transfer ("BT")

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

26. Contract assets and contract liabilities

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

Contract assets

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

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

Contract liabilities

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

III. Significant accounting policies and estimates (continued)

27. Contract cost assets

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

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

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

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

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

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.

28. Government grants

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

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

The group adopts the total method to measure government grants.

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

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

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

29. Income tax

Income tax comprises current and deferred tax. Income tax is recognised as income or expense in profit or loss, or recognised directly in equity if it 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.

III. Significant accounting policies and estimates (continued)

29. Income tax (continued)

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

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

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

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

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

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

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

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

30. Leases (Applicable from 1 January 2021)

Identification of leases

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

III. Significant accounting policies and estimates (continued)

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

Identification of a separate lease component

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

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

Separating lease components and non-lease components

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

Assessment of the lease term

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

As lessee

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

Lease modifications

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As lessor

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

III. Significant accounting policies and estimates (continued)

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

As lessor (continued)

As lessor of an operating lease

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

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

Sale and leaseback transactions

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

As a seller-lessee

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

31. Leases (applicable to 2020)

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

As lessee of an operating lease

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

As lessor of an operating lease

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

As lessee of a finance lease

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

32. Share repurchase

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

33. Profit distribution

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

34. Safety production expenses

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

35. Fair value measurement

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

III. Significant accounting policies and estimates (continued)

35. Fair value measurement (continued)

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

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

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

Level 1	Based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly;
Level 3	Based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

36. Significant accounting judgements and estimates

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

Judgements

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

Operating leases – the Group as lessor

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

Division of investment properties and inventories

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

Division of investment properties and fixed assets

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

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates (continued)

Judgements (continued)

Determination method of construction contract performance schedule

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

Business model

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

Contractual cash flow characteristics

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

Whether a contract is, or contains, a lease

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

Revenue from sales of real estate

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

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

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

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates (continued)

Judgements (continued)

Revenue from sales of real estate (continued)

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 end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are described below.

Impairment of financial instruments and contract assets

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

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

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

Impairment of goodwill

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

Fair value of unlisted equity investments

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

Construction and service contracts

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

III. Significant accounting policies and estimates (continued)

36. Significant accounting judgements and estimates (continued)

Judgements (continued)

Deferred tax assets

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

Land appreciation tax

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

Confirmation and allocation of properties under development

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

Inventory impairment

The Group's inventory is measured at the lower of cost and net realisable value. The net realisable value of inventory refers to the estimated selling price of the inventory minus the estimated cost, estimated selling expenses and relevant taxes and fees at the time of completion. The management's calculation of the net realisable value of inventories involves the estimation of estimated selling prices, estimated costs to be incurred by the time of completion, estimated selling expenses and relevant taxes. Changes in these estimates will affect the book value of inventories and the profit and loss of future changes.

Measurement of defined benefit obligations

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

Useful lives and residual values of fixed assets

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

Lessee's incremental borrowing rate

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

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates

Changes in accounting policies

The New Leases Standard

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

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

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

- (1) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; and excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- (2) used hindsight in determining the lease term where the contract contained options to extend or terminate the lease;
- (3) relied on its assessment of whether leases are onerous applying Note III.22 immediately before the date of initial application as an alternative to performing an impairment review, and adjusted the right-of-use assets at the date of initial application by the amount of any provision for onerous leases recognised in the balance sheet immediately before the date of initial application; and
- (4) accounted for the changes in leases before the date of initial application based on the final arrangement for such changes.

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

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

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

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The New Leases Standard (continued)

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

Consolidated balance sheet

	Carrying amount (restated)	Under the original standard	Effect
Prepayments	41,925,675	42,242,121	(316,446)
Fixed assets	38,690,333	39,263,784	(573,451)
Right-of-use assets	6,010,770	–	6,010,770
Long-term prepaid expenses	970,555	1,124,757	(154,202)
Current portion of non-current liabilities	88,819,816	88,146,285	673,531
Lease liabilities	4,423,410	–	4,423,410
Long-term payables	17,369,990	17,500,260	(130,270)

Company balance sheet

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

The impact of the implementation of the new lease standard on the financial statements as at 31 December 2021 is as follows:

Consolidated balance sheet

	Carrying amount	Under the original standard	Effect
Prepayments	49,378,222	49,391,401	(13,179)
Fixed assets	43,455,961	43,772,776	(316,815)
Right-of-use assets	5,881,473	–	5,881,473
Long-term prepaid expenses	1,131,410	1,169,213	(37,803)
Deferred tax assets	18,902,289	18,834,643	67,646
Current portion of non-current liabilities	81,358,402	79,223,284	2,135,118
Lease liabilities	3,682,337	–	3,682,337
Long-term payables	16,491,996	16,584,707	(92,711)
Retained earnings	270,081,501	270,224,923	(143,422)

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The New Leases Standard (continued)

Consolidated income statement

	Carrying amount	Under the original standard	Effect
Cost of sales	1,677,136,509	1,677,148,160	(11,651)
General and administrative expenses	34,533,703	34,539,844	(6,141)
Research and development expenses	39,927,384	39,927,524	(140)
Finance expenses	11,124,140	10,895,140	229,000
Income tax expenses	23,153,743	23,221,389	(67,646)

Company balance sheet

	Carrying amount	Under the original standard	Effect
Prepayments	6,381,174	6,385,913	(4,739)
Right-of-use assets	403,122	–	403,122
Deferred tax assets	1,244,055	1,239,904	4,151
Current portion of non-current liabilities	7,941,396	7,813,374	128,022
Lease liabilities	286,967	–	286,967
Retained earnings	48,665,500	48,677,955	(12,455)

Company income statement

	Carrying amount	Under the original standard	Effect
Cost of sales	81,661,678	81,662,013	(335)
General and administrative expenses	1,706,239	1,713,792	(7,553)
Finance expenses	2,126,214	2,101,720	24,494
Income tax expenses	1,080,493	1,084,644	(4,151)

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

Consolidated statement of cash flows

	Carrying amount	Under the original standard	Effect
Net cash flows from operating activities	14,361,321	12,651,699	1,709,622
Net cash flows from financing activities	52,482,968	54,192,590	(1,709,622)

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

The New Leases Standard (continued)

Company statement of cash flows

	Carrying amount	Under the original standard	Effect
Net cash flows from operating activities	1,042,956	902,661	140,295
Net cash flows used in financing activities	(13,981,878)	(13,841,583)	(140,295)

Changes in the presentation of financial statements

According to Notice of strictly implementing the enterprise accounting standards to ensure quality of the 2021 annual report, contract assets and contract liabilities under the same contract shall be present the net amount in the balance sheet. The debit balance of net amount shall be presented in "contract assets" or "other non-current assets" according to its liquidity, and those expected to be realized within one year from the balance sheet date shall be presented in "contract assets" other than "current portion of non-current assets". The Group reclassified contract assets originally included in the "current portion of non-current assets" in the balance sheet to "contract assets". The change in accounting policy has no impact on the net profit and the equity both on the consolidated and the company levels.

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

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

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

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

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

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

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

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

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

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

The Group has performed the accounting treatments in accordance with the above regulations since 1 January 2021. According to the convergence regulations, the information for comparable periods has not been adjusted. The cumulative differences between the above regulations and the current standards has been adjusted into the beginning balances of retained earnings and other related asset and liability accounts of 2021 at the date of initial application.

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

Consolidated balance sheet

	Carrying amount (restated)	Under the original standard	Effect
Accounts receivable	161,182,485	160,498,155	684,330
Contract assets	185,325,084	180,867,301	4,457,783
Current portion of non-current assets	32,146,484	38,138,502	(5,992,018)
Long-term receivables	100,090,041	177,642,042	(77,552,001)
Other non-current assets	217,675,125	139,945,954	77,729,171
Retained earnings	231,266,111	231,938,846	(672,735)

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

The impact of Executive Interpretation No. 14 on the financial statements as at 31 December 2021 is as follows:

Consolidated balance sheet

	Carrying amount	Under the original standard	Effect
Accounts receivable	180,699,591	180,429,309	270,282
Contract assets	215,697,090	210,960,631	4,736,459
Current portion of non-current assets	44,005,530	48,998,825	(4,993,295)
Long-term receivables	103,310,203	163,055,593	(59,745,390)
Other non-current assets	223,545,320	164,556,475	58,988,845
Retained earnings	270,081,501	270,824,600	(743,099)

III. Significant accounting policies and estimates (continued)

37. Changes in accounting policies and estimates (continued)

Changes in accounting policies (continued)

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

Consolidated income statement

	Carrying amount	Under the original standard	Effect
Revenue	1,891,338,970	1,887,228,468	4,110,502
Cost of sales	1,677,136,509	1,673,026,007	4,110,502
Asset impairment losses	3,418,017	3,418,894	(877)
Credit impairment losses	9,211,291	9,208,912	2,379
Finance expenses	11,124,140	11,055,278	68,862

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

Accounting treatment of contract changes resulting from benchmark rate reform

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

Since 1 January 2021, the Group has conducted accounting treatments in accordance with the above provisions. According to the convergence provisions, the information of comparable periods has not been adjusted. The cumulative differences between the above regulations and the current standards has been adjusted into the beginning balances of retained earnings and other related asset and liability accounts of 2021 at the date of initial application.

IV. Taxation

1. Main taxes and rates

Value-added tax	–	Taxable income is calculated at the corresponding tax rate as output tax, and the value-added tax is calculated on the basis of the difference after deducting the input tax allowed to be deducted in the current period. The applicable tax rates of the Group for the year ended 31 December 2021 included 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% or 5% of the actual turnover tax paid.
Corporate income tax	–	The Group’s corporate income tax in Mainland China is calculated and paid at 25% of the taxable income (except for the tax incentives described in Note IV.2). The corporate income tax in Hong Kong is calculated and paid at 16.5% of the taxable income. For other overseas regions, the taxable income shall be 0 to 35% of the taxable income.
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% to 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.

IV. Taxation (continued)

2. Preferential tax treatments

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

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

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

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China State Construction Electronic Engineering Co., Ltd.	GR201911005213	15%
China Construction Industrial & Energy Engineering Group Co., Ltd.	GR202132010981	15%
CSCEC Xinjiang Installation Engineering Co., Ltd.	GR202065000255	15%
China Construction Eighth Bureau Second Construction Co., Ltd.	GR202137002542	15%
China Construction Eighth Bureau Third Construction Co., Ltd.	GR202132007163	15%
China Construction Eighth Bureau Fourth Construction Co., Ltd.	GR202137101123	15%
China Construction Eighth Engineering Division. Co., Ltd.	GR201931000151	15%
First Construction Co., Ltd. of China Construction Eighth Engineering Division	GR202037003064	15%
China Construction Eighth Bureau (Xiamen) Construction Co., Ltd.	GR202135100676	15%
Investment Construction Co., Ltd. of China Construction Eighth Engineering Division (Shandong)	GR202137000714	15%
China Construction Technology (Jinan) Co., Ltd.	GR202037001173	15%
China Construction Eighth Bureau Decoration Engineering Co., Ltd.	GR202131000520	15%
Shanghai CSCEC Dongfu Investment Development Co., Ltd.	GR201931000710	15%
China Construction Eighth Bureau Rail Transit Construction Co., Ltd.	GR202032012507	15%
Northwest Construction Co., Ltd. of China Construction Eighth Engineering Bureau	GR202161002076	15%
Southeast Construction Co., Ltd. of China Construction Eighth Engineering Bureau	GR202051003475	15%
China State Construction Technology (Shenshan Special Cooperation Zone) Co., Ltd.	GR202044204908	15%
China Construction Technology Chengdu Co., Ltd	GR201951000045	15%
China State Construction Technology (Beijing) Co., Ltd.	GR202011001695	15%
China State Construction Technology Changchun Co., Ltd.	GR201922000666	15%
China State Construction Technology Group Co., Ltd.	GR202044206081	15%
China State Construction Engineering Industry Technology Research Institute	GR202111005533	15%
China Construction Commodity Concrete Co., Ltd.	GR202142000108	15%
China State Construction Intelligent Technology Co., Ltd.	GR202011001520	15%
China Construction Third Bureau Urban Construction Co., Ltd.	GR202022000413	15%
China State Construction Technology (Fuzhou) Co., Ltd.	GR202035000126	15%
China State Construction Northeast Architectural Design Institute (Xiamen) Co., Ltd.	GR202035100542	15%
China Construction Strait Construction Development Co., Ltd.	GR201935001105	15%
China Construction Town Planning Development Co., Ltd.	GR202011006190	15%
China State Construction Fourth Engineering Bureau Group Co., Ltd	GR201944005866	15%
China State Construction Northeast Architectural Design Institute Co., Ltd	GR202021001043	15%
Shanghai Haida Communication Co., Ltd.	GR202131000679	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

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

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

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction Port and Shipping Bureau Group Co., Ltd.	GR202131001570	15%
China State Construction Built Port Group	GR202037100401	15%
China Construction Sixth Engineering Installation Co., Ltd.	GR202012001086	15%
China Construction Sixth Bureau Civil Engineering Co., Ltd.	GR201912001530	15%
China Construction Sixth Bureau Construction and Development Co., Ltd.	GR202112001037	15%
China Construction Sixth Engineering Bureau Co., Ltd	GR201912000220	15%
China Construction Bridge Co., Ltd.	GR201951100648	15%
China Construction Sixth Bureau Decoration Engineering Co., Ltd.	GR201912002245	15%
China Construction Sixth Bureau Water Conservancy and Hydropower Construction Group Co., Ltd.	GR202112001611	15%
China Construction Zhongyuan Architectural Design Institute Co., Ltd.	GR201941001453	15%
China Construction Seventh Engineering Bureau Co., Ltd.	GR201941000445	15%
China Construction Technology Henan Co., Ltd.	GR201941000149	15%
China Construction Science and Industry Group Co., Ltd.	GR202044202198	15%
China Construction Steel Structure Engineering Co., Ltd.	GR202144205230	15%
China Construction Third Bureau First Construction Engineering Co., Ltd.	GR202142002193	15%
China Architecture Shanghai Design & Research Institute Co., Ltd.	GR202131003421	15%
China Municipal Engineering Northwest Design & Research Institute Co., Ltd.	GR202162000417	15%
Guizhou Zhongjian Architectural Research and Design Institute Co., Ltd.	GR202052000333	15%
China Construction Fourth Bureau First Construction Co., Ltd.	GR202144000186	15%
China Construction Fourth Bureau Installation Engineering Co., Ltd.	GR201952000201	15%
China Construction Fourth Bureau Third Construction Co., Ltd.	GR202152000142	15%
China Construction Fourth Bureau Civil Engineering Co., Ltd.	GR202044205254	15%
China Construction Fourth Bureau Sixth Construction Engineering Co., Ltd	GR201934001377	15%
China Construction Fifth Bureau Building Energy Saving Technology Co., Ltd.	GR202143003490	15%
China Construction No. 2 Curtain Wall Decoration Co., Ltd.	GR202143000237	15%
China Construction Fifth Bureau Decorative Curtain Wall Co., Ltd.	GR202143002509	15%
China Construction Fifth Bureau Third Construction Co., Ltd.	GR202143001620	15%
China State Construction Technology Hunan Co., Ltd.	GR202143000481	15%
China Construction Fifth Bureau Installation Engineering Co., Ltd.	GR202043002082	15%
China Construction Fifth Bureau East China Construction Co., Ltd.	GR201931004205	15%
China State Construction Fifth Engineering Bureau Co., Ltd.	GR202043000761	15%
China Construction Fifth Bureau Civil Engineering Co., Ltd.	GR201943000622	15%
China Construction Fifth Bureau Garden Co., Ltd.	GR202143002615	15%
China Construction Southwest Survey and Design Institute Co., Ltd	GR202051000142	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

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

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

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction Underground Space Co., Ltd.	GR201951002244	15%
China Architecture Southwest Design & Research Institute Co., Ltd.	GR202051002428	15%
China State Construction Xinjiang Construction Group Fifth Construction Engineering Co., Ltd	GR201965000091	15%
China Construction Xinjiang Construction Engineering Group First Construction Engineering Co., Ltd	GR201965000169	15%
China State Construction Xinjiang Construction Engineering (Group) Co., Ltd.	GR202165000046	15%
China State Construction Engineering Co., Ltd.	GR202037101613	15%
China State Construction Xinjiang Construction Group Third Construction Engineering Co., Ltd.	GR202065000046	15%
China State Construction Xinjiang Construction Engineering Co., Ltd.	GR202165000059	15%
China State Construction West Construction Hunan Co., Ltd.	GR201943000494	15%
Henan Zhongjian Western Construction Co., Ltd.	GR202141003468	15%
China Construction West Construction New Material Technology Co., Ltd.	GR201951000934	15%
Xinjiang Institute of Building Research (Limited Liability Company)	GR202065000035	15%
China Construction First Bureau Group Construction & Development Co., Ltd	GR202011001749	15%
China Construction First Bureau Huajiang Construction Co., Ltd	GR202111002519	15%
China Construction First Bureau Group Second Construction Co., Ltd	GR202111000744	15%
Beijing Construction Engineering Quality Sixth Testing Institute Co., Ltd	GR201911001810	15%
Beijing Zhongjian Building Research Institute Co., Ltd	GR202011006430	15%
China Construction First Bureau (Group) Co., Ltd	GR202111000630	15%
China Construction First Bureau Group Fifth Construction Co., Ltd	GR202111000242	15%
Beijing Zhongjian Architectural Design Institute Co., Ltd	GR201911007163	15%
China Building Decoration Group Co., Ltd	GR201911003518	15%
Shenzhen Overseas Decoration Engineering Co., Ltd	GR202044206222	15%
Sino-foreign Garden Construction Co., Ltd	GR201911005761	15%
China Construction Oriental Decoration Co., Ltd	GR202131000852	15%
China Construction Lighting Co., Ltd	GR202044200342	15%
China Construction Second Bureau Third Construction Engineering Co., Ltd	GR202111006398	15%
China Construction Second Bureau First Construction Engineering Co., Ltd	GR202111000524	15%
China Construction Second Bureau Decoration Engineering Co., Ltd	GR202011000990	15%
China Construction Second Bureau Installation Engineering Co., Ltd	GR202111000676	15%
China Construction Second Engineering Bureau Co., Ltd	GR202011005634	15%
China Construction Second Bureau Second Construction Engineering Co., Ltd	GR202044203757	15%
China Construction Infrastructure Corporation	GR202011000318	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

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

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

Company name	Certificate of High and New Technological Enterprises	Effective tax rate
China Construction Railway Investment and Construction Group Co., Ltd	GR202111005102	15%
Hong Kong Huayi Design Consultants (Shenzhen) Co., Ltd	GR202044204944	15%
Zhongjian Hailong Technology Co., Ltd	GR202144205013	15%
Anhui Hailong Construction Industry Co., Ltd	GR202134004805	15%
Heshan Tianshan Metal Material Products Co., Ltd.	GR201944006890	15%
Shandong Hailong Construction Technology Co., Ltd	GR201937001855	15%
Shenzhen Xinghai Internet of Things Technology Co., Ltd	GR202044200845	15%
Second Construction Co., Ltd. of China Construction Third Engineering Division	GR202042002204	15%
Third Construction Co., Ltd. of China Construction Third Engineering Division	GR202042001764	15%
China Construction Third Engineering Design Co., Ltd.	GR201942000474	15%
China Construction Engineering Design Group Corporation Limited	GR202011003894	15%
China Construction Third Bureau Group Co., Ltd.	GR201942000706	15%
China Construction Third Bureau Installation Engineering Co., Ltd.	GR201942002292	15%
China State Construction Technology Wuhan Co., Ltd.	GR202042001219	15%
China Construction Third Bureau Intelligent Technology Co., Ltd.	GR202142003113	15%
China Construction First Bureau Group Decoration Engineering Co., Ltd.	GR202011004486	15%
Guangdong Zhongjian New Building Components Co., Ltd.	GR202144001673	15%
China Construction Fourth Bureau Fifth Construction Engineering Co., Ltd.	GR202044204395	15%
China Construction Machinery Co., Ltd	GR202013003092	15%
China Construction Dongshe Geotechnical Engineering Co., Ltd.	GR202021001224	15%
Beijing China Construction Engineering Consultants Co., Ltd.	GR201911000724	15%
CSCEC Wuzhou Engineering Equipment Co., Ltd	GR202032006648	15%
Jiangsu Tianyu design and Research Institute Co., Ltd	GR202032011349	15%
China Construction Second Engineering Bureau Civil Engineering Group Co., Ltd	GR202111008514	15%
China Construction Second Engineering Bureau sunshine Intelligent Manufacturing Co., Ltd	GR202044010624	15%
China Construction Municipal Engineering Co., Ltd	GR202111000695	15%
Liaoning traffic engineering Co., Ltd	GR202121000707	15%
China Construction Railway Investment Testing Co., Ltd	GR202121002182	15%
China Construction Third Engineering Bureau infrastructure construction investment Co., Ltd	GR202142004991	15%
Chongqing Xinda Engineering Testing Technology Co., Ltd	GR202051101356	15%
China Construction Tunnel Construction Co., Ltd	GR202151101693	15%

IV. Taxation (continued)

2. Preferential tax treatments (continued)

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

Company name	Effective tax rate
Chongqing Jinsha Yangtze River Bridge Construction and Development Co., Ltd.	15%
CSCEC Wuzhou Infrastructure Investment Co., Ltd.	15%
CSCEC Zunyi Xinpu Construction Development Co., Ltd.	15%
Chongqing Maohe Infrastructure Construction Co., Ltd.	15%
Haidong Underground Tube Construction and Operation Management Co., Ltd.	15%
Chongqing Kaizhou China Construction Tube Installation Co., Ltd.	15%
China Northwest design and Research Institute Co., Ltd.	15%
Sichuan Southwest Construction Management and Consulting China Northwest design and Research Institute Co., Ltd.	15%
China Construction Southwest Consulting Co., Ltd.	15%
Shihezi Tube Construction and Investment Co., Ltd.	15%
Sichuan West Construction Xingcheng Building Materials Co., Ltd	15%
Chengdu West Construction Xiangtou New Material Co., Ltd	15%
Nanning China Construction West Construction Co., Ltd	15%
Guangxi China Construction West Construction Co., Ltd	15%
Chongqing China Construction West Construction Co., Ltd	15%
CSCEC West Construction southwest Co., Ltd.	15%
Yunnan China Construction West Construction Co., Ltd	15%
Meishan China Construction West Construction Co., Ltd	15%
Kashgar West Construction Co., Ltd	15%
CSCEC western construction Xinjiang Co., Ltd	15%
Gansu China Construction West Construction Co., Ltd	15%
Yanqi Xiqingjiyuan Construction Co., Ltd.	15%
Xinjiang West Construction Qingsong Co., Ltd	15%
China Construction Technology Mianyang Co., Ltd.	15%
China Construction Silk Road Construction and Investment Co., Ltd.	15%
Sichuan Southwest Construction Engineering Consulting Co., Ltd.	15%
China Construction West Construction North Co., Ltd	15%
Shihezi Western Construction Co., Ltd	15%
Xinjiang Construction Engineering Quality and Safety Detection Center	15%
China Construction Communications Engineering (Xizang) Co., Ltd.	15%
Shaanxi China Construction Northwest Engineering Supervision Co., Ltd.	15%
Xi'an xingchu Construction Co., Ltd.	15%
China Railway Construction (Chengdu) Co., Ltd.	15%
Ya'an west land and sea Construction Engineering Management Co., Ltd.	15%
CSCEC Silk Road Xi'an Urban Operation Management Co., Ltd.	15%
CSCEC Rongcheng building materials Chengdu Co., Ltd	15%
Chengdu West Construction Sancha Lake building materials Co., Ltd.	15%

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

V. Notes to the consolidated financial statements

1. Cash and bank balances

	31 December 2021	31 December 2020 (restated)
Cash on hands	79,733	132,591
Cash at banks	321,516,458	288,577,161
Other cash and bank balances	5,864,344	7,150,126
Total	327,460,535	295,859,878

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

As at 31 December 2021, the amount of fixed deposit with maturity of more than 3 months in the Group's bank deposits is RMB8,658,299 thousand (31 December 2020: RMB6,684,616 thousand).

Restricted cash and bank balances mainly represents reserves with Central Bank, deposits for bank acceptance notes, guarantee deposits, pre-sale supervision fund, mortgage deposits and wage deposit of workers. As at 31 December 2021, the restricted cash and bank balances is RMB17,244,207 thousand (31 December 2020: RMB21,310,994 thousand).

As at 31 December 2021, the offshore deposits of the Group amounted to RMB31,387,163 thousand (31 December 2020: RMB31,500,940 thousand). The amount deposited abroad and restricted in remittance recovery is RMB2,622,085 thousand (31 December 2020: RMB2,019,638 thousand).

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

2. Financial assets held for trading

	31 December 2021	31 December 2020 (restated)
Financial assets at fair value through profit or loss		
Debt investments (note 1)	47,864	214,859
Equity investments (note 2)	23,733	29,600
Total	71,597	244,459

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

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

3. Notes receivable

	31 December 2021	31 December 2020 (restated)
Commercial acceptance bills	18,247,621	31,990,952
Less: Impairment allowance	(502,016)	–
Total	17,745,605	31,990,952

V. Notes to the consolidated financial statements (continued)

3. Notes receivable (continued)

The pledged notes receivable are as follows:

	31 December 2021	31 December 2020
Commercial acceptance bills	14,210	2,028,537

As at 31 December 2021 and 31 December 2020, the notes receivable that were pledged by the Group to banks for borrowings are presented in details in Note V.70.

Notes receivable and impairment provisions disclosed by category:

	31 December 2021				Carrying value
	Gross carrying amount		Impairment allowance		
	Amount	Ratio (%)	Amount	Ratio (%)	
Impairment of individually accrued	2,740,914	15.02	439,989	16.05	2,300,925
Impairment of collectively accrued by credit risk portfolio	15,506,707	84.98	62,027	0.40	15,444,680
TOTAL	18,247,621	100.00	502,016	2.75	17,745,605

As at 31 December 2020, the Group assessed that there was no material credit risk in its commercial acceptance notes and the ECLs amount is insignificant.

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.

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

	31 December 2021		31 December 2020 (restated)	
	Derecognised	Recognised	Derecognised	Recognised
Commercial acceptance bills	–	8,412,053	–	14,402,958

In 2021, the amount of the bill turned into receivables due to the drawer's failure to perform the contract or the group's initiative to return the bill is RMB10,713,977 thousand (year 2020: None).

4. Accounts receivable

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

	31 December 2021	31 December 2020 (restated)
Within 1 year	146,730,269	122,977,473
1-2 years	31,768,951	34,597,754
2-3 years	16,185,318	14,182,804
3-4 years	8,865,583	6,803,561
4-5 years	5,092,307	2,645,944
Over 5 years	5,296,535	5,082,973
Subtotal	213,938,963	186,290,509
Less: Impairment allowance	(33,239,372)	(25,792,354)
Total	180,699,591	160,498,155

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment:

Accounts receivable and impairment allowance are disclosed by category:

	31 December 2021				
	Gross carrying amount		Impairment allowance		Carrying value
	Amount	Ratio (%)	Amount	Ratio (%)	
Impairment of individually accrued	70,107,914	32.77	19,530,926	27.86	50,576,988
Impairment of collectively accrued by credit risk portfolio	143,831,049	67.23	13,708,446	9.53	130,122,603
Total	213,938,963	100.00	33,239,372	15.54	180,699,591

	31 December 2020 (restated)				
	Gross carrying amount		Impairment allowance		Carrying value
	Amount	Ratio (%)	Amount	Ratio (%)	
Impairment of individually accrued	54,492,592	29.25	13,322,049	24.45	41,170,543
Impairment of collectively accrued by credit risk portfolio	131,797,917	70.75	12,470,305	9.46	119,327,612
Total	186,290,509	100.00	25,792,354	13.85	160,498,155

As at 31 December 2021, impairment allowance of accounts receivable individually accrued is as follows:

	Carrying amount	Impairment allowance	Expected credit loss ratio	Reasons
Company 1	2,422,103	1,723,593	71.16%	Recovery possibility
Company 2	1,643,000	1,643,000	100.00%	Recovery possibility
Company 3	1,303,425	162,928	12.50%	Recovery possibility
Company 4	1,106,794	1,015,604	91.76%	Recovery possibility
Company 5	958,498	166,689	17.39%	Recovery possibility
Other	62,674,094	14,819,112	23.64%	Recovery possibility
Total	70,107,914	19,530,926		

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

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

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment: (continued)

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

Portfolio 1:

	31 December 2021			31 December 2020 (restated)		
	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	25,901,238	2.00	518,025	18,816,359	2.00	376,328
1-2 years	5,406,440	5.00	270,322	6,153,204	5.00	307,660
2-3 years	2,432,319	15.00	364,848	2,313,375	15.00	347,007
3-4 years	960,602	30.00	288,181	591,134	30.00	177,340
4-5 years	307,392	45.00	138,326	295,105	45.00	132,797
Over 5 years	329,430	100.00	329,430	244,208	100.00	244,208
Total	35,337,421		1,909,132	28,413,385		1,585,340

Portfolio 2:

	31 December 2021			31 December 2020 (restated)		
	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss	Estimated gross carrying amount at default	Expected credit loss ratio (%)	Lifetime expected credit loss
Within 1 year	2,759,637	6.00	165,578	3,155,015	6.00	189,301
1-2 years	507,748	12.00	60,930	588,659	12.00	70,639
2-3 years	311,655	25.00	77,914	240,065	25.00	60,016
3-4 years	169,648	45.00	76,342	37,907	45.00	17,058
4-5 years	33,614	70.00	23,530	4,293	70.00	3,005
Over 5 years	107,152	100.00	107,152	102,860	100.00	102,860
Total	3,889,454		511,446	4,128,799		442,879

Portfolio 3:

	31 December 2021			31 December 2020 (restated)		
	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	73,514,262	4.50	3,308,142	66,510,054	4.50	2,992,951
1-2 years	14,267,572	10.00	1,426,757	19,743,156	10.00	1,974,316
2-3 years	9,555,196	20.00	1,911,039	7,190,056	20.00	1,438,011
3-4 years	3,633,652	40.00	1,453,461	2,275,042	40.00	910,017
4-5 years	1,273,172	65.00	828,149	1,173,241	65.00	762,607
Over 5 years	2,360,320	100.00	2,360,320	2,364,184	100.00	2,364,184
Total	104,604,174		11,287,868	99,255,733		10,442,086

V. Notes to the consolidated financial statements (continued)

4. Accounts receivable (continued)

(2) Provision for impairment: (continued)

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

2021

As of 31 December 2020	Accounting policy alternative	Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
25,792,354	12,430	25,804,784	19,336,333	(11,108,526)	(644,966)	(148,253)	33,239,372

2020 (restated)

Opening balance	Provision	Reversal	Write-off	Other movements	Closing balance
23,806,701	15,060,571	(12,166,712)	(902,942)	(5,264)	25,792,354

The major amounts reversal or collection of 2021 are as follows:

	Reason for reversal/collection	Basis and rationality for determining the provision for impairment	Amount of reversal/collection	Way of collection
Company 1	Accounts receivable of project collected	Collectively accrued	227,891	Cash
Company 2	Accounts receivable of project collected	Collectively accrued	156,391	Cash
Company 3	Accounts receivable of project collected	Individually accrued	125,356	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	87,971	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	71,121	Cash
Others	Accounts receivable of project collected	Individually and Collectively accrued	10,439,796	Cash or Reversal
Total			11,108,526	

(3) As at 31 December 2021, the five largest accounts receivable according to customers are analysed as follows:

	Amount	Amount of Impairment allowance	Percentage of total accounts receivable
Total amount of the five largest accounts receivable	9,138,994	3,668,654	4.27%

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

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

For the year ended 31 December 2021, the amount of accounts receivable derecognised by the Group due to the transfer of financial assets was RMB43,232,447 thousand (2020: RMB45,613,400 thousand), and the related expenses were RMB1,968,990 thousand (2020: RMB2,200,204 thousand).

As at 31 December 2021 and 31 December 2020, accounts receivable that were pledged by the Group to banks for borrowings are presented in details in Note V.70.

V. Notes to the consolidated financial statements (continued)

5. Accounts receivable financing

	31 December 2021	31 December 2020 (restated)
Bank acceptance bills	3,779,728	3,791,162

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

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

	31 December 2021		31 December 2020 (restated)	
	Derecognised	Recognised	Derecognised	Recognised
Bank acceptance bills	1,415,666	1,389,861	1,883,153	1,111,696

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

6. Prepayments

The ageing analysis of prepayments is as follows:

	31 December 2021		31 December 2020 (restated)	
	Carrying amount	Percentage of total balance	Carrying amount	Percentage of total balance
Within 1 year	46,632,724	94.44	37,139,463	87.92
1-2 years	1,636,993	3.32	2,166,344	5.13
2-3 years	717,655	1.45	2,056,111	4.87
Over 3 years	390,850	0.79	880,203	2.08
	49,378,222	100.00	42,242,121	100.00

As at 31 Dec 2021, prepayments aged more than 1 year amounted to RMB2,745,498 thousand (31 December 2020: RMB5,102,658 thousand), mainly including advances to subcontractors and prepayments for land use rights, where the project is not completed, or land use permit has not been obtained.

As at 31 Dec 2021, the five largest prepayments to suppliers are as follows:

	Amount	Percentage of total balance
Total amount of the five largest prepayments to suppliers	21,300,072	43.14%

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

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

V. Notes to the consolidated financial statements (continued)

7. Other receivables

	31 December 2021	31 December 2020 (restated)
Other receivables	60,951,635	54,607,570

The ageing analysis of other receivables is as follows:

	31 December 2021	31 December 2020 (restated)
Within 1 year	42,312,775	38,754,033
1 to 2 years	13,203,371	13,762,138
2 to 3 years	6,364,757	5,615,886
3 to 4 years	3,812,878	1,249,108
4 to 5 years	829,282	663,427
Over 5 years	1,521,005	1,322,441
Sub-total	68,044,068	61,367,033
Less: Impairment allowance	(7,092,433)	(6,759,463)
Total	60,951,635	54,607,570

Natures of other receivables are as follows:

	31 December 2021	31 December 2020 (restated)
Deposits and petty cash receivable	14,391,998	20,848,164
Advances receivable	24,794,860	14,018,108
Receivables from related parties (Note X.6)	5,661,212	6,937,546
Deposit receivable	4,164,185	3,118,642
Others	19,031,813	16,444,573
Sub-total	68,044,068	61,367,033
Less: Impairment allowance	(7,092,433)	(6,759,463)
Total	60,951,635	54,607,570

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

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

2021

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the year	2,025,000	4,734,463	6,759,463
Changes due to the opening balance			
– Transfer to Stage 3	(87,932)	87,932	–
– Transfer to Stage 1	14,228	(14,228)	–
Provision	1,524,816	604,044	2,128,860
Reversal	(1,120,041)	(266,743)	(1,386,784)
Write-off	(292,788)	(96,228)	(389,016)
Others	(12,620)	(7,470)	(20,090)
Closing balance of the year	2,050,663	5,041,770	7,092,433

2020 (restated)

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets (Lifetime expected) credit losses	
Opening balance of the year	1,653,886	5,427,483	7,081,369
Changes due to the opening balance			
– Transfer to Stage 3	(65,252)	65,252	–
– Transfer to Stage 1	50,584	(50,584)	–
Provision	1,353,317	817,053	2,170,370
Reversal	(928,549)	(912,504)	(1,841,053)
Write-off	(25,231)	(583,929)	(609,160)
Others	(13,755)	28,308	(42,063)
Closing balance of the year	2,025,000	4,734,463	6,759,463

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

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

2021

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets Lifetime expected credit losses	
Opening balance of the year	48,738,655	12,628,378	61,367,033
Changes due to the opening balance			
– Transfer to Stage 3	(582,413)	582,413	–
– Transfer to Stage 1	61,490	(61,490)	–
Provision	23,018,378	4,569,503	27,587,881
Reversal	(18,561,345)	(1,876,516)	(20,437,861)
Write-off	(292,788)	(96,228)	(389,016)
Others	(41,073)	(42,896)	(83,969)
Closing balance of the year	52,340,904	15,703,164	68,044,068

2020 (restated)

	Stage 1	Stage 3	Total
	12-month expected credit losses	Credit-impaired financial assets Lifetime expected credit losses	
Opening balance of the year	47,861,247	12,412,142	60,273,389
Changes due to the opening balance			
– Transfer to Stage 3	(1,390,253)	1,390,253	–
– Transfer to Stage 1	177,612	(177,612)	–
Provision	16,705,604	2,031,629	18,737,233
Reversal	(14,557,242)	(2,319,865)	(16,877,107)
Write-off	(25,231)	(583,929)	(609,160)
Others	(33,082)	124,240	(157,322)
Closing balance of the year	48,738,655	12,628,378	61,367,033

V. Notes to the consolidated financial statements (continued)

7. Other receivables (continued)

The major amounts reversal or collection of 2021 is as follows:

	Reason for reversal/collection	Receivable collected	Amount of reversal/collection	Way of collection
Company 1	Receivable collected	Collectively accrued	82,850	Cash
Company 2	Receivable collected	Collectively accrued	56,874	Cash
Company 3	Receivable collected	Collectively accrued	54,835	Cash
Company 4	Receivable collected	Collectively accrued	18,940	Cash
Company 5	Receivable collected	Collectively accrued	18,252	Cash
Others	Receivable collected	Individually and Collectively accrued	1,155,033	Cash or Reversal
Total			1,386,784	

As at 31 December 2021, other receivables from the five largest customers are as follows:

	Amount	% of total balance	Nature	Ageing	Impairment allowance Amount
Company 1	1,584,775	2.33	Account current	Within 1 year, 1 to 2 years	122,377
Company 2	1,125,658	1.65	Cash deposit	Within 1 year, 1 to 2 years	44,026
Company 3	926,360	1.36	Account current	Within 1 year	36,807
Company 4	918,000	1.35	Account current	1 to 2 years, 2 to 3 years	104,400
Company 5	626,726	0.92	Account current	Within 1 year, 1 to 2 years	40,275
Total	5,181,519	7.61			347,885

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

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

V. Notes to the consolidated financial statements (continued)

8. Inventories

	31 December 2021			31 December 2020 (restated)		
	Carrying amount	Impairment provision	Net value	Carrying amount	Impairment provision	Net value
Properties under development	568,518,817	(3,184,784)	565,334,033	575,666,522	(3,537,411)	572,129,111
Completed properties for sale	112,087,777	(873,390)	111,214,387	79,177,264	(557,024)	78,620,240
Raw materials	21,070,400	(21,110)	21,049,290	20,162,325	(17,803)	20,144,522
Work in progress	926,326	–	926,326	716,040	–	716,040
Finished goods	4,781,195	(2,971)	4,778,224	3,298,251	(60,411)	3,237,840
Others	143,889	–	143,889	302,270	–	302,270
Total	707,528,404	(4,082,255)	703,446,149	679,322,672	(4,172,649)	675,150,023

As at 31 December 2021 and 31 December 2020, the inventories that were pledged by the Group to banks for borrowings are presented in details in Note V.70.

The details of properties under development are as follows:

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	31 December 2021	31 December 2020
Beijing Daji Critical Reform Project	January 2003	December 2025	42,830,412	19,135,708	19,941,813
Jianguo East Road 69th Street	July 2022	June 2025	35,754,365	11,924,394	2,947,874
Zhuheng Land Reserve 2020-06 Lot	March 2021	November 2024	15,380,153	11,325,546	5,446,240
Beijing Yizhuang Smart City Project	December 2020	December 2022	11,329,343	9,272,816	8,465,780
Hong Kong Kai Tak 6575 Plot Project	October 2019	June 2023	11,106,502	8,761,999	7,845,832
Zhonghai Universe World four Period	December 2020	September 2023	10,580,950	7,115,274	7,191,143
Jinan Zhonghai Huashanlongcheng Project	July 2014	July 2024	50,021,918	7,024,918	5,762,069
Shanghai Hongkou District Duolun Road Project	November 2015	December 2025	10,940,594	7,000,403	6,007,464
China Construction Jinxiu Capital	August 2018	December 2024	9,500,000	6,963,929	6,368,569
Beijing Fengtai Zaojia Village Project	December 2019	September 2022	11,013,343	6,836,239	9,026,767
Zhonghai Huideli Mansion	March 2022	June 2024	8,925,700	6,044,902	–
Wenhan Lake Project	October 2020	June 2023	6,447,025	5,254,704	5,027,679
Beijing Jinzhan Project	September 2020	June 2022	6,534,900	5,004,917	4,900,729
Beijing Company Rice Field Project	November 2020	December 2022	5,602,640	4,766,084	4,199,387
Guangzhou Nanzhou Road Project	March 2021	October 2023	5,757,869	4,755,781	4,612,555
Guiyang Zhonghai Yingshan Lake Project	February 2020	December 2022	6,626,460	4,738,287	4,249,586
Yongfeng Project	May 2022	October 2023	6,248,963	4,658,325	–
Fangshanyin	December 2020	June 2022	4,780,687	4,622,388	2,304,086
Ningbo Zhonghai Xinzhiyuanjing	December 2019	December 2022	5,500,000	4,606,201	4,159,824
Tianjin Park City	May 2013	December 2025	16,813,110	4,559,543	4,658,130
Wan jin West	September 2021	December 2023	6,222,670	4,494,182	–
China Construction LuMing mansion Project	June 2021	December 2023	7,124,000	4,471,866	1,047,800
Skyspaces	October 2020	June 2022	5,772,150	4,432,470	1,872,797

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

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

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	31 December 2021	31 December 2020
Guangzhou Haizhu Daganwei land Project	February 2020	June 2022	7,219,271	4,396,637	5,819,840
No.6060, 6066 Plot Project	October 2021	June 2024	6,218,820	4,334,772	–
Nanjing Xiyuan mansion	July 2018	December 2022	9,200,000	4,283,140	3,755,828
Steel garden Third Project	August 2020	June 2022	5,027,540	4,101,179	3,871,233
Jianqiao first batch of construct Project of the Hanyang district, Wuhan city	July 2020	December 2027	22,200,054	3,991,852	3,036
Zhonghai Songhuyasong Garden	April 2021	April 2023	5,514,270	3,985,128	–
Zhongjian Bo Mansion	September 2018	December 2024	7,744,760	3,947,934	5,345,412
Zhonghai Beilonghuzhu	July 2021	September 2024	5,316,020	3,770,830	–
Jiangbei district 2021 g15	December 2021	October 2023	5,343,490	3,730,971	–
Dalian CITIC Harbour City	January 2013	December 2023	7,500,000	3,681,643	5,967,414
Beixin'an Shantytowns Renovation Project	July 2014	August 2022	30,360,089	3,581,456	11,024,937
Changxindian Project	December 2013	March 2022	4,000,000	3,566,535	3,187,848
Guanggang Nanping continent Plot	October 2021	October 2023	5,761,339	3,537,916	–
No.1 consulate	October 2020	December 2022	4,666,580	3,503,254	2,964,851
Shenzhen Zhonghai Minzhi Project	March 2021	December 2022	4,264,120	3,459,890	3,085,106
Changzhou Hongken Project	January 2021	September 2023	5,270,948	3,414,802	–
246 Xiangshan's Island Project	December 2020	June 2025	3,961,656	3,361,656	3,195,340
China Construction Fudi starlight city	December 2014	December 2024	5,177,050	3,353,099	500,103
Shenzhen Guangming Shuxi Project	July 2020	June 2022	4,268,144	3,296,776	2,620,731
Wuhan China Construction starlight city KT2 Plot	January 2019	June 2023	7,542,810	3,278,089	5,179,597
Dongguan Zhonghai Qirui garden	November 2021	September 2023	4,754,784	3,247,144	–
Guanggang No.234 Plot	March 2022	December 2023	11,193,700	3,201,194	–
Zhonghai Songshan Lake Garden	November 2020	December 2022	3,905,653	3,157,046	2,856,055
Cambridge No.9 No.10 Plots	December 2020	September 2023	4,889,842	3,069,099	–
No.13 Plot Project	May 2020	June 2022	4,100,000	3,047,604	3,101,924
No.0056 Plot Project	November 2020	June 2022	4,635,540	3,030,955	2,808,840
Canal new town 22 Plots	December 2021	December 2024	7,953,169	3,008,423	–
Dalian Taigu Square Project	December 2021	December 2024	4,000,000	2,999,786	2,999,786
Suzhou Yundong Project	April 2020	August 2022	3,820,000	2,990,908	2,538,545
Chongqing Zhongjian Yuhu No.1	January 2018	December 2025	5,000,000	2,983,588	3,644,160
Longhua experiment West Project	March 2022	December 2023	4,784,671	2,924,880	–
COA 99 Hudson	February 2016	June 2022	5,490,866	2,859,642	3,153,988
TianJin 609 Factory Project	August 2021	September 2023	4,138,700	2,770,378	–
Chengdu Qinhuang Temple 667 Project	July 2018	July 2024	20,618,446	2,726,838	4,717,380
Xujiang'an Garden	December 2020	June 2022	3,364,040	2,707,601	2,113,581
Leading scientists community 02 group Projects	June 2021	December 2023	6,110,000	2,698,410	–

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

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

Project Name	Date of commencement	Estimated completion time	Estimated completion investment	31 December 2021	31 December 2020
Shanghai Shengxiang academy B0701 Project	July 2021	December 2023	4,897,830	2,693,433	–
Suzhou HuShuGuan Project	December 2021	October 2024	5,000,000	2,688,062	–
Jinan ZhangMaXin East station project	August 2020	January 2024	5,073,220	2,636,268	1,082,553
Taiyuan North Lihua Project	December 2020	May 2023	4,130,130	2,602,709	2,384,308
Southwest Forestry University	April 2021	December 2022	3,756,500	2,542,126	279,416
Jinan Guoxitai second Phase	January 2019	June 2022	3,240,153	2,531,592	2,054,547
Zhonghai Songhuhuating	January 2021	October 2022	2,503,794	2,503,794	1,820,418
Spring Scenery Yayuan Project	April 2021	September 2024	4,073,500	2,499,364	–
Ningbo Yijiangyuanjing	April 2021	October 2024	3,898,065	2,473,203	–
Haizhu jiangtai Road block Project	November 2021	November 2024	3,089,384	2,463,619	–
Longgang district Baolong Project	February 2022	April 2024	4,171,330	2,439,786	–
Shijiazhuang Zhonghai•Yunjin	June 2020	August 2022	3,564,029	2,425,821	2,241,600
Nanshanyin	July 2021	August 2023	3,300,000	2,372,250	–
Tongxin lake Project A Plot	April 2021	November 2023	4,020,930	2,368,511	–
Guangzhou starlight city of China Construction	March 2021	June 2024	3,254,010	2,360,368	–
Ningbo Huaishu Plot	August 2020	July 2022	2,913,921	2,339,803	2,097,821
Harbin Zhonghai Yunlu Mansion second Phase	March 2021	December 2022	2,916,720	2,314,086	1,874,412
Tianjin City Plaza	March 2014	December 2025	22,926,270	2,311,409	7,089,428
Chengdu Zhonghai Yinghuilu Road Project	January 2021	June 2022	3,029,262	2,296,259	1,394,806
West E – 1 Project	September 2019	December 2023	6,279,723	2,222,747	1,637,727
Universe Times	March 2021	March 2023	3,416,522	2,217,247	1,024,603
China Construction Jiutang mansion	February 2020	October 2023	3,219,460	2,166,531	1,696,483
Yue lake county	March 2022	September 2023	3,341,095	2,165,517	–
China Construction Binjiang starlight city	October 2018	December 2024	5,836,371	2,162,358	890,324
Taiyuan Comprehensive Reform Zone Yangzhuang Project	October 2020	December 2023	6,391,827	2,157,991	2,083,118
Qixia district 2021 g80 Tianyou Road	December 2021	August 2023	2,932,381	2,154,204	–
Small kunshan two and three Phase	November 2019	June 2022	3,369,890	2,103,334	2,924,364
Suzhou Baofeng Road Project	May 2021	September 2023	2,800,000	2,096,993	–
Beijing Yinghai Second House Project	November 2019	May 2022	11,002,659	2,084,050	6,655,173
Shijiazhuang qiaoxi district [094] no. 2020 Plot	May 2021	June 2024	2,945,094	2,071,315	340,840
Tianjin qian jiang yuan	June 2018	October 2022	3,249,670	2,070,677	2,398,613
Harbin Zhonghai Yunlu Mansion first Phase	March 2021	December 2022	2,685,925	2,065,545	1,702,040
Chongqing Geneva Project	September 2012	December 2024	15,716,018	2,049,268	2,029,082
Lake moisture homeland	October 2020	December 2023	6,000,000	2,040,482	3,603,204
Others				210,056,164	325,869,983
Total				568,518,817	575,666,522

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

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

2021

Project Name	Completion time of the latest phase	At the beginning of the balance	Additions	Deductions	At the end of the balance
Yunlujiuli II Phase/Dongbaisha River Ground A1	December 2021	–	3,342,302	(450,185)	2,892,117
Zhonghai Universe World	December 2021	605,160	2,861,893	(675,368)	2,791,685
Dalian CITIC Harbour City	December 2021	1,492,703	3,039,041	(1,843,965)	2,687,779
Zhangjiang Project A6-8 Plot	September 2021	–	2,683,650	–	2,683,650
Zhonghai Lichun Lake Villa	December 2021	399,516	5,591,718	(3,838,177)	2,153,057
No.9 Mansion	June 2021	278,378	2,511,638	(852,556)	1,937,460
Zhonghai Xi Garden	June 2021	279,672	2,020,357	(389,315)	1,910,714
Tianjin city park project	June 2020	1,496,828	1,659,981	(1,313,327)	1,843,482
Jilin Changchun Zhonghai Shengshi City D	December 2021	223,760	2,528,477	(1,030,648)	1,721,589
Dalian Zhonghai Park Uptown Project	December 2021	–	3,596,014	(2,016,805)	1,579,209
Changchun Zhonghai Jincheng	October 2021	–	2,183,460	(755,697)	1,427,763
Zhongjian Huafu-B Plot-Real Estate	April 2021	–	2,170,245	(763,544)	1,406,701
Harbin Zhonghai Tianyu	December 2021	–	1,836,980	(445,980)	1,391,000
Jinan Bright Yuefu Project	November 2020	1,426,833	64,571	(162,420)	1,328,984
Zhengzhou Zhonghai Wanjinxi'an	December 2021	–	1,860,372	(553,026)	1,307,346
537 Greenwich Senior apartment project	January 2021	–	2,403,712	(1,116,115)	1,287,597
Nanjing Xiyuan Mansion	December 2020	2,858,267	–	(1,581,673)	1,276,594
Zhonghairuyuan	December 2021	–	2,548,764	(1,327,615)	1,221,149
Zhonghai Yunzhu	November 2020	1,204,788	101,121	(87,235)	1,218,674
Taiyuan Zhonghai international community	December 2021	132,363	2,344,755	(1,357,012)	1,120,106
Zhonghai Wansongjiuli	June 2021	673,848	851,502	(443,034)	1,082,316
Zhaoqing Zhonghai New City Mansion	December 2021	1,213,385	3,576	(152,285)	1,064,676
Zhonghai Yonghexi'an Mansion	December 2021	1,297,432	75,942	(312,973)	1,060,401
Kunming Zhonghai Yunzhu	December 2021	774,228	1,054,237	(770,689)	1,057,776
Guangzhou Zhonghai Zuo'an Lanting Project	September 2021	–	2,126,040	(1,075,357)	1,050,683
Tianjin City Plaza	June 2021	741,631	4,407,744	(4,100,166)	1,049,209
Jilin Changchun Zhonghai Shengshi City C	December 2020	985,917	111,706	(69,731)	1,027,892
Shanghai Jiufengli Phase I Project	March 2019	2,048,545	–	(1,022,186)	1,026,359
Xingang Senior apartment project	March 2021	–	1,465,599	(449,218)	1,016,381
Tsingdao Linxishijia Project	June 2020	573,327	989,890	(563,904)	999,313
Foshan Yunlu Residence	December 2021	1,191,048	591,302	(809,867)	972,483
Tianjin 055 Plot Project	December 2021	–	959,184	–	959,184
Jinan Zhonghai Huashanlongcheng Project	December 2021	1,400,529	1,966,756	(2,410,838)	956,447
Chengdu Zhonghai Yunlushijia	November 2018	1,535,758	498,658	(1,089,418)	944,998

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

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

2021 (continued)

Project Name	Completion time of the latest phase	At the beginning of the balance	Additions	Deductions	At the end of the balance
Shengyang Wangjing House	June 2021	454,738	1,452,811	(1,042,984)	864,565
Nanjing Guoxi Mansion	November 2021	–	2,510,611	(1,654,159)	856,452
Zhonghai Universe Times	December 2021	–	6,213,253	(5,359,492)	853,761
Chongqing Lixianghu Project	December 2019	1,014,458	54,880	(216,956)	852,382
Runshan Mansion	June 2021	–	1,593,633	(744,944)	848,689
Zhonghai Shijihui Garden	January 2020	1,006,004	38,856	(206,322)	838,538
Zhonghai Huideli Garden	December 2021	–	6,593,153	(5,780,254)	812,899
Kowloon peak	June 2019	789,057	4	(29,917)	759,144
Zhonghai Jincheng International	November 2020	372,328	616,021	(232,729)	755,620
Jilin Changchun Gaoxin district Chaofan Street No.83# Plot	September 2021	–	1,825,213	(1,079,495)	745,718
Yinghai Second third House Project	December 2021	–	5,448,659	(4,724,843)	723,816
Dragon Bay U-live	November 2021	–	917,658	(201,892)	715,766
Fuzhou Zhonghai Jincheng Garden	December 2021	–	1,229,232	(514,421)	714,811
Lot 2013-41, No. 1 Yulu Road, Hangzhou	June 2017	676,175	31,983	–	708,158
China-Construction-Chi Cube (Hefei China Construction Industrial Base)	December 2018	872,237	–	(170,823)	701,414
Zhongjian • Jinxiu world B, C block	June 2021	–	2,378,790	(1,679,082)	699,708
China Construction (Xi 'an) Business Square Project	September 2022	165,504	832,784	(312,850)	685,438
Jiangsu Runjiangfu Project	June 2019	1,533,001	13,350	(881,183)	665,168
Mingzhu Park Seven Plot	June 2021	–	1,282,365	(634,621)	647,744
Lot No. 42, No. 1 Royal Road, Hangzhou	December 2016	674,724	8,872	(49,542)	634,054
Jiaodong International Airport Ligezhuang Staff Dormitory Project B Plot	June 2021	–	1,308,831	(679,509)	629,322
Kafu Project	September 2021	–	1,003,917	(399,383)	604,534
Fuzhou Zhonghai Phoenix Xi'an	February 2021	615,157	704,347	(720,603)	598,901
Zhonghai Wanjin Mansion	December 2020	850,194	9,729	(282,157)	577,766
Zhonghai Hongzhu Project	December 2019	594,988	–	(38,597)	556,391
Dalian Zhonghai Muyun mountain	May 2021	196,111	1,202,608	(843,551)	555,168
Goya Park Project	September 2020	565,621	640,868	(671,547)	534,942
Zhonghai Jinjia Huating	June 2018	584,458	–	(52,949)	531,509
Ecological Health City second Plot/Chengdu Zhonghai Jinjiangcheng	December 2017	667,653	–	(137,674)	529,979
Zhongjian Yujing Starlight City	June 2020	553,667	50,355	(85,863)	518,159
Fuzhou Zhonghai Jinxi Mansion	December 2019	568,436	74,719	(127,406)	515,749
Comprehensive Reform Zone Yangzhuang Project	December 2021	–	1,483,723	(968,212)	515,511
Tianjin Zhonghai Jincheng	April 2021	113,159	1,831,218	(1,431,582)	512,795

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

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

2021 (continued)

Project Name	Completion time of the latest phase	At the beginning of the balance	Additions	Deductions	At the end of the balance
Jilin Changchun Zhonghai • Shangxue Mansion Phase I	March 2021	202,331	1,107,334	(804,021)	505,644
Zhongjian Huafu-ADEF Plot-Real Estate	December 2017	698,900	55,806	(251,319)	503,387
Fang Four Road Project	December 2021	–	809,487	(309,455)	500,032
Tianjin Zhonghai Zuo'an Lanting Project	December 2021	–	2,476,778	(1,976,813)	499,965
No.116 Plot	December 2021	–	756,385	(261,510)	494,875
Zhongjian • No.7 Yard Project	December 2021	978,367	283,761	(771,740)	490,388
Shili Yangtze River Project	September 2021	–	5,700,649	(5,232,111)	468,538
Yuelin Xi'an	December 2021	–	2,668,583	(2,204,500)	464,083
Taihu Lake first Plot	December 2021	–	1,708,879	(1,253,419)	455,460
Plot F of Chongqing Guanyin Bridge	December 2019	699,572	19,858	(264,497)	454,933
Jinan Zhongjian Changqinghu Project	August 2021	501,117	1,100,695	(1,150,388)	451,424
The Pointe	December 2021	–	461,427	(13,018)	448,409
Chongqing International Community Project	October 2015	524,171	2,710	(79,060)	447,821
Yantai Zhonghai Changan Yunjin	September 2021	–	1,020,308	(572,908)	447,400
Yueyang Jiahe City	June 2021	–	1,099,159	(652,445)	446,714
Zuoling Project	December 2021	–	2,505,587	(2,061,221)	444,366
Yunlu Mansion	December 2021	–	1,044,379	(608,754)	435,625
Zhengzhou Zhonghaiyiyuan	December 2019	745,546	20,560	(331,935)	434,171
Macquarie Parklands	May 2021	–	1,022,715	(593,204)	429,511
Chongqing Zhongjian Longxitai	December 2020	563,640	40,929	(176,568)	428,001
Others		38,562,034	174,405,151	(181,849,500)	31,117,685
Total		79,177,264	300,114,770	(267,204,257)	112,087,777

Movements in the carrying amount of inventories are as follows:

2021

	At the beginning of the balance	Additions	Deductions	At the end of the balance
Properties under development	575,666,522	310,738,209	(317,885,914)	568,518,817
Completed properties held for sale	79,177,264	300,114,770	(267,204,257)	112,087,777
Raw materials	20,162,325	600,307,299	(599,399,224)	21,070,400
Work in progress	716,040	4,027,627	(3,817,341)	926,326
Finished goods	3,298,251	52,991,031	(51,508,087)	4,781,195
Others	302,270	4,225,281	(4,383,662)	143,889
Total	679,322,672	1,272,404,217	(1,244,198,485)	707,528,404

V. Notes to the consolidated financial statements (continued)

8. Inventories (continued)

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

2020 (restated)

	At the beginning of the balance	Additions	Deductions	At the end of the balance
Properties under development	489,478,279	317,783,688	(231,595,445)	575,666,522
Completed properties held for sale	67,414,180	216,342,332	(204,579,248)	79,177,264
Raw materials	22,479,071	522,907,176	(525,223,922)	20,162,325
Work in progress	1,144,720	2,946,920	(3,375,600)	716,040
Finished goods	2,491,368	43,786,458	(42,979,575)	3,298,251
Others	129,842	2,724,126	(2,551,698)	302,270
Total	583,137,460	1,106,490,700	(1,010,305,488)	679,322,672

Movements in the impairment provision of inventories are as follows:

2021

	1 January 2021	Increase during the year		Decrease during the year			31 December 2021
		Accrual	Others	Reversal	Write-off	Others	
Properties under development	3,537,411	291,532	(599,600)	-	-	(44,559)	3,184,784
Completed properties held for sale	557,024	360,280	599,600	(612,225)	(10,878)	(20,411)	873,390
Raw materials	17,803	16,999	-	(8,126)	(5,566)	-	21,110
Finished goods	60,411	21,149	-	(59,266)	(19,323)	-	2,971
Total	4,172,649	689,960	-	(679,617)	(35,767)	(64,970)	4,082,255

2020

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

Impairment provision of inventories is as follows:

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

V. Notes to the consolidated financial statements (continued)

9. Contract assets

	31 December 2021	31 December 2020 (restated)
Receivables for PPP project	178,025,774	82,535,009
Receivables for Construction project	157,365,439	139,282,234
Project quality warranty	95,660,093	82,495,557
Franchise rights not yet in operation	10,437,049	–
Primary land development	9,510,441	11,103,922
Others	3,670,867	8,548,233
Sub-total	454,669,663	323,964,955
Less: Provision for impairment allowance of contract assets	(8,829,823)	(5,331,714)
Sub-total	445,839,840	318,633,241
Less: Contract assets disclosed within the other non-current assets (Note V.25)	(219,705,701)	(137,765,940)
Less: Contract assets disclosed within the intangible assets (Note V.21)	(10,437,049)	–
Total	215,697,090	180,867,301
Original value of current contract assets	221,792,091	184,686,277
Provision for impairment allowance of current contract assets	(6,095,001)	(3,818,976)

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

Changes in provision for impairment of contract assets are as follows:

For the year ended 31 December 2021

31 December 2020	Changes in accounting policies	1 January 2021	Provision	Reversal	Write-offs	Other changes	31 December 2021
5,331,714	377,813	5,709,527	4,129,718	(856,222)	(105,649)	(47,551)	8,829,823

For the year ended 31 December 2020 (restated)

1 January 2020	Provision	Reversal	Other changes	31 December 2020
5,584,063	1,594,342	(1,779,265)	(67,426)	5,331,714

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

For the year ended 31 December 2021

31 December 2020	Changes in accounting policies	1 January 2021	Provision	Reversal	Write-offs	Other changes	31 December 2021
3,818,976	15,134	3,834,110	3,060,483	(671,997)	(105,649)	(21,946)	6,095,001

For the year ended 31 December 2020 (restated)

1 January 2020	Provision	Reversal	Other changes	31 December 2020
3,597,126	1,236,851	(1,020,697)	5,696	3,818,976

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

V. Notes to the consolidated financial statements (continued)

9. Contract assets (continued)

	31 December 2021			
	Gross carrying amount		Provision for bad debts	
	Amount	Ratio (%)	Amount	Withdrawal ratio (%)
Impairment of individually accrued	41,867,440	18.88	5,070,255	12.11
Impairment of collectively accrued by credit risk portfolio	179,924,651	81.12	1,024,746	0.57
Total	221,792,091	100.00	6,095,001	2.75

	31 December 2020 (restated)			
	Gross carrying amount		Provision for bad debts	
	Amount	Ratio (%)	Amount	Withdrawal ratio (%)
Impairment of individually accrued	34,845,822	18.87	2,899,892	8.32
Impairment of collectively accrued by credit risk portfolio	149,840,455	81.13	919,084	0.61
Total	184,686,277	100.00	3,818,976	2.07

As at 31 December 2021, contract assets individually assessed for expected credit losses are as follows:

	Carrying amount	Impairment allowance	ECLs rate for the entire lifetime (%)	Reasons
Company 1	1,124,502	324,276	28.84	Note
Company 2	626,795	62,679	10.00	Note
Company 3	375,643	117,651	31.32	Note
Company 4	210,724	210,724	100.00	Note
Company 5	191,841	44,124	23.00	Note
Others	39,337,935	4,310,801	10.96	Note
Total	41,867,440	5,070,255		

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

	Carrying amount	Impairment allowance	ECLs rate for the entire lifetime (%)	Reasons
Company 1	475,087	3,448	0.73	Note
Company 2	210,724	94,826	45.00	Note
Company 3	160,633	245	0.15	Note
Company 4	151,717	33,632	22.17	Note
Company 5	138,313	99,279	71.78	Note
Others	33,709,348	2,668,462	7.92	Note
Total	34,845,822	2,899,892		

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

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

As at 31 December 2021 and 31 December 2020, the contract assets that were pledged by the Group to banks for borrowings are presented in detail in Note V.70.

V. Notes to the consolidated financial statements (continued)

10. Non-current assets due within one year

	31 December 2021	31 December 2020 (restated)
Current portion of long-term receivables (Note V.13)	37,533,388	30,009,625
Current portion of debt Investments (Note V.12)	5,876,235	7,805,981
Current portion of other debt Investments	142,945	182,608
Others	452,962	140,288
Total	44,005,530	38,138,502

11. Other current assets

	31 December 2021	31 December 2020 (restated)
Input VAT to be credited	39,979,720	39,097,178
Prepaid taxes	39,435,905	29,910,131
Receivables from Related parties (Note X.6)	20,874,947	14,953,744
Short term debt investment measured at amortization cost	5,196,946	5,067,518
Others	6,270,094	6,807,172
Sub-total	111,757,612	95,835,743
Less: Provision for impairment allowance	(938,045)	(1,531,269)
Total	110,819,567	94,304,474

12. Debt investments

	31 December 2021		
	Gross carrying amount	Provision for impairment	Carrying amount
Loans receivable from related parties (Note X.6)	24,040,370	(7,414)	24,032,956
Entrusted loans	633,106	(4,502)	628,604
Including: Entrusted loans from related parties (Note X.6)	359,732	(3,597)	356,135
Others	2,372,442	(212,437)	2,160,005
Sub-total	27,045,918	(224,353)	26,821,565
Less: Debt investments of non-current assets due within one year (Note V.10)	6,083,043	(206,808)	5,876,235
Total	20,962,875	(17,545)	20,945,330

	31 December 2020		
	Gross carrying amount	Provision for impairment	Carrying amount
Loans receivable from related parties (Note X.6)	19,183,824	(4,669)	19,179,155
Entrusted loans	1,064,002	(5,816)	1,058,186
Including: Entrusted loans from related parties (Note X.6)	370,923	(3,709)	367,214
Others	2,179,711	(5,742)	2,173,969
Sub-total	22,427,537	(16,227)	22,411,310
Less: Debt investments of non-current assets due within one year (Note V.10)	7,806,980	(999)	7,805,981
Total	14,620,557	(15,228)	14,605,329

V. Notes to the consolidated financial statements (continued)

13. Long-term receivables

	31 December 2021	31 December 2020
Receivables from PPP projects	26,074,992	90,254,972
Receivables from BT projects	60,541,030	59,661,593
Primary land development	27,643,763	30,117,104
Receivables from other construction projects	25,387,431	26,256,240
Project quality warranty	2,391,994	2,417,273
Due from related parties (Note X.6)	15,053	34,600
Others	515,458	783,974
Sub-total	142,569,721	209,525,756
Less: impairment allowance	1,726,130	1,874,089
Sub-total	140,843,591	207,651,667
Less: due within 1 year (Note V.10)	37,533,388	30,009,625
Total	103,310,203	177,642,042

On December 31, 2021 and December 31, 2020, the Group pledged long-term receivables to banks as guarantees for obtaining loans, please refer to Note V.70.

14. Long-term equity investments

	31 December 2021	31 December 2020 (restated)
Joint ventures	49,067,301	39,920,192
Associates	52,065,058	46,788,984
Sub-total	101,132,359	86,709,176
Less: Impairment allowance for long term equity investment	293,820	294,056
Total	100,838,539	86,415,120

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2021

(a) Joint venture

	Opening Balance of the period	Movement during the period				Closing balance of the period	Impairment allowance at the end of the period
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends		
Guiheng Investment Co., Ltd.	2,413,091	-	199,693	-	-	2,612,784	-
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,452,818	-	(29,443)	(379)	-	2,422,996	-
Xiamen Haimao Real Estate Co., Ltd.	-	1,846,000	(21,867)	-	-	1,824,133	-
Qingdao Haijie Real Estate Co., Ltd.	-	-	(2,087)	-	-	1,763,409	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,925,754	-	(17,478)	-	-	1,908,276	292,462
Zunyi Nanhuan Expressway Development Co. Ltd.	1,402,963	46,550	96,063	-	-	1,545,576	-
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,004,347	329,667	-	(12,507)	-	1,321,507	-
CSCEC Jianxin No. 9 Urbanization Investment Private Equity Fund.	1,230,138	22,643	106,596	-	(111,334)	1,248,043	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,010,136	-	214,589	(948)	(21,475)	1,202,302	-
Beijing Chenxing International Convention and Exhibition Co., Ltd.	-	1,199,964	-	-	-	1,199,964	-
Xuzhou Line 3 Rail Transit Investment and Development Co., Ltd.	395,744	759,184	-	-	-	1,154,928	-
CSCEC New Urbanization (Xinjiang) Investment Co., Ltd.	826,422	292,852	44,703	-	(9,712)	1,154,265	-
CSCEC Road & Bridge Group Co., Ltd.	1,101,373	-	44,846	(1,567)	-	1,149,729	-
Anhui Bengwu Expressway Investment Management Co., Ltd.	740,658	309,750	-	(5,241)	-	1,045,167	-
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	1,029,089	-	(631)	-	-	1,028,458	-
Shanghai Lingang New District Jingang Dongjiu Real Estate Co., Ltd	911,400	-	(2,360)	-	-	909,040	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd	947,670	30,221	(13,867)	(80,615)	-	883,409	-
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	794,934	-	59,067	-	-	854,001	-
China South Airlines Construction & Development Co., Ltd	825,130	-	(12,828)	-	-	812,302	-
Beijing Nanyue Real Estate Development Co., Ltd	764,918	-	1,750	-	-	766,668	-
Chongqing Zhongjian Erhengxian Infrastructure Construction Co., Ltd	-	-	37,902	-	-	686,780	-
Guangdong Guotong Logistics City Co., Ltd.	666,978	16,206	(27,612)	(26,497)	-	629,075	-
Xingui Investment Co., Ltd	261,358	-	334,455	-	-	595,813	-
Others	19,215,271	1,014,448	548,631	191,167	(496,536)	20,360,763	1,358
Joint ventures sub-total	39,920,192	5,867,485	1,560,122	63,413	(639,057)	49,067,301	293,820

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

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2021 (continued)

(b) Associates

	Opening Balance of the period	Movement during the period					Closing balance of the period	Impairment allowance at the end of the period
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note 1)		
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	9,247,852	-	1,935,380	212,798	(384,708)	(2,796)	11,008,526	-
Anhui Guoyuan Trust Co., Ltd.	3,010,767	-	253,270	(77,422)	(46,152)	68,459	3,208,922	-
Jiqing Express Railway Co., Ltd.	2,312,211	-	(49,898)	-	-	-	2,262,313	-
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,662,658	95,000	(107,281)	-	-	-	1,650,377	-
Yunnan Huaili expressway investment and Development Co., Ltd.	1,185,000	376,094	-	-	-	-	1,561,094	-
Everbright Securities Co., Ltd.	1,453,184	-	110,523	(3,747)	(23,345)	(38,304)	1,498,311	-
Sanmenxia National Highway 310 South Moving Project Construction Management Co., Ltd.	1,242,936	85,734	(65,443)	-	-	-	1,263,227	-
Shandong Qilu Ningjiang Expressway Co., Ltd.	1,033,900	-	-	-	-	-	1,033,900	-
Fast Shift Investments Limited	1,032,289	-	200,659	-	(167,678)	(39,698)	1,025,572	-
Anhui Guoyuan Investment Co., Ltd.	989,025	-	33,696	(2,109)	(8,546)	461	1,012,527	-
Shanghai Jiasheng Real Estate Development Co., Ltd.	987,142	-	(2,253)	-	-	-	984,889	-
Suzhou Fuyuan Real Estate Co., Ltd.	966,270	-	(20,986)	-	-	-	945,284	-
Taizhongyin Railway Co., Ltd.	886,606	-	47,101	-	-	-	933,707	-
Nantong Ring Expressway Co., Ltd	-	888,624	-	-	-	-	888,624	-
Jinmao Investment (Changsha) Co., Ltd	997,925	-	3,726	-	(193,354)	-	808,297	-
Guangzhou Fuchuang Real Estate Development Co., Ltd	669,119	-	(33,057)	-	-	-	636,062	-
China State Construction Xian Urban Construction Investment Co., Ltd	548,866	90,000	(10,853)	-	-	-	628,013	-
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd	612,740	-	9,726	-	-	-	622,466	-
Guangzhou Lihe Real Estate Development Co., Ltd	1,066,922	-	524,141	-	(1,008,747)	-	582,316	-
Lipanshui Dongda Highway Investment and Development Co., Ltd	501,602	-	-	(5,340)	-	-	496,262	-
Zhengzhou Public Utilities Zhongcheng Road and Bridge Construction Management Co., Ltd.	477,658	-	-	-	-	-	477,658	-
Shanxi International Power Group Real Estate Development Co., Ltd	494,659	-	(25,287)	-	-	-	469,372	-
Xiamen International Trade Exhibition Center Co., Ltd	-	449,280	(1,125)	-	-	-	448,155	-
Other	15,409,653	1,677,349	569,431	137,844	(277,684)	102,591	17,619,184	-
Associates sub-total	46,788,984	3,662,081	3,371,470	262,024	(2,110,214)	90,713	52,065,058	-
Total	86,709,176	9,529,566	4,931,592	325,437	(2,749,271)	2,385,859	101,132,359	293,820

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

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2020

(a) Joint venture

	Opening Balance of the period	Movement during the period					Closing balance of the period	Impairment allowance at the end of the period
		Increase/(Decrease) investment	Investment profits/(losses) under equity method	Other comprehensive income adjustment	Declaration of cash dividends	Others (Note 1)		
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	2,302,726	150,610	(53)	(465)	-	-	2,452,818	-
Guilong Investment Co., Ltd.	2,219,804	-	193,287	-	-	-	2,413,091	-
CITIC Baolida Real Estate (Foshan) Co., Ltd.	1,927,320	-	(1,566)	-	-	-	1,925,754	292,462
Zunyi Nanhuan Expressway Development Co. Ltd. (Note 2)	1,132,736	100,000	170,227	-	-	-	1,402,963	-
Zhengzhou CSCEC Shenzhen Rail Transit Co., Ltd.	325,180	704,240	(331)	-	-	-	1,029,089	-
Nanjing Second Yangtze River Bridge Co., Ltd.	1,103,558	-	86,814	(678)	(179,558)	-	1,010,136	-
Guizhou Leirong Expressway Investment Management Co., Ltd.	459,486	497,993	-	46,868	-	-	1,004,347	-
Shanghai Lingbo Haihui City Construction and Development Co., Ltd.	960,360	-	(13,577)	887	-	-	947,670	-
Shanghai Lingang New District Jingang Dongjiu Real Estate Co., Ltd.	-	911,400	-	-	-	-	911,400	-
Shenzhen CSCEC Win-win No. 8 Infrastructure Investment Center (LP)	1,000,000	(150,000)	74,620	-	(74,620)	-	850,000	-
China Overseas Southern Airlines Construction & Development Co., Ltd.	817,998	-	7,132	-	-	-	825,130	-
Lipanshui urban pipe gallery construction and Development Investment Co., Ltd.	795,597	-	(663)	-	-	-	794,934	-
Beijing Nanyue Real Estate Development Co., Ltd.	728,933	-	35,985	-	-	-	764,918	-
Anhui Bengwu Expressway Investment Management Co., Ltd.	605,617	135,426	-	(385)	-	-	740,658	-
Guangdong Guotong Logistics City Co., Ltd.	-	661,835	5,139	4	-	-	666,978	-
CSCEC Road & Bridge Group Co., Ltd.	607,293	-	45,381	(247)	-	9,392	661,819	-
Mianyang Zhongjian Keta Guanliang Road Investment and Construction Co., Ltd.	316,757	240,000	(3,851)	-	-	-	552,906	-
Changsha CSCEC Chengtuo Pipe Well Development Investment Co., Ltd.	528,106	-	5,686	-	-	-	533,792	-
China Construction Haijia (Foshan) Investment and Construction Co., Ltd.	522,661	-	10,985	(6,393)	-	-	527,253	-
Shaotong CSCEC Construction Investment & Development Co. Ltd.	504,445	-	6,928	-	-	-	511,373	-
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	245,681	233,143	-	-	-	-	478,824	-
Urumqi Zhongheng Silk Road Sports Management Co., Ltd.	488,671	-	(10,850)	-	-	-	477,821	-
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	463,456	-	11,299	(2,199)	-	-	472,556	-
Hebei Road and Bridge Group Co., Ltd.	409,465	-	30,254	(165)	-	-	439,554	-
Others	16,182,466	3,061,271	2,097,169	(104,320)	(1,473,123)	(2,239,055)	17,524,408	1,358
Joint ventures sub-total	34,648,316	6,545,918	2,750,015	(67,093)	(1,727,301)	(2,229,663)	39,920,192	283,820

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

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

For the year ended 31 December 2020 (continued)

(b) Associates (restated)

	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		
China Overseas Grand Oceans Group Ltd. ("Overseas Oceans")	7,489,769	-	1,676,410	396,722	(309,427)	(5,622)	9,247,852
Anhui Guoyuan Trust Co., Ltd.	2,799,221	-	175,143	36,916	(32,966)	32,453	3,010,767
Jiqing Express Railway Co., Ltd.	2,082,659	322,490	(92,938)	-	-	-	2,312,211
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,302,988	441,915	(82,245)	-	-	-	1,662,658
Everbright Securities Co., Ltd.	1,460,733	-	72,704	24,240	(5,136)	(99,357)	1,453,184
Sanmenxia National Highway 31-0 South Moving Project Construction Management Co., Ltd.	900,000	342,936	-	-	-	-	1,242,936
Yunnan Huaili expressway investment and Development Co., Ltd.	790,000	395,000	-	-	-	-	1,185,000
Xuzhou Line One Rail Transit Investment Development Co., Ltd.	790,000	300,000	-	-	-	-	1,090,000
Guangzhou Life Real Estate Development Co., Ltd.	931,775	-	286,107	-	(150,960)	-	1,066,922
Shandong Qilu Ningliang Expressway Co., Ltd.	1,033,900	-	-	-	-	-	1,033,900
Fast Shift Investments Limited	1,155,792	-	416,601	-	(490,372)	(49,732)	1,032,289
Jinmao Investment (Changsha) Co., Ltd.	942,442	(150,000)	346,012	-	(140,529)	-	997,925
Anhui Guoyuan Investment Co., Ltd.	985,609	-	29,450	(1,560)	(4,273)	(201)	989,025
Shanghai Jiasheng Real Estate Development Co., Ltd.	931,354	-	55,788	-	-	-	987,142
Suzhou Fuyuan Real Estate Co., Ltd.	-	-	(5,490)	-	-	971,760	966,270
Taiyuan Zhongyin Railway Co., Ltd.	-	1,000,000	(113,394)	-	-	-	886,606
Guangzhou Iuchuang Real Estate Development Co., Ltd.	-	680,000	(10,881)	-	-	-	669,119
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	586,430	-	26,310	-	-	-	612,740
Henan Xuxin Expressway Co., Ltd.	-	576,600	-	-	-	-	576,600
China State Construction Xi'an Urban Construction Investment Co., Ltd.	-	557,846	(8,980)	-	-	-	548,866
Luopanshui Dongda highway investment and Development Co., Ltd.	509,644	-	14	(8,056)	-	-	501,602
Shanxi International Power Group Real Estate Development Co., Ltd.	494,659	-	-	-	-	-	494,659
Zhengzhou public Zhongcheng road and Bridge Construction Management Co., Ltd.	415,000	62,658	-	-	-	-	477,658
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	-	419,290	-	-	-	-	419,290
Other	14,942,766	(2,209,818)	411,468	(58,861)	(324,251)	562,459	13,323,763
Associates sub-total	40,524,741	2,738,917	3,182,079	389,401	(1,457,914)	1,411,760	46,788,984
Total	75,173,057	9,284,835	5,932,094	322,308	(3,185,215)	(817,903)	86,709,176

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

V. Notes to the consolidated financial statements (continued)

14. Long-term equity investments (continued)

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

2021

	Opening balance of the period	Increase during the period	Decrease during the period (Note)	Closing balance of the period
CITIC Baolida Real Estate (Foshan) Co., Ltd.	292,462	–	–	292,462
Others	1,594	–	(236)	1,358
Total	294,056	–	(236)	293,820

2020

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

Note: The decrease in 2021 was due to the disposal of long-term equity investments by the Group's subsidiaries, resulting in a corresponding reduction in impairment provisions.

15. Investments in other equity instruments

	31 December 2021	31 December 2020
Equity investments		
Listed equity investments	1,204,980	1,329,839
Unlisted equity investments	3,860,514	4,508,545
Total	5,065,494	5,838,384

	31 December 2021	31 December 2020
Equity investments		
Cost		
Listed equity investments	1,039,951	1,241,496
Unlisted equity investments	3,249,784	3,899,738
Cumulative changes in fair value		
Listed equity investments	165,029	88,343
Unlisted equity investments	610,730	608,807
Total	5,065,494	5,838,384

V. Notes to the consolidated financial statements (continued)

15. Investments in other equity instruments (continued)

2021

	Changes in fair value accumulated to other comprehensive income	Fair value	Dividend income of the year		Reasons designated as fair value measurement with changes included in other comprehensive income
			Equity instruments derecognised in the current year	Equity instruments still held	
Listed equity investments	165,029	1,204,980	473	72,913	Non-tradable
Unlisted equity investments	610,730	3,860,514	12	127,319	Non-tradable
Total	775,759	5,065,494	485	200,232	

2020

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

For the year ended 31 December 2021, the Group disposed of RMB223,707 thousand of other equity instrument investment (31 December 2020: RMB643,269 thousands), and a total amount of RMB174,201 thousand has been transferred from other comprehensive income to retained earnings. (31 December 2020: 310,690 thousands).

16. Other non-current financial assets

	31 December 2021	31 December 2020
Financial assets measured at fair value and the change of which is included in the profit or loss of the current period	1,559,354	335,510

17. Investment properties

Subsequent measurement under the cost model:

For the year ended 31 December 2021

	Buildings	Land use rights	Investment properties in progress	Total
Cost				
Opening balance	61,368,409	16,536,224	29,176,233	107,080,866
Increase in the current period	13,393,558	7,609,085	8,783,512	29,786,155
Decrease in the current period	(913,425)	(79,769)	(785,915)	(1,779,109)
Closing balance	73,848,542	24,065,540	37,173,830	135,087,912
Accumulated depreciation and amortisation				
Opening balance	(7,810,724)	(2,125,309)	–	(9,936,033)
Increase in the current period	(2,008,580)	(538,406)	–	(2,546,986)
Decrease in the current period	128,929	17,320	–	146,249
Closing balance	(9,690,375)	(2,646,395)	–	(12,336,770)

V. Notes to the consolidated financial statements (continued)

17. Investment properties (continued)

Subsequent measurement under the cost model (continued):

For the year ended 31 December 2021 (continued)

	Buildings	Land use rights	Investment properties in progress	Total
Provision for impairment				
Opening balance	(21,153)	–	–	(21,153)
Increase in the current period	(35,146)	–	–	(35,146)
Decrease in the current period	1,955	–	–	1,955
Closing balance	(54,344)	–	–	(54,344)
Net book value				
At the end of the period	64,103,823	21,419,145	37,173,830	122,696,798
At the beginning of the period	53,536,532	14,410,915	29,176,233	97,123,680

For the year ended 31 December 2020

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

The investment property is leased out to a third party under an operating leases.

V. Notes to the consolidated financial statements (continued)

17. Investment properties (continued)

For the year ended 31 December 2021, the Group changes the houses and buildings with a book value of RMB175,992 thousand (original price: RMB255,100 thousand) for self use and transferred them into fixed assets accounting from the date of change of use; For the year of 2020, the Group changed the use of houses and buildings with a carrying amount of RMB1,659,677 thousand (A cost of: RMB1,710,402 thousand) for self-use and transferred them into fixed assets at the date of change of use.

For the year ended 31 December 2021, the Group will convert the investment real estate with book value of RMB270,013 thousand (original price: RMB273,494 thousand) to inventory accounting; For the year of 2020, the Group changed the investment properties with a carrying amount of RMB25,184 thousand (A cost of: RMB26,667 thousand) to inventory.

For the year ended 31 December 2021, the Group changes the inventory with book value of RMB11,983,694 thousand (original price: RMB11,983,694 thousand) to lease, and turns the inventory into investment real estate accounting from the date of change of use; For the year of 2020, the Group changed the inventory with a carrying amount of RMB9,047,396 thousand (A cost of: RMB9,047,396 thousand) to lease, and transfers the inventory into investment properties at the date of change of use.

For the year ended 31 December 2021, the Group changes fixed assets with book value of RMB253,572 thousand (original price: RMB327,465 thousand) to lease, and turns the fixed assets into investment real estate accounting from the date of change of use; For the year of 2020, the Group changed the fixed assets with a carrying amount of RMB267,317 thousand (A cost of: RMB308,100 thousand) to lease, and transferred from fixed assets to investment properties at the date of change of use.

For the year ended 31 December 2021, the Group changes construction in progress with book value of RMB5,857,271 thousand (original price: RMB5,857,271 thousand) to lease, and turns the construction in progress into investment real estate accounting from the date of change of use; For the year of 2020, the Group's construction in progress project with a carrying amount of RMB580,792 thousand (A cost of: RMB580,792 thousand) was completed and used for leasing, which was changed to investment properties.

For the year ended 31 December 2021, the Group disposed the investment real estate with book value of RMB805,284 thousand with a disposal income of RMB19,619 thousand; For the year of 2020, the Group disposed the investment real estate with book value of RMB84,622 thousand with a disposal income of RMB168 thousand.

For the year ended 31 December 2021 and December 31 2020, refers to note V.70 for details of the group's mortgage of investment real estate to the bank as a guarantee for obtaining loans.

V. Notes to the consolidated financial statements (continued)

18. Fixed assets

2021

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the period	30,770,116	17,863,359	3,172,797	18,552,869	70,359,141
Changes in accounting policies	–	(710,394)	(342)	–	(710,736)
Opening balance of the year	30,770,116	17,152,965	3,172,455	18,552,869	69,648,405
Purchases	1,465,063	1,531,443	392,696	3,468,934	6,858,136
Transfers from construction in progress (Note V.19)	4,346,681	217,842	4,810	1,253,525	5,822,858
Other addition	1,139,413	558,937	69,880	224,759	1,992,989
Disposals or retirements	(782,944)	(1,366,426)	(348,555)	(1,168,990)	(3,666,915)
Other decrease	(1,123,750)	(7,533)	(70,023)	(1,024,697)	(2,226,003)
Closing balance of the period	35,814,579	18,087,228	3,221,263	21,306,400	78,429,470
Accumulated depreciation					
Opening balance of the period	(5,604,773)	(10,337,557)	(2,104,927)	(12,820,333)	(30,867,590)
Changes in accounting policies	–	137,189	96	–	137,285
Opening balance of the year	(5,604,773)	(10,200,368)	(2,104,831)	(12,820,333)	(30,730,305)
Depreciation accrued during the period	(1,087,969)	(1,269,644)	(297,570)	(3,794,530)	(6,449,713)
Other additions	(131,028)	(81,541)	(85,639)	(126,345)	(424,553)
Disposals or retirements	77,275	985,786	305,861	920,639	2,289,561
Other decrease	176,487	6,448	55,492	340,800	579,227
Closing balance of the period	(6,570,008)	(10,559,319)	(2,126,687)	(15,479,769)	(34,735,783)
Impairment allowance					
Opening balance of the period	(211,876)	(12,979)	(2,877)	(35)	(227,767)
Impairment accrued during the period	(17,605)	–	–	–	(17,605)
Other additions	–	(3)	–	–	(3)
Disposals or retirements	1,042	3,949	2,524	–	7,515
Other decrease	134	–	–	–	134
Closing balance of the period	(228,305)	(9,033)	(353)	(35)	(237,726)
Net book value					
At the end of the period	29,016,266	7,518,876	1,094,223	5,826,596	43,455,961
At the beginning of the period (restated)	24,953,467	6,939,618	1,064,747	5,732,501	38,690,333

V. Notes to the consolidated financial statements (continued)

18. Fixed assets (continued)

2020 (restated)

	Buildings	Machinery and equipment	Motor vehicles	Office equipment, temporary facilities and others	Total
Cost					
Opening balance of the year	28,361,401	17,939,065	3,260,760	16,023,938	65,585,164
Purchases	921,486	1,637,107	354,680	2,489,299	5,402,572
Transfers from construction in progress (Note V.19)	1,687,035	466,702	2,799	918,810	3,075,346
Other addition	1,243,128	892,471	275,494	1,593,128	4,004,221
Disposals or retirements	(316,748)	(800,162)	(402,894)	(1,256,570)	(2,776,374)
Other decrease	(1,126,186)	(2,271,824)	(318,042)	(1,215,736)	(4,931,788)
Closing balance of the year	30,770,116	17,863,359	3,172,797	18,552,869	70,359,141
Accumulated depreciation					
Opening balance of the year	(4,878,850)	(9,843,093)	(2,185,053)	(10,818,360)	(27,725,356)
Depreciation accrued during the year	(830,634)	(1,511,167)	(273,931)	(3,457,275)	(6,073,007)
Other additions	(175,183)	(644,351)	(220,832)	(432,869)	(1,473,235)
Disposals or retirements	82,682	631,724	326,843	1,106,336	2,147,585
Other decrease	197,212	1,029,330	248,046	781,835	2,256,423
Closing balance of the year	(5,604,773)	(10,337,557)	(2,104,927)	(12,820,333)	(30,867,590)
Impairment allowance					
Opening balance of the year	(213,151)	(39,819)	(28,508)	(8,356)	(289,834)
Impairment accrued during the year	(2,745)	(5,001)	(163)	–	(7,909)
Other additions	–	(1,986)	(5,394)	–	(7,380)
Disposals or retirements	2,805	33,399	24,367	8,190	68,761
Other decrease	1,215	428	6,821	131	8,595
Closing balance of the year	(211,876)	(12,979)	(2,877)	(35)	(227,767)
Net book value					
At the end of the year	24,953,467	7,512,823	1,064,993	5,732,501	39,263,784
At the beginning of the year	23,269,400	8,056,153	1,047,199	5,197,222	37,569,974

Fixed assets held under a finance lease are as follows:

31 December 2021

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

V. Notes to the consolidated financial statements (continued)

18. Fixed assets (continued)

Operating leased fixed assets are as follows:

As at 31 December 2021, the fixed assets with a carrying amount of RMB130,502 thousand, and a cost of RMB235,471 thousand are leased out under operating leases (31 December 2020: a carrying amount of 159,348 thousand, and a cost of RMB247,937 thousand).

As at 31 December 2021 and 31 December 2020, the fixed assets that were pledged by the Group to banks for borrowings are presented in detail in Note V.70.

19. Construction in progress

	31 December 2021			31 December 2020 (restated)		
	Carrying amount	Impairment allowance	Net book value	Carrying amount	Impairment allowance	Net book value
Construction in progress	3,957,614	(250,945)	3,706,669	11,184,216	(250,945)	10,933,271

Changes of significant projects of construction in progress are as follows:

2021

	Budgeted amount	Opening balance of the year	Additions	Transfer to fixed assets (Note V.18)	Other transferred out (Note)	Closing balance of the year	Source of funds	Proportion of investment to budget (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	2,320,424	1,923,147	397,278	(2,200,556)	(119,869)	-	Self-funding and loan	100
Shanghai Zhongjiao Yuelan Mountain Project	1,473,684	936,438	51,970	-	(988,408)	-	Self-funding	67
CSCEC Jinxiutiandi Construction Project	1,215,997	895,968	320,029	-	(1,215,997)	-	Self-funding and loan	100
Songjiang Building Construction Project	1,360,223	839,821	520,402	-	(1,360,223)	-	Self-funding and loan	100
Wanning Jinxin Grand Hyatt	1,340,814	714,036	274,262	-	-	988,298	Self-funding and loan	74
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd.	720,808	626,476	94,332	(720,808)	-	-	Self-funding	100
Songjiang Yunzhu Shenlan Construction Project	383,163	369,439	10,302	-	(379,741)	-	Self-funding and loan	99
Zhonghai Huanyu City Construction Project	591,139	348,621	242,518	(591,139)	-	-	Self-funding and loan	100
Others	N/A	4,530,270	3,497,884	(2,310,355)	(2,748,483)	2,969,316	Self-funding and loan	N/A
Total		11,184,216	5,408,977	(5,822,858)	(6,812,721)	3,957,614		

2020 (restated)

	Budgeted amount	Opening balance of the year	Additions	Transfer to fixed assets (Note V.18)	Other transferred out (Note)	Closing balance of the year	Source of funds	Proportion of investment to budget (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	2,152,390	1,515,607	410,646	-	(3,106)	1,923,147	Self-funding and loan	89
Shanghai Zhongjiao Yuelan Mountain Project	1,473,684	792,545	143,893	-	-	936,438	Self-funding	64
CSCEC Jinxiutiandi Construction Project	1,290,670	650,106	245,862	-	-	895,968	Self-funding and loan	69
Songjiang Building Construction Project	1,395,072	559,191	280,630	-	-	839,821	Self-funding	60
Wanning Jinxin Grand Hyatt	1,313,996	610,566	103,470	-	-	714,036	Self-funding	54
Liutai Building of China Construction Sixth Engineering Division Corp. Ltd.	632,208	420,767	205,709	-	-	626,476	Self-funding	99
Songjiang Yunzhu Shenlan Construction Project	383,163	344,140	25,299	-	-	369,439	Self-funding and loan	96
Zhonghai Huanyu City Construction Project	545,628	217,024	131,597	-	-	348,621	Self-funding	64
Others	N/A	5,228,570	3,506,995	(3,075,346)	(1,129,949)	4,530,270	Self-funding and loan	N/A
Total		10,338,516	5,054,101	(3,075,346)	(1,133,055)	11,184,216		

Note: Other transferred out mainly includes the conditions that construction in progress is used for leasing after completing and transferred to investment properties.

V. Notes to the consolidated financial statements (continued)

19. Construction in progress (continued)

Changes of significant projects of construction in progress are as follows:

2021

	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.	100%	209,501	22,084	5.78
CSCEC Jinxiutiandi Construction Project	100%	135,000	19,730	4.50
Songjiang Building Construction Project	99%	6,716	413	4.75
Others	N/A	99,234	39,851	N/A
Total		450,451	82,078	

2020

	Progress	Accumulated amount of interest capitalised	Including: Interest capitalised during the year	Capitalisation rate during the year (%)
Beijing Advanced Business Park Office Building of China Construction Third Engineering Bureau Co., Ltd.	89%	187,417	63,556	5.78
CSCEC Jinxiutiandi Construction Project	69%	115,270	43,455	4.50
Songjiang Building Construction Project	96%	6,303	2,718	4.75
Others	N/A	59,383	29,282	N/A
Total		368,373	139,011	

As at 31 December 2021 and 31 December 2020, the construction in progress that were pledged by the Group to banks for borrowings are presented in details in Note V.70.

Impairment allowance of construction in progress:

2021

Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year	Reason
250,945	–	–	250,945	The book value is higher than the recoverable amount

2020

Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year	Reason
252,521	–	(1,576)	250,945	The book value is higher than the recoverable amount

V. Notes to the consolidated financial statements (continued)

20. Right of use assets

2021

	Buildings	Machinery and equipment	Motor vehicles	Other equipment	Total
Cost					
As of 31 December 2020	–	–	–	–	–
Changes in accounting policies	4,302,926	1,610,259	15,633	219,237	6,148,055
Opening balance of the year	4,302,926	1,610,259	15,633	219,237	6,148,055
Increase during the year	2,791,225	240,131	12,027	13,494	3,056,877
Decrease during the year	(815,402)	(469,089)	(6,486)	(72,383)	(1,363,360)
Closing balance of the year	6,278,749	1,381,301	21,174	160,348	7,841,572
Accumulated amortisation					
As of 31 December 2020	–	–	–	–	–
Changes in accounting policies	–	(137,189)	(96)	–	(137,285)
Opening balance of the year	–	(137,189)	(96)	–	(137,285)
Increase during the year	(1,440,616)	(476,635)	(9,736)	(45,444)	(1,972,431)
Decrease during the year	27,901	121,703	–	13	149,617
Closing balance of the year	(1,412,715)	(492,121)	(9,832)	(45,431)	(1,960,099)
Net book value					
Closing balance of the year	4,866,034	889,180	11,342	114,917	5,881,473
Opening balance of the year	4,302,926	1,473,070	15,537	219,237	6,010,770

21. Intangible assets

2021

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the year	7,737,009	19,218,420	891,008	705,353	28,551,790
Increase during the year	410,806	3,451,047	214,221	47,659	4,123,733
Decrease during the year	(108,871)	(5,368,089)	(22,764)	(60,679)	(5,560,403)
Closing balance of the year	8,038,944	17,301,378	1,082,465	692,333	27,115,120
Accumulated amortisation					
Opening balance of the year	(1,146,804)	(1,440,217)	(486,981)	(346,581)	(3,420,583)
Increase during the year	(114,784)	(222,790)	(149,846)	(15,437)	(502,857)
Decrease during the year	16,868	–	15,781	290	32,939
Closing balance of the year	(1,244,720)	(1,663,007)	(621,046)	(361,728)	(3,890,501)
Impairment allowance					
Opening balance of the year	(1,618,899)	(952,660)	–	–	(2,571,559)
Closing balance of the year	(1,618,899)	(952,660)	–	–	(2,571,559)
Net book value					
Closing balance of the year	5,175,325	14,685,711	461,419	330,605	20,653,060
Opening balance of the year	4,971,306	16,825,543	404,027	358,772	22,559,648

V. Notes to the consolidated financial statements (continued)

21. Intangible assets (continued)

2020 (restated)

	Land use rights	Franchise rights	Software	Others	Total
Cost					
Opening balance of the year	7,451,478	12,806,517	727,848	694,476	21,680,319
Increase during the year	372,766	6,411,903	183,577	12,311	6,980,557
Decrease during the year	(87,235)	–	(20,417)	(1,434)	(109,086)
Closing balance of the year	7,737,009	19,218,420	891,008	705,353	28,551,790
Accumulated amortisation					
Opening balance of the year	(1,024,490)	(1,237,277)	(399,581)	(322,234)	(2,983,582)
Increase during the year	(149,236)	(202,940)	(101,612)	(25,447)	(479,235)
Decrease during the year	26,922	–	14,212	1,100	42,234
Closing balance of the year	(1,146,804)	(1,440,217)	(486,981)	(346,581)	(3,420,583)
Impairment allowance					
Opening balance of the year	(1,334,236)	(952,660)	–	–	(2,286,896)
Increase during the year	(284,663)	–	–	–	(284,663)
Closing balance of the year	(1,618,899)	(952,660)	–	–	(2,571,559)
Net book value					
Closing balance of the year	4,971,306	16,825,543	404,027	358,772	22,559,648
Opening balance of the year	5,092,752	10,616,580	328,267	372,242	16,409,841

As of 31 December 2021, the franchise rights in the construction period of contract assets (RMB10,437,049 thousand) are listed as Intangible assets – franchise rights.

As of 31 December 2021 and 31 December 2020, the intangible assets that were pledged by the Group to banks for borrowings are presented in details in Note V.70.

22. Goodwill

2021

The invested entity	Opening balance of the year	Increase during the year	Other movements (Note)	Closing balance of the year
China Overseas Land & Investment Ltd. ("China Overseas Land & Investment")	1,429,449	–	(54,197)	1,375,252
China State Construction Development Holdings Limited ("State Construction Development")	487,548	–	(18,485)	469,063
Plaza Construction LLP	98,722	–	(2,257)	96,465
Finqciere Groupe Betom	58,403	–	1,004	59,407
China Construction Sixth Engineering Division Water Conservancy and Hydropower Construction Group	42,797	–	–	42,797
CSCEC Zhong Huan Engineering Co., Ltd.	40,103	–	–	40,103
Yueyang Hecheng Construction Investment	27,027	–	–	27,027
China State Construction Built Port Group	15,583	–	–	15,583

V. Notes to the consolidated financial statements (continued)

22. Goodwill (continued)

2021 (continued)

The invested entity	Opening balance of the year	Increase during the year	Other movements (Note)	Closing balance of the year
Xinjiang Zhongjian West Construction Cement Manufacturing Co., Ltd.	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
China Construction third Engineering Bureau Construction Engineering Co., Ltd. Civil Air Defense Construction Design Institute (Original name: “Hubei Civil Air Defense Construction Design Institute”)	11,563	–	–	11,563
Shache Zhiyuan Infrastructure Construction Management Co., Ltd.	–	11,509	–	11,509
Yunnan Changkun Hydropower Base Construction Management Co., Ltd.	11,163	–	–	11,163
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Chongqing Zhonghai Investment Co., Ltd	10,650	–	(404)	10,246
Others	73,629	10,094	(2,647)	81,076
Sub-Total	2,344,942	21,603	(76,986)	2,289,559
Less: Impairment allowance	54,681			51,665
Total	2,290,261			2,237,894

2020

The invested entity	Opening balance of the year	Increase during the year	Other movements (Note)	Closing balance of the year
China Overseas Land & Investment Ltd. (“China Overseas Land & Investment”)	1,498,889	–	(69,440)	1,429,449
China State Construction Development Holdings Limited (“State Construction Development”)	511,232	–	(23,684)	487,548
Plaza Construction LLP	105,551	–	(6,829)	98,722
Finqnciere Groupe Betom	–	59,210	(807)	58,403
China Construction Sixth Engineering Division Water Conservancy and Hydropower Construction Group	42,797	–	–	42,797
CSCEC Zhong Huan Engineering Co., Ltd.	40,103	–	–	40,103
Yueyang Hecheng Construction Investment	27,027	–	–	27,027
China State Construction Built Port Group	15,583	–	–	15,583
Xinjiang Zhongjian West Construction Cement Manufacturing Co., Ltd.	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Hubei Civil Air Defense Construction Design Institute	11,563	–	–	11,563
Yunnan Changkun Hydropower Base Construction Management Co., Ltd.	11,163	–	–	11,163
Chongqing Zhonghai Investment Co., Ltd	11,167	–	(517)	10,650
Liaoning Road & Bridge Construction Group	10,562	–	–	10,562
Others	73,121	515	(7)	73,629
Sub-Total	2,386,501	59,725	(101,284)	2,344,942
Less: Impairment allowance	39,073			54,681
Total	2,347,428			2,290,261

V. Notes to the consolidated financial statements (continued)

22. Goodwill (continued)

Changes in impairment allowance of goodwill are as below:

2021

	Opening balance of the year	Accrued this year	Other movements (Note)	Closing balance of the year
Xinjiang Zhongjian West Construction Cement Manufacturing Co., Ltd.	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Chongqing Zhonghai Investment Co., Ltd.	10,650	–	(404)	10,246
CSCEC Zhong Huan Engineering Co., Ltd.	12,031	–	–	12,031
Others	4,257	34	(2,646)	1,645
Total	54,681	34	(3,050)	51,665

2020

	Opening balance of the year	Accrued this year	Other movements (Note)	Closing balance of the year
Xinjiang Zhongjian West Construction Cement Manufacturing Co., Ltd.	14,601	–	–	14,601
Dezhou Haoyu Investment Co., Ltd.	13,142	–	–	13,142
Chongqing Zhonghai Investment Co., Ltd.	11,167	–	(517)	10,650
CSCEC Zhong Huan Engineering Co., Ltd.	–	12,031	–	12,031
Others	163	4,101	(7)	4,257
Total	39,073	16,132	(524)	54,681

Note: Other movements are mainly due to changes in exchange rates.

The group allocates the book value of goodwill to the asset group or portfolio that can benefit from the synergy of business combination, and carries out impairment test on this basis.

The goodwill obtained from business combination has been allocated to the following asset groups or portfolio for impairment test. The measurement basis and main assumptions of the recoverable amount of the above asset groups are as follows:

Asset group-China Overseas Land & Investment

Asset group-State Construction Development

Asset Group-China Overseas Land & Investment

The recoverable amount of China Overseas Land & Investment is determined by the present value of the expected future cash flow of the asset group portfolio according to the cash flow forecast based on the five-year financial budget approved by the management. The discount rate used for cash flow forecast is 9.5%, and the growth rate of cash flow of China Overseas Land & Investment after 5 years is 3%.

Asset Group-State Construction Development

The recoverable amount of State Construction Development shall be the net amount of the fair value of the asset group minus the disposal expenses.

The carrying amount of goodwill is apportioned to the asset group or portfolio as follows:

	China Overseas Land & Investment		State Construction Development		Total	
	2021	2020	2021	2020	2021	2020
Carrying amount of goodwill	1,375,252	1,429,449	469,063	487,548	1,844,315	1,916,997

V. Notes to the consolidated financial statements (continued)

23. Long-term prepaid expenses

2021

	31 December 2020	Changes in accounting policies	Opening balance of the year	Increase	Amortisation	Other decrease	Closing balance of the year
Expenditure on improvement of leased fixed assets	444,600	–	444,600	222,902	(153,167)	(16,763)	497,572
Office rent	154,202	(154,202)	–	–	–	–	–
Others	525,955	–	525,955	393,999	(275,055)	(11,061)	633,838
Total	1,124,757	(154,202)	970,555	616,901	(428,222)	(27,824)	1,131,410

2020 (restated)

	Opening balance of the year	Increase	Amortisation	Other decrease	Closing balance of the year
Expenditure on improvement of leased fixed assets	419,326	149,747	(119,519)	(4,954)	444,600
Office rent	68,233	129,265	(41,645)	(1,651)	154,202
Others	593,085	257,446	(190,396)	(134,180)	525,955
Total	1,080,644	536,458	(351,560)	(140,785)	1,124,757

24. Deferred tax assets/liabilities

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

	31 December 2021		31 December 2020 (restated)	
	Deductible temporary differences and losses	Deferred tax assets	Deductible temporary differences and losses	Deferred tax assets
Deferred tax assets				
Impairment allowance of assets	41,993,795	7,307,315	30,579,743	5,588,621
Elimination of intra group unrealised profit	7,024,945	1,469,229	4,075,148	937,061
Accrued expenses	29,193,942	7,148,365	27,335,649	6,690,580
Accrued liabilities	3,118,363	514,395	2,968,722	503,219
Deductible losses	14,657,896	3,481,511	15,192,233	3,333,024
Tax differences on lease liabilities	5,696,798	1,114,115	–	–
Others	2,203,868	534,753	1,893,494	442,602
Total	103,889,607	21,569,683	82,044,989	17,495,107

V. Notes to the consolidated financial statements (continued)

24. Deferred tax assets/liabilities (continued)

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

	31 December 2021		31 December 2020 (restated)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Depreciation of fixed assets	351,378	74,323	364,073	74,825
Depreciation of investment properties	4,850,763	1,212,691	3,685,982	921,496
Fair value adjustment of business combinations involving enterprises not under common control	10,043,291	2,501,096	14,864,768	3,445,441
Changes in fair value of financial assets	572,485	211,302	621,625	170,550
Gain from special restructuring of subsidiaries (Note 1)	1,179,437	294,859	1,179,437	294,859
Withholding tax for dividends (Note 2)	3,271,939	163,597	4,226,760	211,338
Revenue from BT/PPP projects	6,372,427	1,597,641	3,422,197	855,549
Tax differences on right of use assets	5,384,277	1,046,470	–	–
Others	3,965,850	960,384	5,649,216	1,326,419
Total	35,991,847	8,062,363	34,014,058	7,300,477

Note 1: According to Notice of the Ministry of Finance and the State Administration of Taxation on Enterprise Income Tax Treatment of Enterprise Reorganization (Cai Shui [2009] No. 59), deferred tax liabilities are recognised by the Company and other related subsidiaries for the difference between tax base and accounting base of equity investment arising from reorganization of West Construction.

Note 2: According to the arrangement between Mainland China and Hong Kong Special Administrative Region over income taxes to avoid double taxation and tax evasion, signed between Mainland China and Hong Kong, withholding tax for dividends are provided by domestic subsidiaries, domestic associates and domestic joint ventures of the subsidiaries of China Overseas Land & Investment and China State Construction International Holdings Limited (“China State Construction International”) for profit estimated to be distributed to the subsidiaries of China Overseas Land & Investment and China State Construction International at the tax rate of 5%.

Deferred tax assets and deferred tax liabilities that are presented at the net amount after offsetting:

	31 December 2021		31 December 2020 (restated)	
	Offsetting amount	Net amount after offsetting	Offsetting amount	Net amount after offsetting
Deferred tax assets	2,667,394	18,902,289	1,244,327	16,250,780
Deferred tax liabilities	2,667,394	5,394,969	1,244,327	6,056,150

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

	31 December 2021	31 December 2020 (restated)
Deductible temporary differences	21,509,648	22,129,576
Deductible tax losses	18,751,381	17,403,113
Total	40,261,029	39,532,689

V. Notes to the consolidated financial statements (continued)

24. Deferred tax assets/liabilities (continued)

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

	31 December 2021	31 December 2020
2021	–	1,703,333
2022	1,175,677	1,528,760
2023	1,954,484	2,454,912
2024	3,922,015	4,861,870
2025	4,760,797	6,854,238
2026	6,938,408	–
Total	18,751,381	17,403,113

25. Other non-current assets

	31 December 2021	31 December 2020 (restated)
Contract assets (Note V.9)	222,440,523	139,278,678
Include: PPP Project	132,271,313	68,652,381
Warranty deposit	72,354,123	41,814,329
Others	17,815,087	28,811,968
Input VAT to be verified	907,103	859,779
Prepayment of purchase of long-term assets	418,719	499,457
Others	2,573,691	820,784
Sub-total	226,340,036	141,458,698
Less: Impairment allowance	(2,794,716)	(1,512,744)
Total	223,545,320	139,945,954

As at 31 December 2021, the impairment allowance of the above contract assets is RMB2,734,822 thousand (31 December 2020: RMB1,512,738 thousand).

26. Impairment allowance of assets

2021

	31 December 2020	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 notes receivable	–	–	–	502,016	–	–	–	502,016
Impairment allowance of accounts receivable	25,792,354	12,430	25,804,784	19,336,333	(11,108,526)	(644,966)	(148,253)	33,239,372
Impairment allowance of other receivables	6,759,463	–	6,759,463	2,128,860	(1,386,784)	(389,016)	(20,090)	7,092,433
Impairment allowance of other current assets	1,531,269	–	1,531,269	83,546	(671,197)	–	(5,573)	938,045
Impairment allowance of current portion of non-current assets	449,032	29,126	478,158	170,436	(137,953)	(1,371)	(49,689)	459,581
Impairment allowance of other non-current assets	1,512,744	333,553	1,846,297	1,144,973	(178,570)	(187)	(17,797)	2,794,716
Other ECLs provisions	1,200	–	1,200	26,001	–	–	21,501	48,702

V. Notes to the consolidated financial statements (continued)

26. Impairment allowance of assets (continued)

2021 (continued)

	31 December 2020	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 debt investments	15,228	-	15,228	5,414	(2,970)	-	(127)	17,545
Impairment allowance of long-term receivables	1,425,700	(379,301)	1,046,399	646,792	(380,677)	(117)	52,712	1,365,109
Impairment allowance of contract assets (Note)	3,818,976	15,134	3,834,110	3,060,483	(671,997)	(105,649)	(21,946)	6,095,001
Impairment provision for write-down of inventories	4,172,649	-	4,172,649	689,960	(679,617)	(35,767)	(64,970)	4,082,255
Impairment allowance of long-term equity investments	294,056	-	294,056	-	-	(236)	-	293,820
Impairment allowance of fixed assets	227,767	-	227,767	17,605	-	(7,515)	(131)	237,726
Impairment allowance of construction in progress	250,945	-	250,945	-	-	-	-	250,945
Impairment allowance of investment properties	21,153	-	21,153	35,146	-	-	(1,955)	54,344
Impairment allowance of intangible assets	2,571,559	-	2,571,559	-	-	-	-	2,571,559
Impairment allowance of goodwill	54,681	-	54,681	34	-	(2,641)	(409)	51,665
Total	48,898,776	10,942	48,909,718	27,847,599	(15,218,291)	(1,187,465)	(256,727)	60,094,834

Note: The impairment allowance of contract assets listed here only includes the impairment of current portion of contract assets.

2020 (Restated)

	Opening balance of the year	Provision for the year	Decrease during the year		Other movement	Closing balance of the year
			Reversal	Transfer/ Write-off		
Impairment allowance of accounts receivable	23,806,701	15,060,571	(12,166,712)	(902,942)	(5,264)	25,792,354
Impairment allowance of other receivables	7,081,369	2,170,370	(1,841,053)	(609,160)	(42,063)	6,759,463
Impairment allowance of other current assets	1,483,067	88,981	-	-	(40,779)	1,531,269
Impairment allowance of current portion of non-current assets	229,534	187,588	(69,884)	(565)	102,359	449,032
Impairment allowance of other non-current assets	1,995,266	311,506	(720,788)	(28,920)	(44,320)	1,512,744
Other ECLs provisions	637,280	15,602	(651,221)	(461)	-	1,200
Impairment allowance of debt investments	40,282	4,213	(29,359)	-	92	15,228
Impairment allowance of long-term receivables	916,396	725,467	(144,689)	(1,500)	(69,974)	1,425,700
Impairment allowance of contract assets (Note)	3,597,126	1,236,851	(1,020,697)	-	5,696	3,818,976
Impairment provision for write-down of inventories	4,200,108	570,238	(386,765)	(147,146)	(63,786)	4,172,649
Impairment allowance of long-term equity investments	294,056	-	-	-	-	294,056
Impairment allowance of fixed assets	289,834	7,909	-	(68,761)	(1,215)	227,767
Impairment allowance of construction in progress	252,521	-	-	(1,576)	-	250,945
Impairment allowance of investment properties	-	20,844	-	(835)	1,144	21,153
Impairment allowance of intangible assets	2,286,896	284,663	-	-	-	2,571,559
Impairment allowance of goodwill	39,073	16,132	-	-	(524)	54,681
Total	47,149,509	20,700,935	(17,031,168)	(1,761,866)	(158,634)	48,898,776

Note: The impairment allowance of contract assets listed here only includes the impairment of current portion of contract assets.

V. Notes to the consolidated financial statements (continued)

27. Short-term borrowings

	31 December 2021	31 December 2020 (restated)
Unsecured borrowings	52,938,117	24,596,438
Guaranteed borrowings	1,527,472	2,333,204
Pledged borrowings	5,097,643	2,278,532
Mortgaged borrowings	382,600	128,922
Total	59,945,832	29,337,096

The annual interest rate for the above borrowings varied from 1.00% to 10.00% (31 December 2020: 0.30% to 10.00%).

As at 31 December 2021, the Group has no short-term loan principal pledged by the letter of credit (31 December 2020: RMB21,455 thousand).

As at 31 December 2021 and 31 December 2020, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in details in Note V.70.

28. Notes payable

	31 December 2021	31 December 2020 (restated)
Commercial acceptance bills	673,179	540,387
Bank acceptance bills	6,879,887	4,742,025
Total	7,553,066	5,282,412

29. Accounts payable

	31 December 2021	31 December 2020 (restated)
Payables for projects and for real estate development	256,790,358	255,909,264
Payables for purchase of materials	174,776,782	167,173,727
Payables for services	57,759,230	56,022,419
Rent payable	16,185,139	15,554,843
Others	10,964,158	7,774,587
Total	516,475,667	502,434,840

As at 31 December 2021, accounts payable over 1 year with a carrying amount of RMB143,511,394 thousand (31 December 2020: RMB135,390,290 thousand) are mainly payables for projects, which are unsettled as the projects have not been completed or settled.

30. Advances from customers

	31 December 2021	31 December 2020
Others	782,465	607,427

As at 31 December 2021, advances from customers over 1 year with a carrying amount of RMB12,481 thousand (31 December 2020: RMB10,766 thousand) are mainly for advance rent receipts.

V. Notes to the consolidated financial statements (continued)

31. Contract liabilities

	31 December 2021	31 December 2020 (restated)
Amount due to customers for contract work	81,041,769	68,345,156
Advances for projects	58,083,500	47,927,099
Advances for sale of properties	178,702,437	188,243,091
Others	5,907,320	4,976,370
Total	323,735,026	309,491,716

At the balance sheet date, the details of advances for sale of properties are as follows:

Project name	31 December 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Guangzhou Haizhu daganwei plot project	5,880,517	1,224,600	June 2022	100
Kangqiao plot 10-09	5,038,704	–	September 2023	100
Beijing Shougangyuan Phase III Project	4,509,386	736,341	June 2022	99
Zhengzhou Zhonghai yundinghuju	4,345,134	517,522	December 2022	94
Wuhan Zhongjian Xingguang city kt2 plot	4,307,169	1,057,796	June 2023	100
Beijing Jinzhan Project	3,957,318	265,878	June 2022	68
Ningbo Yijiang source	3,610,954	601,950	June 2022	100
CSCEC Fudi Star City	3,471,787	1,870,991	December 2024	97
Jinan Zhonghai Huashan Longcheng Project	3,447,172	856,019	July 2024	51
Zhonghai Songshan Lake Garden	3,353,398	–	December 2022	100
Beijing Shougangyuan Project	3,276,345	–	December 2022	47
Ningbo Zhonghai Xinzhijuanjing	2,946,433	188,148	December 2022	55
Zhonghai Huanyu Ara Project	2,922,598	–	December 2023	69
Suzhou Yundong Project	2,884,213	1,226,871	August 2022	73
Beijing Fengtai Jia Village Project	2,696,482	318,486	September 2022	46
Beijing Yinghai Ersanfu	2,594,822	2,221,414	December 2021	100
Shanghai Zhongjian Reading House	2,580,899	2,213,995	September 2021	96
Foshan Zhonghai Longwan Peninsula Garden	2,352,570	362,851	June 2023	92
Hong Kong Kai Tak 6575 plot project	2,259,116	–	June 2023	47
Changsha Zhongjian Yuhe City	2,228,422	238,856	December 2023	52
Shijiazhuang Zhonghai Yunjin	2,041,499	1,172,366	August 2022	100
Nanjing Lion Dam	2,009,866	–	October 2022	100
Fang ShanYin	1,957,326	–	June 2022	68
Guangxi Zhongjian Yonghe Province	1,951,756	1,294,712	June 2023	90
Zhonghai Huanyu Era	1,930,826	–	December 2021	63
Chongqing Zhongjian Yuhu No. 1	1,924,809	1,699,115	December 2025	70
Shanghai Pudong Huinan Minle Affordable Housing Project	1,898,309	1,343,987	January 2022	90
0056 plot project	1,827,817	–	June 2022	68

V. Notes to the consolidated financial statements (continued)

31. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	31 December 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Tianjin 055 plot project	1,804,168	849,096	December 2021	88
Jinan Guoxitai Phase II	1,773,959	733,589	June 2022	100
Mirror of the Sky	1,757,700	–	June 2022	35
Hefei New Station District Modian Homestead Phase II A and E plot project	1,710,107	590,694	April 2022	100
Zhonghai Longwan Peninsula Garden Area A	1,592,186	–	June 2023	13
The capital of Jinan Zhongjian Jinxiu	1,574,710	526,524	July 2021	30
Jinan Zhangma New East Railway Station A4 plot	1,499,017	1,060,221	September 2022	95
Dalian Zhonghai East Port	1,485,922	150,541	December 2022	72
China Overseas Xiamen East Bay Project	1,477,319	–	March 2022	80
Hurun Homestead	1,380,763	337,395	December 2023	100
Guangzhou Nanzhou Road Project	1,344,954	–	October 2023	50
Taiyuan Zhonghai International Community Phase I	1,317,089	1,877,884	May 2025	77
Huangdao District Double Star Tire Old Factory Development Project A Lot	1,299,041	–	March 2022	96
Changsha Zhongjian Jinghe City Project	1,296,701	2,713,003	June 2022	99
Shandong First Medical University Staff Dormitory A-2 Plot	1,281,009	–	March 2023	52
Hefei Modian Homestead Phase II D Plot	1,261,394	433,637	June 2022	100
Emerald Lake	1,251,177	–	June 2022	31
South Mountain Seal	1,217,666	–	August 2023	76
Shanghai Hongqi Village Project	1,205,084	4,159,187	December 2022	65
Guiyang Zhonghai Yingshan Lake Project	1,181,947	324,483	December 2022	63
Tianjin 080 plot project	1,177,162	888,601	April 2022	90
Changsha Zhonghai Hairun Garden	1,165,309	–	May 2022	68
Zhongjian Platinum Mansion	1,160,527	2,764,024	December 2024	63
Wuhan Zhonghai Guanggu East Donglu Project (Phase I and II)	1,153,202	633,160	May 2022	87
Zhongjian Yueqian Yaju	1,149,076	567,821	March 2022	80
6039, 6040 plot project	1,076,562	–	June 2023	65
Qingdao Huangdao District Double Star Tire Old Factory Development Project G Plot	1,038,296	–	January 2022	96
Dalian Park Uptown Project	1,019,397	1,159,874	April 2022	58
Tianjin Xinli No. 1	1,011,204	631,936	August 2022	57
China Construction Splendid Chucheng Phase I	912,303	296,044	December 2023	44
Zhengzhou Zhonghai Lakeside Shijia North Garden	907,021	236,970	December 2022	31
Changxindian project	894,673	699,858	March 2022	34
Zhangjiajie Zhongjian Fengqitai	888,176	727,337	December 2022	87
Beijing company rice field project	874,557	–	December 2022	33
Chengdu Zhongjian Jinxiu Tiandi	870,450	39,002	June 2022	32
Zhongjian Forest County 3# plot project	858,874	345,782	September 2023	50

V. Notes to the consolidated financial statements (continued)

31. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	31 December 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Changde zhongjian Binjiang Province	846,375	446,723	June 2022	100
Chongqing Zhongjian Nanchen Jiuyu	841,066	255,919	March 2023	81
Zhonghai Mingdeli	821,597	–	December 2023	25
Shenyang Peace Gate No. 5 Phase I	820,234	324,609	October 2022	99
Changsha Zhongjian Phoenix Terrace Project	819,244	598,483	June 2022	87
Shanghai Qingpu Chonggu Town 03-14 commercial housing project	809,635	139,763	February 2022	100
Hefei Zhongjian Kaiyuan Yuhu Project	798,631	904,819	June 2022	100
Tianjin Qianjiang Garden	793,355	1,005,836	October 2022	21
Yanglin Project Phase I 38#-1 plot	779,236	396,229	December 2022	72
Zhongjian Qihaoyuan (Anyang) 3# plot project	774,844	529,864	September 2022	88
Zhongjian Guanhu Yuefu	758,571	589,099	June 2022	43
Harbin Zhonghai Yunlu Mansion (Phase I)	756,160	–	December 2022	29
China Construction City Phase VII land project	741,398	830,271	December 2022	62
Licang District Hotel Management College West Side Plot Project – Huishui Road	730,197	237,615	March 2022	100
Concentric Lake Project Lot A	683,929	–	November 2023	28
Zhuzhou Zhongjian YueXitai	680,551	1,141,084	December 2021	86
Beijing Shunyi District Houshayu Town 19th Street Condominiums	672,042	2,267,599	June 2022	100
Xuhe Bay	664,567	419,510	December 2022	100
0046 plot project	649,596	–	September 2023	100
Zhongjian Yinghua Yuefu	596,456	124,684	June 2023	77
Zhongjian Binjiang Star City	593,955	224,187	December 2025	99
Jinan Zhangma New East Railway Station Project C6-1 plot	581,142	190,269	April 2023	93
Zhongjian Jiutang Province	574,326	141,784	October 2023	24
Shanghai Jiading District Yunxiang Tuozhan Daju 26A-10A land guarantee housing project	572,699	–	December 2023	77
Tianjin Admiralty New Town Lots 8, 10, 11	569,495	–	September 2022	58
Nanjing Xiyuan Province	549,754	752,651	December 2022	30
Zhonghai Xi'an	546,681	247,612	April 2022	49
Zhongjian Yujing Star City	544,112	64,386	December 2023	45
Zhongjian Jiangshan Jiuyu Metro First Phase	543,337	–	June 2023	87
Zhonghai Songhu Huating	542,950	–	October 2022	2
Zhongjian Meixi Lake Center	540,474	332,695	December 2021	99
Harbin Zhonghai Wenchang Mansion	536,377	100,196	December 2022	90
Jiangsu RunjiangFu Project	517,487	8,507	June 2022	57
Weihai Jinxianding Project	505,621	–	December 2022	39
Zhongjian Renju Shanshui Yishu Phase II	503,069	365,355	September 2022	80

V. Notes to the consolidated financial statements (continued)

31. Contract liabilities (continued)

At the balance sheet date, the details of advances for sale of properties are as follows: (continued)

Project name	31 December 2021	31 December 2020	Estimated completion/ completion date (Note)	Pre-sale percentage (%) (Note)
Jinan Zhangma New East Railway Station Project A3A4A7A8 plot	490,519	–	January 2024	59
JiuyuFu Project	481,012	53,936	December 2022	21
Zhonghai Huanyu Times Garden	457,905	4,593,965	December 2021	88
China Overseas CID Project	440,833	–	December 2021	100
Changzhou Hongken Project	436,026	–	September 2023	14
Qingdao Jiaodong International Airport Supporting Projects	430,845	190,252	December 2022	100
Zhongjian Yipin JingYuan	420,674	81,491	November 2022	79
Ligezhuang Project	407,899	148,095	March 2022	90
Huanyu Era	398,682	–	March 2023	26
Zunyi Zhongjian Jinyu Real Estate	396,613	485,924	March 2023	58
Zhongjian Tangxun Lake No. 1	393,213	217,912	December 2023	80
Shanghai Jiufengli Project	389,973	156,141	March 2022	100
Others	21,224,731	127,517,065		
Total	178,702,437	188,243,091		

Note: Most of the above projects are phased development projects. The estimated completion time is the last phase of completion, and the pre-sale ratio is the proportion of the contracted area of the housing area that meets the sales conditions at the end of each year.

32. Employee benefits payable

2021

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Short-term employee benefits payable	7,963,533	86,044,343	(85,699,023)	8,308,853
Defined contribution plans payable (Defined contribution plans)	218,870	7,782,797	(7,773,909)	227,758
Termination benefits payable (Note V.41)	19,620	17,720	(22,840)	14,500
Total	8,202,023	93,844,860	(93,495,772)	8,551,111

2020 (restated)

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Short-term employee benefits payable	7,477,449	75,088,251	(74,602,167)	7,963,533
Defined contribution plans payable (Defined contribution plans)	259,545	4,190,011	(4,230,686)	218,870
Termination benefits payable (Note V.41)	23,640	11,511	(15,531)	19,620
Total	7,760,634	79,289,773	(78,848,384)	8,202,023

V. Notes to the consolidated financial statements (continued)

32. Employee benefits payable (continued)

Short-term employee benefits payable are as follows:

2021

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Salaries, bonuses, allowances and subsidies	6,524,333	67,485,031	(67,271,084)	6,738,280
Staff welfare	18,178	6,835,102	(6,832,683)	20,597
Social security	94,751	3,833,695	(3,813,353)	115,093
Including: Medical insurance	79,572	3,417,054	(3,402,144)	94,482
Work injury insurance	9,939	283,982	(281,501)	12,420
Maternity insurance	5,240	132,659	(129,708)	8,191
Supplementary commercial insurance	1,013	189,655	(185,443)	5,225
Housing funds	106,919	5,061,052	(5,079,709)	88,262
Union running costs and employee education costs	1,125,083	2,004,202	(1,911,652)	1,217,633
Other short-term benefits	93,256	635,606	(605,099)	123,763
Total	7,963,533	86,044,343	(85,699,023)	8,308,853

2020 (restated)

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Salaries, bonuses, allowances and subsidies	6,194,473	60,831,304	(60,501,444)	6,524,333
Staff welfare	19,766	5,388,788	(5,390,376)	18,178
Social security	122,609	2,557,030	(2,584,888)	94,751
Including: Medical insurance	105,105	2,310,474	(2,336,007)	79,572
Work injury insurance	8,265	125,828	(124,154)	9,939
Maternity insurance	9,239	120,728	(124,727)	5,240
Supplementary commercial insurance	9,336	147,359	(155,682)	1,013
Housing funds	109,689	3,839,016	(3,841,786)	106,919
Union running costs and employee education costs	1,000,506	1,725,557	(1,600,980)	1,125,083
Other short-term benefits	21,070	599,197	(527,011)	93,256
Total	7,477,449	75,088,251	(74,602,167)	7,963,533

Defined contribution plans payable are as follows:

2021

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Basic pension insurance	172,854	6,238,218	(6,243,750)	167,322
Contribution to annuity	37,040	1,336,349	(1,323,497)	49,892
Unemployment insurance	8,976	208,230	(206,662)	10,544
Total	218,870	7,782,797	(7,773,909)	227,758

V. Notes to the consolidated financial statements (continued)

32. Employee benefits payable (continued)

Defined contribution plans payable are as follows: (continued)

2020 (restated)

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Basic pension insurance	181,801	3,150,829	(3,159,776)	172,854
Contribution to annuity	59,893	934,494	(957,347)	37,040
Unemployment insurance	17,851	104,688	(113,563)	8,976
Total	259,545	4,190,011	(4,230,686)	218,870

33. Taxes and surcharges payable

	31 December 2021	31 December 2020 (restated)
Land appreciation tax	33,450,665	31,639,156
Corporate income tax	23,667,157	22,138,425
Value-added tax	9,626,421	8,122,873
Individual income tax	1,208,615	1,022,957
Urban maintenance and construction tax	451,875	411,698
Educational surcharge	233,809	227,767
Business tax	30,148	41,768
Others	403,537	422,486
Total	69,072,227	64,027,130

34. Other payables

	31 December 2021	31 December 2020 (restated)
Dividends payable	1,192,181	782,432
Other payables	125,530,978	117,539,108
Total	126,723,159	118,321,540

Dividends payable

	31 December 2021	31 December 2020
Dividends payable to non-controlling interests	874,881	462,132
Preference shares/perpetual bond dividends payable	317,300	320,300
Total	1,192,181	782,432

V. Notes to the consolidated financial statements (continued)

34. Other payables (continued)

Other payables

	31 December 2021	31 December 2020 (restated)
Guarantees payable	33,225,455	29,221,346
Project financing payables	34,654,452	36,530,879
Deposits payable	7,819,889	6,296,232
Payables for advances and construction incentives	24,273,084	19,590,381
Payments due to restricted stock incentive object	3,545,264	4,206,903
Others	22,012,834	21,693,367
Total	125,530,978	117,539,108

As at 31 December 2021, other payables over 1 year with a carrying amount of RMB42,087,075 thousand (31 December 2020: RMB35,120,396 thousand) are mainly guarantees payable and project financing payables, which were unsettled due to the incompleteness of projects.

35. Current portion of non-current liabilities

	31 December 2021	31 December 2020
Current portion of long-term borrowings (Note V.37)	53,213,552	46,275,177
Current portion of bonds payable (Note V.38)	14,858,213	30,106,372
Current portion of long-term payables (Note V.40)	11,043,043	11,314,629
Non-current liabilities due within one year (Note V.39)	2,199,318	–
Others	44,276	450,107
Total	81,358,402	88,146,285

36. Other current liabilities

	31 December 2021	31 December 2020 (restated)
VAT output to be transferred	71,861,258	65,949,510
Absorption deposits (Note X.5)	4,592,893	2,312,199
Short term financing bonds (Note. 1)	2,000,000	–
Estimated liabilities (Note V.42)	1,892,816	1,981,758
Estimated contract losses	1,146,911	1,362,324
Warranties	659,173	480,392
Pending litigations	53,398	66,045
Others	74,114	73,488
Total	80,421,081	70,316,955

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

	Issuance date	Maturity	Opening balance	In current period	Ending balance	Annual interest rate (%)
21 China Construction Second Engineering Bureau Co., Ltd SCP005	November 12, 2021	105 days	–	2,000,000	2,000,000	2.48

V. Notes to the consolidated financial statements (continued)

37. Long-term borrowings

	31 December 2021	31 December 2020
Unsecured borrowings	256,697,806	222,827,945
Guaranteed borrowings	13,041,654	9,401,699
Pledged borrowings	100,282,562	85,201,557
Mortgage borrowings	17,927,433	21,741,014
Subtotal	387,949,455	339,172,215
Less: Long-term borrowings due within 1 year (Note V.35)		
Including: Unsecured borrowings	(45,213,476)	(37,015,423)
Guaranteed borrowings	(1,312,843)	(1,936,446)
Pledged borrowings	(5,537,609)	(5,798,189)
Mortgage borrowings	(1,149,624)	(1,525,119)
Total	334,735,903	292,897,038

As at 31 December 2021, the annual interest rate of long-term borrowings (including current portion of long-term borrowings) varied from 1.03% to 7.00% (31 December 2020: 1.23% to 7.00%).

As at 31 December 2021, the Group had RMB19,758,635 thousand long-term loan principal pledged by future income rights and the project franchise (31 December 2020: RMB15,153,181 thousand).

At 31 December 2021 and 31 December 2020, the Group has mortgaged or pledged various assets to banks as security for borrowings that are presented in detail in Note V.70.

38. Bonds payable

	31 December 2021	31 December 2020
Corporate bonds	31,276,197	33,821,517
Non-public targeted bond financing instruments	75,805,463	82,777,698
Others	7,237,303	2,289,628
Subtotal	114,318,963	118,888,843
Less: Bonds payable due within 1 year (Note V.35)	(14,858,213)	(30,106,372)
Total	99,460,750	88,782,471

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2021, 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
2012 Hong Kong Guaranteed Note No. 4579	USD700 million	15-Nov-2012	10 years	USD700 million	4,574,930	-	176,948	(5,909)	(163,334)	(161,444)	4,422,191
2012 Hong Kong Guaranteed Note No. 4580	USD300 million	15-Nov-2012	30 years	USD300 million	1,943,858	-	101,528	(422)	(116,553)	(71,801)	1,856,610
2013 Hong Kong Class B Guaranteed Notes	USD500 million	29-Oct-2013	10 years	USD500 million	3,304,713	-	172,113	(3,226)	(185,096)	(117,279)	3,171,223
2013 Hong Kong Class C Guaranteed Notes	USD500 million	29-Oct-2013	30 years	USD500 million	3,268,148	-	204,135	(668)	(193,705)	(121,847)	3,156,163
2014 Hong Kong Guaranteed Notes No. 5746	USD700 million	8-May-2014	10 years	USD700 million	4,614,376	-	266,684	1,449	(267,592)	(176,712)	4,438,205
2014 Hong Kong Guaranteed Notes No. 6013	USD500 million	11-Jun-2014	20 years	USD500 million	3,253,288	-	205,299	(1,331)	(206,388)	(119,832)	3,131,036
2015 China Construction Eighth Bureau First Medium Term Notes	RMB100 million	29-Apr-2015	5 years	RMB100 million	7,947	-	-	-	(7,947)	-	-
2015 China State Construction Eighth Bureau Second Medium Term Note	RMB1.6 billion	17-Aug-2015	5 years	RMB1.6 billion	18,613	-	-	-	(18,613)	-	-
2015 China Overseas Real Estate Phase I Corporate Bonds	RMB7 billion	19-Nov-2015	6 years	RMB7 billion	3,439,691	-	133,643	-	(3,573,334)	-	-
2015 China Overseas Real Estate Phase II Corporate Bonds	RMB1 billion	19-Nov-2015	7 years	RMB1 billion	10,267	-	-	-	(10,267)	-	-
CITIC Real Estate Co., Ltd. 2016 Non-public Issuance of Corporate Bonds (Phase 1)	RMB1 billion	15-Jan-2016	5 years	RMB1 billion	416,925	-	542	-	(417,467)	-	-
2016 First Medium Term Notes	RMB3 billion	11-Apr-2016	5 years	RMB3 billion	3,034,180	-	53,556	264	(3,088,000)	-	-
CSCEC II N 2106	USD500 million	14-Jun-2016	5 years	USD500 million	3,264,387	-	38,972	2,139	(3,230,886)	(74,612)	-
2016 China Overseas Real Estate Phase I Corporate Bonds	RMB6 billion	22-Aug-2016	10 years	RMB6 billion	6,152,201	-	173,882	-	(4,426,083)	-	1,900,000
2016 China State Construction Sixth Bureau First Medium Term Note	RMB500 million	24-Aug-2016	5 years	RMB500 million	505,816	-	11,251	333	(517,400)	-	-
2016 China Construction West Construction Phase I Medium-term Note	RMB700 million	27-Sep-2016	5 years	RMB700 million	705,990	-	20,633	1,167	(727,790)	-	-
CSCEC II N 2207	USD500 million	5-Jul-2017	5 years	USD500 million	3,301,999	-	92,448	4,313	(92,448)	(75,504)	3,230,808
CSCEC II N 2707	USD500 million	5-Jul-2017	10 years	USD500 million	3,294,580	-	111,576	3,237	(111,575)	(75,335)	3,222,483
2017 Hong Kong Class A Guaranteed Notes	USD550 million	29-Nov-2017	5 years	USD550 million	3,624,870	-	122,561	6,077	(122,970)	(199,787)	3,490,751
2017 Hong Kong Class B Guaranteed Notes	USD250 million	29-Nov-2017	10 years	USD250 million	1,642,368	-	63,962	-	(64,176)	(60,935)	1,581,219
2018 China Overseas Real Estate Phase 1 Medium-Term Notes	RMB3 billion	5-Feb-2018	3 years	RMB3 billion	3,069,759	-	17,266	-	(3,087,025)	-	-
2018 China Construction Second Bureau Phase I Medium-Term Notes	RMB1 billion	17-Apr-2018	5 years	RMB1 billion	1,034,354	-	50,834	1,200	(51,500)	-	1,034,888
2018 China Construction Fangcheng Non-public Issuance of Corporate Bonds (Phase I)	RMB700 million	24-Apr-2018	3 years	RMB700 million	726,537	-	12,176	-	(738,713)	-	-
2018 Hong Kong Guaranteed Note No. 4475	USD750 million	26-Apr-2018	5 years	USD750 million	4,951,294	-	204,586	(4,811)	(193,121)	(177,215)	4,780,733
2018 Hong Kong Guaranteed Note No. 4476	USD750 million	26-Apr-2018	10 years	USD750 million	4,966,747	-	228,656	(3,000)	(242,724)	(180,259)	4,769,420
2018 China State Construction Transportation Phase I Medium-term Notes	RMB500 million	23-Jul-2018	5 years	RMB500 million	511,178	-	25,500	-	(25,500)	-	511,178

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2021, 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
2018 First Medium Term Notes	RMB5 billion	15-Aug-2018	5 years	RMB5 billion	5,114,358	-	204,739	1,543	(235,000)	-	5,085,640
2018 Second Medium Term Notes	RMB5 billion	15-Aug-2018	5 years	RMB5 billion	5,114,358	-	204,739	1,543	(235,000)	-	5,085,640
2018 China Overseas Real Estate Phase I Corporate Bonds	RMB3.5 billion	19-Oct-2018	6 years	RMB3.5 billion	3,565,531	-	130,879	-	(3,696,410)	-	-
2018 China State Construction Seventh Bureau Phase I Medium-Term Notes	RMB2 billion	8-Nov-2018	3 years	RMB2 billion	2,017,386	-	67,814	-	(2,085,200)	-	-
2018 China Construction Fourth Bureau Third Medium-Term Notes	RMB2 billion	22-Nov-2018	3 years	RMB2 billion	2,009,544	-	76,256	-	(2,085,800)	-	-
2019 China Overseas Real Estate Phase I Corporate Bond Variety I	RMB2 billion	23-Jan-2019	6 years	RMB2 billion	2,067,645	-	64,878	-	(132,523)	-	2,000,000
2019 China Overseas Real Estate Phase I Corporate Bond Variety II	RMB1.5 billion	23-Jan-2019	7 years	RMB1.5 billion	1,536,238	-	52,566	-	(68,824)	-	1,500,000
2019 China State Construction Transportation Phase I Medium Term Notes	RMB300 million	10-Apr-2019	5 years	RMB300 million	310,307	-	14,250	-	(14,250)	-	310,307
2019 China State Construction Xinjiang Construction Engineering Phase I Medium-term Notes	RMB800 million	20-Jun-2019	3+N years	RMB800 million	821,622	-	45,965	740	(45,840)	-	822,487
2019 Hong Kong Guaranteed Note No. 4437	HKD2 billion	15-Jul-2019	5.5 years	HKD2 billion	1,710,356	-	200,257	(1,144)	(158,710)	(61,543)	1,689,216
2019 Hong Kong Guaranteed Note No. 4438	USD450 million	15-Jul-2019	10 years	USD450 million	2,988,422	-	53,604	(1,107)	(65,687)	(109,953)	2,865,279
2019 Hong Kong Guaranteed Note No. 40076	USD294 million	27-Nov-2019	10 years	USD294 million	1,973,321	-	30,960	(1,794)	(69,992)	(69,377)	1,863,118
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 01 Asset-Backed Securities	RMB88 million	20-Dec-2019	3.082 years	RMB88 million	91,585	-	10,768	-	(77,347)	-	25,006
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 02 Asset-Backed Securities	RMB129 million	20-Dec-2019	6.088 years	RMB129 million	134,255	-	5,075	-	(5,255)	-	134,075
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 03 Asset-Backed Securities	RMB149 million	20-Dec-2019	9.085 years	RMB149 million	155,070	-	5,861	-	(6,070)	-	154,861
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 04 Asset-Backed Securities	RMB174 million	20-Dec-2019	12.09 years	RMB174 million	181,089	-	6,845	-	(7,089)	-	180,845
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 05 Asset-Backed Securities	RMB201 million	20-Dec-2019	15.088 years	RMB201 million	209,189	-	7,907	-	(8,189)	-	208,907
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 06 Asset-Backed Securities	RMB234 million	20-Dec-2019	18.096 years	RMB234 million	249,533	-	9,205	-	(9,533)	-	243,205
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 07 Asset-Backed Securities	RMB271 million	20-Dec-2019	21.093 years	RMB271 million	282,041	-	10,661	-	(11,041)	-	281,661

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2021, 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 Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 08 Asset-Backed Securities	RMB315 million	20-Dec-2019	24.099 years	RMB315 million	327,833	-	12,392	-	(12,833)	-	327,392
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 09 Asset-Backed Securities	RMB365 million	20-Dec-2019	27.096 years	RMB365 million	379,870	-	14,359	-	(14,870)	-	379,359
China Construction Third Bureau – Shiyuan Pipe Corridor PPP Project Asset-Backed Special Plan Priority 10 Asset-Backed Securities	RMB274 million	20-Dec-2019	29.104 years	RMB274 million	285,163	-	10,779	-	(11,163)	-	284,779
2020 Hong Kong Guarantee Note No. 40177	USD300 million	2-Mar-2020	5 years	USD300 million	1,972,538	-	24,602	(2,451)	(29,440)	(69,425)	1,895,824
2020 Hong Kong Guarantee Note No. 40178	USD500 million	2-Mar-2020	10 years	USD500 million	3,261,612	-	47,475	(2,750)	(38,833)	(117,919)	3,149,585
2020 Hong Kong Guarantee Note No. 40179	USD200 million	2-Mar-2020	15 years	USD200 million	1,314,775	-	21,580	(257)	(20,263)	(49,109)	1,266,726
Beijing Zhonghai Plaza Commercial Development Co., Ltd. CMBS Phase I	RMB3,701 billion	28-Apr-2020	18 years	RMB3,701 billion	3,706,541	-	61,679	-	(73,869)	-	3,694,351
China State Construction International Group Co., Ltd. 2020 for professional investors – Public Offering of Corporate Bonds (Phase I)	RMB2 billion	28-Jul-2020	3 years	RMB2 billion	2,025,943	-	70,603	1,407	(75,046)	-	2,022,907
China Overseas Enterprise Development Group Co., Ltd. 2020 for professional investors – Public Offering of Special Corporate Bonds for Housing Leasing (Phase I)	RMB2 billion	13-Aug-2020	6 years	RMB2 billion	2,024,711	-	59,831	-	(64,542)	-	2,000,000
Beijing Zhonghai Plaza Commercial Development Co., Ltd. CMBS Phase II	RMB3 billion	17-Aug-2020	18 years	RMB3 billion	3,005,982	-	78,020	-	(82,880)	-	3,001,122
China State Construction International Investment Group Co., Ltd. 2020 first medium-term notes	RMB500 million	26-Oct-2020	3 years	RMB500 million	503,072	-	17,252	-	(17,250)	-	503,074
China Overseas Enterprise Development Group Co., Ltd. 2020 for professional investors – Public Offering of Corporate Bonds (Phase I)	RMB2.4 billion	6-Nov-2020	3 years	RMB2.4 billion	2,411,787	-	56,091	-	(67,878)	-	2,400,000
China Overseas Enterprise Development Group Limited 2020 First Medium Term Notes	RMB1.5 billion	10-Dec-2020	3 years	RMB1.5 billion	1,503,150	-	50,482	-	(53,632)	-	1,500,000
China Overseas Enterprise Development Group Co., Ltd. 2021 First Medium-Term Notes	RMB1.5 billion	13-Jan-2021	3 years	RMB1.5 billion	-	1,500,000	49,133	-	(49,133)	-	1,500,000
CITIC Securities – China Shipping Commercial Management No. 3 Asset-Backed Special Plan	RMB1,001 billion	23-Mar-2021	3 years	RMB1,001 billion	-	1,001,000	25,690	-	(25,361)	-	1,001,329
China State Construction International Investment Group Co., Ltd. 2021 First Medium-Term Notes	RMB1 billion	27-May-2021	3 years	RMB1 billion	-	1,000,000	20,924	-	-	-	1,020,924
China Overseas Enterprise Development Group Co., Ltd. Open to professional investors in 2021 – Public Issuance of Corporate Bonds (Phase I) (Variety 1)	RMB2 billion	11-Jun-2021	3 years	RMB2 billion	-	2,000,000	35,931	-	(35,931)	-	2,000,000
China Overseas Enterprise Development Group Co., Ltd. Open to professional investors in 2021 – Public Issuance of Corporate Bonds (Phase I) (Variety 2)	RMB1 billion	11-Jun-2021	5 years	RMB1 billion	-	1,000,000	19,624	-	(19,624)	-	1,000,000
CITIC Securities – Chengdu China Overseas International Center Green Asset-Backed Special Program	RMB2,101 billion	23-Jun-2021	18 years	RMB2,101 billion	-	2,101,000	108,744	-	(104,286)	-	2,105,458

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2021, 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 Overseas Enterprise Development Group Co., Ltd. Publicly Issues Corporate Bonds to Professional Investors in 2021 (Phase II) (Variety 1)	RMB1 billion	9-Jul-2021	4 years	RMB1 billion	-	1,000,000	14,811	-	(14,811)	-	1,000,000
China Overseas Enterprise Development Group Co., Ltd. Publicly Issues Corporate Bonds to Professional Investors in 2021 (Phase II) (Variety 2)	RMB2 billion	9-Jul-2021	4 years	RMB2 billion	-	2,000,000	31,056	-	(31,056)	-	2,000,000
China Overseas Enterprise Development Group Co., Ltd. Publicly Issues Corporate Bonds to Professional Investors in 2021 (Phase III) (Variety 1)	RMB500 million	9-Aug-2021	4 years	RMB500 million	-	500,000	5,500	-	(5,500)	-	500,000
China Overseas Enterprise Development Group Co., Ltd. Publicly Issues Corporate Bonds to Professional Investors in 2021 (Phase III) (Variety 2)	RMB1.5 billion	9-Aug-2021	7 years	RMB1.5 billion	-	1,500,000	19,500	-	(19,500)	-	1,500,000
2021 China State Construction West Construction Phase I Medium-term Notes	RMB700 million	18-Aug-2021	3 years	RMB700 million	-	700,000	8,544	(833)	-	-	707,611
Beijing Zhonghai Plaza Commercial Development Co., Ltd. 2021 Commercial Real Estate Primary Securitization Loan No. 5	RMB1.9 billion	10-Nov-2021	18 years	RMB1.9 billion	-	1,901,000	9,426	-	-	-	1,910,426
China Overseas Enterprise Development Group Co., Ltd. 2021 Public Offering of Corporate Bonds to Professional Investors (Phase IV) (Variety 1)	RMB1.7 billion	25-Nov-2021	3 years	RMB1.7 billion	-	1,700,000	5,236	-	(5,236)	-	1,700,000
China Overseas Enterprise Development Group Co., Ltd. 2021 Public Offering of Corporate Bonds to Professional Investors (Phase IV) (Variety 2)	RMB1.2 billion	25-Nov-2021	5 years	RMB1.2 billion	-	1,200,000	4,056	-	(4,056)	-	1,200,000
2021 China Construction Fourth Bureau Phase III Medium-term Notes (Variety 1)	RMB100 million	16-Dec-2021	5 years	RMB1 billion	-	999,460	1,190	-	-	-	1,000,650
2021 China Construction Fourth Bureau Phase III Medium-term Notes (Variety 2)	RMB1 billion	16-Dec-2021	5 years	RMB1 billion	-	999,100	995	-	-	-	1,000,095
China Overseas Enterprise Development Group Co., Ltd. 2021 Public Offering of Corporate Bonds to Professional Investors (Phase V) (Variety 1)	RMB1.3 billion	17-Dec-2021	3 years	RMB1.3 billion	-	1,300,000	1,184	-	(1,184)	-	1,300,000
China Overseas Enterprise Development Group Co., Ltd. 2021 Public Offering of Corporate Bonds to Professional Investors (Phase V) (Variety 2)	RMB800 million	17-Dec-2021	5 years	RMB800 million	-	800,000	826	-	(826)	-	800,000
China State Construction International Investment Group Co., Ltd. 2021 Second Medium-Term Notes	RMB1.5 billion	17-Dec-2021	3 years	RMB1.5 billion	-	1,500,000	196	-	-	-	1,500,196
Subtotal					118,888,843	24,701,560	4,579,711	(4,293)	(31,816,970)	(2,029,888)	114,318,963
Less: bonds payable due within one year (Note V.35)					(30,106,372)						(14,858,213)
Total					88,782,471						99,460,750

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows:

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
No. 4503 guaranteed note of Hong Kong in 2010	USD1 billion	10-Nov-2010	10 years	USD1 billion	6,907,323	-	324,027	6,593	(7,295,346)	57,403	-
Guaranteed note in 2012	HKD1.5 billion	28-Jun-2012	10 years	HKD1.5 billion	1,326,631	-	40,924	1,532	(1,376,578)	7,491	-
No. 4579 guaranteed note of Hong Kong in 2012	USD700 million	15-Nov-2012	10 years	USD700 million	4,807,969	-	71,750	6,117	(68,008)	(221,898)	4,575,930
No. 4580 guaranteed note of Hong Kong in 2012	USD300 million	15-Nov-2012	30 years	USD300 million	2,023,007	-	227,042	431	(213,552)	(93,070)	1,943,858
USD100,000 thousand privately raised bonds off Agricultural Bank of China Hong Kong Branch in 2013	USD100 million	20-Aug-2013	7 years	USD100 million	696,114	-	18,122	289	(722,450)	7,925	-
B-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-2013	10 years	USD500 million	3,450,404	-	255,327	3,297	(245,831)	(158,484)	3,304,713
C-level guaranteed note of Hong Kong in 2013	USD500 million	29-Oct-2013	30 years	USD500 million	3,439,700	-	148,210	574	(162,775)	(157,561)	3,286,148
No. 5746 guaranteed note of Hong Kong in 2014	USD700 million	8-May-2014	10 years	USD700 million	4,841,034	-	284,456	(1,492)	(286,898)	(222,724)	4,614,376
No. 6013 guaranteed note of Hong Kong in 2014	USD500 million	11-Jun-2014	20 years	USD500 million	3,410,370	-	223,168	1,346	(224,672)	(156,924)	3,253,288
First medium-term note in 2015	RMB3 billion	24-Apr-2015	5 years	RMB3 billion	3,094,748	-	44,716	35	(3,139,499)	-	-
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2015	RMB100 million	24-Apr-2015	5 years	RMB100 million	103,718	-	1,757	6	(105,481)	-	-
First medium-term note of China Construction Eighth Engineering Division Corp. Ltd. in 2015	RMB100 million	29-Apr-2015	5 years	RMB100 million	107,947	-	-	-	(100,000)	-	7,947
Second medium-term note of China Construction Eighth Engineering Division Co., Ltd. in 2015	RMB1.6 billion	17-Aug-2015	5 years	RMB1.6 billion	823,853	-	38,400	-	(843,640)	-	18,613
Second medium-term note in 2015	RMB2 billion	5-Nov-2015	5 years	RMB2 billion	2,010,651	-	63,084	65	(2,073,800)	-	-
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB7 billion	19-Nov-2015	6 years	RMB7 billion	3,420,557	-	73,834	-	(64,700)	-	3,439,691
Second term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2015	RMB1 billion	19-Nov-2015	7 years	RMB1 billion	1,004,536	-	21,072	-	(1,015,341)	-	10,267
CSCEC FN N 2011	USD500 million	19-Nov-2015	5 years	USD500 million	3,486,702	-	89,806	(14,157)	(3,552,622)	(9,729)	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2015	RMB4 billion	9-Dec-2015	5 years	RMB4 billion	1,022,585	-	50,333	6,077	(1,078,995)	-	-
First medium-term note of China Construction First Building (Group) Corporation Limited. in 2015	RMB600 million	21-Dec-2015	5 years	RMB600 million	606,449	-	15,631	-	(622,080)	-	-
First private Corporate Bond of CITIC Real Estate Co., Ltd. in 2016	RMB1 billion	15-Jan-2016	5 years	RMB1 billion	402,302	-	21,003	2,395	(8,775)	-	416,925
First medium-term note in 2016	RMB3 billion	11-Apr-2016	5 years	RMB3 billion	3,056,589	-	84,825	966	(108,000)	-	3,034,180
CSCEC JN 2106	USD500 million	14-Jun-2016	5 years	USD500 million	3,485,146	-	93,172	(4,971)	(93,172)	(215,788)	3,264,387
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2016	RMB6 billion	23-Aug-2016	10 years	RMB6 billion	6,066,756	-	312,368	-	(226,923)	-	6,152,201
First medium-term note of China Construction Sixth Engineering Division Co., Ltd. in 2016	RMB500 million	24-Aug-2016	5 years	RMB500 million	505,316	-	17,400	500	(17,400)	-	505,816

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows: (Continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
First medium-term note of West Construction in 2016	RMB700 million	27-Sep-2016	5 years	RMB700 million	705,914	-	27,866	-	(27,790)	-	705,990
First medium-term note in 2017	RMB5 billion	18-Apr-2017	3 years	RMB5 billion	5,163,109	-	70,178	1,712	(5,234,999)	-	-
CSCEC II N 2207	USD500 million	5-Jul-2017	5 years	USD500 million	3,525,873	-	100,074	(4,463)	(100,074)	(219,411)	3,301,999
CSCEC II N 2707	USD500 million	5-Jul-2017	10 years	USD500 million	3,519,095	-	120,779	(3,322)	(120,779)	(221,193)	3,294,580
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2017	RMB300 million	30-Oct-2017	3 years	RMB300 million	202,408	-	12,718	144	(215,270)	-	-
A-level guaranteed note of Hong Kong in 2017	USD550 million	29-Nov-2017	5 years	USD550 million	3,797,404	-	132,009	3,513	(132,471)	(175,585)	3,624,870
B-level guaranteed note of Hong Kong in 2017	USD250 million	29-Nov-2017	10 years	USD250 million	1,720,943	-	68,894	1,182	(69,135)	(79,516)	1,642,368
First medium-term note of China Overseas Property Group Co., Ltd. in 2018	RMB3 billion	5-Feb-2018	3 years	RMB3 billion	3,151,430	-	143,169	-	(224,840)	-	3,069,759
First medium-term note of China Construction Second Engineering Bureau Ltd. in 2018	RMB1 billion	17-Apr-2018	5 years	RMB1 billion	1,033,847	-	60,911	507	(60,911)	-	1,034,354
First private Corporate Bond of China Construction Fangcheng Investment & Development Co., Ltd. in 2018	RMB700 million	24-Apr-2018	3 years	RMB700 million	726,247	-	38,850	290	(38,850)	-	726,537
No.4475 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-2018	5 years	USD750 million	5,201,210	-	146,313	4,968	(161,887)	(239,310)	4,951,294
No.4476 guaranteed note of Hong Kong in 2018	USD750 million	26-Apr-2018	10 years	USD750 million	5,192,784	-	317,218	3,084	(307,741)	(238,598)	4,966,747
First medium-term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2018	RMB500 million	23-Jul-2018	5 years	RMB500 million	511,178	-	25,500	-	(25,500)	-	511,178
First medium-term note in 2018	RMB5 billion	15-Aug-2018	5 years	RMB5 billion	5,031,338	-	265,904	52,116	(235,000)	-	5,114,358
Second medium-term note in 2018	RMB5 billion	15-Aug-2018	5 years	RMB5 billion	5,031,338	-	265,904	52,116	(235,000)	-	5,114,358
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2018	RMB3.5 billion	19-Oct-2018	6 years	RMB3.5 billion	3,527,233	-	134,492	-	(96,194)	-	3,565,531
First medium-term note of China Construction Seventh Engineering Division Corp. Ltd. in 2018	RMB2 billion	8-Nov-2018	3 years	RMB2 billion	2,013,387	-	83,200	839	(80,240)	-	2,017,386
Third medium-term note of China Construction Fourth Engineering Division Co. Ltd. in 2018	RMB2 billion	22-Nov-2018	3 years	RMB2 billion	2,008,147	-	85,197	-	(83,800)	-	2,009,544
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 I	RMB2 billion	23-Jan-2019	6 years	RMB2 billion	2,065,027	-	138,830	-	(136,212)	-	2,067,645
First term of Corporate Bond of China Overseas Property Group Co., Ltd. in 2019 II	RMB1.5 billion	23-Jan-2019	7 years	RMB1.5 billion	1,552,705	-	74,374	-	(60,841)	-	1,536,238
First term of Corporate Bond China Construction Communications Engineering Group Co., Ltd. in 2019	RMB300 million	10-Apr-2019	5 years	RMB300 million	310,268	-	14,289	-	(14,250)	-	310,307
First medium-term note of CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd. in 2019	RMB800 million	20-Jun-2019	3+N years	RMB800 million	821,133	-	45,219	1,110	(45,840)	-	821,622
No.4437 guaranteed note of Hong Kong in 2019	HKD2 billion	15-Jul-2019	5.5 years	HKD2 billion	1,787,773	-	76,134	1,197	(72,981)	(81,767)	1,710,356
No.4438 guaranteed note of Hong Kong in 2019	USD450 million	15-Jul-2019	10 years	USD450 million	3,151,573	-	85,089	1,152	(105,696)	(143,696)	2,988,422

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
No.40076 guaranteed note of Hong Kong in 2019	USD294 million	27-Nov-2019	10 years	USD294 million	2,020,796	-	138,530	1,873	(94,420)	(93,458)	1,973,321
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 01	RMB88 million	20-Dec-2019	3.082 years	RMB88 million	88,114	-	3,471	-	-	-	91,585
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 02	RMB129 million	20-Dec-2019	6.088 years	RMB129 million	129,167	-	5,088	-	-	-	134,255
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 03	RMB149 million	20-Dec-2019	9.085 years	RMB149 million	149,193	-	5,877	-	-	-	155,070
China Construction Third Engineering Bureau Co., Ltd.-Shiyuan Pipe Gallery PPP project asset support special plan asset-backed securities priority tranche 04	RMB174 million	20-Dec-2019	12.09 years	RMB174 million	174,225	-	6,864	-	-	-	181,089
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-Dec-2019	15.088 years	RMB201 million	201,260	-	7,929	-	-	-	209,189
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-Dec-2019	18.096 years	RMB234 million	234,303	-	9,230	-	-	-	243,533
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-Dec-2019	21.093 years	RMB271 million	271,350	-	10,691	-	-	-	282,041
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-Dec-2019	24.099 years	RMB315 million	315,407	-	12,426	-	-	-	327,833
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-Dec-2019	27.096 years	RMB365 million	365,472	-	14,398	-	-	-	379,870
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-Dec-2019	29.104 years	RMB274 million	274,354	-	10,809	-	-	-	285,163
No.40177 guaranteed note of Hong Kong in 2020	USD300 million	2-Mar-2020	5 years	USD300 million	-	1,962,996	37,080	2,142	(23,784)	(5,896)	1,972,538
No.40178 guaranteed note of Hong Kong in 2020	USD500 million	2-Mar-2020	10 years	USD500 million	-	3,271,661	21,418	2,412	(13,738)	(20,141)	3,261,612
No.40179 guaranteed note of Hong Kong in 2020	USD200 million	2-Mar-2020	15 years	USD200 million	-	1,308,684	17,019	224	(10,916)	(216)	1,314,775
First term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3.701 billion	28-Apr-20	18 years	RMB3.701 billion	-	3,695,040	24,403	-	(15,902)	-	3,706,541
First public Corporate Bond of China State Construction International Group Co., Ltd. to professional investors in 2020	RMB2 billion	28-Jul-20	3 years	RMB2 billion	-	1,995,686	29,665	582	-	-	2,025,943

V. Notes to the consolidated financial statements (continued)

38. Bonds payables (continued)

As at 31 December 2020, the amount of bonds payable is as follows: (continued)

	Par value	Issuance date	Maturity	Issuance amount	Opening balance of the year	Issuance during the year	Par interest accrued	Interest adjustment	Repayment	Others (Note)	Closing balance of the year
First public Corporate Bond of China Overseas Property Group Co., Ltd. for housing leasing to professional investors in 2020	RMB2 billion	13-Aug-20	6 years	RMB2 billion	-	2,000,000	24,711	-	-	-	2,024,711
Second term of CMBS of Beijing China Overseas Plaza Commercial Development Co., Ltd.	RMB3 billion	17-Aug-20	18 years	RMB3 billion	-	3,000,100	16,885	-	(11,003)	-	3,005,982
First medium-term note of China State Construction International Investments Limited. in 2020	RMB500 million	26-Oct-20	3 years	RMB500 million	-	500,000	3,072	-	-	-	503,072
First public Corporate Bond of China Overseas Property Group Co., Ltd. to professional investors in 2020	RMB2.4 billion	6-Nov-20	3 years	RMB2.4 billion	-	2,400,000	11,787	-	-	-	2,411,787
First medium-term note of China Overseas Property Group Co., Ltd. in 2020	RMB1.5 billion	10-Dec-20	3 years	RMB1.5 billion	-	1,500,000	3,150	-	-	-	1,503,150
Subtotal					126,075,612	21,637,147	5,467,841	132,991	(31,742,602)	(2,682,146)	118,888,843
Less: bonds payable due within one year (Note V.35)					(26,479,014)						(30,106,372)
Total					99,596,598						88,782,471

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

V. Notes to the consolidated financial statements (continued)

39. Lease liabilities

	31 December 2021
Buildings	4,884,241
Machinery and equipment	797,096
Motor vehicles	11,333
Other equipments	188,985
Subtotal	5,881,655
Less: Non-current liabilities due within one year (Note V.35)	(2,199,318)
Total	3,682,337

40. Long-term payables

	31 December 2021	31 December 2020
Project quality warranty payable	20,562,576	22,710,864
Payables for finance leases	–	1,114,428
Payables for minority interest financing	2,087,549	1,542,377
Payables for leasing companies	1,364,020	570,125
Others	3,520,894	2,877,095
Subtotal	27,535,039	28,814,889
Less: current portion of long-term payables (Note V.35)	(11,043,043)	(11,314,629)
Total	16,491,996	17,500,260

41. Long-term employee benefits payable

	31 December 2021	31 December 2020
Net defined benefit liability (a)	1,778,960	1,955,040
Long-term termination benefits (b)	44,860	64,000
Subtotal	1,823,820	2,019,040
Less: Termination benefits expected to be paid within one year (Note V.32)	(14,500)	(19,620)
Total	1,809,320	1,999,420

(a) Net defined benefit liability

The company pays supplementary retirement benefits for its employees who retire 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:

	31 December 2021	31 December 2020
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)

41. Long-term employee benefits payable (continued)

(a) Net defined benefit liability (continued)

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

31 December 2021

	Increase %	Decrease in defined benefit obligations	Decrease %	Increase in defined benefit obligations
Discount rate	0.25	(33,730)	0.25	35,010

31 December 2020

	Increase %	Decrease in defined benefit obligations	Decrease %	Increase in defined benefit obligations
Discount rate	0.25	(37,510)	0.25	38,950

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the balance sheet date. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The total expenses recognised in profit or loss in respect of the plan are as follows:

	2021	2020
Past service cost	(33,420)	100,530
Net interest	59,230	57,660
Net cost of post-employment benefits	25,810	158,190
(Write-off)/Recognised in administrative expenses	(33,420)	100,530
Recognised in finance expenses	59,230	57,660
Total	25,810	158,190

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

	2021	2020
Opening balance	1,955,040	1,984,467
Included in profit or loss		
Past service cost	(33,420)	100,530
Net interest	59,230	57,660
Included in other comprehensive income		
Actuarial losses	(1,500)	44,020
Other changes		
Benefits paid	(200,390)	(231,637)
Closing balance	1,778,960	1,955,040

V. Notes to the consolidated financial statements (continued)

41. 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:

	31 December 2021	31 December 2020
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 for the current period:

	2021	2020
General and administrative expenses	(2,050)	(220)
Financial expenses	1,380	1,830
	(670)	1,610

42. Provisions

2021

	Opening balance	Increase	Decrease	Closing balance
Pending litigations	3,111,987	181,153	(117,008)	3,176,132
Warranties	1,184,850	1,147,687	(528,478)	1,804,059
Estimated contract losses	1,445,363	162,486	(416,121)	1,191,728
Others	89,218	310,481	(256,915)	142,784
Subtotal	5,831,418	1,801,807	(1,318,522)	6,314,703
Less: current portion of provisions (Note V.36)	(1,981,758)			(1,892,816)
Total	3,849,660			4,421,887

43. Deferred income

	31 December 2021	31 December 2020
Government grant	469,975	463,753
Others	5,539	18,737
Total	475,514	482,490

V. Notes to the consolidated financial statements (continued)

43. Deferred income (continued)

As at 31 December 2021, government grants related to liabilities were as follows:

	Opening balance of the year	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.	142,003	-	(5,000)	-	-	137,003	Related to assets
Government Compensation for Demolition of Tangshan Fengrun District Linyin Road West Side Land	77,408	-	-	(4,994)	-	72,414	Related to assets
Government Compensation for Demolition of Guiyang Dayingpo Renovation Project	72,631	-	(2,371)	-	-	70,260	Related to assets
Others	171,711	154,565	(99,277)	(5,299)	(31,402)	190,298	Related to assets and income
Total	463,753	154,565	(106,648)	(10,293)	(31,402)	469,975	

As at December 31, 2020, government grants related to liabilities were as follows:

	Opening balance of the year	During the year	Amount recognised in other income during the year	Amount recognised in non-operating income during the year	Other changes during the year	Closing balance of the year	Related to assets/Related to income
Government Compensation for Workshop Construction of Guangdong Construction Base Co., Ltd.	118,314	28,860	(5,171)	-	-	142,003	Related to assets
Government Compensation for Demolition of Tangshan Fengrun District Linyin Road West Side Land	82,432	-	-	(5,024)	-	77,408	Related to assets
Government Compensation for Demolition of Guiyang Dayingpo Renovation Project	75,001	-	(2,370)	-	-	72,631	Related to assets
Compensation for Tianjin Steel Structure Land	33,224	-	-	(758)	-	32,466	Related to assets
Others	131,528	90,692	(43,510)	(9,996)	(29,469)	139,245	Related to assets and income
Total	440,499	119,552	(51,051)	(15,778)	(29,469)	463,753	

44. Other non-current liabilities

	31 December 2021	31 December 2020
Exchangeable bonds in 2016 (Note 1)	4,488,392	4,421,322
Prepaid investment of convertible bonds in 2015 (Note 2)	1,485,882	1,520,302
Advance receipt of capital increase (Note 3)	400,000	-
VAT output to be transferred	285,655	920,352
Contract liabilities over one year	796,176	634,526
Total	7,456,105	7,496,502

Note 1: The Group's subsidiary China Overseas Finance Investment (Cayman) V Limited (here in after "the issuer") publicly issued exchangeable bonds of USD1.5 billion on Hong Kong Stock Exchange on 6 January 2016. The bonds are guaranteed by China Overseas Holdings Limited, and the maturity date is 5 January 2023. Related clauses are as follows:

- (1) The bondholder is entitled to apply for redemption of bonds at 111.54% of par value on 5 January 2020;
- (2) In cases of the change of guarantor, or delisting or restricted trading of China Overseas Land & Investment Ltd. on Hong Kong Stock Exchange, bond holders have the right to require the issuer to redeem the bonds readily;

V. Notes to the consolidated financial statements (continued)

44. Other non-current liabilities (continued)

Note 1: (continued)

- (3) Bond holders have the right to apply for redemption on maturity date at 121.07% of par value;
- (4) During the exchange period from 15 February 2016 to 8 work days before maturity date, bond holders have the right to exchange the bonds for ordinary shares of China Overseas Land & Investment Ltd., the par value of which is HKD0.10, at the price of HKD41.50 per share;
- (5) At any time from 5 January 2020 to 7 work days before maturity date, if the stock price of China Overseas Land & Investment Ltd. during 15 trading days is continuously higher than 130% of early redemption price set in the agreement divided by exchange rate, the issuer has the right to carry out exchange in the full (not partial) amount, and should release notice in no more than 3 days after the matter occurs.

Exchangeable bonds in 2016 were recognised as financial liabilities at fair value through profit or loss in the first place and disclosed in other non-current liabilities.

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

Strategic Capital, LLC, a subsidiary of the Group, received a prepaid investment of USD300 million from Riton Holdings Corporation Limited, a wholly-owned subsidiary of Guoxin International Investment Co., Ltd. As at 31 December 2021, under the convertible bond framework agreement entered into by both parties, and the relevant conversion clauses under the framework agreement have not yet been determined, and Strategic Capital, LLC has redeemed a total of US\$67 million.

Note 3: The Group's subsidiary China State Construction Finance Co., Ltd., received an advance capital increase of RMB400 million from its shareholder, China State Construction Engineering Corporation, in 2021. As of December 31, 2021, the capital increase procedures have not been completed.

45. Paid-in capital

2021

	Opening balance of the year	Movement during the year	Closing balance of the year
Shares not subjected to trading restriction	41,253,603	(609,020)	40,644,583
Shares subjected to trading restriction	711,469	592,116	1,303,585
Total	41,965,072	(16,904)	41,948,168

2020

	Opening balance of the year	Movement during the year	Closing balance of the year
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

46. Other equity instruments

2021

	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
Perpetual Bond (b)	-	10,000,000	-	-	-	-	-	10,000,000

2020

	Opening balance of the year		Increase during the year		Decrease during the year		Closing balance of the year	
	amount	net book value	amount	net book value	amount	net book value	amount	net book value
Preference Share (a)	150,000,000	14,975,410	-	-	150,000,000	14,975,410	-	-
Perpetual Bond (b)	-	6,000,000	-	10,000,000	-	6,000,000	-	10,000,000
Total		20,975,410		10,000,000		20,975,410		10,000,000

V. Notes to the consolidated financial statements (continued)

46. Other equity instruments (continued)

(a) Preference Share

The Company obtained approval on its non-public issue preference shares (Guozi Chanquan ([2014] No. 436) from the SASAC and permission about its non-public issue preference shares (Zhengjian Approval [2014] No. 1419) from China Securities Regulatory Commission on 10 June 2014 and 25 December 2014, respectively, which approved the Company to non-publicly issue preference shares to qualified investors, with total shares no more than 300,000,000 and initial issued shares no less than 150,000,000, at the issue price of RMB100 per share. During the period of 5 years commencing from the first value date of each tranche, the Company is entitled to redeem and cancel all or part of the preference shares of such tranche at the dividend payment date of such shares each year. The holders have no redemption right to sell them back to the Company. Unless the mandatory interest payment events whose occurrence can be decided by the Company itself incurred, the Company's meeting of shareholders is empowered to decide to cancel all or part of dividends of preference shares, which will not constitute a default by the Company, and the dividends of preference shares issued at the time will not be accumulated. The Company received an actual amount of RMB14,975,410 thousand after deducting related transaction expenses from the total amount collected by initial issuance of 150,000,000 preference shares on 2 March 2015, and classified such amount as other equity instruments.

The dividends of preference shares the Company decided to pay will be paid annually. Dividend payment date is the day of 1 year commencing from the payment deadline for the issuance of preference shares, while the dividend payment date for the initially issued preference shares is 2 March. If such date is a legal holiday or non-working day, it will be postponed to the next working day, and dividends payable will not bear interest during the postponement. Preference shares issued at the time are at fixed dividend rate attached with one-time rate raise arrangement. Nominal dividend rate of the initially issued preference shares is determined to be and kept at 5.80% for the 1st to 5th dividend accrual years through enquiry method. From the 6th dividend accrual year, if the Company does not exercise all of the rights of redemption, dividend rate per share will be 2 percentage points higher than that of the 1st to 5th dividend accrual years, and will remain the same after the adjustment in the 6th dividend accrual year.

The aforementioned mandatory interest payment events comprise of one of the two circumstances below occurring within 12 months before dividend payment date: (1) Distribution of dividends to ordinary shareholders (including cash, shares, the combination of cash and shares and other legitimate patterns); (2) Capital withdrawal by shareholders (except for the redemption and cancellation of shares incurred by equity incentive plan, or the redemption and cancellation of ordinary shares by issuance of preference shares).

Pursuant to the resolution on the redemption of 150,000,000 unlisted preference shares of China Construction Co., Ltd., which were approved at the first extraordinary general meeting of the Company in 2020 dated 19 February 2020, the Company redeemed all preference shares held by all the preference shareholders of the Company on 2 March 2020. After this redemption, the number of preference shares of the Company is zero.

As at 31 December 2021 and 31 December 2020, the Company had no outstanding preference shares.

(b) Perpetual Bond

(1) On 6 March 2018, the Company entered into a perpetual bond contract with China Credit Trust Co., Ltd., of which the value date was 7 March 2018 and the bond can be redeemed by the Company on 6 September 2018 and thereafter. The amount of the bond was RMB6 billion and the actual amount received was RMB6 billion. According to the clauses of the contract, unless an event triggered by an accelerated repayment mechanism that can be decided by the Company or by the redemption rights occurs, the perpetual debt will survive for a long period of time, or unless a compulsory interest payment event occurs that can be decided by the Company. The Company may defer the current interest and all interest that has been deferred on each interest payment day at its own discretion. Payment is made on the next interest payment day and is not subject to any number of deferred interest payments. The Company credits the perpetual debt to other equity instruments.

The nominal interest rate of the medium-term notes will be fixed in the first 2 years with annual interest rate of 6.5%. The annual interest rate will be reset to the current benchmark interest rate plus initial interest-rate spread (i.e. the variance between nominal interest rate and benchmark interest rate at the issue date) and 200 basis points every 2 years from the third interest-bearing year, if the Company did not exercise the Right of redemption. The final reset 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)

46. Other equity instruments (continued)

(b) Perpetual Bond (continued)

(1) (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.

- (2) During the period from 1 April 2020 to 2 April 2020, the Company issued the 2020 first-phase medium-term notes of which the value date was 3 April 2020, and it can be redeemed by the Company on 3 April 2023 and there after. The total issuance amount was RMB4,000,000 thousand, and the actual amount received was RMB4,000,000 thousand. The value date of issuance from 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 31 December 2021, the carrying amount of the perpetual bonds issued by the Company was RMB10,000,000 thousand (31 December 2020: RMB10,000,000 thousand).

V. Notes to the consolidated financial statements (continued)

47. Capital reserve

2021

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Capital premium	8,753,398	402,936	(36,515)	9,119,819
Others	1,567,853	1,002,312	(429,449)	2,140,716
Total	10,321,251	1,405,248	(465,964)	11,260,535

2020 (restated)

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Capital premium	10,433,119	582,530	(2,262,251)	8,753,398
Others	1,649,991	511,805	(593,943)	1,567,853
Total	12,083,110	1,094,335	(2,856,194)	10,321,251

Note: Increase in share premium is mainly due to the second batch of third-phase restricted stocks unlocked on 27 December, 2021 (Increase in share premium in 2020 was mainly due to the second batch of second-phase restricted stocks unlocked on 29 December, 2019, the third batch of second-phase restricted stocks unlocked on 29 December, 2020, the first batch of third-phase restricted stocks unlocked on 26 December, 2020) (as described in Note XI), and the impact on changes in the shareholding ratio of subsidiaries. The changes in other capital reserve were mainly due to the share option expenses recognised, 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.

48. Other comprehensive income

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

2021

	1 January 2021	Increase/decrease	31 December 2021
Remeasurement gains or losses of a defined benefit plan	(243,903)	1,689	(242,214)
Change in the fair value of other equity investments	(828,927)	(293,300)	(1,122,227)
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(892,534)	(33,066)	(925,600)
Change in the fair value of other debt investments	(16,246)	(3,180)	(19,426)
Exchange differences on translation of foreign currency financial statements	802,209	894,006	1,696,215
Total	(1,179,401)	566,149	(613,252)

2020

	1 January 2020	Increase/decrease	31 December 2020
Remeasurement gains or losses of a defined benefit plan	(199,879)	(44,024)	(243,903)
Change in the fair value of other equity investments	214,612	(1,043,539)	(828,927)
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss subsequently	(987,607)	95,073	(892,534)
Change in the fair value of other debt investments	6,579	(22,825)	(16,246)
Exchange differences on translation of foreign currency financial statements	(810,450)	1,612,659	802,209
Total	(1,776,745)	597,344	(1,179,401)

V. Notes to the consolidated financial statements (continued)

48. Other comprehensive income (continued)

Amount of other comprehensive income:

2021

	Before tax	Less: Reclassification of other comprehensive income to profit or loss	Less: Income tax	Attributable to owners of the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss					
Remeasurement gains or losses of a defined benefit plan	1,500	-	-	1,689	(189)
Change in the fair value of other equity investments	(609,635)	(174,201)	(139,806)	(293,300)	(2,328)
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	325,437	-	-	(33,066)	358,503
Change in the fair value of other debt investments	(5,912)	-	-	(3,180)	(2,732)
Exchange differences on translation of foreign currency financial statements	342,734	-	-	894,006	(551,272)
Total	54,124	(174,201)	(139,806)	566,149	(198,018)

2020

	Before tax	Less: Reclassification of other comprehensive income to profit or loss	Less: Income tax	Attributable to owners of the parent	Attributable to non-controlling interests
Other comprehensive income that will not be reclassified to profit or loss					
Remeasurement gains or losses of a defined benefit plan	(44,020)	-	-	(44,024)	4
Change in the fair value of other equity investments	(1,047,553)	310,690	(314,779)	(1,043,539)	75
Other comprehensive income that may be reclassified to profit or loss					
Other comprehensive income of the investee accounted for under the equity method which will be reclassified to profit or loss	322,308	-	-	95,073	227,235
Change in the fair value of other debt investments	(34,829)	-	-	(22,825)	(12,004)
Exchange differences on translation of foreign currency financial statements	1,427,345	-	-	1,612,659	(185,314)
Total	623,251	310,690	(314,779)	597,344	29,996

49. Special reserve

2021

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Safety production funds	136,273	31,636,921	(31,649,955)	123,239

2020 (restated)

	Opening balance of the year	Increase during the year	Decrease during the year	Closing balance of the year
Safety production funds	88,474	26,514,815	(26,467,016)	136,273

V. Notes to the consolidated financial statements (continued)

50. Surplus reserve

2021

	Opening balance of the year	Increase during the year	Closing balance of the year
Statutory surplus reserve	10,101,632	2,742,035	12,843,667

2020

	Opening balance of the year	Increase during the year	Closing balance of the year
Statutory surplus reserve	7,716,149	2,385,483	10,101,632

According to the provisions of the Company Law and the Company's Articles of Association, the Company appropriates 10% of the net profit to the statutory surplus reserve. Where the accumulated amount of the surplus reserve reaches 50% or more of the Company's registered capital, further appropriation is not required.

When approved, the statutory surplus reserve can be used to make up for accumulated losses or converted to the paid-in capital.

51. Retained earnings

	2021	2020 (restated)
Retained earnings at the beginning of the year before adjustment	231,953,228	197,541,411
Adjustments (Note 1)	(14,382)	4,939
Adjustments (Note 2)	(672,735)	–
Retained earnings at the beginning of the year after adjustment	231,266,111	197,546,350
Net profit attributable to owners of the parent	51,407,661	44,924,929
Other comprehensive income included in the previous year	(174,201)	310,690
Others	2,351	(58,965)
Less: Appropriation for statutory surplus reserve (Note V.50)	2,742,035	2,385,483
Ordinary share dividends payable (Note 3)	9,006,272	7,763,538
Dividends payable to other equity holders (Note 4)	314,300	402,574
Appropriation to general reserve (Note 5)	357,814	232,563
Retained earnings at the end of year	270,081,501	231,938,846

Note 1: On November 30, 2021, China Construction Seventh Engineering Bureau Co., Ltd., a subsidiary of the group, completed the business combination under the common control of China Construction Aluminum New Material Henan Co., Ltd. (hereinafter referred to as "New Material Henan"). Meanwhile, CSCEC Strait Construction Development Co., Ltd., a subsidiary of the group, completed the business combination under the common control of China Construction Aluminum New Material Fujian Co., Ltd. (hereinafter referred to as "New Material Fujian"). New Material Henan and New Material Fujian are considered to have existed since the controlling shareholder began to take control, and their retained earnings retroactively reduced the group retained earning at the beginning of the year by RMB14,382 thousand (2020: increased the group retained earning by RMB4,939 thousand).

Note 2: In 2021, due to the change of accounting policy, the retained earning at the beginning of the year was reduced by RMB672,735 thousand.

Note 3: According to the resolution at the General Meeting of Shareholders dated 13 May 2021, the Company proposed a cash dividend of RMB0.2147 (before tax) per share to the shareholders on 31 December 2021, multiplied by the number which resulted in the total amount of RMB9.006 billion (2020: RMB7.764 billion) of shares of 41.948 billion before the implementation of the profit distribution plan.

Note 4: As stated in Note V. 46, according to the resolution of the General Meeting of Shareholders on 13 May, 2021, the Company's payment of 2020 cash dividends to ordinary shareholders was one of the mandatory interest payment events stipulated in the perpetual bond clauses of the 2021 three-phase medium-term notes (total RMB1,000,000 thousand), which required the Company to pay the dividends on the most recent perpetual bond interest date (the first phase of the 2020 mid-term notes is 3 April 2022, the second phase of medium-term notes is 13 April 2022, and the third phase of 2020 mid-term notes is 20 April 2022). Therefore, the Company accrued a total dividend of RMB314,300 thousand on perpetual bonds during this year (2020: RMB402,574 thousand).

V. Notes to the consolidated financial statements (continued)

51. Retained earnings (continued)

Note 5: Appropriation to general reserve

China State Construction Finance Co., Ltd., a subsidiary of the company:

In accordance with the requirements of the Administrative Measures for the Provision of Reserves of Financial Enterprises (Cai Jin [2012] No. 20), financial institutions (including financial companies) should provide general risk reserve for assets bearing risks and losses at the balance sheet date. The general reserve shall be appropriated from net profit as profit distribution with an appropriation ratio not lower than 1.5% of risk assets at the end of year. If it's difficult for financial institutions to appropriate 1.5% general reserve at one time, it can also be made in years but principally not more than 5 years. The general risk reserve of China State Construction Finance Co., Ltd. in 2021 was RMB390,464 thousand, of which the amount attributable to shareholders of the parent company was RMB312,371 thousand. It was fully withdrawn on 31 December 2021.

China State Construction Commercial Factoring Co., Ltd., a subsidiary of the company:

According to the "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Management of Commercial Factoring Enterprises" issued by the General Office of the China Banking and Insurance Regulatory Commission (issued by the Office of the China Banking and Insurance Regulatory Commission [2019] No. 205), China State Construction Commercial Factoring Co., Ltd. accrues the risk reserve. The general risk reserve is when the financing factoring funds are overdue, bad or in the event of unforeseen risks, in order to maintain the funds for the normal operation of the enterprise, the risk reserve should not be less than 1% of the balance at the end of the financial factoring business. The general risk reserve of China State Construction Commercial Factoring Co., Ltd. in 2021 was RMB45,443 thousand. It was fully withdrawn on 31 December 2021.

52. Revenue and cost of sales

	2021		2020 (restated)	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	1,887,781,906	1,674,798,132	1,612,062,041	1,438,132,226
Revenue from other operations	3,557,064	2,338,377	2,988,508	2,034,224
Total	1,891,338,970	1,677,136,509	1,615,050,549	1,440,166,450

Revenue is as follows:

	2021	2020 (restated)
Revenue from contracts with customers	1,884,137,372	1,609,101,114
Rentals	7,201,598	5,949,435
Total	1,891,338,970	1,615,050,549

For breakdown of operating income by main operating regions and main product types, please refer to Note XIV.1.

Revenue is as follows:

2021

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	1,121,922,218	403,182,163	330,888,573	9,975,450	21,813,502	1,887,781,906
Revenue recognised at a point of time	-	-	299,825,687	-	11,555,463	311,381,150
Revenue recognised over time	1,121,922,218	403,182,163	25,916,015	9,975,450	9,224,760	1,570,220,606
Rentals	-	-	5,146,871	-	1,033,279	6,180,150
Revenue from other operations	-	-	-	-	3,557,064	3,557,064
Including: Rentals	-	-	-	-	1,021,448	1,021,448
Total	1,121,922,218	403,182,163	330,888,573	9,975,450	25,370,566	1,891,338,970

V. Notes to the consolidated financial statements (continued)

52. Revenue and cost of sales (continued)

Revenue is as follows: (continued)

2020 (restated)

	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Total
Revenue from main operations	972,433,125	343,565,132	271,130,912	10,134,610	14,798,262	1,612,062,041
Revenue recognised at a point of time	-	-	227,084,348	-	5,266,558	232,350,906
Revenue recognised over time	972,433,125	343,565,132	39,537,079	10,134,610	9,037,134	1,374,707,080
Rentals	-	-	4,509,485	-	494,570	5,004,055
Revenue from other operations	-	-	-	-	2,988,508	2,988,508
Including: Rentals	-	-	-	-	945,380	945,380
Total	972,433,125	343,565,132	271,130,912	10,134,610	17,786,770	1,615,050,549

As of 31 December 2021, part of the Group's project contracting business is still in the process of operation, and the remaining performance obligations is related to the progress of the corresponding contract, and will be recognised as revenue according to the progress of performance in the future performance period.

The revenue recognised in the current year included in the carrying amount of contract liabilities at the beginning of the year is as follows:

	2021	2020
Advances for sale of properties	169,777,705	158,572,336
Amount due to customers for contract work	67,055,465	60,000,756
Advances for projects	46,238,732	37,711,960
Others	2,139,071	3,065,052
Total	285,210,973	259,350,104

53. Taxes and surcharges

	2021	2020 (restated)
Land appreciation tax	9,180,571	10,521,977
Urban maintenance and construction tax	1,892,270	1,678,193
Educational surcharge	902,652	812,226
Others	2,803,396	2,883,393
Total	14,778,889	15,895,789

V. Notes to the consolidated financial statements (continued)

54. Selling and distribution expenses

	2021	2020 (restated)
Operating expenses	2,390,638	2,030,494
Advertising and communication fees	1,993,368	1,906,706
Employee benefits	1,158,717	1,179,112
Others	633,963	414,118
Total	6,176,686	5,530,430

55. General and administrative expenses

	2021	2020 (restated)
Employee benefits	23,363,998	19,932,098
Office and travelling expenses	2,527,548	2,258,006
Lease expenses	2,244,792	2,062,966
Depreciation and amortisation	2,091,349	1,474,934
Service fees of specialist agency	998,669	679,190
Others	3,307,347	2,587,946
Total	34,533,703	28,995,140

56. Research and development expenses

	2021	2020 (restated)
Materials, fuels and power of consumption	27,415,850	15,428,519
Employee benefits	8,154,046	6,287,144
Maintenance and Lease expenses	2,128,411	1,417,447
Others	2,229,077	2,389,456
Total	39,927,384	25,522,566

57. Finance expenses

	2021	2020 (restated)
Interest expenses	24,914,801	23,424,860
Less: Interest income	(3,195,369)	(3,761,232)
Less: Capitalised amount of interest	(11,061,683)	(10,997,250)
Commission charges	2,317,466	1,668,347
Exchange Gains	(2,017,420)	(2,651,274)
Others	166,345	118,511
Total	11,124,140	7,801,962

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 in 2021 was RMB11,061,683 thousand (2020: RMB10,997,250 thousand), which is included inventory, construction in progress, and intangible assets.

V. Notes to the consolidated financial statements (continued)

58. Other income and gains

	2021	2020	Related to income/assets
Government rewards	176,779	151,532	Related to income
Research Subsidies	175,771	57,331	Related to income and assets
Additional deduction for value-added tax	78,112	76,897	Related to income
Refund of Surcharge on individual income tax	53,111	27,917	Related to income
Tax return	51,115	100,012	Related to income
Government appropriation	47,834	16,380	Related to income
Others	184,954	182,599	Related to income and assets
Total	767,676	612,668	

59. Investment income

	2021	2020 (restated)
Long-term equity investment income under the equity method	4,931,592	5,932,094
Investment loss from disposal of financial assets measured at amortized cost	(1,968,990)	(2,200,204)
Investment income from disposal of long-term equity investments	84,330	1,354,050
Investment income from disposal of financial assets measured at fair value through profit and loss	1,331	4,793
Investment income from financial assets held for trading	14,232	16,904
Investment income obtained during the holding period of debt investment	987,184	428,836
Dividend income from other equity instruments	200,717	156,146
Investment income from other debt investments	50,443	19,278
Income from stepped acquisition	172,237	133,746
Others	237,339	319,894
Total	4,710,415	6,165,537

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

	2021	2020
Financial assets held for trading		
Investment in debt instrument held for trading	(4,106)	(6,516)
Investment in equity instrument held for trading	6,263	(2,915)
Financial liabilities held for trading		
Others	(238,750)	60,204
Total	(236,593)	50,773

V. Notes to the consolidated financial statements (continued)

61. Credit impairment losses

	2021	2020 (restated)
Loss from Impairment of notes receivable	(502,016)	–
Loss from Impairment of accounts receivable	(8,227,807)	(2,893,859)
Loss from Impairment of other receivables	(742,076)	(329,317)
Reversal/(loss) from impairment of other current assets	587,651	(88,981)
Loss from Impairment of long-term receivables	(298,598)	(701,724)
Others	(28,445)	672,564
Total	(9,211,291)	(3,341,317)

62. Asset impairment losses

	2021	2020 (restated)
Loss from Impairment of inventories	(10,343)	(183,473)
Loss/(reversal) from impairment of contract assets	(3,273,496)	184,923
Loss from Impairment of intangible assets	–	(284,663)
Loss from Impairment of goodwill	(34)	(16,132)
Loss from Impairment of other assets	(134,144)	(29,105)
Total	(3,418,017)	(328,450)

63. Non-operating income

	2021	2020 (restated)	Non-recurring profit or loss in 2021
Accounts payable exemption	146,683	162,367	146,683
Government grants not related to the ordinary course of business	118,073	110,094	118,073
Liquidated damages	149,619	98,411	149,619
Gains on penalties and fines	83,100	63,800	83,100
Gains from damage and retirement of non-current assets	47,666	23,914	47,666
Others	286,964	350,605	286,964
Total	832,105	809,191	832,105

Details of government grants:

	2021	2020	Related to income/assets
Compensation for demolition (Southwest Co., Ltd. Of China West Construction)	10,345	–	Related to income
Steady growth in the construction industry awards (China Construction Technology Hunan Co., Ltd.)	10,000	–	Related to income
Steady growth in the construction industry awards (China Construction Fourth Bureau Fifth Construction Engineering Co., Ltd.)	8,353	–	Related to income
Others	89,375	110,094	Related to income and assets
Total	118,073	110,094	

V. Notes to the consolidated financial statements (continued)

64. Non-operating expenses

	2021	2020 (restated)	Non-recurring profit or loss in 2021
Litigation Estimated Liabilities	142,125	471,289	142,125
Donations	29,989	60,551	29,989
Liquidated damages	52,161	47,773	52,161
Loss on damage and retirement of non-current assets	42,049	46,543	42,049
Late fees	39,743	44,686	39,743
Forfeiture loss	47,254	43,971	47,254
Others	193,449	285,774	193,449
Total	546,770	1,000,587	546,770

65. 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:

	2021	2020 (restated)
Subcontracting cost	528,704,157	422,366,022
Consumed raw materials	429,121,389	388,318,154
Labor expenditure	264,540,929	242,027,232
Changes in inventories of finished goods and work in progress	250,144,727	190,935,051
Other construction cost	145,835,791	131,591,628
Employee benefits	86,705,808	79,289,773
Cost of sales of other products	30,250,598	22,086,109
Depreciation and amortization expenses	11,900,209	9,057,464
Others	10,570,674	14,543,153
Total	1,757,774,282	1,500,214,586

66. Income tax expenses

	2021	2020 (restated)
Current tax	26,351,365	23,213,124
Deferred tax	(3,197,622)	127,806
Total	23,153,743	23,340,930

V. Notes to the consolidated financial statements (continued)

66. Income tax expenses (continued)

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

	2021	2020 (restated)
Profit before income tax	100,886,235	94,272,194
Tax at the applicable tax rate (25%)	25,221,559	23,568,049
Effect of preferential tax rates for certain subsidiaries	(3,227,312)	(2,106,251)
Income not subjected to tax	(1,999,793)	(2,862,392)
Income tax benefits on research and development	(1,455,051)	(1,525,517)
Expenses not deductible for tax	2,787,434	3,824,078
Unrecognised deductible tax losses	1,599,855	1,556,075
Tax losses utilised from prior periods	(288,341)	(375,797)
Utilization of deductible losses for which no deferred tax assets was recognised in prior years	(400,124)	(181,457)
Taxable temporary differences for which no deferred tax assets was recognised in current year	1,033,854	1,265,698
Deductible temporary differences resulting from rehearsal or recognition of previously unrecognised deferred tax assets in current year	(642,751)	(331,548)
Taxable temporary differences for which no deferred tax liability was recognised in current year	–	(40,888)
Adjustments of tax expenses for prior year	524,413	550,880
Tax expenses at the Group's effective tax rate	23,153,743	23,340,930

67. Earnings per share

	2021 RMB/share	2020 RMB/share (restated)
Basic earnings per share		
Continuing operations	1.25	1.07
Diluted earnings per share		
Continuing operations	1.25	1.07

The basic earnings per share is calculated based on the net profit for the year attributable to ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the year.

The numerator of the diluted earnings per share is determined based on the current net profit attributable to ordinary shareholders of the Company after adjusting the following factors: (1) the interest of the diluted potential ordinary shares that have been recognised as expenses in the current period; (2) the income or expenses of dilution potential ordinary that will be generated when the shares are converted; and (3) the income tax impact related to the above adjustments.

The denominator of the diluted earnings per share is equal to the sum of the following two items: (1) the weighted average number of issued ordinary shares of the parent company in the basic earnings per share; and (2) the increase of the weighted average number of ordinary shares, assuming the conversion of dilutive potential ordinary shares into ordinary shares.

When calculating the weighted average of the number of ordinary shares increased by the conversion of diluted potential ordinary shares into issued ordinary shares, the diluted potential ordinary shares issued in the previous period are assumed to be converted at the beginning of the current period; the current diluted potential ordinary shares issued, assuming the conversion on the issue date.

V. Notes to the consolidated financial statements (continued)

67. Earnings per share (continued)

The calculation of basic earnings per share is as follows:

	2021	2020 (restated)
Revenue		
Net profit attributable to ordinary shareholders of the Company	51,407,661	44,924,929
Less: The effect of other equity instruments dividends (Note 1)	(314,300)	(402,574)
The effect of restricted shares (Note 2)	(275,451)	(348,566)
	50,817,910	44,173,789
Shares		
Weighted average number of ordinary shares outstanding (in units of 1000 shares) (Note 3)	40,623,354	41,152,199
Basic earnings per share (RMB/share)	1.25	1.07

Note 1: In accordance with the relevant clauses and regulations of preference shares and perpetual bonds as stated in Note V. 46, in calculating the basic earnings per share, the dividends of other equity instruments included in the net profit attributable to shareholders of the parent company is deducted. The accrued dividends of perpetual bonds with a value date of 3 April 2020 amounted to RMB132 million in 2021, The accrued dividends of perpetual bonds with a value date of 13 April 2020 amounted to RMB93 million in 2021, The accrued dividends of perpetual bonds with a value date of 20 April 2020 amounted to RMB89 million in 2021, The above was RMB314 million in total. (2020 RMB403 million).

Note 2: As stated in Note XI, the granting of the third batch of restricted shares to the third batch incentive targets in accordance with the third batch incentive plan on 26 December 2018. On December 23, 2020, the grant of restricted stocks for the fourth phase of incentive objects will be completed in accordance with the fourth batch incentive plan. In accordance with the relevant stipulations in Explanation of Accounting Standards for Business Enterprises No.7 issued by the Ministry of Finance in 2015, the Company deducted net profits attributable to restricted shares, which are expected to be unlocked in the future from net profits attributable to shareholders of the Company in calculating the basic earnings per share. The net profits attributable to restricted shares which are expected to be unlocked in the future was about RMB280 million and RMB350 million in 2021 and 2020 respectively.

Note 3: As stated in Note XI, in accordance with the regulations of the third batch incentive plans and the fourth batch incentive plan, whether the unlocked shares granted could be listed and circulated depended on whether the restricted shares met the unlocking conditions at the unlocking date. Therefore, the impacted amount of the restricted shares not yet meeting the unlocking conditions and those invalid restricted shares were deducted from weighted average number of outstanding ordinary shares in calculating the basic earnings per share.

The calculation of diluted earnings per share is as follows:

	2021	2020 (restated)
Consolidated net profit attributable to ordinary shareholders of the Company used for calculating diluted earnings per share	50,817,910	43,917,563
Weighted average number of ordinary shares outstanding used for calculating diluted earnings per share (in units of 1000 shares)	40,623,354	41,152,199
Diluted earnings per share (RMB/share)	1.25	1.07

In 2021, the restricted shares outstanding and the share options issued by the Company's subsidiary China Overseas Holdings Limited have no dilutive effects in calculating the earnings per share. However, the convertible bond issued by the Company's subsidiary China Overseas Holdings Limited has dilutive effects on consolidated net profit attributable to ordinary shareholders of the Company.

V. Notes to the consolidated financial statements (continued)

68. Notes to the consolidated cash flow statement

	2021	2020 (restated)
Cash received relating to other operating activities		
Receivables, Taxes withheld and Construction reward	4,682,704	7,293,641
Restricted cash	4,066,787	–
Deposits and warrant received and returned	2,947,102	3,331,135
Deposits absorbed by China State Construction Finance Co. Ltd	2,280,694	1,337,257
Interest income	1,261,802	1,506,474
Other receivables received and returned	824,225	871,482
Others	2,174,115	2,040,142
Total	18,237,429	16,380,131
Cash paid relating to other operating activities		
Other payables paid to third party	17,133,333	9,837,178
Deposits and warrant paid and refunded to third party	6,217,644	5,072,124
Restricted cash	–	2,334,865
Others	8,247,593	9,855,049
Total	31,598,570	27,099,216
Cash received relating to other investing activities		
Repayment of loans from co-operative corporation and projects	4,257,248	3,751,504
Repayment of loans from related parties	2,428,315	9,382,895
Repayment of entrusted loan	2,353,104	2,790,910
Others	–	4,734
Total	9,038,667	15,930,043
Cash payment relating to other investing activities		
Loans to related parties	6,960,943	8,754,096
Payment to co-operative corporation and projects	5,267,184	3,256,911
Payment of fixed deposits which would mature after three months	1,973,683	4,945,668
Total	14,201,810	16,956,675
Cash received relating to other financing activities		
Received from financing	16,056,412	14,260,156
Cash payments relating to other financing activities		
Repayment of loans	29,673,860	37,214,581
Rental payment	1,709,622	–
Lease fee for fixed assets held under finance leases	–	234,724
Others	118,216	69,861
Total	31,501,698	37,519,166

V. Notes to the consolidated financial statements (continued)

69. Supplementary information to the consolidated cash flow statement

(1) Supplementary information to the consolidated cash flow statement

Reconciliation from net profit to cash flows from operating activities:

	2021	2020 (restated)
Net profit	77,732,492	70,931,264
Add: Impairment allowance	3,418,017	328,450
Credit impairment losses	9,211,291	3,341,317
Depreciation of fixed assets	6,449,713	6,073,007
Depreciation of right of use assets	1,972,431	–
Depreciation of investment properties	2,546,986	2,153,665
Amortisation of intangible assets	502,857	479,235
Amortisation of long-term prepaid expenses	428,222	351,560
Profit from disposal of fixed assets, intangible assets and other long-term assets	(332,668)	98,763
(Gains)/Losses from changes in fair value	236,593	(50,773)
Finance expenses	10,068,344	7,990,843
Investment income	(4,710,415)	(6,165,537)
Increase in deferred tax assets	(3,958,175)	(995,618)
Increase in deferred tax liabilities	760,553	1,123,424
Increase in inventories	(38,689,232)	(88,316,821)
(Increase)/Decrease of restricted cash	4,066,787	(2,334,865)
Increase in operating receivables	(105,759,362)	(44,644,415)
Increase in operating payables	50,429,921	69,862,826
Others	(13,034)	47,290
Net cash flows used in operating activities	14,361,321	20,273,615

Changes in cash and cash equivalents:

	2021	2020 (restated)
Closing balance of cash	301,558,029	267,864,268
Less: Opening balance of cash	267,864,268	271,729,991
Net increase/(decrease) in cash and cash equivalents	33,693,761	(3,865,723)

V. Notes to the consolidated financial statements (continued)

69. Supplementary information to the consolidated cash flow statement (continued)

(2) Cash and cash equivalents

	31 December 2021	31 December 2020 (restated)
Cash		
Including: Cash on hand	79,733	132,591
Cash at bank that can be readily drawn on demand	300,869,116	266,850,272
Other cash that can be readily drawn on demand	609,180	881,405
Cash and cash equivalents at the end of the year	301,558,029	267,864,268

70. Assets with restricted ownership

	31 December 2021	31 December 2020
Cash and bank balances	17,244,207	21,310,994 Note 1
Notes receivable	14,210	2,028,537 Note 2
Accounts receivable	3,447,139	292,907 Note 2
Inventories	20,644,043	35,753,943 Note 2
Contract assets	44,033,881	19,816,568 Note 2
Investment properties	22,816,049	8,510,788 Note 2
Fixed assets	376,335	279,032 Note 2
Construction in progress	154,397	1,334,754 Note 2
Intangible assets	7,790,450	6,005,584 Note 2
Long-term receivables	69,767,268	73,822,238 Note 2
Total	186,287,979	169,155,345

Note 1: Cash and bank balances with restricted ownership or use rights mainly include central bank reserves, bank acceptance bill deposits, guarantee deposits, real estate pre-sale supervision funds, mortgage deposits and etc. As of 31 December 2021, the balance of restricted cash and bank balances was RMB17,244,207 thousand (31 December 2020: RMB21,310,994 thousand).

Note 2: At 31 December 2021 and 31 December 2020, the Group pledged or mortgaged notes receivable, accounts receivable, inventories, contract assets, investment properties, fixed assets, construction in progress, intangible assets and long-term receivables to banks for borrowings.

V. Notes to the consolidated financial statements (continued)

71. The foreign currency monetary items

	31 December 2021			31 December 2020		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Cash and Bank balance						
HKD	13,850,756	0.8176	11,324,378	10,565,201	0.8416	8,891,673
USD	1,746,202	6.3757	11,133,260	2,260,783	6.5249	14,751,383
SGD	439,739	4.7179	2,074,645	275,741	4.9314	1,359,789
DZD	36,648,301	0.0457	1,674,827	30,868,277	0.0494	1,524,893
MOP	1,823,866	0.7913	1,443,225	2,009,855	0.8175	1,643,056
EUR	170,400	7.2197	1,230,237	224,311	8.0250	1,800,096
GBP	30,166	8.6064	259,621	25,270	8.8903	224,658
Others	N/A	N/A	9,435,174	N/A	N/A	3,437,673
Total			38,575,367			33,633,221
Accounts receivable						
USD	720,599	6.3757	4,594,323	719,277	6.5249	4,693,210
HKD	3,468,104	0.8176	2,835,522	12,167,109	0.8416	10,239,839
MOP	2,246,852	0.7913	1,777,934	–	0.8175	–
AED	524,749	1.7361	911,017	632,509	1.7761	1,123,399
XAF	66,483,656	0.0110	731,320	73,636,060	0.0122	898,360
DZD	9,871,289	0.0457	451,118	15,563,398	0.0494	768,832
SGD	85,282	4.7179	402,352	78,324	4.9314	386,247
Others	N/A	N/A	1,705,151	N/A	N/A	2,417,030
Total			13,408,737			20,526,917
Other receivables						
USD	337,090	6.3757	2,149,185	97,000	6.5249	632,915
AED	664,797	1.7361	1,154,154	370,268	1.7761	657,633
HKD	449,018	0.8176	367,117	564,804	0.8416	475,339
XAF	8,843,779	0.011	97,282	1,197,401	0.0122	14,608
Others	N/A	N/A	870,605	N/A	N/A	920,262
Total			4,638,343			2,700,757
Current portion of non-current assets						
USD	5	6.3757	32	56,283	6.5249	367,241
HKD	–	–	–	909,125	0.8416	765,120
THB	–	–	–	27,866	0.2179	6,072
Others	N/A	N/A	1,122	N/A	N/A	318,940
Total			1,154			1,457,373
Debt investments						
HKD	10,874,686	0.8176	8,891,143	10,470,438	0.8416	8,811,921
EUR	2,634	7.2197	19,017	2,634	8.0250	21,138
Total			8,910,160			8,833,059
Long-term receivables						
HKD	481,637	0.8176	393,786	528,501	0.8416	444,786
USD	14,901	6.3757	95,004	12,317	6.5249	80,367
Others	N/A	N/A	1,905	N/A	N/A	176,946
Total			490,695			702,099

V. Notes to the consolidated financial statements (continued)

71. The foreign currency monetary items (continued)

	31 December 2021			31 December 2020		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Short-term borrowings						
USD	447,916	6.3757	2,855,778	282,856	6.5249	1,845,607
Others	N/A	N/A	1,226,546	N/A	N/A	1,030,693
Total			4,082,324			2,876,300
Accounts payable						
HKD	6,586,379	0.8176	5,385,023	7,676,618	0.8416	6,460,642
USD	581,849	6.3757	3,709,695	712,963	6.5249	4,652,012
AED	1,528,236	1.7361	2,653,171	1,889,796	1.7761	3,356,467
SGD	442,090	4.7179	2,085,736	364,128	4.9314	1,795,661
DZD	45,579,136	0.0457	2,082,967	58,055,954	0.0494	2,867,964
MOP	1,974,260	0.7913	1,562,232	1,596,727	0.8175	1,305,324
PKR	1,211,455	0.0361	43,734	1,573,517	0.0407	64,042
Others	N/A	N/A	5,160,719	N/A	N/A	4,180,944
Total			22,683,277			24,683,056
Other payables						
USD	341,370	6.3757	2,176,473	234,534	6.5249	1,530,311
AED	415,999	1.7361	722,216	–	–	–
AUD	65,028	4.6220	300,559	–	–	–
HKD	229,488	0.8176	187,629	1,938,932	0.8416	1,631,805
CFA	6,709,947	0.0110	73,809	17,655,935	0.0122	215,402
PKR	1,376,596	0.0361	49,695	2,348,152	0.0407	95,570
Others	N/A	N/A	1,024,773	N/A	N/A	4,571,074
Total			4,535,154			8,044,162
Current portion of non-current liabilities						
HKD	1,293,597	0.8176	1,057,645	6,869,303	0.8416	5,781,205
USD	312	6.3757	1,989	836,374	6.5249	5,457,257
Others	N/A	N/A	379,612	N/A	N/A	1,406,937
Total			1,439,246			12,645,399
Long-term borrowings						
HKD	95,587,695	0.8176	78,152,499	95,025,457	0.8416	79,973,425
USD	756,548	6.3757	4,823,523	247,801	6.5249	1,616,877
GBP	200,000	8.6064	1,721,280	200,133	8.8903	1,779,242
SGD	142,100	4.7179	670,414	47,493	4.9314	234,207
Others	N/A	N/A	1,826,105	N/A	N/A	240,558
Total			87,193,821			83,844,309
Bonds payable						
USD	8,251,933	6.3757	52,611,849	8,789,597	6.5249	57,351,241
HKD	2,080,319	0.8176	1,700,869	2,026,488	0.8416	1,705,492
Total			54,312,718			59,056,733

V. Notes to the consolidated financial statements (continued)

71. The foreign currency monetary items (continued)

	31 December 2021			31 December 2020		
	Amount in foreign currency	Exchange rate	Amount in RMB	Amount in foreign currency	Exchange rate	Amount in RMB
Long-term payables						
AED	612,993	1.7361	1,064,217	503,614	1.7761	894,469
HKD	1,258,233	0.8176	1,028,731	1,261,321	0.8416	1,061,528
MOP	614,989	0.7913	486,641	469,565	0.8175	383,869
SGD	69,599	4.7179	328,361	51,907	4.9314	255,974
Others	N/A	N/A	248,247	N/A	N/A	329,184
Total			3,156,197			2,925,024
Other non-current liabilities						
USD	708,664	6.3757	4,518,229	671,606	6.5249	4,382,162
Others	N/A	N/A	585,174	N/A	N/A	76,938
Total			5,103,403			4,459,100

VI. Changes of consolidation scope

1. Business combination not under common control

The entities which were not significant to the Group were included in the consolidation scope through business combination not under common control in 2021.

2. Business combination under common control

In November 2021, the Group's subsidiary China State Construction Seventh Engineering Bureau Co., Ltd., which originally held 30% of the equity of Aluminum Henan, acquired 51% of the equity of Aluminum Henan from the Group's subsidiary China Construction Aluminum New Materials Co., Ltd. for RMB28,725 thousands in cash, and 19% of the equity of Aluminum Henan from minority shareholder China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd. for RMB10,645 thousands in cash, which made its final shareholding ratio reached 100%. The Group's subsidiary CSCEC Strait Construction & Development Co., Ltd., which originally held 40% of the equity of Aluminum Fujian, acquired 60% of the equity of Aluminum Fujian for RMB11,655 thousand in cash from the Group's subsidiary, CSCEC Aluminum New Materials Co., Ltd., which made its final shareholding ratio reached 100%. Since both parties involved in the business combination are controlled by the Group and the control is not temporary, the business combination is under common control, and the date of the combination is determined to be November 30 2021, which is the date on which the merging party actually obtains control over the merged party.

	1 January 2021 to 30 November 2021	2020
Revenue	76,508	52,578
Net loss	(6,601)	(33,076)
Net cash flow	(3,675)	2,451

VI. Changes of consolidation scope (continued)

2. Business combination under common control (continued)

The carrying amount of the assets and liabilities of Aluminum New Henan and Aluminum New Fujian at the balance sheet date of the consolidation date and the previous accounting period is as follows:

	30 November 2021	31 December 2020
Cash and bank balances	959	4,634
Notes receivable	–	2,650
Accounts receivable	104,682	87,660
Accounts receivable financing	600	3,080
Prepayments	578	1,575
Other receivables	15,261	1,029
Inventories	23,504	24,695
Contract assets	–	3,118
Other current assets	5,383	3,316
Long-term receivables	48	–
Fixed assets	123,381	136,826
Construction in progress	868	182
Intangible assets	539	651
Long-term prepaid expenses	27,781	26,048
Deferred tax assets	1,413	1,338
Other non-current assets	223	21
Short-term borrowings	(600)	(30,000)
Notes payable	–	(17,800)
Accounts payable	(69,890)	(79,194)
Contract liabilities	(8,685)	(15,464)
Employee benefits payable	(2,848)	(1,463)
Taxes and surcharges payable	(4,122)	(257)
Other payments	(145,089)	(68,478)
Other current liabilities	(3,856)	(7,246)
Total	70,130	76,921
Less: Non-controlling interests (Note)	11,711	
Add: Consolidated difference (included in equity)	3,849	
Consolidation consideration	62,268	
Cash	40,380	
The carrying amount of the original shareholding	21,888	

Note: At the same time as the completion of the above-mentioned business combination under common control, the Group's subsidiary China State Construction Seventh Engineering Bureau Co., Ltd. acquired 19% of the equity of Aluminum Henan from the minority shareholder China Nonferrous Metals Industry Sixth Metallurgical Construction Co., Ltd. for RMB10,645 thousands in cash, which is an equity transaction and the profits formed are included in the capital reserve accounting.

VI. Changes of consolidation scope (continued)

3. Disposal of subsidiaries

The entities which were excluded from the consolidated scope due to disposal of subsidiaries in 2021 were not significant to the Group.

VII. Interests in other entities

1. Interests in subsidiaries

Significant subsidiaries obtained through incorporation:

	Main operation Location	Place of registration	Nature of business	Registered capital	Shareholding Percentage (%)	
					Direct	Indirect
The significant subsidiaries acquired through establishing or investment						
China Overseas Holdings Limited	Hong Kong	Hong Kong	Investment	RMB31.03 billion	100.00	-
China Overseas Land & Investment Limited	Hong Kong	Hong Kong	Real Estate Investment and Development	HKD1.095 billion	-	56.09
China State Construction International	Hong Kong	Cayman Islands	Construction and Installation	HKD1.5 billion	-	64.81
China Overseas Property Holdings Ltd.	Hong Kong	Cayman Islands	Property Management	HKD0.03 billion	-	61.18
China Construction First Group Corporation Limited	Beijing	Beijing	Construction and Installation	RMB10 billion	100.00	-
China Construction Second Engineering Bureau Ltd.	Beijing	Beijing	Construction and Installation	RMB10 billion	100.00	-
China Construction Third Engineering Bureau Co., Ltd.	Wuhan, Hubei	Wuhan, Hubei	Construction and Installation	RMB5.04 billion	100.00	-
China Construction Fourth Engineering Division Corp., Ltd.	Guangzhou, Guangdong	Guangzhou, Guangdong	Construction and Installation	RMB8 billion	100.00	-
China Construction Fifth Engineering Division Corp., Ltd.	Changsha, Hunan	Changsha, Hunan	Construction and Installation	RMB10 billion	100.00	-
China Construction Sixth Engineering Division Corp., Ltd.	Tianjin	Tianjin	Construction and Installation	RMB4.28 billion	100.00	-
China Construction Seventh Engineering Division. Corp., Ltd.	Zhengzhou, Henan	Zhengzhou, Henan	Construction and Installation	RMB6 billion	100.00	-
China Construction Eighth Engineering Division. Corp., Ltd.	Shanghai	Shanghai	Construction and Installation	RMB14.95 billion	100.00	-
China State Construction Engineering Construction Design & Research Institute Corp., Ltd. (China Construction Engineering Design Group Corporation Limited)	Beijing	Beijing	Engineering Prospecting and Design	RMB0.51 billion	100.00	-
China Construction Decoration Group Co., Ltd.	Beijing	Beijing	Industrial Decoration	RMB1 billion	50.00	50.00
China Construction Fangcheng Investment & Development Group Co., Ltd.	Beijing	Beijing	Infrastructure Construction	RMB5 billion	100.00	-
The significant subsidiaries acquired through a business combination not involving under common control						
China State Construction Development Holdings Limited (Note)	Hong Kong	Cayman Islands	Construction and Installation	HKD0.1 billion	-	48.00
China State Construction Harbour Construction Co., Ltd.	Shanghai	Shanghai	Infrastructure Construction	RMB1.33 billion	70.00	-
Tuxiana Corp.	Wanning, Hainan	The British Virgin Islands	Real Estate Development and Investment	USD1	-	55.99
CITIC Real Estate Group Co., Ltd.	Beijing	Beijing	Real Estate Development and Investment	RMB10.49 billion	-	55.99
The significant subsidiaries acquired through a business combination involving entities under common control						
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	Wulumuqi, Xinjiang	Wulumuqi, Xinjiang	Construction and Installation	RMB3.50 billion	85.00	-
China West Construction Group Co., Ltd.	Chengdu, Sichuan	Wulumuqi, Xinjiang	Construction Materials	RMB1.26 billion	12.29	45.50
Shenzhen China Overseas Investing Management Co., Ltd.	Hong Kong	Shenzhen	Real Estate Development and Operation	RMB2.65 billion	100.00	-
China State Construction Finance Co., Ltd.	Beijing	Beijing	Finance	RMB10 billion	80.00	-

Note: The Group holds 48.00% 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:

2021

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Ltd.	43.91%	15,377,344	7,104,596	137,957,690
China State Construction International	35.19%	3,333,804	571,069	22,891,500
West Construction Co., Ltd.	42.21%	356,573	43,743	3,864,031
China State Construction Finance Co., Ltd.	20.00%	165,158	51,401	2,603,107

2020

	Shareholding of Non-controlling Interest	Non-controlling Interest	Dividend attributable to the non-controlling shareholders	Non-controlling Interest
China Overseas Land & Investment Ltd.	44.00%	17,931,523	5,045,049	128,003,879
China State Construction International	35.34%	3,169,849	826,143	21,128,649
West Construction Co., Ltd.	42.21%	331,022	40,239	3,304,528
China State Construction Finance Co., Ltd.	20.00%	120,575	40,516	2,483,080

The summarised financial information of the above subsidiaries which progress necessary adjustments in accordance with the company's accounting policies is set out below. The amounts disclosed are before inter-company eliminations:

2021

	China Overseas Land & Investment Ltd.	China State Construction International	West Construction	China State Construction Finance Co., Ltd
Current Assets	650,738,501	89,672,924	25,737,654	31,805,914
Non-current Assets	145,495,211	84,834,856	4,282,066	75,580,342
Total Assets	796,233,712	174,507,780	30,019,720	107,386,256
Current Liabilities	291,712,440	72,265,836	17,254,341	92,345,397
Non-current Liabilities	204,848,409	50,527,516	1,306,980	2,025,326
Total Liabilities	496,560,849	122,793,352	18,561,321	94,370,723
Revenue	242,731,528	64,103,628	26,926,362	2,908,125
Net Profit	31,836,381	6,267,375	980,921	825,789
Total Comprehensive Income	32,656,812	8,354,971	978,284	857,139
Cash flow from/(used in) operating activities	22,573,932	(455,532)	403,807	(12,452,501)

VII. Interests in other entities (continued)

1. Interests in subsidiaries (continued)

Significant subsidiaries involving non-controlling interest (continued):

The summarised financial information of the above subsidiaries which progress necessary adjustments in accordance with the company's accounting policies is set out below. The amounts disclosed are before inter-company eliminations (continued):

2020

	China Overseas Land & Investment Ltd.	China State Construction International	West Construction	China State Construction Finance Co., Ltd
Current Assets	631,691,450	74,517,932	20,484,986	49,508,084
Non-current Assets	124,340,915	78,955,851	3,348,630	62,248,763
Total Assets	756,032,365	153,473,783	23,833,616	111,756,847
Current Liabilities	300,167,208	65,093,611	13,726,379	99,341,446
Non-current Liabilities	180,347,534	42,765,015	50,802	–
Total Liabilities	480,514,742	107,858,626	13,777,181	99,341,446
Revenue	187,012,838	55,568,034	23,423,096	2,640,190
Net Profit	36,880,626	5,131,456	945,990	602,877
Total Comprehensive Income	36,564,040	7,469,599	943,287	602,877
Cash flow from/(used in) operating activities	9,697,382	(3,824,677)	633,114	(7,773,500)

Perpetual bonds of subsidiaries are as follows:

As of 31 December 2021, the balance of perpetual bonds and renewable loans issued by Company's subsidiaries (hereinafter collectively referred to as the "subsidiary perpetual bonds") amounted to RMB73,992,903 thousand (31 December 2020: 76,740,046 thousand). The perpetual bonds of these subsidiaries exist for a long time, and the subsidiaries of the Company can decide whether to redeem and repay them. Unless there is a compulsory interest payment event that can be determined and controlled to occur by the Company's subsidiary, on each interest payment date, the Company's subsidiaries can choose to postpone the current interest and all deferred interest to the next interest payment date and is not subject to any restrictions on the number of deferred interest payments. The Group accounted for these perpetual bonds as non-controlling shareholders' equity.

Debt-to-equity swaps of subsidiaries are as follows:

In December 2019, some of the Company's subsidiaries entered into capital increase agreements and shareholder agreements with a number of third-party investors. In accordance with the Capital Increase Agreement and the Shareholder Agreement (collectively referred to as the "Agreement"), third-party investors increase their capital in cash to the subsidiaries of such subsidiaries (hereinafter referred to as "the underlying company"), and upon completion of the capital increase, the shareholding of the Company's subsidiaries in the underlying company decreases, but there is no loss of control over the underlying company. The agreement stipulates that the profit distribution of the underlying company shall be determined by the shareholders' meeting, that the exit method of the third-party investor shall be agreed with the controlling shareholder of the target company, and that the controlling shareholder of the target company shall have the right to acquire or designate other parties to acquire the shares of the target company held by the third party investor after the expiration of a certain period ("investment period") from the date of payment of the investment price. In the event of a specific situation or the expiry of the investment period of the underlying company, a third-party investor may make a request to the subsidiary of the Company to acquire the shares of the underlying company held by the Company's subsidiaries, and if the subsidiary of the Company does not choose to acquire such shares, the annual expected dividend ratio will up to until the agreed upper limit of the dividend ratio. However, if the shareholders of the underlying company will not pay dividends it do not constitute a breach of contract; A third party investor can transfer all or part of its equity interest in the underlying company to any third part or increase the voting rights of third-party investors in the shareholders' meeting or board of directors of the underlying company in order to achieve the joint control of the underlying company with the Company's subsidiaries. The above-mentioned arrangement does not constitute a contractual obligation of the Company or its subsidiaries to deliver cash or other financial assets to other parties or to exchange financial assets or financial liabilities with other parties under potential adverse conditions, and the Company shall therefore account for such capital increases as the equity of the underlying company.

As of 31 December, 2021, third-party investors paid in capital of RMB9,700,000 thousand in total to the underlying company (31 December 2020: 7,200,000 thousand). The relevant clauses in the Capital Increase Agreement and Shareholders Agreement this year are consistent with the above clauses. This year these transactions resulted in an increase in non-controlling shareholders' equity in the Group's consolidated financial statements of RMB9,735,372 thousand as at 31 December 2020 (31 December 2020: RMB7,200,458 thousand).

VII. Interests in other entities (continued)

2. Interests in joint ventures and associates

	Main operation location	Place of registration	Nature of business	Registered capital	Percentage of Shares(%)		Accounting treatment
					Direct	Indirect	
Associates							
Overseas Oceans	Hong Kong	Hong Kong	Real Estate Investment and Development	5,579,100	-	38.32	Equity method

The summarised financial information in respect of Overseas Oceans adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements is as follows:

	31 December 2021	31 December 2020
Current Assets	190,642,582	160,985,732
Including: Cash and cash equivalents	19,876,023	20,543,265
Non-current Assets	8,143,839	6,427,765
Total Assets	198,786,421	167,413,497
Current Liabilities	127,586,335	110,189,045
Non-current Liabilities	35,443,827	29,988,070
Total Liabilities	163,030,162	140,177,115
Non-controlling Interests	7,028,370	3,103,157
Attributable to shareholders of the Company	28,727,889	24,133,225
Net assets calculated by the percentage of shares holding	11,008,526	9,247,852
Book value of investment	11,008,526	9,247,852
The fair value of investment in associated companies that have publicly quoted prices	5,194,936	4,617,437

	2021	2020
Revenue	53,830,471	42,909,060
Income tax expenses	(4,504,664)	(4,935,694)
Net Profit	5,644,902	4,604,141
Other Comprehensive Income	555,319	1,035,288
Total Comprehensive Income	6,200,221	5,639,429
Dividends received	384,708	309,427

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 year ended 31 December 2021	For the year ended 31 December 2020 (restated)
Joint Ventures		
Total book value of investment	48,773,481	39,626,372
Subtotals by the percentage of share holding		
Net Profit (Note 1)	1,560,122	2,750,015
Other Comprehensive Income/(loss) (Note 1)	63,413	(67,093)
Total Comprehensive Income	1,623,535	2,682,922
Associates		
Total book value of investment	41,056,532	37,540,896
Subtotals by the percentage of share holding		
Net Profit (Note 1)	1,436,090	1,505,669
Other Comprehensive Income/(loss) (Note 1)	49,226	(7,321)
Total Comprehensive Income	1,485,316	1,498,348

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

3. Interests in consolidated structured entities

As at 31 December 2021, the main consolidated structured entities which set up by the Group's subsidiary China State Construction Fund Management Ltd. amounted to RMB12,378,963 thousand, and the Group's subscribed amount is RMB4,576,093 thousand. As at 31 December 2021, the Group's paid-in amount is RMB3,745,193 thousand and other parties is RMB4,534,724 thousand. The Group classified other parties' paid-in amount as non-controlling interests. The Group has no obligation and intention to provide financial supporting to these structured entities.

4. Interests in non-consolidated structured entities

As at 31 December 2021, the non-consolidated structured entities China State Construction Fund Management Ltd. participated in is amounted to RMB36,489,882 thousand, and the Group's subscribed amount is RMB8,874,387 thousand and other parties is RMB27,615,495 thousand. The Group has no control power over these special purpose vehicles, thus The Group cannot consolidate them. As at 31 December 2021, the Group's paid-in amount is RMB4,506,059 thousand and classified as long-term equity investments. The largest risk exposure of the Group is the paid-in amount as at the balance sheet date. The Group has no obligation and intention to provide financial supporting to these structured entities.

VIII. Financial instruments and related risks

1. Financial instruments by category

Carrying amounts of each category of financial instruments at the balance sheet date are as follows:

31 December 2021

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Required by the standard		Required by the standard	Designated	
Cash and bank balances	-	327,460,535	-	-	327,460,535
Financial assets held for trading	71,597	-	-	-	71,597
Notes receivable	-	17,745,605	-	-	17,745,605
Accounts receivable	-	180,699,591	-	-	180,699,591
Accounts receivable financing	-	-	3,779,728	-	3,779,728
Other receivables	-	60,951,635	-	-	60,951,635
Current portion of non-current assets	-	43,409,623	142,945	-	43,552,568
Other current assets	-	25,514,693	-	2,218,083	27,732,776
Debt investments	-	20,945,330	-	-	20,945,330
Other debt investments	-	-	264,083	-	264,083
Long-term receivables	-	103,310,203	-	-	103,310,203
Investments in other equity instruments	-	-	-	5,065,494	5,065,494
Other non-current financial assets	1,559,354	-	-	-	1,559,354
Total	1,630,951	780,037,215	4,186,756	7,283,577	793,138,499

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Required by the standard		
Short-term loans	-	59,945,832	59,945,832
Notes payable	-	7,553,066	7,553,066
Accounts payable	-	516,475,667	516,475,667
Other payables	-	126,723,159	126,723,159
Current portion of non-current liabilities	-	79,114,808	79,114,808
Other current liabilities	-	6,592,893	6,592,893
Long-term borrowings	-	334,735,903	334,735,903
Bonds payable	-	99,460,750	99,460,750
Long-term payables	-	16,491,996	16,491,996
Other non-current liabilities	-	4,488,392	5,974,274
Total	-	1,248,579,956	1,253,068,348

VIII. Financial instruments and related risks (continued)

1. Financial instruments by category (continued)

Carrying amounts of each category of financial instruments at the balance sheet date are as follows (continued):

31 December 2020 (Restated)

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at amortised cost	Financial assets at fair value through other comprehensive income		Total
	Required by the standard			Required by the standard	Designated	
Cash and bank balances	-	295,859,878	-	-	295,859,878	
Financial assets held for trading	244,459	-	-	-	244,459	
Notes receivable	-	31,990,952	-	-	31,990,952	
Accounts receivable	-	160,498,155	-	-	160,498,155	
Accounts receivable financing	-	-	3,791,162	-	3,791,162	
Other receivables	-	54,607,570	-	-	54,607,570	
Current portion of non-current assets	-	37,815,606	182,608	-	37,998,214	
Other current assets	-	18,592,319	-	2,906,177	21,498,496	
Debt investments	-	14,605,329	-	-	14,605,329	
Other debt investments	-	-	356,377	-	356,377	
Long-term receivables	-	177,642,042	-	-	177,642,042	
Investments in other equity instruments	-	-	-	5,838,384	5,838,384	
Other non-current financial assets	335,510	-	-	-	335,510	
Total	579,969	791,611,851	4,330,147	8,744,561	805,266,528	

Financial liabilities

	Financial liabilities at fair value through profit or loss		Financial liabilities at amortised cost	Total
	Required by the standard			
Short-term loans	-	29,337,096	29,337,096	
Notes payable	-	5,282,412	5,282,412	
Accounts payable	-	502,434,840	502,434,840	
Other payables	-	118,321,540	118,321,540	
Current portion of non-current liabilities	-	87,696,178	87,696,178	
Other current liabilities	-	2,312,199	2,312,199	
Long-term borrowings	-	292,897,038	292,897,038	
Bonds payable	-	88,782,471	88,782,471	
Long-term payables	-	17,500,260	17,500,260	
Other non-current liabilities		4,421,322	1,520,302	5,941,624
Total		4,421,322	1,146,084,336	1,150,505,658

VIII. Financial instrument and related risk (continued)

2. Transfer of financial assets

Transferred financial assets that are not derecognised in their entirety (restated)

As at 31 December 2021, the book value of bank acceptance and commercial acceptance bills approved and discounted by the Group was RMB9,801,914 thousand (31 December 2020: RMB15,514,654 thousand). In the view of the Group, the Group retains almost all of its risks and remuneration, including the risk of default associated with it, and therefore continues to fully recognise it and the settled accounts payable or short-term borrowings associated with it. After endorsement or discount, the Group no longer reserves the right to use it, including the right to sell, transfer or pledge it to other third parties. As of 31 December 2021, the Group's book value of its settled accounts payable or short-term borrowings received totalled RMB9,801,914 thousand (31 December 2020: RMB15,514,654 thousand).

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

As of 31 December 2021, the book value of the Group's endorsed and discounted but not yet due bank acceptance bill was RMB1,415,666 thousand (31 December 2020: RMB1,883,153 thousand). On 31 December 2021, its maturity date is 1 to 12 months. According to the relevant provisions of the "Negotiable Instruments Law", if the acceptance bank refuses to pay, its holder has the right to claim against the group ("continue involvement"). The Group believes that the group has transferred almost all of its risks and rewards, therefore, the book value of its and related settled accounts payable is derecognised. 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 year ended 31 December, 2021, the Group did not recognise gains or losses on the

transfer date. There was no income or expenses recognised in the current year and accumulatively due to the Group's continued involvement in the derecognised financial assets.

3. Financial instrument risks

The Group's activities expose it to a variety of financial risks: mainly include credit risk, liquidity risk and market risk (including interest rate risk, currency risk and equity instrument price risk). The Group's financial instrument mainly includes cash and bank balances, equity investments, debt investments, loans, bills receivable and accounts receivable, receivables financing, bills payable and accounts payable. The risks related to the financial instruments, and the risk management strategies adopted by the Group to reduce these risks are as follows.

The Board of Directors is responsible for planning and establishing the Group's risk management structure, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has formulated risk management policies to identify and analyze the risks faced by the Group. These risk management policies specify specific risks, covering market risk, credit risk and liquidity risk management. The Group regularly assesses changes in the market environment and the Group's operating activities to decide whether to update the risk management policies and systems. The risk management of the Group is carried out by the Risk Management Committee in accordance with the policies approved by the Board of Directors. The Risk Management Committee identifies, evaluates and avoids related risks through close cooperation with other business departments of the Group. The internal audit department of the Group conducts regular audits on risk management controls and procedures, and reports the audit results to the audit committee of the Group.

The Group diversifies the risk of financial instruments through appropriate diversified investment and business portfolios, and formulates corresponding risk management policies to reduce the risk of concentration in any single industry, specific region or specific counterparty.

VIII. Financial instrument and related risk (continued)

3. Financial instrument risks (continued)

Credit risk

The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

Since the counterparties of monetary funds, bank acceptance bills receivable are banks with good reputations and high credit ratings, these financial instruments have low credit risks.

Other financial assets of the Group include notes receivable, accounts receivable, financial assets held for trading, other receivables, debt investments, long-term receivable, other debt investments, other equity instrument investments, and other non-current financial assets. The credit risk of these financial assets stems from the default of the counterparty. The maximum risk exposure is equal to the book value of these instruments.

The maximum credit risk exposure that the Group faces on each balance sheet date is the total amount collected from customers minus the amount of impairment allowances.

The Group also faces credit risks due to the provision of financial guarantees, as disclosed in Note XII 2 for details.

Since the Group only conducts transactions with recognised and reputable third parties, there is no need for collateral. Credit risk is centralized and managed according to customers/counterparties, geographic regions and industries. Because the Group's accounts receivable customer base is relatively wide. Therefore, there is no significant concentration of credit risk within the Group.

The judgment criteria for the significant increase of credit risk

The Group evaluates on each balance sheet date whether the credit risk of relevant financial instruments has increased significantly since the initial recognition. When determining whether the credit risk has increased significantly since the initial recognition, the Group considers whether it is necessary to pay unnecessary additional costs or efforts can be made to obtain reasonable and based information, including qualitative and quantitative analysis based on the historical data of the Group, external credit risk ratings, and forward-looking information. Based on a single financial instrument or a combination of financial instruments with similar credit risk characteristics, the Group determines the change in the risk of default during the expected life of the financial instrument by comparing the risk of default on the balance sheet

date of the financial instrument with the risk of default on the initial recognition date.

When one or more of the following quantitative and qualitative standards are triggered, the Group believes that the credit risk of financial instruments has increased significantly:

- (1) The quantitative standard is mainly that the probability of default in the remaining lifetime of the reporting day has increased by more than a certain percentage compared with the initial confirmation;
- (2) The qualitative standards are mainly the major adverse changes in the debtor's business or financial situation, the list of early warning customers, etc.

Definition of credit-impaired assets

In order to determine whether credit impairment has occurred, the standard used by the Group is consistent with the internal credit risk management objectives for relevant financial instruments, while considering quantitative and qualitative indicators. The main consideration when the Group assesses whether a debtor has credit impairment The following factors:

- (1) The issuer or debtor has major financial difficulties;
- (2) The debtor breached the contract, such as defaulting or overdue payment of interest or principal;
- (3) The creditor, out of economic or contractual considerations related to the debtor's financial difficulties, gives the debtor a concession that the debtor would not make under any other circumstances;
- (4) The debtor is likely to go bankrupt or undergo other financial restructuring;
- (5) The issuer or debtor's financial difficulties caused the disappearance of the active market for the financial asset;
- (6) A financial asset is purchased or originated at a significant discount, and the discount reflects the fact that credit losses have occurred.

The credit impairment of financial assets may be caused by a combination of multiple events, and may not be caused by a separately identifiable event.

Expected credit loss measurement parameters

Based on whether the credit risk has increased significantly and whether the financial asset has been credit-impaired, the Group measures the provision for impairment of different assets based on the 12-month ECLs or the lifetime ECLs. The key parameters for expected credit loss measurement include the probability of default, loss given default and default risk exposure. The Group establishes the model of probability of default, loss given default and default risk exposure based on statistics of historical data (such as the counterparty's rating, guarantee method and type of pledges, repayment method, etc.) and forward-looking information.

VIII. Financial instrument and related risk (continued)

3. Financial instrument risks (continued)

Credit risk (continued)

Expected credit loss measurement parameters (continued)

The relevant definitions are as follows:

- (1) The probability of default refers to the possibility that the debtor will not be able to satisfy its repayment obligations in the next 12 months or throughout the remaining lifetime. The probability of default of the Group is adjusted against the results of the credit loss model as well as the forward-looking information, to reflect the probability of default of the debtor in the current macroeconomic environment.
- (2) The loss given default is the Group's expectation on the extent of loss of default risk exposure. The loss given default varies by the types of counterparties, the manner and priority of recourse, and the collateral. The loss given default is the percentage of exposure loss at the time of default and is calculated over 12 months or lifetime; and
- (3) The default risk exposure is the amount payable to the Group at the time of default over the next 12 months or lifetime.

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 31 December 2021 and 31 December 2020, the exposure to credit risk of notes receivable, accounts receivable, accounts receivable financing, other receivable, contract assets, debt investments and long-term receivable refers to Note V.3,4,5,7,9,12,and 13.

Liquidity risk

The Group uses circular liquidity planning tools to manage the risk of funding shortfalls. The facility takes into account both the maturity date of its financial instruments and the expected cash flows from the Group's operations.

The objective of the Group is to maintain a balance between sustainability and flexibility in financing through the use of a variety of financing instruments. As at 31 December 2021 and 31 December 2020, the Group's financial liabilities were mainly due within one year.

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

31 December 2021

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	60,998,969	–	–	–	60,998,969
Notes payable	7,553,066	–	–	–	7,553,066
Accounts payable	516,475,667	–	–	–	516,475,667
Other payables	126,723,159	–	–	–	126,723,159
Other current liabilities	6,611,556	–	–	–	6,611,556
Long-term borrowings	66,701,631	97,943,125	183,401,944	117,027,733	465,074,433
Bonds payable	18,556,512	29,741,003	37,919,699	55,434,197	141,651,411
Lease liabilities	2,199,318	1,482,715	1,468,109	1,421,182	6,571,324
Long-term payables	11,043,043	13,096,052	4,019,691	111,285	28,270,071
Other non-current liabilities	–	–	6,860,021	–	6,860,021
Financial guarantee contracts	95,770,704	2,235,150	5,660,405	3,500,000	107,166,259
Total	912,633,625	144,498,045	239,329,869	177,494,397	1,473,955,936

VIII. Financial instrument and related risk (continued)

3. Financial instrument risks (continued)

Liquidity risk (continued)

31 December 2020 (restated)

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	29,773,575	–	–	–	29,773,575
Notes payable	5,282,412	–	–	–	5,282,412
Accounts payable	502,434,840	–	–	–	502,434,840
Other payables	118,321,540	–	–	–	118,321,540
Other current liabilities	2,319,356	–	–	–	2,319,356
Long-term borrowings	58,637,680	75,728,382	166,073,850	104,139,890	404,579,802
Bonds payable	47,299,825	4,555,942	21,270,929	99,006,795	172,133,491
Long-term payables	11,314,629	13,172,142	4,883,129	146,705	29,516,605
Other non-current liabilities	–	–	7,039,339	–	7,039,339
Financial guarantee contracts	88,988,726	830,358	214,850	3,500,000	93,533,934
Total	864,372,583	94,286,824	199,482,097	206,793,390	1,364,934,894

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

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 31 December 2021, the Group's interest bearing borrowings with fixed rates amounted to RMB251,065,768 thousand (31 December 2020: RMB207,620,058 thousand), and floating rates interest bearing borrowings amounted to RMB328,375,190 thousand (31 December 2020: RMB292,998,127 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 2021 and 2020 the Group did not enter into any significant interest rate swap agreements.

As at 31 December 2021, if the borrowing interest rate calculated at floating interest rate had been 50 basis points higher/lower, with all other variables held constant, the Group's net profit would have been decreased/increased by approximately RMB1,224 million (31 December 2020: approximately RMB1,167 million).

Currency risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions is denominated in RMB. The Group's confirmed foreign currency assets and liabilities and future foreign currency transactions (foreign currency assets and liabilities and foreign currency transactions are mainly denominated in US dollars and HK dollars) are subject to foreign exchange risks. The Group's finance department at its headquarters is responsible for monitoring the foreign currency transactions and the scale of foreign currency assets and liabilities to minimize foreign exchange risks;. The Group may consider entering into forward exchange contracts or currency swap contracts to mitigate the foreign exchange risk. During 2021 and 2020, the Group did not enter into any significant forward exchange contracts or currency swap contracts.

VIII. Financial instrument and related risk (continued)

3. Financial instrument risks (continued)

Market risk (continued)

Currency risk (continued)

As at 31 December 2021, for Group's all kinds of foreign currency financial assets and foreign currency financial liabilities, if RMB appreciation or devaluation against foreign currency were 10%, other factors remain unchanged, the Group would increase or decrease by approximately RMB8.962 billion (31 December, 2020: approximately RMB9.788 billion).

Equity instrument price risk

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

As at 31 December 2021, if the expected price of various types of equity instrument investments of the Group increased or decreased by 10% and other factors remained unchanged, the Group's net profit would increase or decrease by approximately RMB130,903 thousand (31 December 2020: approximately RMB27,949 thousand), other comprehensive income would increase or decrease by approximately RMB576,662 thousand (31 December 2020: approximately RMB696,888 thousand).

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 in 2021 and 2020.

The Group's total capital is the shareholders' equity shown in the consolidated balance sheet. The Group uses the gearing ratio to monitor its capital. The debt to assets ratio refers to the consolidated balance sheet total liabilities divided by total assets. The debt to assets ratio of the Group at the balance sheet date was as follows:

	31 December 2021	31 December 2020 (restated)
Total liabilities	1,748,546,817	1,615,231,415
Total assets	2,388,249,126	2,192,379,494
Debt to assets ratio	73.21%	73.67%

IX. Disclosure of fair value

1. Assets and liabilities measured at fair value

2021

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading				
Debt investments	47,864	–	–	47,864
Equity investments	23,733	–	–	23,733
Accounts receivables financing	–	–	3,779,728	3,779,728
Other current assets				
Investment in listed equity instrument	2,218,083	–	–	2,218,083
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	1,523,844	1,523,844
Non-current assets due within one year	142,945	–	–	142,945
Other investment in debenture instrument	264,083	–	–	264,083
Other investment in equity instrument				
Investment in listed equity instrument	1,204,980	–	–	1,204,980
Investment in non-listed equity instrument	–	–	3,860,514	3,860,514
Total financial assets	3,901,688	–	9,199,596	13,101,284
Recurring fair value measurements				
Other non-current liabilities	–	4,488,392	–	4,488,392
Total financial liabilities	–	4,488,392	–	4,488,392

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

2020

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Recurring fair value measurements				
Financial assets held for trading				
Debt investments	214,859	–	–	214,859
Equity investments	29,600	–	–	29,600
Accounts receivable financing	–	–	3,791,162	3,791,162
Other current assets				
Investment in listed equity instrument	2,906,177	–	–	2,906,177
Other non-current financial assets				
Investment in stock	–	–	35,510	35,510
Investment in fund	–	–	300,000	300,000
Non-current assets due within one year	182,608	–	–	182,608
Other investment in debt investments	356,377	–	–	356,377
Other investment in equity instrument				
Investment in listed equity instrument	1,329,839	–	–	1,329,839
Investment in non-listed equity instrument	–	–	4,508,545	4,508,545
Total financial assets	5,019,460	–	8,635,217	13,654,677
Recurring fair value measurements				
Other non-current liabilities	–	4,421,322	–	4,421,322
Total financial liabilities	–	4,421,322	–	4,421,322

IX. Disclosure of fair value (continued)

2. Valuation of fair value

Fair value of financial instruments

The illustration below is the disclosure on comparison between the fair value and the carrying amount for each class of financial assets and financial liabilities other than financial instruments where the difference between the carrying amount and the fair value is insignificant:

	Carrying amounts		Fair value	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Bonds payable	99,460,750	88,782,471	103,766,312	95,718,907

The fair value of bonds payable quoted in an active market is determined at the quoted market price, and categorised within Level 1 of the fair value hierarchy. The fair value of bonds payable not quoted in an active market is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

Management has assessed that the fair value of cash and bank balances, notes receivable, accounts receivable, other receivables, short-term loans, notes payable, accounts payable and other payables. Given the short term maturities, the fair value approximate to the carrying value.

The Group's finance department headed by the person in charge of the accounting institution is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The person in charge of the accounting institution reports directly to the person in charge of accounting work and the audit committee. At each reporting date, the finance department analyses the movements in the value of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the person in charge of accounting work.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

Long-term receivables, long-term borrowings, debt investments, bonds payable, etc., adopt the future cash flow discount method to determine the fair value, and use the market yield of other financial instruments with similar contractual terms, credit risks and remaining maturity as the discount rate. As of 31 December 2021 and 31 December, 2020, the fair value of long-term receivables, long-term borrowings and debt investments approximated to the carrying amount. The default risk of long-term borrowings was evaluated as insignificant.

The fair value of listed equity instrument investment is determined at the market price. For investment in unlisted equity instruments, valuation models such as discounted cash flow models and market-comparable company models are used to estimate fair value, and the assumptions used are not supported by observable market prices or interest rates. The Group believes that the fair value and its changes estimated by valuation techniques are reasonable and are the most appropriate value on the balance sheet date.

3. Unobservable inputs

The valuation models used are mainly discounted cash flow models and market-comparable company models. The input value of valuation techniques mainly include future cash flows, price-to-book ratio and price-earnings ratio of companies of the same category.

IX. Disclosure of fair value (continued)

4. Reconciliation of fair value measurements

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

2021

	Opening balance of the year	Total gains or losses during the year		Purchases	Sales	Closing balance of the year	Changes in unrealised gains or losses included in profit or loss for assets held at end of the year
		Included in profit or loss	Included in other comprehensive income				
Accounts receivable financing	3,791,162	-	-	5,146,850	(5,158,284)	3,779,728	-
Other non-current financial assets							
Investment in stock	35,510	-	-	-	-	35,510	-
Investment in fund	300,000	7,349	-	1,408,105	(190,065)	1,523,844	5,804
Other investment in equity instrument							
Investment in unlisted equity instrument	4,508,545	127,319	214,345	498,550	(1,360,926)	3,860,514	-
Total	8,635,217	134,668	214,345	7,053,505	(6,709,275)	9,199,596	5,804

2020 (Restated)

	Opening balance of the year	Total gains or losses during the year		Purchases	Sales	Closing balance of the year	Changes in unrealised gains or losses included in profit or loss for assets held at end of the year
		Included in profit or loss	Included in other comprehensive income				
Financial assets held for trading							
Debt investments	5,705	996	-	-	(6,701)	-	-
Accounts receivable financing	3,674,166	-	-	5,674,315	(5,557,319)	3,791,162	-
Other non-current financial assets							
Investment in stock	35,510	-	-	-	-	35,510	-
Investment in fund	15,000	-	-	300,000	(15,000)	300,000	-
Other investment in equity instrument							
Investment in unlisted equity instrument	6,409,181	28,385	(451,259)	605,341	(2,054,718)	4,508,545	-
Total	10,139,562	29,381	(451,259)	6,579,656	(7,633,738)	8,635,217	-

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:

	2021	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised gains included in profit or loss	134,668	-
Changes in unrealised losses included in profit or loss for assets held at end of year	5,804	-

IX. Disclosure of fair value (continued)

4. Reconciliation of fair value measurements (continued)

	2020	
	Profit or loss related to financial assets	Profit or loss related to non-financial assets
Total realised gains included in profit or loss	29,381	–
Changes in unrealised losses included in profit or loss for assets held at end of year	–	–

5. Fair value level conversion

During the year 2021, the fair value level of the equity instrument or debt investment continuously measured at fair value has no change. During the year of 2020, due to ban lifting of restricted shares, the fair value level of the listed equity instrument investment of other current assets continuously measured at fair value has changed from level 2 to level 1.

X. Related party relationships and transactions

1. Parent

	Registered address	Nature of business	Registered capital (RMB)	Proportion of ownership interest in the Company (%)	Proportion of voting power in the Company (%)
CSEEC	Beijing	Investment holding	10 billion	56.33%	56.33%

The Company's ultimate controlling party is State-owned Assets Supervision and Administration Commission of the State Council.

2. Subsidiaries

The company's important subsidiaries refer to Note VII.1.

3. Joint ventures and associates

Except the general information and other related information of joint ventures and associates set out in Note VII 2, the situation of joint ventures and associated enterprises that have transactions with the group is listed as follows:

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (Note 3)					
Clear Elegant Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	30.00
Luminous Dream Limited (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	30.00
Gainable Development Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	20.00
Marble Edge Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	18.00
Guizhou Zhengxi Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, 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 (%)
Joint Ventures (continued) (Note 3)					
Miyang Zhongjian Kefa Guanlang road investment and Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Housing construction business	No	37.18
Zunyi South Ring Expressway Development Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	60.00
China Overseas Polytec Real Estate (Foshan) Co., Ltd. (CITIC Polytec Real Estate (Foshan) Co., Ltd.)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Guangzhou XingLv Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
CSCEC Chengdu rail transit investment and Construction Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
China State Construction Zhanjiang Avenue Investment and Construction Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	70.10
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	80.00
Zhaotong Zhongjian Construction Investment Development Co., Ltd. (Note 1)	Yunnan, China	Yunnan, China	Infrastructure construction business	No	51.00
Qingdao Fangchen Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fangchuan Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fanghui Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Fangqian Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao tengmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Putian Haijia Real Estate Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Infrastructure construction business	No	60.00
Changsha China Construction Future Technology City Investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Other business	No	51.00
Xuzhou Metro Line Three Investment Development Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	44.44
Tianjin Yingchao Real Estate Development Co., Ltd.	Tianjin, China	Tianjin, China	Real estate investment and development business	No	50.00
Nanjing Zhongjian Fifth Bureau Lishui Development Area Affordable Housing Investment Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Housing construction business	No	51.00
Guizhou Leirong Expressway Investment Management Co., Ltd. (Note 1)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	68.90
Anhui Bengwu Expressway Investment Management (Note 1)	Anhui, China	Anhui, China	Infrastructure construction business	No	70.00
Suzhou Dongfu Yongxu Real Estate Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	49.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 3)					
Wuxi Zhonghai Taihu Xincheng Real Estate Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	51.00
Changsha CSCEC Urban Investment Pipe Gallery Construction Investment Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	66.94
Sunrise JV Limited	Hong Kong, China	Hong Kong, China	Other business	No	50.00
CSCEC Roads and Bridges Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	51.00
CSCEC Dacheng Construction Co., Ltd.	Beijing, China	Beijing, China	Housing construction business	No	50.00
Construction Technology Jingmen Co., Ltd.	Hubei, China	Hubei, China	Other business	No	50.00
Qufu Nishan cultural tourism real estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	Shaanxi, China	Shaanxi, China	Real estate investment and development business	No	50.00
CSCEC Haijia (Foshan) Investment Construction Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Other business	No	80.00
Qingdao Songmao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Zhonghai Southern Airline Construction Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Qingdao Maozhang Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Qingdao Caimao Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	18.00
Hing Chong Enterprise Co., Ltd.	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xinggui Investment Co., Ltd.	Zhejiang, China	Hong Kong, China	Real estate investment and development business	No	50.00
China Overseas Hongyang Haifu (Hefei) Real Estate Development Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	45.00
Xi'an Hehui Xingshang Real Estate Co., Ltd.	Shaanxi, China	Shaanxi, China	Real estate investment and development business	No	50.00
Cangzhou CSCEC Bohai investment Logistics Park Construction Development Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	30.00
Cangzhou Bohai New Area China Construction Port Construction Management Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	90.00
CSCEC Transportation Construction Linfen Jinhe Roads and Bridges Engineering Co., Ltd. (Note 1)	Shanxi, China	Shanxi, China	Infrastructure construction business	No	20.00
Dazhou Dahuan Construction Management Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	65.80
Dalian CSCEC sponge City Construction Development (Note 1)	Liaoning, China	Liaoning, China	Infrastructure construction business	No	49.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 3)					
Xuancheng Haijia Lancheng Real Estate Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	65.00
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Dongguan Zhonghai Century City Education Technology	Guangdong, China	Guangdong, China	Other business	No	50.00
Sichuan Huayou Zhonglan Energy Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Other business	No	12.00
Rizhao CSCEC Transportation Service Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	26.50
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	49.00
Tongxiang Haoli Enterprise Management Co., Ltd. (Note 1)	Zhejiang, China	Zhejiang, China	Other business	No	25.00
Top Colour Development Limited (Note 1)	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	34.00
Changchun Hairun Rongcheng Real Estate Development Co., Ltd.	Jilin, China	Jilin, China	Real estate investment and development business	No	50.00
Tianjin Chuangqing Investment Management Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	51.00
Tianjin Shunji Real Estate Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Real estate investment and development business	No	12.50
Tianjin Chuangliang Investment Management Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Other business	No	34.00
Leading Investment Co., Ltd. (Note 1)	Jiangsu, China	Hong Kong, China	Real estate investment and development business	No	51.00
CSCEC Xi'an Infrastructure Construction Investment Co., Ltd. (Note 1)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	22.50
TEDA Group Co., Ltd. (Note 1)	Hong Kong, China	Hong Kong, China	Infrastructure construction business	No	33.00
Ezhou Chuangu Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	50.00
Guangzhou Hong Land Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Chongqing Qingneng Yuehe Real Estate Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Real estate investment and development business	No	49.00
Xiangtan Haijia Construction Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	51.00
Beijing Nanyue Real Estate Development Co., Ltd. (Note 1)	Beijing, China	Beijing, China	Real estate investment and development business	No	35.00
Guangzhou SuiHai Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	25.00
Yantai Zhongda Xinhong Science Education Investment Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Other business	No	29.33
Zhangzhou Binbei Real Estate Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Real estate investment and development business	No	15.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Joint Ventures (continued) (Note 3)					
Zhengzhou CSCEC Zhicheng Comprehensive Pipelines Construction Management Co., Ltd. (Note 1)	Henan, China	Henan, China	Infrastructure construction business	No	79.20
Chongqing CSCEC Erhengxian Infrastructure Construction Co., Ltd. (Note 1) (Note 4)	Chongqing, China	Chongqing, China	Infrastructure construction business	No	45.90
Hengshui CECSC Hangang Expressway Management Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Public facilities management	No	59.93
Shanghai Chenggang Real Estate Co., Ltd. (Note 1)	Shanghai, China	Shanghai, China	Real estate investment and development business	No	25.00
Chongqing CSCEC Hailong Two Rivers Construction Technology Co., Ltd. (Note 1)	Chongqing, China	Chongqing, China	Housing construction business	No	70.00
Guiheng Investments Co., Ltd.	Chongqing, China	Hong Kong, China	Real estate investment and development business	No	50.00
Xiamen Yongjingwan Real Estate Co., Ltd. (Note 1)	Fujian, China	Fujian, China	Real estate investment and development business	No	20.00
Changsha Yida Chuangzhi Real Estate Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Real estate investment and development business	No	49.00
China Construction Jingmen 207 Highway Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	52.00
Quanzhou Taiwan Business Investment Zone China Construction Fifth Bureau Haiwan Avenue Investment Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	50.00
Xi'an Chuxin investment and Construction Co., Ltd. (Note 1)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	49.00
CSCEC (Tianjin) Railroad Transportation Investment Development Co., Ltd. (Note 1)	Tianjin, China	Tianjin, China	Infrastructure construction business	No	48.90
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Other business	No	65.34
Shandong China Overseas Huachuang Real Estate Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Real estate investment and development business	No	60.00
Dongguan Jiafang Real Estate Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	32.50
Huarun Real Estate (Taiyuan) Development Co., Ltd.	Shanxi, China	Shanxi, China	Real estate investment and development business	No	50.00
Shenzhen Shenshan special cooperation zone Zhongpu Infrastructure Investment Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	64.00
Yinchuan Shenyang Road Underground Comprehensive Pipe Gallery Construction Management Co., Ltd. (Note 1)	Ningxia, China	Ningxia, China	Infrastructure construction business	No	70.00
Sanya Bihai Jincheng Business Management Co., Ltd. (Note 1)	Hainan, China	Hainan, China	Real estate investment and development business	No	17.00
Suzhou Wujiang Taihai Real Estate Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	44.00
Sichuan Dehui Highway Co., Ltd. (Note 1)	Sichuan, China	Sichuan, China	Housing 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 (%)
Joint Ventures (continued) (Note 3)					
Jiangmen Pengjiang Hebang Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Changsha Zhongjian International Development Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Infrastructure construction business	No	65.00
TDE-Empreendimentos Imobiliarios, S.A.	Portugal	Portugal	Housing construction business	No	50.00
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd. (Note 1)	Hebei, China	Hebei, China	Infrastructure construction business	No	90.00
China Construction International (Xiangyang) Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Housing construction business	No	70.00
Guangzhou Fuchuang Real Estate Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	34.00
Shantou CSCEC new urbanization Investment Co., Ltd.	Guangdong, China	Guangdong, China	Infrastructure construction business	No	36.77
Xiamen Haimao Real Estate Co., Ltd.	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
CSCEC New Urbanization (Xinjiang) Investment Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00
Beijing Xingying Real Estate Co., Ltd. (Note 1)	Beijing, China	Beijing, China	Real estate investment and development business	No	51.00
Guangzhou Xinghong Real Estate Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	51.00
Harbin Runzhi Real Estate Development Co., Ltd. (Note 1)	Heilongjiang, China	Heilongjiang, China	Real estate investment and development business	No	50.00
Henan CSCEC Municipal Construction Development Co., Ltd. (Note 1)	Henan, China	Henan, China	Public facilities management	No	28.56
Hengyang Lingsheng Real Estate Co., Ltd. (Note 1)	Hunan, China	Hunan, China	Real estate investment and development business	No	51.00
Nanjing Yangtze River Second Bridge Co., Ltd. (Note 1)	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	65.00
Qingdao Haijie Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	50.00
Qingyuan CSCEC Fourth Bureau Yuejian Investment Development Co., Ltd. (Note 1)	Guangdong, China	Guangdong, China	Infrastructure construction business	No	80.00
Shanghai Linbo Haihui City Construction Development Co., Ltd. (Note 1)	Shanghai, China	Shanghai, China	Infrastructure construction business	No	49.00
Xiangyang Huanxian Speed Improvement Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Other business	No	39.00
Ezhou Culture and Sports Investment Construction Co., Ltd. (Note 1)	Hubei, China	Hubei, China	Infrastructure construction business	No	47.50
Luan Haijia Lancheng Real Estate Co., Ltd. (Note 1)	Anhui, China	Anhui, China	Real estate investment and development business	No	51.00
Jingyu Co., Ltd. (Note 1) (Note 4)	Hong Kong, China	Hong Kong, China	Other business	No	70.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (Note 3)					
Sanmenxia National Road 301 South Transplanted Project Construction Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	40.00
Hebei Xiong'an Citizen Service Center Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	50.50
Hubei Trading Xiangyang North Expressway Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	20.00
Wuhan Huangxiaohu Airport River Environment Comprehensive Treatment Construction Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	42.20
Guangzhou Lihe Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Suzhou Xinghui West Ring Road Construction Co., Ltd.	Anhui, China	Anhui, China	Infrastructure construction business	No	30.93
Liupanshui Dongda highway investment and Development Co., Ltd. (Note 2)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	50.00
Shandong Expressway Ningliang Highway Co., Ltd.	Shandong, China	Shandong, China	Infrastructure construction business	No	49.00
Suzhou Junda National Road 206 Construction Co., Ltd.	Anhui, China	Anhui, China	Housing construction business	No	20.00
China Construction Haoyun Co., Ltd.	Hebei, China	Hebei, China	Other business	No	35.00
Qingdao Changming Real Estate Co., Ltd.	Shandong, China	Shandong, China	Real estate investment and development business	No	22.50
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	40.00
Guangzhou Bisen Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	14.28
Jiaozuo Zhongjian south to North Water Diversion ecological protection construction and Operation Co., Ltd.	Henan, China	Henan, China	Other business	No	30.00
Henan Xuxin Highway Co., Ltd.	Henan, China	Henan, China	Housing construction business	No	30.00
Wenzhou Zhongjian Steel Structure Olympia Project Management Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00
China Construction Third Engineering Bureau Nanchong Environmental Construction Investment Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	15.00
Chengdu Changtou Dongjin Construction Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	1.00
Guangzhou Ivrong Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	16.66
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	Chongqing, China	Chongqing, China	Real estate investment and development business	No	45.00
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 3)					
Guangzhou Zengcheng run Yu Real Estate Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	20.00
Chengdu Chuantou Airport Construction Co., Ltd.	Sichuan, China	Sichuan, China	Infrastructure construction business	No	20.00
Putian CSCEC Mulan Construction Development Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	49.90
China Construction Third Bureau Ezhou Guang'an Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Baoding CSCEC Xingye Investment Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	15.00
China Construction Third Bureau Rongchang Chengdu Tianfu New Area Construction Investment Co., Ltd.	Sichuan, China	Sichuan, China	Real estate investment and development business	No	46.00
Xiamen Haitou Construction Technology Co., Ltd.	Fujian, China	Fujian, China	Other business	No	30.00
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
China Construction Third Bureau Xiangyang East and West Line Construction Operation Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Infrastructure construction business	No	10.00
CSCEC Xi'an City Construction Investment Co., Ltd.	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	30.00
CCCC Jijiao Expressway Investment Development Co., Ltd.	Hebei, China	Hebei, China	Infrastructure construction business	No	21.00
Yunnan Huali expressway investment and Development Co., Ltd.	Yunnan, China	Yunnan, China	Infrastructure construction business	No	46.00
Rizhao China Construction Eighth Bureau culture and Technology Development Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	14.00
Haikou Qiyue Urban Construction Co., Ltd. (Note 2)	Hainan, China	Hainan, China	Infrastructure construction business	No	2.00
Baotou China Overseas Hongyang Real Estate Co., Ltd.	Neimenggu, China	Neimenggu, China	Real estate investment and development business	No	20.00
Beijing Hengyi Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	49.00
Beijing Zhongchao Concrete Co., Ltd.	Beijing, China	Beijing, China	Other business	No	30.00
Beijing CSCEC Runtong Electromechanic Engineering Co., Ltd.	Beijing, China	Beijing, China	Housing construction business	No	30.00
Jinan CSCEC Quanhui Investment Operation Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Other business	No	10.00
Jiangmen Pengjiang Area Hebang Real Estate Development Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Real estate investment and development business	No	50.00
Wuhan CSCEC Yipin Zhaoli Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	10.00
Hangzhou City Investment Wulin Investment Development Co., Ltd. (Note 2)	Zhejiang, China	Zhejiang, China	Infrastructure construction business	No	15.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 3)					
China Construction Eighth Bureau Education Development Co., Ltd.	Shandong, China	Shandong, China	Other business	No	38.65
Wuhan CSCEC Wudi Development Construction Co., Ltd.	Hubei, China	Hubei, China	Other business	No	30.00
Urumqi Linkong Construction Infrastructure Co., Ltd. (Note 1)	Xinjiang, China	Xinjiang, China	Other business	No	49.00
Ganzhou Hangyu Construction Co., Ltd. (Note 2)	Jiangxi, China	Jiangxi, China	Real estate investment and development business	No	2.10
Hong Kong and Kowloon Concrete Co., Ltd.	Hong Kong, China	Hong Kong, China	Sales materials	No	31.50
Panzhuhua China Construction Third Bureau Government Service Center Construction Development Co., Ltd. (Note 2)	Sichuan, China	Sichuan, China	Infrastructure construction business	No	9.00
Shijiazhuang Jiaojian Highway Construction Management Co., Ltd.	Hebei, China	Hebei, China	Infrastructure construction business	No	49.00
Shangqiu CSCEC Yuncheng City Construction Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	9.00
Dongguan Jiangpan New City Real Estate Development Co., Ltd.	Guangdong, China	Guangdong, China	Real estate investment and development business	No	30.00
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	25.00
Jinjiang Zhongyun Sports Construction Development Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Infrastructure construction business	No	10.00
Shanghai Jiasheng Real Estate Development Co., Ltd.	Shanghai, China	Shanghai, China	Real estate investment and development business	No	49.00
Jinou Jiaying Nanjing Real Estate Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	30.00
Xianyi International Co., Ltd.	Hong Kong, China	Hong Kong, China	Other business	No	30.00
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	40.00
Chengdu Beichen Tianchen Real Estate Co., Ltd.	Sichuan, China	Sichuan, China	Real estate investment and development business	No	20.00
Wuhan Chenzhan Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Wuhan Chenfa Real Estate Development Co., Ltd.	Hubei, China	Hubei, China	Real estate investment and development business	No	20.00
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	33.00
Zhangzhou Zhanhuan Environmental Technology Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Other business	No	19.00
Xinyu Ring Road Construction Investment Co., Ltd. (Note 2)	Jiangxi, China	Jiangxi, China	Infrastructure construction business	No	10.00
Beijing Jiayan Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	49.00
Putian Puyang School Construction Co., Ltd.	Fujian, China	Fujian, China	Housing construction business	No	32.90

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 3)					
Macau Cement Works Co., Ltd.	Macao, China	Macao, China	Sales materials	No	31.34
Xuchang Chenheng Real Estate Co., Ltd.	Henan, China	Henan, China	Real estate investment and development business	No	39.00
Wuhan CSCEC Yipin Zhaoying Real Estate Co., Ltd. (Note 2)	Wuhan, China	Wuhan, China	Real estate investment and development business	No	50.00
China Construction Third Engineering Bureau Xianning Big Continent Lake ecological construction and Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	45.00
Liuzhou China Construction Steel Structure Dongcheng Exhibition Construction Co., Ltd.	Guangxi, China	Guangxi, China	Infrastructure construction business	No	40.00
Changsha Xirong Real Estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	33.00
Nanjing CSCEC Gubei City Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	45.00
Nanjing CSCEC Travel Construction Investment Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	20.00
Nanyang CSCEC Jinrui City Construction Development Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	20.00
Qingyang CSCEC Yuanqing Road Construction Management Co., Ltd.	Gansu, China	Gansu, China	Infrastructure construction business	No	24.90
Rizhao CSCEC Eighth Bureau Transportation Service Co., Ltd. (Note 1)	Shandong, China	Shandong, China	Infrastructure construction business	No	15.66
Xiamen International Exhibitional Center Co., Ltd.	Fujian, China	Fujian, China	Other business	No	24.00
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	Shandong, China	Shandong, China	Leasing business	No	30.00
Sichuan Xijianshantui Logistics Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	30.00
Sichuan Xijianzhonghe Machinery Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	44.44
Suzhou Fuyuan Real Estate Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	34.00
Weihai CSCEC Eighth Bureau Construction Development Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	7.61
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Shandong, China	Shandong, China	Leasing business	No	30.00
Zhengzhou Public Zhongcheng Roads and Bridges Construction Management Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	25.00
Jiqing Express Railroad Co., Ltd. (Note 2)	Shandong, China	Shandong, China	Infrastructure construction business	No	8.40
Panjin Xinjian Construction Co., Ltd.	Liaoning, China	Liaoning, China	Infrastructure construction business	No	45.85
Xinjiang CSCEC City Construction Investment Co., Ltd.	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	20.00
Xuzhou Underground Line 1 Track Transportation Investment Development Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	38.30

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 3)					
Zhoukou Xintong City Construction Development Co., Ltd.	Henan, China	Henan, China	Infrastructure construction business	No	30.00
Suining East Lake Bishui Environmental Investment Construction Co., Ltd.	Sichuan, China	Sichuan, China	Other business	No	39.00
Beijing National High Mountain Skiing Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Other business	No	12.00
Shandong CSCEC Material Equipment Co., Ltd.	Shandong, China	Shandong, China	Other business	No	30.00
Eastern Anzhen (Beijing) Hospital Management Co., Ltd. (Note 2)	Beijing, China	Beijing, China	Other business	No	5.98
Shangqiu Yunheng City Construction Development Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	7.61
Shangqiu Xinhangcheng Development Construction Management Co., Ltd. (Note 2)	Henan, China	Henan, China	Infrastructure construction business	No	4.16
Jinmao Investment (Changsha) Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	20.00
Zhengzhou Yirongyijian Supply Chain Management Co., Ltd. (Note 2)	Henan, China	Henan, China	Sales materials	No	18.00
CSCEC Steel Structure Wuhan Caidian Construction Engineering Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	45.00
Zhuzhou China Overseas Real Estate Co., Ltd.	Hunan, China	Hunan, China	Real estate investment and development business	No	30.00
Zhuzhou China Overseas Business Development Co., Ltd.	Hong Kong, China	Hong Kong, China	Real estate investment and development business	No	30.00
Guizhou Jianxin Water Environment Industry Co., Ltd. (Note 2)	Guizhou, China	Guizhou, China	Infrastructure construction business	No	17.56
Nanjing Anju Jianhe Construction Technology Co., Ltd.	Jiangsu, China	Jiangsu, China	Real estate investment and development business	No	33.00
Urumqi Linkong CSCEC Airport Construction Operation Co., Ltd.	Xinjiang, China	Xinjiang, China	Infrastructure construction business	No	36.75
CSCEC Xi'an Chanba Ecological Region Construction Investment Co., Ltd. (Note 2)	Shaanxi, China	Shaanxi, China	Infrastructure construction business	No	53.29
Chongqing Water Affairs Shatian Environmental Governance Co., Ltd. (Note 2)	Chongqing, China	Chongqing, China	Other business	No	1.00
Wuhan Wuyang Highway Investment Management Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	30.00
Shanwei Yuehai Qingyuan Environmental Co., Ltd. (Note 2)	Guangdong, China	Guangdong, China	Other business	No	5.00
Nantong City Ring Road Highway Co., Ltd.	Jiangsu, China	Jiangsu, China	Housing construction business	No	33.00
Zhangjiawan Xinmao Investment Construction Co., Ltd.	Jiangsu, China	Jiangsu, China	Infrastructure construction business	No	20.00
Shenshan Special Cooperation Zone Sea and Harbor New City Investment Construction Co., Ltd.	Shenzhen, China	Shenzhen, China	Infrastructure construction business	No	30.00
Wuhan Hongtai Hongli CSCEC Yipin Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00

X. Related party relationships and transactions (continued)

3. Joint ventures and associates (continued)

	Main place of business	Place of registration	Nature of business	Strategic to group activities	Shareholding ratio (%)
Associates (continued) (Note 3)					
China Construction Third Engineering Bureau Jingzhou Huanchang Lake Construction Operation Co., Ltd.	Hubei, China	Hubei, China	Infrastructure construction business	No	20.00
Zhijiang Jianxin Government Engineering Construction Co., Ltd.	Hubei, China	Hubei, China	Housing construction business	No	40.00
Wuhan Chongjiang Real Estate Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Real estate investment and development business	No	51.00
Xiamen Yijun Real Estate Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Real estate investment and development business	No	50.00
China Construction Third Engineering Bureau Xiangyang Fancheng Green Ring Road and Park Construction Co., Ltd. (Note 2)	Hubei, China	Hubei, China	Infrastructure construction business	No	16.00
China Construction Third Engineering Bureau Xiangyang Yuliangzhou Ecological Construction Operation Co., Ltd.	Hubei, China	Hubei, China	Other business	No	45.00
Beijing Rongzhu Real Estate Development Co., Ltd.	Beijing, China	Beijing, China	Real estate investment and development business	No	33.00
Hebei Chenghong Pipelines Engineering Co., Ltd. (Note 2)	Hebei, China	Hebei, China	Infrastructure construction business	No	5.00
Putian Jiangkou Suanxi CSCEC Strait Infrastructure Investment Development Co., Ltd. (Note 2)	Fujian, China	Fujian, China	Real estate investment and development business	No	5.00
Zhangzhou China Merchants Steamship Company Economic Technology Area CSCEC Infrastructure Investment Development Co., Ltd.	Fujian, China	Fujian, China	Infrastructure construction business	No	20.10
Fernvale Lane Pte Ltd.	Singapore	Singapore	Real estate investment and development business	No	20.00

Note 1: The Group's shareholding ratio in some of the aforementioned joint ventures is less than 50% or more than 50%. Major business decisions made by the board of directors of these companies or similar institutions can only be approved after the unanimous consent of all investors; or according to the provisions of the articles of association of these companies, major business decisions must be approved by representatives of more than two-thirds of the voting rights. These decisions can be passed only if the Group and other shareholders agree unanimously. The Group has no substantial control over these companies, so these companies are accounted for as joint ventures.

Note 2: For invested companies with a shareholding ratio of less than 20%, the Group has the right to participate in their business decision-making by appointing directors to the board of directors of these companies, and has a significant influence; for invested companies with a shareholding ratio of not less than 50%, According to the provisions of the articles of association of these companies on the decision-making mechanism for major operations and financial decisions, they cannot be controlled or jointly controlled, but the Group can only exercise significant influence. Therefore, these companies are accounted for as associates.

Note 3: The aforementioned joint ventures include joint ventures and their subsidiaries, and associates include associates and their subsidiaries.

Note 4: Due to the disposal of the equity of these companies this year, on 31 December 2021, the Group no longer holds their equity.

Note 5: Due to the acquisition of these companies' equity or changes in the company's articles of association this year, on 31 December 2021, the Group has included them in the scope of consolidation.

X. Related party relationships and transactions (continued)

4. Other related parties

	Relationship with the group
Beijing Zhongjian Qiming Enterprise Management Co., Ltd	Controlled by the same parent company
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	Controlled by the same parent company
CSCEC Electronic Commerce Co., Ltd.	Controlled by the same parent company
China Construction Environmental Energy Technology Co., Ltd.	Controlled by the same parent company
China construction Aluminum New materials Chengdu Co., Ltd.	Controlled by the same parent company
China construction aluminum New materials Co., Ltd.	Controlled by the same parent company
China Construction Ecological Environmental Co., Ltd. (China Construction Water Affairs Environmental Protection Co., Ltd.)	Controlled by the same parent company
China State Construction Asset Management Co., Ltd.	Controlled by the same parent company
China Automobile Material Trade Co., Ltd.	Controlled by the same parent company
Beijing Zhongyi Chengjian Property Management Co., Ltd.	Controlled by the same parent company
Beijing Hongde Materials Co., Ltd.	Controlled by the same parent company
China State Construction Property Management Co., Ltd.	Controlled by the same parent company
China State Construction Kechuang (Shanghai) Investment Co., Ltd.	Controlled by the same parent company
SIPG Bayport Terminal Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanghai International Port (Group) Co., Ltd.	Controlled by another shareholder of a subsidiary of the Group
Shanggang group Ruitai Development 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	2021	2020 (restated)
CSCEC Electronic Commerce Co., Ltd.	Purchase of goods	3,062,690	2,556,976
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	Purchase of goods	661,359	1,216,607
Hong Kong and Kowloon Concrete Co., Ltd.	Purchase of goods	269,087	118,994
Overseas Hongyang	Purchase of goods	117,158	–
CSCEC Huanneng Technology Co., Ltd.	Purchase of goods	29,448	–
China construction aluminum New materials Co., Ltd.	Purchase of goods	15,180	–
Macau Cement Works Co., Ltd.	Purchase of goods	469	40,138
Others	Purchase of goods and Accepting services	27,764	59,364
Total		4,183,155	3,992,079

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	2021	2020
Jiqing High Speed Railway Co., Ltd.	Contract engineering	3,500,436	1,817,344
China State Construction Xi'an Urban Construction Investment Co., Ltd.	Contract engineering	2,541,844	1,907,250
Guizhou Leirong Expressway Investment Management Co., Ltd.	Contract engineering	2,326,635	2,180,763
CCCC Jijiao Expressway Investment Development Co., Ltd.	Contract engineering	1,990,892	1,182,368
Shantou CSCEC new urbanization Investment Co., Ltd.	Contract engineering	1,899,333	1,356,832
Henan CSCEC Government Construction Development Co., Ltd.	Contract engineering	1,620,190	782,091
CSCEC Wuhan Huangxiaohu Airport River Water Environment Comprehensive Treatment Construction and Operation Co., Ltd.	Contract engineering	1,599,339	618,566
CSCEC (Tianjin) Rail Tracks Transportation Investment Development Co., Ltd.	Contract engineering	1,535,154	927,374
Anhui Bengwu Expressway Investment Management Co., Ltd.	Contract engineering	1,379,443	1,056,642
Yunnan Huali expressway investment and Development Co., Ltd.	Contract engineering	1,376,716	968,775
Urumqi Linkong Construction Infrastructure Co., Ltd.	Contract engineering	1,259,057	372,248
China Construction Xi'an Chanba Ecological Zone Construction Investment Co., Ltd.	Contract engineering	1,232,120	–
Urumqi Linkong Airport Construction and Operation Co., Ltd.	Contract engineering	1,073,089	–
Xuzhou Line 3 Rail Transit Investment Development Co., Ltd.	Contract engineering	1,048,708	2,079,115
Wuhan Hanyang Highway Investment Management Co., Ltd.	Contract engineering	988,311	269,311
Xiamen International Trade Exhibition Center Co., Ltd.	Contract engineering	986,151	–
Wuhan Zhongjian Wudi Development and Construction Co., Ltd.	Contract engineering	974,488	87,496
Shanwei Yuehai Qingyuan Environmental Protection Co., Ltd.	Contract engineering	924,102	–
Sanmenxia City National Highway 310 Southward Moving Project Construction Management Co., Ltd.	Contract engineering	921,736	2,167,593
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	Contract engineering	905,117	1,012,403
Guangzhou Fuchuang Real Estate Development Co., Ltd.	Contract engineering	875,129	251,163
China Construction Ecological Environment Group Co., Ltd. (Formerly known as "China Construction Water Environmental Protection Co., Ltd.")	Contract engineering	856,712	–
Hangzhou Chengtuo Wulin Investment and Development Co., Ltd.	Contract engineering	824,411	1,052,300
Nantong Ring Expressway Co., Ltd.	Contract engineering	775,731	–
SIPG Bayport Terminal Co., Ltd.	Contract engineering	744,162	–
CSCEC Zhanjiang Avenue Investment and Construction Co., Ltd.	Contract engineering	743,813	845,585
Qingdao China Construction Eighth Bureau Education Development Co., Ltd.	Contract engineering	689,595	546,244
Nanjing China Construction Fifth Bureau Lishui Development Zone Affordable Housing Investment Co., Ltd.	Contract engineering	642,689	–
Chengdu Changtuo Dongjin Construction Co., Ltd.	Contract engineering	629,615	297,249
Shangqiu CSCEC Yuncheng Urban Construction Development Co., Ltd.	Contract engineering	628,547	1,234,772
Hebei Chenghong Pipe Gallery Engineering Co., Ltd.	Contract engineering	627,884	595,909
Ganzhou Aerospace Construction Co., Ltd.	Contract engineering	610,722	529,043
Guangzhou Lihe Real Estate Development Co., Ltd.	Contract engineering	607,124	648,325
China State Construction New Urbanization (Xinjiang) Investment Co., Ltd.	Contract engineering	592,665	735,303
Zhoukou Xintong City Construction and Development Co., Ltd.	Contract engineering	586,038	501,110
Putian Puyang School Construction Co., Ltd.	Contract engineering	578,757	354,140
SIPG Rite-Hite Development Co., Ltd.	Contract engineering	561,041	479,639

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	2021	2020
Zhangjiagang Xinmao Investment and Construction Co., Ltd.	Contract engineering	560,433	188,015
China Construction Third Bureau Xiangyang East-West Axis Construction and Operation Co., Ltd.	Contract engineering	551,241	442,228
Sichuan Dehui Expressway Co., Ltd.	Contract engineering	549,487	158,334
Henan Xuxin Expressway Co., Ltd.	Contract engineering	548,058	10,413
Chongqing CSCEC Erhengxian Infrastructure Construction Co., Ltd.	Contract engineering	517,499	–
Quanzhou Taiwan Investment Zone China Construction Fifth Bureau Bay Avenue Investment Co., Ltd.	Contract engineering	480,725	713,770
Mianyang Zhongjian Kefa Pipe Gallery Road Investment and Construction Co., Ltd.	Contract engineering	460,473	715,171
Xuzhou Line 1 Rail Transit Investment and Development Co., Ltd.	Contract engineering	454,598	198,010
Shenzhen-Shantou Special Cooperation Zone Harbour New City Investment and Construction Co., Ltd.	Contract engineering	435,931	301,521
Xiangyang Ring Road Speed-up Renovation Construction and Operation Co., Ltd.	Contract engineering	431,532	283,369
Rizhao China Construction Eighth Bureau Transportation Facilities Service Co., Ltd.	Contract engineering	397,010	107,617
Wuhan Hongtai Hongli CSCEC Yipin Real Estate Co., Ltd.	Contract engineering	395,799	182,881
Rizhao Zhongjian Eighth Bureau Culture and Technology Development Co., Ltd.	Contract engineering	386,218	373,593
Shanghai International Port (Group) Co., Ltd.	Contract engineering	369,626	205,726
Shandong Expressway Ningliang Expressway Co., Ltd.	Contract engineering	363,828	1,719,796
China State Construction International (Xiangyang) Construction Co., Ltd.	Contract engineering	351,655	392,295
Zhuzhou China Overseas Real Estate Co., Ltd.	Contract engineering	348,276	–
Beijing Jianyan Real Estate Development Co., Ltd.	Contract engineering	346,280	355,916
Chengdu Sichuan Investment Airport Construction Co., Ltd.	Contract engineering	340,381	463,962
Changsha CSCEC City Investment Pipelines Construction Investment Co., Ltd.	Contract engineering	338,479	101,149
China Construction Steel Structure Wuhan Caidian Construction Engineering Co., Ltd.	Contract engineering	331,182	277,667
Beijing National Alpine Ski Co., Ltd.	Contract engineering	327,446	321,791
Nanyang CSCEC Jinrui Urban Construction Development Co., Ltd.	Contract engineering	323,134	658,305
China Construction Third Bureau Jingzhou Huanchang Lake Construction and Operation Co., Ltd.	Contract engineering	322,544	320,901
Xi'an Chuxin Investment and Construction Co., Ltd.	Contract engineering	319,372	956,896
Beijing Nanyue Real Estate Development Co., Ltd.	Contract engineering	317,595	289,786
Zhengzhou Public Utilities Zhongcheng Road and Bridge Construction Management Co., Ltd.	Contract engineering	303,976	824,457
Weihai China Construction Eighth Bureau Construction And Development Co., Ltd.	Contract engineering	300,603	125,668
Putian Zhongjian Mulan Construction and Development Co., Ltd.	Contract engineering	298,728	–
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	Contract engineering	296,855	634,434
Guangzhou Star Travel Real Estate Development Co., Ltd.	Contract engineering	292,856	59,820
Hubei Jiaotong Xiangyang North Expressway Co., Ltd.	Contract engineering	290,991	363,206
Jiaozuo Zhongjian South-to-North Water Diversion Ecological Protection Construction and Operation Co., Ltd.	Contract engineering	290,435	656,458
Urumqi Zhongcheng Silk Road Sports Management Co., Ltd.	Contract engineering	285,152	618,701

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	2021	2020
Zhijiang Jianxin Municipal Engineering Construction Co., Ltd.	Contract engineering	283,203	271,885
Jingmen CSCEC 207 Highway Construction Co., Ltd.	Contract engineering	283,089	479,591
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	Contract engineering	273,871	542,130
Others	Contract engineering	15,388,732	24,628,232
Total		70,814,789	65,800,647

Projects sub-contracted out

	Nature of the transaction	2021	2020 (restated)
CSCEC-Dacheng Construction Ltd.	projects sub-contracted out	560,499	486,217
China State E-commerce Co., Ltd	projects sub-contracted out	248,278	25,709
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	projects sub-contracted out	56,825	122,139
CSCEC Road & Bridge Group Co., Ltd.	projects sub-contracted out	1,830	101,518
Jinan CSCEC Quanhui Investment and Operation Co., Ltd	projects sub-contracted out	-	10,995
Others	projects sub-contracted out	131,919	52,134
Total		999,351	798,712

(3) Related party leasing*As lessor*

	Types of leased assets	2021	2020
China Construction Aluminum New Materials Co., Ltd.	Office Building	4,241	390
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	Office Building	1,843	3,066
CSCEC Electronic Commerce Co., Ltd.	Office Building	639	338
China State Construction Property Management Co., Ltd.	Office Building	495	248
Beijing Hongde Materials Co., Ltd.	Office Building	-	1,608
Others	Office Building	767	1,254
Total		7,985	6,904

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

	Types of leased assets	2021	2020 (restated)
Shandong Zhongcheng Machinery Leasing Co., Ltd.	Machinery equipment	216,386	245,626
China Construction Aluminum New Materials Chengdu Co., Ltd.	Materials	85,955	77,336
Sichuan xijianshantui Logistics Co., Ltd.	Transport equipment	63,114	58,776
Sichuan xijianzhonghe Machinery Co., Ltd.	Transport equipment	49,976	49,859
Beijing Zhongyi Chengjian Property Management Co., Ltd	Building Leasing	22,158	21,824
Others	Office buildings, etc	31,421	19,917
Total		469,010	473,338

(4) Related party guarantee*Offering guarantee to related parties*

2021

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Chongqing Jiayi Real Estate Development Co., Ltd.	128,800	20 November 2020	20 November 2025	No
Chongqing Jiayi Real Estate Development Co., Ltd.	22,500	9 February 2021	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	39,850	16 March 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	135,150	14 April 2017	15 March 2022	No
Chongqing Jiayi Real Estate Development Co., Ltd.	175,000	5 July 2017	15 March 2022	No
Qingdao Haijie Real Estate Co., Ltd	78,862	7 June 2021	7 June 2024	No
Guangzhou bison Real Estate Development Co., Ltd.	173,000	11 December 2018	8 December 2023	No
Guangzhou Lihe Real Estate Development Co., Ltd.	1,000	22 April 2019	21 April 2022	No
Guangzhou Lihe Real Estate Development Co., Ltd.	162,000	29 June 2020	28 June 2023	No
Infinite Sun Limited	1,067,861	4 December 2019	4 December 2024	No
Marble Edge Investments Limited	773,348	1 June 2020	1 December 2024	No
Dragon Star Investments Limited	885,973	27 July 2020	27 January 2025	No
Ultra Keen Holdings Limited	1,665,899	11 November 2020	30 October 2025	No
Grand Ample Ltd.	1,059,660	22 June 2021	22 June 2024	No
Guangzhou Fuchuang Real Estate Development Co., Ltd	1,113,500	5 August 2021	30 December 2024	No
Suzhou Dongfu Yongxu Real Estate Co., Ltd	49,000	19 December 2021	18 December 2024	No
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd	173,250	10 April 2021	9 April 2024	No
Suzhou Fuyuan Real Estate Co., Ltd	564,400	29 December 2020	31 May 2024	No
Total	8,269,053			

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)*

2020

	Amount of guarantee	Starting date of guarantee	Maturity date of guarantee	Whether the guarantee has been fulfilled
Guangzhou bison Real Estate Development Co., Ltd.	186,525	11 December 2018	1 February 2021	No
Guangzhou bison Real Estate Development Co., Ltd.	142,784	26 December 2018	25 December 2021	No
Guangzhou Lihe Real Estate Development Co., Ltd.	280,000	22 April 2019	21 April 2022	No
Guangzhou Lihe Real Estate Development Co., Ltd.	180,000	29 June 2020	28 June 2023	No
Guangzhou Lihe Real Estate Development Co., Ltd.	127,880	13 July 2018	21 May 2021	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	292,883	13 November 2018	29 November 2021	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	98,960	30 September 2019	29 September 2022	No
Guangzhou Ivrong Real Estate Development Co., Ltd.	33,320	11 April 2019	10 April 2022	No
Changsha Xirong Real Estate Co., Ltd.	154,595	14 January 2020	9 December 2021	No
Chongqing Jiayi Property Development Co., Ltd.	175,000	5 July 2017	15 March 2022	No
Chongqing Jiayi Property Development Co., Ltd.	135,150	14 April 2017	15 March 2022	No
Chongqing Jiayi Property Development Co., Ltd.	82,950	20 November 2020	19 November 2025	No
Chongqing Jiayi Property Development Co., Ltd.	39,850	21 March 2017	15 March 2022	No
Chongqing Jiayi Property Development Co., Ltd.	32,500	16 March 2017	15 March 2022	No
Total	1,962,397			

(5) Inter bank loan of related parties*Capital borrowings*

2021

	Borrowing amount	Starting date	Ending date
China State Construction Engineering Corporation	1,400,000	23 July 2021	23 July 2022
China State Construction Engineering Corporation	60,000	26 July 2021	26 July 2024
Guangzhou Lihe Real Estate Development Co., Ltd	640,000	25 June 2021	No fixed maturity date
Sanya Bihai Jincheng Commercial Management Co., Ltd	255,000	28 February 2021	31 December 2021
China South Airlines Construction & Development Co., Ltd	153,000	9 June 2021	9 June 2022
Qingdao Tengmao Real Estate Co., Ltd	138,376	12 April 2021	11 April 2022
Xi'an Jiarun Rongcheng Real Estate Co., Ltd	100,000	27 August 2021	No fixed maturity date
Dongguan Jiangpan New Town Real Estate Development Co., Ltd	51,000	4 February 2021	No fixed maturity date
Qingdao Caimao Real Estate Co., Ltd	26,532	12 April 2021	11 April 2022
Qingdao Fangchuan Real Estate Co., Ltd	24,300	12 April 2021	11 April 2022
Qingdao Fangchen Real Estate Co., Ltd	19,800	12 April 2021	11 April 2022
Zhangzhou Binbei Real Estate Co., Ltd	18,000	5 January 2021	31 December 2022
Wuxi Zhonghai Taihu New Town Real Estate Co., Ltd	3,308	29 January 2021	No fixed maturity date
China South Airlines Construction & Development Co., Ltd	154	1 December 2021	No fixed maturity date
Guangzhou Suihai Real Estate Co., Ltd	53	31 January 2021	31 December 2022
Total	2,889,523		

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)***Capital borrowings (continued)*

2020

	Borrowing amount	Starting date	Ending date
China State Construction Engineering Corporation	1,500,000	30 December 2020	29 December 2021
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	16,170	30 April 2020	No fixed maturity date
Chongqing Zhongjian Hailong Liangjiang Construction Technology Co., Ltd.	4,578	26 September 2020	No fixed maturity date
Total	1,520,748		

Fund lent

2021

	Loan amount	Starting date	Ending date
China State Construction Engineering Corporation	3,500,000	11 October 2021	10 October 2022
China State Construction Engineering Corporation	1,200,000	13 August 2021	12 August 2022
Xiamen Haimao Real Estate Co., Ltd.	2,960,240	10 December 2021	10 December 2024
Jingyu Co., Ltd.	2,535,141	1 January 2021	No fixed maturity date
Harbin Runzhi Real Estate Development Co., Ltd.	2,405,000	18 November 2021	18 November 2026
Foshan CSCEC Yipin Pengyue Real Estate Co., Ltd.	1,489,756	1 January 2021	31 December 2023
Wuhan Chongjiang Real Estate Co., Ltd.	1,196,296	23 June 2021	31 December 2023
Changchun Hairun Rongcheng Real Estate Development Co., Ltd.	1,138,350	15 March 2021	19 February 2024
Guangzhou Xinghong Real Estate Development Co., Ltd.	1,048,148	11 December 2021	10 December 2023
Beijing Xingying Real Estate Co., Ltd.	839,755	27 January 2021	31 December 2023
Zhuzhou China Overseas Real Estate Co., Ltd.	676,388	1 April 2021	30 March 2024
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	493,151	23 March 2021	No fixed maturity date
Top Colour Development Limited.	488,434	1 December 2021	31 March 2022
Suzhou Wujiang Taihai Real Estate Co., Ltd.	476,929	23 June 2021	22 June 2023
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	461,865	1 January 2021	31 December 2023
Guangzhou Fuchuang Real Estate Development Co., Ltd.	330,580	7 January 2021	No fixed maturity date
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd.	211,969	1 January 2021	31 December 2023
Chongqing Zhongjian Erhengxian Infrastructure Construction Co., Ltd.	196,000	3 July 2021	30 November 2022
Baoding Zhongjian Xingye Investment Co., Ltd.	180,250	6 April 2021	31 December 2021
Guangzhou Star Travel Real Estate Development Co., Ltd.	177,868	11 January 2021	12 December 2022
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	105,000	22 July 2021	22 July 2022
Changsha Yida Chuangzhi Real Estate Development Co., Ltd.	97,173	31 March 2021	6 February 2022
Putian Zhongjian Mulan Construction and Development Co., Ltd.	71,000	30 August 2021	No fixed maturity date
Chongqing Qingneng Yuehe Real Estate Co., Ltd.	67,620	20 April 2021	21 August 2022

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties (continued)***Fund lent (continued)*

2021 (continued)

	Loan amount	Starting date	Ending date
Jiangmen Pengjiang District Hebang Real Estate Development Co., Ltd.	65,000	27 April 2021	No fixed maturity date
Zhuzhou China Overseas Commercial Development Co., Ltd.	60,121	1 April 2021	30 March 2024
Putian Puyang School Construction Co., Ltd.	59,419	7 January 2021	8 March 2034
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	49,412	17 December 2021	No fixed maturity date
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	38,400	17 December 2021	31 December 2022
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	37,650	2 April 2021	30 June 2023
Dalian CSCEC Sponge City Construction And Development Co., Ltd.	45,000	7 January 2021	No fixed maturity date
Changsha Xirong Real Estate Co., Ltd.	42,570	3 September 2021	No fixed maturity date
Xiamen Yongjingwan Real Estate Co., Ltd.	37,400	8 March 2021	No fixed maturity date
Guangzhou Lihe Real Estate Development Co., Ltd.	35,965	31 May 2021	30 November 2022
Liupanshui City Pipe Corridor Construction and Development Investment Co., Ltd.	33,800	28 June 2021	19 December 2022
Wuhan Zhongjian Yipin Zhaoli Real Estate Co., Ltd.	32,828	1 January 2021	31 December 2023
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	32,000	18 June 2021	No fixed maturity date
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	19,000	19 September 2021	No fixed maturity date
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	14,000	2 February 2021	No fixed maturity date
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	13,000	12 January 2021	No fixed maturity date
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	13,000	19 March 2021	No fixed maturity date
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	4,500	12 January 2021	No fixed maturity date
Zhongjian Aluminum New Materials Chengdu Co., Ltd.	30,000	29 March 2021	28 March 2022
Zhongjian Aluminum New Materials Chengdu Co., Ltd.	10,000	26 May 2021	25 May 2022
Zhongjian Aluminum New Materials Chengdu Co., Ltd.	10,000	29 June 2021	28 June 2022
Wuhan Chenfa Real Estate Development Co., Ltd.	28,000	30 April 2021	30 October 2022
Wuhan Chenzhan Real Estate Development Co., Ltd.	27,200	30 April 2021	20 December 2022
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	26,290	1 May 2021	31 December 2022
Clear Elegant Limited	26,061	31 January 2021	No fixed maturity date
China Construction Huanneng Technology Co., Ltd.	26,000	11 May 2021	10 May 2022
China Construction Huanneng Technology Co., Ltd.	20,000	15 June 2021	14 June 2022
Zhengzhou Public Utilities Zhongcheng Road and Bridge Construction Management Co., Ltd.	22,495	10 March 2021	10 March 2022
Shanghai Linbo Haihui Urban Construction and Development Co., Ltd.	20,000	16 February 2021	No fixed maturity date
Chongqing Zhongjian Hailong Liangjiang Construction Technology Co., Ltd.	19,643	31 March 2021	19 September 2023
Marble Edge Limited	18,375	4 January 2021	No fixed maturity date
Beijing Rongzhu Real Estate Development Co., Ltd.	17,257	31 December 2021	31 December 2023
Putian Jiangkou Suanxi CSCEC Strait Infrastructure Investment and Development Co., Ltd.	12,580	22 January 2021	No fixed maturity date
Oriental Anzhen (Beijing) Hospital Management Co., Ltd.	9,306	25 March 2021	14 December 2039

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties (continued)***Fund lent (continued)*

2021 (continued)

	Loan amount	Starting date	Ending date
TEDA Group Limited	8,135	11 January 2021	No fixed maturity date
Zhangzhou China Merchants Economic and Technological Development Zone China Construction Infrastructure Investment and Development Co., Ltd.	8,000	26 March 2021	No fixed maturity date
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	6,600	1 January 2021	31 December 2021
Nanjing Anju Jianhe Construction Technology Co., Ltd.	6,000	28 January 2021	28 January 2024
Nanjing China Construction Fifth Bureau Lishui Development Zone Affordable Housing Investment Co., Ltd.	5,500	6 January 2021	29 January 2021
Luminous Dream Limited	4,385	31 January 2021	No fixed maturity date
China Overseas Polyda Real Estate (Foshan) Co., Ltd.	3,662	1 December 2021	31 March 2022
Dongguan Jiafang Real Estate Development Co., Ltd.	2,458	1 July 2021	No fixed maturity date
Zhijiang Jianxin Municipal Engineering Construction Co., Ltd.	2,150	30 June 2021	17 March 2022
Liuan Haijia Blue City Real Estate Co., Ltd.	456	13 January 2021	No fixed maturity date
Total	23,350,531		

2020 (restated)

	Loan amount	Starting date	Ending date
China State Construction Engineering Corporation	2,500,000	9 September 2020	8 September 2021
China State Construction Engineering Corporation	2,200,000	9 September 2020	8 September 2021
China State Construction Engineering Corporation	800,000	16 December 2020	15 December 2021
Guangzhou Hong Land Co., Ltd.	612,997	18 August 2020	18 August 2022
Top Colour Development Limited	527,080	22 January 2020	No fixed maturity date
Ezhou Chuangu Real Estate Development Co., Ltd.	460,565	13 January 2020	13 January 2022
Chongqing qingneng Yuehe Real Estate Co., Ltd.	390,979	8 January 2020	15 April 2021
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	301,688	3 August 2020	2 August 2021
Chengdu Beichen Tianchen Real Estate Co., Ltd.	292,127	10 June 2020	10 June 2022
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	250,000	16 April 2020	15 April 2021
Xinjiang China Construction Urban Construction Investment Co., Ltd.	229,558	16 December 2020	15 June 2021
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	203,518	12 October 2020	12 October 2021
China State Construction Engineering Corporation	200,000	16 March 2020	16 June 2020
China State Construction Engineering Corporation	200,000	15 June 2020	30 June 2020
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	200,000	25 December 2020	15 March 2021
Wuhan Chenzhan Real Estate Development Co., Ltd.	150,854	8 September 2020	8 September 2022
Changsha Rail China Construction Xinhe Real Estate Co., Ltd.	126,917	1 January 2020	24 December 2021
Wuhan Chenfa Real Estate Development Co., Ltd.	126,560	8 September 2020	8 September 2022

X. Related party relationships and transactions (continued)**5. Major transactions between the Group and its related parties (continued)****(5) Inter bank loan of related parties (continued)***Fund lent (continued)*

2020 (restated) (continued)

	Loan amount	Starting date	Ending date
Fernvale Lane Pte Ltd.	118,866	4 June 2020	31 December 2025
TEDA Group Co., Ltd.	95,230	14 August 2020	No fixed maturity date
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	82,500	8 May 2020	31 December 2020
Overseas Hongyang	75,026	19 October 2020	18 October 2023
Putian Zhongjian Mulan Construction Development Co., Ltd.	56,351	30 December 2020	No fixed maturity date
Ezhou Chuanguo Real Estate Development Co., Ltd.	50,000	13 January 2020	13 January 2021
Jinjiang zhongyun Sports Construction Development Co., Ltd.	40,000	15 January 2020	No fixed maturity date
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	23,100	8 September 2020	31 December 2020
CSCEC Electronic Commerce Co., Ltd.	20,000	12 May 2020	11 May 2021
Jinan Hongbi Real Estate Co., Ltd.	20,000	1 January 2020	30 June 2020
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	19,800	25 December 2020	31 December 2020
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	19,344	23 November 2020	No fixed maturity date
Liupanshui urban pipe gallery construction and Development Investment Co., Ltd.	19,064	22 December 2020	21 December 2021
Chongqing Zhongjian Hailong Liangjiang Construction Technology Co., Ltd.	13,398	31 January 2020	No fixed maturity date
China Ge Yongmao (Suzhou) Real Estate Development Co., Ltd.	12,500	1 October 2020	1 December 2021
Putian Puyang University Construction Co., Ltd.	10,000	16 November 2020	No fixed maturity date
China construction aluminum new materials Chengdu Co., Ltd.	10,000	22 June 2020	21 June 2021
China construction aluminum new materials Chengdu Co., Ltd.	10,000	9 December 2020	8 December 2021
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	9,641	10 November 2020	10 November 2021
Nanjing Guancheng Hengrui Real Estate Co., Ltd.	8,580	20 February 2020	31 December 2020
Xianyi International Co., Ltd.	7,596	10 January 2020	31 December 2020
Putian Puyang University Construction Co., Ltd.	6,870	8 April 2020	8 March 2034
Xianyi International Co., Ltd.	6,048	22 October 2020	No fixed maturity date
Gainable Development Limited	4,859	7 April 2020	No fixed maturity date
Oriental Anzhen (Beijing) Hospital Management Co., Ltd.	4,758	25 December 2020	31 December 2026
Putian Puyang University Construction Co., Ltd.	3,000	1 April 2020	No fixed maturity date
TDE-Empreendimentos Imobiliarios, S.A.	2,012	28 April 2020	30 June 2021
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	2,000	1 October 2020	No fixed maturity date
Zhangzhou China Merchants Economic and Technological Development Zone China State Construction Infrastructure Investment and Development Co., Ltd.	1,000	1 August 2020	No fixed maturity date
Total	10,524,386		

X. Related party relationships and transactions (continued)

5. Major transactions between the Group and its related parties (continued)

(6) A takes deposits

2021

	1 January 2021	Increase in the current year	Decrease in the current year	31 December 2021
CSCEC Electronic Commerce Co., Ltd.	1,292,341	4,567,765	(3,927,081)	1,933,025
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	297	933,503	(212,729)	721,071
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	674,552	3,287,755	(3,362,605)	599,702
Nanjing CSCEC Gubei Urban Development Co., Ltd.	172	729,476	(160,199)	569,449
China State Construction Engineering Corporation	234,682	24,669,702	(24,540,370)	364,014
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	75,732	582,246	(572,425)	85,553
China Construction Haoyun Co., Ltd.	595	100,147	(21,839)	78,903
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	9,521	80,170	(14,149)	75,542
China State Construction Kechuang (Shanghai) Investment Co., Ltd.	–	91,239	(23,546)	67,693
China construction aluminum new materials Co., Ltd.	4,554	107,312	(67,840)	44,026
China Construction Huanneng Technology Co., Ltd.	2,000	147,646	(121,436)	28,210
China construction aluminum new materials Chengdu Co., Ltd.	11,358	256,391	(252,473)	15,276
China State Construction Asset Management Limited	5,848	27	–	5,875
Beijing Zhongyi Chengjian Property Management Co., Ltd.	–	16,095	(12,630)	3,465
CSCEC Dacheng Construction Co., Ltd.	365	17,388	(17,175)	578
China Automobile Material Trade Co., Ltd.	182	402	(100)	484
Guangzhou Fuchuang Real Estate Development Co., Ltd.	–	400,025	(400,000)	25
Chongqing CSCEC Erhengxian Infrastructure Construction Co., Ltd.	–	20,625	(20,623)	2
Total	2,312,199	36,007,914	(33,727,220)	4,592,893

2020 (restated)

	1 January 2020	Increase in the current year	Decrease in the current year	31 December 2020
CSCEC Electronic Commerce Co., Ltd.	315,902	2,551,037	(1,574,598)	1,292,341
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	438,078	2,728,827	(2,492,353)	674,552
China State Construction Engineering Corporation	14,136	23,307,367	(23,086,821)	234,682
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	34,489	176,574	(135,331)	75,732
China construction aluminum new materials Chengdu Co., Ltd.	–	87,306	(75,948)	11,358
Chengdu CSCEC Minjiang Construction Engineering Investment Co., Ltd.	2,357	117,117	(109,953)	9,521
China State Construction Asset Management Co., Ltd.	–	7,008	(1,160)	5,848
China construction aluminum new materials Co., Ltd.	10,023	3,031	(8,500)	4,554
China Construction Environmental Energy Technology Co., Ltd.	–	2,000	–	2,000
China Construction Haoyun Co., Ltd.	100,000	154	(99,559)	595
CSCEC Dacheng Construction Co., Ltd.	52,498	99,036	(151,169)	365
Nanjing Zhongjian Rural Tourism Construction Investment Co., Ltd.	1,110	29,820	(30,633)	297
China Automobile Material Trade Co., Ltd.	582	2	(402)	182
Nanjing CSCEC Gubei Urban Development Co., Ltd.	6,781	4,010	(10,619)	172
Total	975,956	29,113,289	(27,777,046)	2,312,199

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	2021	2020
Overseas Hongyang	Trade mark use right	165,200	178,000

(8) Other related parties transactions

	2021	2020
Key management's remuneration	10,953	6,325

The credit line of the Finance Company to the Group's affiliates as of December 31, 2021 is RMB24,270,000 thousand, the used credit line is RMB6,415,667 thousand, and the unused credit line is RMB17,854,333 thousand.

As of December 31, 2021, the amount of performance guarantee provided by the Finance Company to the group's affiliated parties is RMB31,424 thousand.

In 2021, the total service fee charged by the Finance Company for providing other financial services to the group's affiliated parties is RMB2,974 thousand.

6. Amounts due from related parties

(1) Notes receivable

	31 December 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Qingdao Fangqian Real Estate Co., Ltd.	171,009	(684)	60,418	–
Henan Zhongjian Municipal Construction And Development Co., Ltd.	74,250	–	–	–
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	25,150	–	21,000	–
Xuchang Chenheng Real Estate Co., Ltd.	12,500	–	–	–
Qingdao Maozhang Real Estate Co., Ltd.	3,000	(12)	–	–
Qingdao Fanghui Real Estate Co., Ltd.	1,737	(7)	14,565	–
Others	2,267	(9)	42,101	–
Total	289,913	(712)	138,084	–

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(2) Accounts receivable

	31 December 2021		31 December 2020 (restated)	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,395,835	(62,370)	794,470	(35,751)
Henan Zhongjian Municipal Construction And Development Co., Ltd.	1,290,910	(48,899)	437,445	(22,019)
China State Construction New Urbanization (Xinjiang) Investment Co., Ltd.	694,566	(39,453)	661,443	(23,990)
China Construction (Tangshan Caofeidian) Engineering Construction Co., Ltd.	689,697	(44,486)	707,622	(15,846)
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	618,224	–	184,464	–
China Construction Xi'an Chanba Ecological Zone Construction Investment Co., Ltd.	443,816	(16,858)	–	–
Zhaotong China Construction Investment and Development Co., Ltd	440,186	(132,056)	248,403	(37,467)
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd	392,860	(138,630)	415,308	(125,448)
Xuzhou Line 1 Rail Transit Investment and Development Co., Ltd	304,528	(56,996)	508,188	(50,819)
SIPG Rite-Hite Development Co., Ltd	282,172	(55,379)	407,764	(64,236)
Jiqing High-Speed Railway Co., Ltd	240,048	(12,520)	258,102	(15,955)
China State Construction International (Xiangyang) Construction Co., Ltd	234,716	–	488,312	–
Shantou Zhongjian New Urbanization Investment Co., Ltd	199,051	(8,957)	–	–
Changsha Zhongjian International Development Co., Ltd.	190,767	–	168,568	–
Putian Haijia Real Estate Co., Ltd.	178,016	–	50,377	–
Shanwei Yuehai Qingyuan Environmental Protection Co., Ltd.	160,230	(6,182)	–	–
Cangzhou Zhongjian Bohai Investment Logistics Park Construction and Development Co., Ltd.	146,521	(29,304)	146,521	(14,652)
Shangqiu Zhongjian Yuncheng Urban Construction Development Co., Ltd.	144,216	(6,490)	–	–
Cangzhou Bohai New Area Zhongjian Port Construction Management Co., Ltd.	131,499	(65,750)	134,455	(68,706)
Xuchang Chenheng Real Estate Co., Ltd.	130,593	(3,423)	2,814	(137)
Wuhan Hongtai Manulife Zhongjian Yipin Real Estate Co., Ltd.	128,355	(5,778)	–	–
Xuzhou San line rail transit investment and development Co., Ltd.	120,689	(24,138)	256,857	(24,812)
Anhui Bengwu Expressway Investment Management Co., Ltd.	119,507	(6,187)	249,790	(6,187)
Shanghai Linbo Haihui Urban Construction and Development Co., Ltd.	110,441	–	184,441	–
China Construction Transportation Construction Group Linfen Jinhe Road and Bridge Engineering Co., Ltd	103,052	(26,547)	97,530	(15,603)
Dazhou Dahuan Construction Management Co., Ltd.	98,299	(14,745)	98,299	(4,915)
Beijing National Alpine Ski Co., Ltd.	96,095	(4,324)	13,755	(619)
Zhengzhou Zhongjian Zhicheng Comprehensive Pipe Corridor Construction Management Co., Ltd.	91,459	(4,116)	27,564	(1,240)
Xiangtan Haijia Construction Co., Ltd.	90,146	–	78,731	–
Shanghai International Port (Group) Co., Ltd.	86,016	(7,010)	–	–
Chongqing Water Affairs Group Shalu Environmental Governance Co., Ltd.	68,924	(3,102)	–	–
Yinchuan Shenyang Road Underground Comprehensive Pipe Corridor Construction Management Co., Ltd.	67,278	(8,017)	–	–
Others	2,096,948	(143,779)	3,478,635	(204,020)
Total	11,585,660	(975,496)	10,099,858	(732,422)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(3) Other receivables

	31 December 2021		31 December 2020 (restated)	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China Construction Third Bureau Ezhou Guang'an Real Estate Development Co., Ltd.	1,584,775	(122,377)	1,596,707	(63,867)
Guangzhou Fuchuang Real Estate Development Co., Ltd.	926,360	(36,807)	595,777	(23,831)
Suzhou Fuyuan Real Estate Co., Ltd.	626,726	(40,275)	645,036	(25,775)
Henan Zhongjian Municipal Construction And Development Co., Ltd.	231,265	(31,383)	-	-
Baoding Zhongjian Xingye Investment Co., Ltd.	195,897	(7,836)	85,000	(3,400)
China Construction Xi'an Chanba Ecological Zone Construction Investment Co., Ltd.	159,024	(11)	-	-
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	139,231	(7,358)	152,449	(6,260)
China Construction Third Bureau Rong Chang Chengdu Tianfu New Area Construction Investment Co., Ltd.	136,226	(181)	181,287	(181)
Dongguan Zhonghai Century City Education Technology Development Co., Ltd.	108,986	(13,717)	145,986	(11,057)
Panzhuhua Zhongjian Third Bureau Government Service Center Project Construction and Development Co., Ltd.	98,289	(98)	528	(1)
Suzhou Junda National Highway 206 Construction Co., Ltd.	91,804	(13,566)	91,804	(7,824)
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	76,868	(3,134)	369	(30)
Xiamen Haitou Construction Technology Co., Ltd.	74,250	(5,198)	74,250	(2,228)
CCCC Jijiao Expressway Investment and Development Co., Ltd.	64,408	(3,751)	27,274	(1,923)
China Construction Technology Jingmen Co., Ltd.	62,135	(2,485)	50,886	(509)
Liupanshui City Pipe Corridor Construction and Development Investment Co., Ltd.	58,453	(3,165)	42,165	(1,311)
Urumqi Linkong Airport Construction and Operation Co., Ltd.	57,981	(4,085)	-	-
Shantou Zhongjian New Urbanization Investment Co., Ltd.	53,365	(15,894)	52,920	(10,584)
China Construction Third Bureau Xiangyang East-West Axis Construction and Operation Co., Ltd.	53,242	(10,648)	53,242	(4,259)
Rizhao Zhongjian Transportation Service Co., Ltd.	50,000	(10,000)	50,000	(4,000)
Zhongjian Road & Bridge Group Co., Ltd.	48,044	(6,905)	50,706	(4,326)
Shangqiu Yunheng City Construction and Development Co., Ltd.	46,804	(2,504)	15,800	(632)
Wuhan Chongjiang Real Estate Co., Ltd.	45,194	(1,808)	-	-
Dalian Zhongjian Sponge City Construction And Development Co., Ltd.	45,000	(1,350)	-	-
Shangqiu Zhongjian Yuncheng Urban Construction Development Co., Ltd.	39,695	(1,588)	20,419	(817)
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	34,181	(1,367)	419,569	(4,196)
Qingyang Zhongjian Yuanqing Highway Construction Management Co., Ltd.	33,767	(1,351)	-	-
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	32,741	(1,310)	6,468	(6,449)
Shangqiu New Voyage Development and Construction Management Co., Ltd.	28,321	(1,133)	2,380	(95)
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	23,989	(960)	25,092	(2,804)
Hengyang Lingsheng Real Estate Co., Ltd.	23,568	(1,009)	9,535	(381)
Nanjing Zhongjian Gubei City Development Co., Ltd.	23,102	(924)	-	-
Guangzhou Lihe Real Estate Development Co., Ltd.	20,228	(5,286)	15,000	(750)
Hengshui Zhongjian han port expressway management co., Ltd.	18,350	(734)	18,350	-

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(3) Other receivables (continued)

	31 December 2021		31 December 2020 (restated)	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Sichuan Huayou Zhonglan Energy Co., Ltd.	17,150	(17,150)	100,000	(100,000)
Guangzhou Star Travel Real Estate Development Co., Ltd.	13,824	(680)	726,454	(29,068)
Shijiazhuang Jiaojian Expressway Construction Management Co., Ltd.	12,961	(1,319)	17,328	(716)
Liuzhou Zhongjian Steel Structure Dongcheng Convention and Exhibition Construction Co., Ltd.	11,588	(612)	16,299	(2,529)
Ezhou Chuanguo Real Estate Development Co., Ltd.	11,163	(447)	3,095	(124)
Cangzhou Zhongjian Bohai Investment Logistics Park Construction and Development Co., Ltd.	10,751	(418)	1,652	(65)
Guizhou Jianxin Water Environment Industry Co., Ltd.	8,820	(1,764)	8,820	(706)
Liupanshui Dongda Highway Investment and Development Co., Ltd.	8,795	(611)	9,194	(367)
China State E-commerce Co., Ltd.	7,383	–	6,444	–
Other	246,508	(12,118)	1,619,261	(42,743)
Total	5,661,212	(395,317)	6,937,546	(363,808)

(4) Contract assets

	31 December 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	1,017,703	(4,230)	848,360	(3,823)
Henan Zhongjian Municipal Construction And Development Co., Ltd.	905,476	(4,101)	564,355	(2,812)
Hebei Xiong'an Citizen Service Center Co., Ltd.	473,475	(2,367)	514,776	(3,646)
Shantou Zhongjian New Urbanization Investment Co., Ltd.	443,005	(1,337)	84,678	(706)
Sanmenxia City National Highway 310 Southward Moving Project Construction Management Co., Ltd.	441,281	(5,013)	446,269	(6,008)
Zunyi South Ring Expressway Development Co., Ltd.	272,121	(1,105)	253,247	825)
Mianyang Zhongjian Kefa Pipe Gallery Road Investment and Construction Co., Ltd.	244,406	(1,280)	83,421	(458)
Liupanshui City Pipe Corridor Construction Development Investment Co., Ltd.	165,225	(549)	155,511	(512)
Shangqiu Zhongjian Yuncheng Urban Construction Development Co., Ltd.	164,841	(763)	1,242	(184)
China State Construction New Urbanization (Xinjiang) Investment Co., Ltd.	156,622	(643)	294,093	(1,914)
Jiqing High-Speed Railway Co., Ltd.	155,296	(1,008)	237,861	(1,431)
Zhoukou Xintong City Construction and Development Co., Ltd.	146,377	(439)	32,676	(98)
Guangzhou Lihe Real Estate Development Co., Ltd.	146,302	(745)	112,526	(556)
China Construction Haoyun Co., Ltd.	137,018	(570)	38,197	(257)
Suzhou Junda National Highway 206 Construction Co., Ltd.	116,043	(864)	143,520	(823)
Shangqiu Yunheng City Construction and Development Co., Ltd.	98,914	(310)	30,806	(92)
Anhui Bengwu Expressway Investment Management Co., Ltd.	93,630	(3,747)	21,482	(3,836)
China State Construction Wuhan Huangxiaohu Airport River Water Environment Comprehensive Treatment Construction and Operation Co., Ltd.	89,824	(4,082)	1,326	(1,326)
Haikou Qiyue City Construction Co., Ltd.	85,677	(402)	80,557	(376)

X. Related party relationships and transactions (continued)**6. Amounts due from related parties (continued)****(4) Contract assets (continued)**

	31 December 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Yinchuan Shenyang Road Underground Comprehensive Pipe Corridor Construction Management Co., Ltd.	80,934	(284)	51,980	(176)
Shenzhen Shenzhen-Shantou Special Cooperation Zone Zhongpu Infrastructure Investment Co., Ltd.	70,804	(322)	–	–
China Construction Third Bureau Rongchang Chengdu Tianfu New Area Construction Investment Co., Ltd.	70,387	(228)	62,005	(62)
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	69,420	(262)	10,772	(72)
Suzhou Xinghui West Ring Road Construction Co., Ltd.	67,743	(227)	102,620	(416)
Zhengzhou Public Utilities Zhongcheng Road and Bridge Construction Management Co., Ltd.	67,189	(209)	61,619	(261)
Panjin Xinjian Construction Co., Ltd.	66,313	(47,798)	62,345	(47,778)
Tianjin Shunji Real Estate Co., Ltd.	64,507	(194)	–	–
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	61,375	–	–	–
China Construction Steel Structure Wuhan Caidian Construction Engineering Co., Ltd.	56,096	(168)	28,849	(138)
SIPG Rite-Hite Development Co., Ltd.	52,430	(359)	72,396	(298)
Cangzhou Zhongjian Bohai Investment Logistics Park Construction and Development Co., Ltd.	48,197	(206)	63,744	(247)
China Construction Third Bureau Shengshi Jingzhou Real Estate Development Co., Ltd.	47,863	(542)	1,720	(342)
Other	1,693,042	(66,867)	2,274,155	(86,258)
Total	7,869,536	(151,221)	6,737,108	(165,731)

(5) Other current assets

	31 December 2021		31 December 2020 (restated)	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
China State Construction Engineering Corporation	4,700,000	(138,180)	5,500,000	(161,700)
Xiamen Haimao Real Estate Co., Ltd.	2,964,736	–	–	–
Harbin Runzhi Real Estate Development Co., Ltd.	2,414,941	–	–	–
Tongxiang Haoli Enterprise Management Co., Ltd.	1,613,446	–	874,340	–
Xinggui Investment Co., Ltd.	756,929	–	778,275	–
Lingcui Investment Limited.	620,467	–	821,098	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	574,480	(64,183)	469,480	–
Xuchang Chenheng Real Estate Co., Ltd.	572,437	–	751,869	–
Overseas Hongyang	564,887	–	200,404	–
Changchun Hairun Rongcheng Real Estate Development Co., Ltd.	538,350	–	–	–
Zhongge Yongmao (Suzhou) Real Estate Development Co., Ltd.	516,622	(129,511)	541,622	(81,654)
Xuancheng Haijia Lancheng Real Estate Co., Ltd.	493,151	–	–	–
Top Colour Development Limited	488,767	–	527,183	–
Suzhou Wujiang Taihai Real Estate Co., Ltd.	476,929	–	–	–

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

	31 December 2021		31 December 2020 (restated)	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Tianjin Chuangliang Investment Management Co., Ltd.	449,216	–	316,619	–
Tianjin Chuangqing Investment Management Co., Ltd.	334,050	–	1,179,001	–
Jinjiang Zhongyun Sports Construction and Development Co., Ltd.	307,000	–	326,500	–
Suzhou Dongfu Yongxu Real Estate Co., Ltd.	301,490	(12,060)	–	–
Jinyu Jiaxing Nanjing Real Estate Development Co., Ltd.	300,000	(14,400)	300,000	–
Tianjin Shunji Real Estate Co., Ltd.	263,668	(68,934)	302,668	–
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	237,672	–	–	–
Xiangtan Haijia Construction Co., Ltd.	202,720	–	–	–
Other	1,182,989	(7,331)	2,064,685	(112,017)
Total	20,874,947	(434,599)	14,953,744	(355,371)

(6) Long-term receivables

	31 December 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Sanmenxia City National Highway 310 Southward Moving Project Construction Management Co., Ltd.	6,000	(1,020)	6,000	(600)
Xuzhou Line 3 Railway Transit Investment and Development Co., Ltd.	4,000	(160)	4,000	(80)
Henan Zhongjian Municipal Construction And Development Co., Ltd.	2,136	(105)	–	–
Cangzhou Zhongjian Bohai Investment Logistics Park Construction and Development Co., Ltd.	1,413	(141)	1,413	(28)
Hubei Jiaotong Xiangyang North Expressway Co., Ltd.	–	–	20,000	(60)
Tianjin Yingchao Real Estate Development Co., Ltd.	–	–	1,424	(1)
Others	1,504	(71)	1,763	(74)
Total	15,053	(1,497)	34,600	(843)

X. Related party relationships and transactions (continued)

6. Amounts due from related parties (continued)

(7) Debt Investments

	31 December 2021		31 December 2020	
	Carrying amount	Impairment allowance	Carrying amount	Impairment allowance
Jingyu Co., Ltd.	2,554,260	–	–	–
Clear Elegant Limited	2,501,150	–	2,545,359	–
Luminous Dream Limited	1,597,323	–	1,639,100	–
TEDA Group Limited	1,537,081	–	1,673,702	–
Gainable Development Limited	1,327,138	–	1,364,837	–
Marble Edge Limited	1,229,560	–	1,208,615	–
Wuhan Chongjiang Real Estate Co., Ltd.	1,196,296	–	–	–
Foshan Zhongjian Yipin Pengyue Real Estate Co., Ltd.	1,054,814	–	–	–
Guangzhou Xinghong Real Estate Development Co., Ltd.	1,044,183	(1,044)	–	–
Qingdao Changming Real Estate Co., Ltd.	748,800	–	841,453	–
Beijing Nanyue Real Estate Development Co., Ltd.	729,714	–	729,714	–
Guangzhou Suihai Real Estate Co., Ltd.	683,750	–	833,750	–
Zhuzhou Zhonghai Real Estate Co., Ltd.	676,388	–	–	–
Xingchuang Enterprises Limited	609,273	–	633,284	–
Beijing Xingying Real Estate Co., Ltd.	516,721	–	–	–
Ezhou Chuanguo Real Estate Development Co., Ltd.	510,565	–	510,565	–
Beijing Jinliang Xingye Real Estate Development Co., Ltd.	506,102	–	626,092	–
Ezhou Zhongjian Yipin Lanyue Real Estate Co., Ltd.	412,365	–	–	–
Guiheng investment limited	324,074	–	336,833	–
Wuhan Zhongjian Yipin Zhaoying Real Estate Co., Ltd.	296,860	–	301,688	(30)
Dazhou Dahuan Construction Management Co., Ltd.	296,146	–	612,997	–
Changsha Yida Chuangzhi Real Estate Development Co., Ltd.	288,835	–	288,835	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	269,863	(2,699)	270,264	(2,703)
Jiangmen Pengjiang District Hebang Real Estate Development Co., Ltd.	221,126	–	221,126	–
Zhengzhou Xiangyue Real Estate Development Co., Ltd.	219,420	–	216,882	–
Xiamen Yongjingwan Real Estate Co., Ltd.	213,780	–	299,202	–
Foshan Jiantou Zhongjian Yipin Real Estate Co., Ltd.	211,969	–	–	–
Guangzhou Zengcheng District Runyu Real Estate Co., Ltd.	195,600	–	315,600	–
Xiamen Yijun Real Estate Co., Ltd.	180,711	–	375,650	–
Others	2,246,235	(7,268)	3,709,199	(5,645)
Total	24,400,102	(11,011)	19,554,747	(8,378)

Note: As at 31 December 2021, the entrusted loan amounted RMB269,863 thousand lent to a joint venture of the Group, China State Construction Xi'an Infrastructure Construction Investment Co., Ltd. (31 December 2020: RMB270,264 thousand) and China State Construction Xi'an Urban Construction Investment Co., Ltd., an associate of the Group, amounted RMB89,869 thousand (31 December 2020: RMB100,659 thousand), are presented in the entrusted loans of Note V.12.

X. Related party relationships and transactions (continued)

7. Payables to related parties

(1) Accounts payable

	31 December 2021	31 December 2020 (restated)
CSCEC Electronic Commerce Co., Ltd.	1,114,339	760,488
CSCEC-Dacheng Construction Ltd.	180,735	209,736
CSCEC Road & Bridge Group Co., Ltd.	170,129	193,738
China Construction Ecological Environment Group Co., Ltd. (formerly known as "China Construction Water Environmental Protection Co., Ltd.")	136,298	166,239
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	119,473	161,059
Shandong Zhongjian Zhongli Equipment Leasing Co., Ltd.	88,481	98,509
Zhongjian Aluminum New Materials Chengdu Co., Ltd.	73,426	63,682
Beijing Zhongchao Concrete Co., Ltd.	63,678	61,050
China Construction Huanneng Technology Co., Ltd.	46,822	32,858
Beijing Zhongjian Runtong Mechanical and Electrical Engineering Co., Ltd.	46,546	35,031
Sichuan Xijian Shantui Logistics Co., Ltd.	38,598	44,968
Shandong Zhongjian Material Equipment Co., Ltd.	32,562	29,753
Sichuan Xijian Zhonghe Machinery Co., Ltd.	24,213	29,053
Shandong Zhongcheng Machinery Leasing Co., Ltd.	21,965	13,925
Zhonghai Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	–	293,810
Qufu Nishan cultural tourism real estate Co., Ltd.	–	154,800
Others	82,035	123,397
Total	2,239,300	2,472,096

(2) Other Payables

	31 December 2021	31 December 2020 (restated)
Xinggui Investment Co., Ltd.	1,237,000	762,028
Sunrise JV Limited	895,521	881,655
Qingdao Haijie Real Estate Co., Ltd.	843,760	–
Xi'an Jiarun Rongcheng Real Estate Co., Ltd.	812,433	895,474
Xingchuang Enterprises Limited.	761,000	655,000
Chongqing Jinke Zhaoji Real Estate Development Co., Ltd.	600,750	614,250
Lingcui Investment Limited	594,150	–
Shanghai Jiasheng Real Estate Development Co., Ltd.	467,408	–
China Construction Haijia (Foshan) Investment and Construction Co., Ltd.	413,888	184,000
Hengyang Lingsheng Real Estate Co., Ltd.	390,429	87,747
Chongqing Zhongjian Erheng Line Infrastructure Construction Co., Ltd.	357,586	–
Zhongjian Chendu Rail Transit Investment and Construction Co., Ltd.	352,586	3,304,091
Guangzhou Lihe Real Estate Development Co., Ltd.	341,611	716,735

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

(2) Other Payables (continued)

	31 December 2021	31 December 2020 (restated)
Qingdao Tengmao Real Estate Co., Ltd.	277,993	138,818
Beijing Hengyi Real Estate Development Co., Ltd.	245,505	4
Shenzhen Shenzhen-Shantou Special Cooperation Zone Zhongpu Infrastructure Investment Co., Ltd.	232,106	82,846
Changsha Zhongjian International Development Co., Ltd.	230,000	–
Guangzhou Lurong Real Estate Development Co., Ltd.	217,413	167,433
Wuhan Hongtai Manulife Zhongjian Yipin Real Estate Co., Ltd.	197,182	8,311
Xi'an Hehui Xingshang Real Estate Co., Ltd.	183,765	183,765
Sanya Bihai Jincheng Commercial Management Co., Ltd.	170,842	–
China South Airlines Construction & Development Co., Ltd.	153,154	–
Nanjing China Construction Fifth Bureau Lishui Development Zone Affordable Housing Investment Co., Ltd.	151,800	–
Gui heng investment limited	150,000	105,050
Nanjing Yangtze River Second Bridge Co., Ltd.	148,025	–
Changsha Zhongjian Future Science and Technology City Investment Co., Ltd.	146,986	–
Zhonghai Hongyang Haifu (Hefei) Real Estate Development Co., Ltd.	139,199	–
Xinyu Huancheng Road Construction Investment Co., Ltd.	122,384	62,500
Qufu Nishan Cultural Tourism Real Estate Co., Ltd.	120,300	–
China Resources Land (Taiyuan) Development Co., Ltd.	115,000	100,000
Qingdao Caimao Real Estate Co., Ltd.	111,704	85,172
China State Construction Wuhan Huangxiaohe Airport River Water Environment Comprehensive Treatment Construction and Operation Co., Ltd.	107,831	6,496
Beijing Zhongjian Qiming Enterprise Management Co., Ltd.	104,980	104,888
Guangzhou Star Travel Real Estate Development Co., Ltd.	100,444	–
Dongguan Jiangpan New Town Real Estate Development Co., Ltd.	93,000	33,000
Zhengzhou Yirong Yijian Supply Chain Management Co., Ltd.	87,708	4,618
Qingyuan China Construction Fourth Bureau Yuejian Investment and Development Co., Ltd.	87,503	33,417
Anhui Bengwu Expressway Investment Management Co., Ltd.	87,000	–
Qingdao Fangchuan Real Estate Co., Ltd.	85,856	61,556
Shandong Zhonghai Huachuang Real Estate Co., Ltd.	83,026	83,026
Jiangmen Pengjiang District Tianque Real Estate Development Co., Ltd.	78,124	25,124
Qingdao Songmao Real Estate Co., Ltd.	69,062	118,112
China State Construction Asset Management Limited	68,644	13
Rizhao China Construction Eighth Bureau Transportation Facilities Service Co., Ltd.	61,535	61,535
Qingdao Fangchen Real Estate Co., Ltd.	60,789	41,246
Baotou Zhonghai Hongyang Real Estate Co., Ltd.	51,390	–
Tianjin Yingchao Real Estate Development Co., Ltd.	48,000	20,000
China State E-commerce Co., Ltd.	46,550	24,927
Others	638,152	5,083,393
Total	13,141,074	14,736,230

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

	31 December 2021	31 December 2020 (restated)
Guizhou Leirong Expressway Investment Management Co., Ltd.	1,290,234	1,331,887
CCCC Jijiao Expressway Investment and Development Co., Ltd.	710,474	1,075,022
Urumqi Linkong Airport Construction and Operation Co., Ltd.	630,831	–
Shanghai Chenggang Real Estate Co., Ltd.	602,956	–
China Construction Xi'an Chanba Ecological Zone Construction Investment Co., Ltd.	508,398	–
China State Construction Xi'an Infrastructure Construction Investment Co., Ltd.	392,820	198,765
Wenzhou Zhongjian Steel Structure Olympic Sports Project Management Co., Ltd.	318,859	225,681
China State Construction Xi'an Urban Construction Investment Co., Ltd.	302,196	183,505
China Construction Third Bureau Xianning Dazhou Lake Ecological Construction and Operation Co., Ltd.	277,820	167,794
Ezhou Culture and Sports Investment, Construction and Operation Co., Ltd.	264,550	–
Yunnan Huali Expressway Investment and Development Co., Ltd.	231,799	911,163
Liuzhou Zhongjian Steel Structure Dongcheng Convention and Exhibition Construction Co., Ltd.	229,625	105,484
China Construction Third Bureau Xiangyang Fancheng Circular Greenway and Park Construction Co., Ltd.	187,881	–
Chengdu Changtuo Dongjin Construction Co., Ltd.	185,101	148,417
China Construction Third Bureau Xiangyang Yuliangzhou Ecological Construction and Operation Co., Ltd.	180,734	–
Zhangzhou Zhanyuan Environmental Technology Co., Ltd.	178,925	66,106
Suining East Lake Bishui Ecological Environment Investment and Construction Co., Ltd.	176,073	67,400
China Construction Third Bureau Nanchong Environmental Construction Investment Co., Ltd.	164,265	256,086
Henan Zhongjian Municipal Construction And Development Co., Ltd.	160,414	–
Xuzhou Line 1 Rail Transit Investment and Development Co., Ltd.	159,763	354,701
Jiaozuo Zhongjian South-to-North Water Diversion Ecological Protection Construction and Operation Co., Ltd.	157,297	202,679
Yantai Zhongda Xinhong Science and Education Investment Co., Ltd.	151,861	–
Shanghai International Port (Group) Co., Ltd.	142,346	85,100
Hangzhou Chengtuo Wulin Investment and Development Co., Ltd.	133,581	122,589
Chengdu Sichuan Investment Airport Construction Co., Ltd.	123,493	–
Shanwei Yuehai Qingyuan Environmental Protection Co., Ltd.	120,680	–
China State Construction New Urbanization (Xinjiang) Investment Co., Ltd.	113,516	31,030
Zhaotong China Construction Investment and Development Co., Ltd.	104,366	–
Others	2,438,453	5,026,700
Total	10,639,311	10,560,109

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

(4) Lease liabilities

	31 December 2021
Overseas Hongyang	326,403
Henan Zhongjian Municipal Construction And Development Co., Ltd.	106,235
Shandong Zhongcheng Machinery Leasing Co., Ltd.	34,913
Beijing Zhongyi Chengjian Property Management Co., Ltd.	34,716
Shanghai International Port (Group) Co., Ltd.	19,825
Others	24,152
Total	546,244

(5) Entrusted loans

	31 December 2021	31 December 2020
China State Construction Engineering Corporation	3,481,106	3,502,322
Jinmao Investment (Changsha) Co., Ltd.	729,000	615,000
Total	4,210,106	4,117,322

(6) Long-term Payables

	31 December 2021	31 December 2020
Sunrise JV Limited	2,400,000	2,400,000
Others	55,409	151,455
Total	2,455,409	2,551,455

(7) Other non-current liabilities

	31 December 2021	31 December 2020
China State Construction Engineering Corporation	400,000	–

XI. Share-based payment**1. Overview**

	2021	2020
Number of restricted shares unlocked	190,784,000	303,016,000
Number of restricted shares forfeited	16,903,667	10,558,200
The remaining term of the contract of the outstanding stock options at the end of the year	3.0	4.0

XI. Share-based payment (continued)

1. Overview (continued)

	2021	2020
Total amount of employee services in exchange for share based payment	836,446	506,233

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

	2021	2020
Accumulated amount of equity-settled share-based payment in capital surplus	2,516,896	1,680,450
Total expenses recognised in equity-settled share-based payment	836,446	506,233

2. Share-based payment plan

(a) Share-based payment by the Company

(1) In accordance with the authorisation of the first extraordinary General Meeting of Shareholders held on 19 December 2016, the Company held the 104th meeting of the first session of the Board of Directors on 29 December 2016, and the Board of Directors approved the resolution of China State Construction Engineering Corporation Limited 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 Corporation Limited Granted Third Batch Restricted Shares Incentive Plan (A share) ("the third batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 2,081 targets ("the third batch Incentive Targets"). From 4 December 2018 to 21 December 2018, the Company completed the repurchase of 599,910,000 shares ("the third batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 26 December 2018 ("the third batch grant day"). The third batch Incentive Targets' purchase price is RMB3.468 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the third batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 26 December 2020 (the first batch of Phase III), 26 December 2021 (the second batch of Phase III) and 26 December 2022 (the third batch of Phase III) respectively.

In accordance with the authorisation of the third extraordinary General Meeting of Shareholders held on 7 December 2020, the Company held the 50th meeting of the second session of the Board of Directors on 23 December 2020, and the Board of Directors approved the resolution of China State Construction Engineering Corporation Limited Granted Third Batch Restricted Shares Incentive Plan (A share) ("the fourth batch Incentive Plan"), in which the Company was approved to grant the restricted shares incentive to 2,765 targets ("the fourth batch Incentive Targets"). From 30 October 2020 to 14 December 2020, the Company completed the repurchase of 912,036,000 shares ("the fourth batch of Restricted Shares") in total from secondary market and completed the granting to the second batch Incentive Targets on 23 December 2020 ("the fourth batch grant day"). The fourth batch Incentive Targets' purchase price is RMB3.06 per share and the limited sales period is 2 years. If the unlock condition of the restricted shares prescribed by the plan is met, the fourth batch Incentive Targets can unlock the shares with the upper limit of 1/3, 1/3 and 1/3 of the granted shares on 23 December 2022 (the first batch of Phase III), 23 December 2023 (the second batch of Phase III) and 23 December 2024 (the third batch of Phase III) respectively. If the business achievement or individual performance fail to meet the unlock condition, the unlocked restricted shares will be repurchased by the Company at the grant price and with no interests.

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.

The market price of the fourth batch of Restricted Shares was RMB5.00 per share at the third batch grant date. The price paid by the fourth batch Incentive Targets was RMB3.06 per share, based on which, the fair value of the fourth batch of Restricted Shares granted this time was determined to be RMB1.94 per share at the fourth batch grant date.

- (3) In 2020, there are total 303,016,000 shares has been unlocked due to the third batch of Phase II and the first batch of Phase III meet the unlock condition, and the treasury stock decreased by RMB1,051,692 thousand. As of December 31, 2020, the second batch Incentive Plan of Restricted Shares has been fully unlocked.
- (4) In 2021, there are total 190,784,000 shares has been unlocked due to the second batch of Phase III meet the unlock condition, and the treasury stock decreased by RMB661,639 thousand.
- (5) *Increase/decrease of restricted shares in the reporting period*

	2021	2020
Number of restricted shares at the beginning of the year	1,308,330,603	709,868,803
Number of restricted shares granted in current year	–	912,036,000
Number of restricted shares unlocked in current year	(190,784,000)	(303,016,000)
Number of restricted shares forfeited in current year	(16,903,667)	(10,558,200)
Number of restricted shares at the end of the year	1,100,642,936	1,308,330,603

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

	2021	2020
Total expenses recognised in equity-settled share-based payment	836,446	506,233

	31 December 2021	31 December 2020
Accumulated amount of equity-settled share-based payment in capital surplus	2,516,896	1,680,450

XI. Share-based payment (continued)

2. Share-based payment plan (continued)

(b) Share Option Schemes by China Overseas Land & Investment Ltd.

On 29 June 2018, China Overseas Land & Investment Ltd offered to grant share options (the "Share Options") to certain eligible persons (collectively, the "Grantees"), to subscribe for a total of 107,320,000 shares, subject to acceptance of the Grantees, under the share option scheme adopted by China Overseas Land & Investment Ltd on 11 June 2018. Out of the 107,320,000 Share Options granted, a total of 2,000,000 Share Options were granted to directors of China Overseas Land & Investment Ltd. The exercise price is HK\$25.85 per share. The Share Options granted will vest on 29 June 2020, 29 June 2021 and 29 June 2022 respectively.

On 29 June 2018, China Overseas Land & Investment Ltd offered to grant share options (the "Share Options") to certain eligible persons (collectively, the "Grantees"), to subscribe for a total of 285,840,000 shares, subject to acceptance of the Grantees, under the share option scheme adopted by China Overseas Land & Investment Ltd on 11 June 2018. Out of the 285,840,000 Share Options granted, a total of 6,300,000 Share Options were granted to directors of China Overseas Land & Investment Ltd. The exercise price is HK\$18.724 per share. The Share Options granted will vest on 24 November 2022, 24 November 2023 and 24 November 2024 respectively.

As at 31 December 2021, 370,280,000 share options were granted for the plan (31 December 2020: 378,960,000).

The fair value of the Share Options was determined by the Binomial Options Pricing Model. For the year ended 31 December 2021, the relevant cost was RMB114,517 thousand arising from staff services. (For the 2020: RMB17,594 thousand).

XII. Commitments and Contingencies

1. Commitments

	31 December 2021	31 December 2020
Contracted, but not provided for Capital commitments		
Purchase and construction of non-current assets	7,698,367	4,390,960
Investment commitments	11,641,851	14,413,258
Total	19,340,218	18,804,218

2. Contingencies

	31 December 2021	31 December 2020	
Contingent liabilities arising from pending litigations or arbitrations	5,371,906	7,482,255	Note 1
Contingent liabilities arising from the provision of guarantees	107,166,259	93,533,934	Note 2
Total	112,538,165	101,016,189	

Note 1: As at 31 December 2021 and 31 December 2020, pending litigations in which the Group was the defending party are listed as follows:

	31 December 2021 Disputed value	31 December 2020 Disputed value
China Construction Third Engineering Bureau Co., Ltd.	1,010,268	1,901,742
China Construction Seventh Engineering Bureau Co., Ltd.	799,364	1,309,537
China Overseas Group Limited	702,778	402,944
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	448,721	328,746
The Company	404,812	627,609
China Construction Fourth Engineering Bureau Co., Ltd.	390,000	349,237
China Construction Fifth Engineering Bureau Co., Ltd.	363,393	202,533

XII. Commitments and Contingencies (continued)

2. Contingencies (continued)

	31 December 2021 Disputed value	31 December 2020 Disputed value
Jilin Zhongjian Construction Engineering Co., Ltd.	201,401	599,351
China Construction Design and Research Institute Co., Ltd.	189,475	364,316
China Construction Decoration Group Ltd.	160,067	102,906
China Construction Transportation Construction Group Co., Ltd.	135,160	–
China Construction Second Engineering Bureau Ltd.	121,157	154,035
China Construction Eighth Engineering Bureau Co., Ltd.	115,869	595,222
China Construction First Building (Group) Co., Ltd.	83,257	327,801
China Construction Railway Construction Co., Ltd.	83,183	100,396
China Construction Port and Shipping Bureau Group Co., Ltd.	67,150	7,015
China Southwest Geotechnical Investigation & Design Institute Co., Ltd.	36,890	23,012
China Construction Sixth Engineering Bureau Co., Ltd.	30,200	30,649
China State Construction Technology Group Limited	16,843	–
CSCEC Fangcheng Investment & Development Group Limited	10,659	–
China Construction (Siping) Infrastructure Development Co., Ltd.	1,050	–
China State Construction Development Corporation	209	–
China Northwest design and Research Institute Co., Ltd.	–	1,596
China Construction Railway Investment and Construction Group Co., Ltd.	–	53,608
Total	5,371,906	7,482,255

Note: The above pending litigations are mostly related with project quality, progress payment, etc. Please refer to Note V.42 for the progress of litigation matters at 31 December 2021 and the confirmed losses of judgment results, and relevant liabilities are not recognised for the event that the potential obligations generated do not meet the conditions for the recognition of provisions for other liabilities and charges.

Note 2: As at 31 December 2021 and 31 December 2020, the Group's external guarantees are listed as follows:

	31 December 2021 Guarantee amount	31 December 2020 Guarantee amount
Mortgage guarantee provided to property owners (Note)	95,397,206	88,071,537
Guarantees for bank loan	11,769,053	5,462,397
Total	107,166,259	93,533,934

Note: The Group provides guarantees to property owners and property owners pledge the houses they have bought when taking loans from banks. For the year of 2021 and for the year of 2020, there was no significant breach of contract from commodity house buyers and the Group considers the risk associated with the guarantee obligation is immaterial.

XIII. Events after the balance sheet date

1. After the balance sheet date, the bonds issued by the subsidiaries of the Group are as follows:

Issuer	Type of bond	Value in issue	Issuance date	Interest rate (%)
China Shipping Enterprise Development Group Co., Ltd.	Medium-term notes	1,800,000	12 January 2022	2.88
China Shipping Enterprise Development Group Co., Ltd.	Medium-term notes	1,200,000	12 January 2022	3.25
China Shipping Enterprise Development Group Co., Ltd.	Medium-term notes	1,000,000	21 February 2022	3.22
China Shipping Enterprise Development Group Co., Ltd.	Corporate bonds	2,000,000	1 April 2022	3.05
China Shipping Enterprise Development Group Co., Ltd.	Corporate bonds	1,000,000	1 April 2022	3.50
China State Construction International Investment Group Limited	Medium-term notes	960,000	31 March 2022	2.98
China Construction First Building (Group) Co., Ltd.	Ultra short-term financing bonds	1,000,000	24 February 2022	2.09
China Construction First Building (Group) Co., Ltd.	Ultra short-term financing bonds	2,000,000	29 March 2022	2.08
China Construction Second Engineering Bureau Ltd.	Ultra short-term financing bonds	1,500,000	9 March 2022	2.00
China Construction Third Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	3,000,000	28 March 2022	2.05
China Construction Third Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	2,000,000	6 April 2022	2.05
China Construction Sixth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	800,000	11 January 2022	2.68
China Construction Sixth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	700,000	28 March 2022	2.60
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	12 January 2022	2.45
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	1,000,000	9 March 2022	2.40
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	9 March 2022	2.40
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	10 March 2022	2.35
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	11 March 2022	2.42
China Construction Seventh Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	500,000	14 March 2022	2.35
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	4,000,000	17 March 2022	2.00
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	3,500,000	25 March 2022	2.00
China Construction Eighth Engineering Bureau Co., Ltd.	Ultra short-term financing bonds	2,500,000	25 March 2022	2.00

2. On 11 April 2022, the Company cancelled a total of 7,309,000 restricted shares not eligible for unlocking, which were repurchased from 35 grantees who held Phase I, Phase II, Phase III and Phase IV restricted shares in the Company (1 of which repurchased both Phase II and Phase III restricted shares of the company held by the self, and 5 of which repurchased Phase III and Phase IV restricted shares of the company held by themselves.). After the cancellation, the share capital of the Company was reduced by RMB7,309,000 to RMB41,940,858,844.
3. Pursuant to the resolution proposed by the Board of Directors on April 15 2022, the Company distributes a cash dividend of RMB2.50 (including tax) for every 10 ordinary shares to all ordinary shareholders on the basis of 41,940,858,844 shares as at the date of disclosure, and the dividends total to approximately RMB10.485 billion. In the event of any change in the total share capital of the Company before the date of registration of the dividend distribution, it is proposed to maintain the same distribution ratio per share but to adjust the total distribution accordingly. The details of the adjustment will be disclosed separately. The proposal for the distribution of dividends is yet to be approved by the shareholders of the Company in general meeting and is not recognised in this financial statement.

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.

2021

	2021							
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	Total
Revenue from external	1,121,922,218	403,182,163	330,888,573	9,975,450	25,370,566	-	-	1,891,338,970
Inter-segment revenue	25,163,690	6,794,436	54,713	845,489	2,667,149	-	(35,525,477)	-
Total revenue	1,147,085,908	409,976,599	330,943,286	10,820,939	28,037,715	-	(35,525,477)	1,891,338,970
Cost of goods sold	(1,057,400,258)	(367,168,164)	(261,229,215)	(8,539,838)	(19,288,991)	-	36,489,957	(1,677,136,509)
Credit impairment losses	(5,917,362)	(2,557,487)	(179,082)	(119,908)	(438,272)	820	-	(9,211,291)
Asset impairment (losses)/reversal	(2,556,164)	(864,832)	(14,421)	52	17,306	42	-	(3,418,017)
Depreciation and amortisation	(5,995,756)	(1,738,031)	(2,717,780)	(140,496)	(1,285,357)	(22,789)	-	(11,900,209)
Profit before income taxes	24,498,320	19,112,935	57,017,761	330,844	(305,439)	(732,666)	964,480	100,886,235
Less: Income tax expenses								(23,153,743)
Net profit								77,732,492
Total segment assets	573,379,255	518,372,779	1,008,692,914	14,787,442	325,227,566	168,624,263	(220,835,093)	2,388,249,126
Total segment liabilities	339,922,261	417,174,533	541,434,348	8,729,656	276,927,571	347,090,370	(182,731,922)	1,748,546,817

XIV. Other important matters (continued)

1. Segment reporting (continued)

Operating segments (continued)

2020 (restated)

	2020 (restated)							
	Building construction engineering	Infrastructure construction and investment	Real estate development and investment	Prospecting and design	Others	Unallocated	Elimination	Total
Revenue from external	972,433,125	343,565,132	271,130,912	10,134,610	17,786,770	–	–	1,615,050,549
Inter-segment revenue	28,668,465	4,870,229	161,441	472,687	3,561,522	–	(37,734,344)	–
Total revenue	1,001,101,590	348,435,361	271,292,353	10,607,297	21,348,292	–	(37,734,344)	1,615,050,549
Cost of goods sold	(933,788,021)	(318,931,135)	(200,162,296)	(8,039,404)	(15,519,969)	–	36,274,375	(1,440,166,450)
Credit impairment losses	(1,935,276)	(1,105,469)	(137,180)	(97,021)	(65,362)	(1,009)	–	(3,341,317)
Asset impairment (losses)/reversal	329,365	(169,820)	(486,331)	(4,060)	2,396	–	–	(328,450)
Depreciation and amortisation	(4,434,224)	(1,437,446)	(1,885,623)	(116,525)	(1,125,923)	(57,723)	–	(9,057,464)
Profit before income taxes	25,110,585	14,875,767	59,788,743	838,203	230,213	(5,111,348)	(1,459,969)	94,272,194
Less: Income tax expenses								(23,340,930)
Net profit								70,931,264
Total segment assets	553,037,266	456,631,155	890,515,087	13,438,532	349,938,870	138,837,009	(210,018,425)	2,192,379,494
Total segment liabilities	390,520,198	337,118,018	479,634,722	7,821,554	213,138,128	382,846,922	(195,848,127)	1,615,231,415

Other information

Information about products and services

Revenue from external customers

	2021	2020 (restated)
Building construction engineering	1,121,922,218	972,433,125
Infrastructure construction and investment	403,182,163	343,565,132
Real estate development and investment	330,888,573	271,130,912
Prospecting and design	9,975,450	10,134,610
Others	25,370,566	17,786,770
Total	1,891,338,970	1,615,050,549

XIV. Other important matters (continued)

1. Segment reporting (continued)

Other information (continued)

Geographic information

Revenue from external customers

	2021	2020 (restated)
Mainland China	1,802,055,187	1,525,409,315
In other countries/geographical regions	89,283,783	89,641,234
Total	1,891,338,970	1,615,050,549

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

Non-current assets

	2021	2020 (restated)
Mainland China	395,530,653	282,699,159
In other countries/geographical regions	27,777,932	30,542,196
Total	423,308,585	313,241,355

The non-current asset information above is based on the locations of the assets and excludes financial assets, long-term equity investments and deferred tax assets.

Information about a major customer

The Group does not rely on one or several major customers.

2. Leases

(1) As lessor

The Group has entered into operating leases on some of its houses and buildings, and the lease term is 1-10 years. All leases include a clause to enable revision of the rental charge on an annual basis according to prevailing market conditions. As of the end of 31 December 2021, the rental income recognised by the Group on those houses and buildings was RMB7,073,723 thousand. Details of the underlying houses and buildings are disclosed in Note V.17 Investment properties.

The Group has also entered into operating leases on idle machinery equipment and motor vehicles, and the lease term is 1-5 years. The rental income recognised by the Group was RMB127,875 thousand.

XIV. Other important matters (continued)

2. Leases (continued)

(1) As lessor (continued)

Operating leases

The profit or loss relating to operating leases is as follows:

	2021
Lease income	7,201,598

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

	31 December 2021
Within 1 year, inclusive	5,030,185
1 to 2 years, inclusive	3,593,388
2 to 3 years, inclusive	2,264,292
3 to 4 years, inclusive	1,320,694
4 to 5 years, inclusive	916,194
Over 5 years	2,383,293
Total	15,508,046

For fixed assets leased out under operating leases, refer to Note V.18.

(2) As lessee

	2021
Interest expense on lease liabilities	229,000
Expenses relating to short-term leases accounting for applying practical expedients	2,974,938
Expenses relating to leases of low-value assets accounted for applying practical expedients (other than short-term leases)	79,531
Total cash outflow for leases	3,946,723

The Group has lease contracts for various items of houses and buildings, machinery, vehicles and other equipment used in its operations. Leases of houses and buildings and machinery generally have lease terms of 1 to 10 years, while those of vehicles and other equipment generally have lease terms of 0.5 to 3 years. Generally, the Group is restricted from assigning and subleasing the underlying assets and some contracts require the Group to maintain certain financial ratios.

Finance lease (only applicable to 2020)

At 31 December 2020, the balance of the unrecognised finance charge was RMB79,516,000, which was amortised using the effective interest method over each period during the lease term. The Group had total future minimum lease payments under non-cancellable leases with its lessors falling due as follows:

	31 December 2020
Within 1 year, inclusive	481,314
1 to 2 years, inclusive	424,735
2 to 3 years, inclusive	287,895
Total	1,193,944

XIV. Other important matters (continued)

2. Leases (continued)

(2) As lessee (continued)

Significant operating leases (only applicable to 2020)

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

	31 December 2020
Within 1 year, inclusive	3,030,470
1 to 2 years, inclusive	1,737,994
2 to 3 years, inclusive	746,716
Over 3 years	1,448,515
Total	6,963,695

Other information relating to leases

For right-of-use assets, refer to Notes V.20; for practical expedients of short-term leases and leases of low-value assets, refer to Notes III.30, and for lease liabilities, refer to Notes V.39 and Notes VIII.3.

3. Comparative Data

As noted in Notes VI.2, the Group completed the business combination under common control over Aluminum Henan and Aluminum Fujian during the year and, as such, the comparative data in the Group's consolidated financial statements have also been restated to include the financial position, results of operations and cash flows of the merged parties to meet the presentation and accounting requirements for the current year.

XV. Notes to the Company's financial statements

1. Account receivables

The aging of accounts receivable is analysed as follows:

	31 December 2021	31 December 2020
Within 1 year	16,318,061	14,956,163
1-2 years	4,169,538	8,151,057
2-3 years	5,119,409	1,257,783
3-4 years	818,940	1,909,386
4-5 years	1,779,880	55,866
Over 5 years	700,609	777,603
Subtotal	28,906,437	27,107,858
Less: Impairment allowance	(3,833,019)	(2,311,807)
Total	25,073,418	24,796,051

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

1. Accounts receivable (continued)

Accounts receivable and impairment allowance are disclosed by category:

	31 December 2021			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment allowance individually accrued	12,953,045	44.81	2,221,590	17.15
Impairment allowance accrued by credit risk portfolio	15,953,392	55.19	1,611,429	10.10
Total	28,906,437	100.00	3,833,019	13.26

	31 December 2020			
	Carrying amount		Impairment allowance	
	Amount	Ratio (%)	Amount	Ratio (%)
Impairment allowance individually accrued	11,928,970	44.01	952,099	7.98
Impairment allowance accrued by credit risk portfolio	15,178,888	55.99	1,359,708	8.96
Total	27,107,858	100.00	2,311,807	8.53

As at 31 December 2021, impairment allowance of accounts receivable individually accrued is as follows:

	Amount	Impairment	Expected credit losses ratio (%)	Reasons
Company 1	1,745,526	1,265,992	72.53	Recovery possibility
Company 2	1,303,425	162,928	12.50	Recovery possibility
Company 3	521,137	104,227	20.00	Recovery possibility
Company 4	440,186	132,056	30.00	Recovery possibility
Company 5	388,858	97,908	25.18	Recovery possibility
Others	8,553,913	458,479	5.36	Recovery possibility
Total	12,953,045	2,221,590		

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

	Amount	Impairment	Expected credit losses ratio (%)	Reasons
Company 1	1,874,817	412,460	22.00	Recovery possibility
Company 2	489,578	61,197	12.50	Recovery possibility
Company 3	387,151	124,186	32.08	Recovery possibility
Company 4	370,659	50,677	13.67	Recovery possibility
Company 5	248,403	37,467	15.08	Recovery possibility
Others	8,558,362	266,112	3.11	Recovery possibility
Total	11,928,970	952,099		

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

1. Accounts receivable (continued)

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

Portfolio 1:

	31 December 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses
Within 1 year	3,473,185	2.00	69,464	2,633,444	2.00	52,669
1-2 years	496,293	5.00	24,815	1,022,530	5.00	51,126
2-3 years	585,091	15.00	87,764	372,463	15.00	55,869
3-4 years	265,397	30.00	79,619	1,633	30.00	490
4-5 years	1,353	45.00	608	41,868	45.00	18,841
Over 5 years	14,080	100.00	14,080	10,382	100.00	10,382
Total	4,835,399		276,350	4,082,320		189,377

Portfolio 2:

	31 December 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses
Within 1 year	1,068,470	6.00	64,108	1,446,424	6.00	86,785
1-2 years	176,046	12.00	21,126	232,130	12.00	27,856
2-3 years	186,034	25.00	46,509	71,975	25.00	17,994
3-4 years	54,530	45.00	24,538	–	45.00	–
4-5 years	–	70.00	–	3,966	70.00	2,776
Over 5 years	–	100.00	–	253	100.00	253
Total	1,485,080		156,281	1,754,748		135,664

Portfolio 3:

	31 December 2021			31 December 2020		
	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses	Estimated gross carrying amount at default	Expected credit losses ratio (%)	Lifetime expected credit losses
Within 1 year	5,928,486	4.50	266,782	4,899,150	4.50	220,462
1-2 years	1,191,448	10.00	119,145	3,602,468	10.00	360,247
2-3 years	1,916,500	20.00	383,300	465,325	20.00	93,065
3-4 years	303,888	40.00	121,555	22,726	40.00	9,090
4-5 years	13,071	65.00	8,496	996	65.00	648
Over 5 years	279,520	100.00	279,520	351,155	100.00	351,155
Total	9,632,913		1,178,798	9,341,820		1,034,667

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

1. Accounts receivable (continued)

Impairment allowance of accounts receivable are as follows:

For the year ended 31 December 2021:

Opening balance	Provision	Reversal	Other movements	Closing balance
2,311,807	2,384,840	(833,184)	(30,444)	3,833,019

For the year ended 31 December 2020:

Opening balance	Provision	Reversal	Other movements	Closing balance
1,829,600	1,122,770	(594,203)	(46,360)	2,311,807

The important reversal amounts in 2020 are listed as follows:

	Reason for reversal/ collection	Basis for the impairment allowance	Amount of reversal/ collection	Way of collection
Company 1	Accounts receivable of project collected	Collectively accrued	125,356	Cash
Company 2	Accounts receivable of project collected	Collectively accrued	87,971	Cash
Company 3	Accounts receivable of project collected	Collectively accrued	71,121	Cash
Company 4	Accounts receivable of project collected	Collectively accrued	38,183	Cash
Company 5	Accounts receivable of project collected	Collectively accrued	32,678	Cash
Others	Accounts receivable of project collected	Individually and collectively accrued	477,875	Cash or Reversal
Total			833,184	

As at 31 December 2021, the five largest accounts receivable due to customers are as follows:

	Amount	Amount of impairment allowance	% of total accounts receivable
Total amount of the five largest accounts receivable	5,901,707	1,611,639	20.42%

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

	Amount	Amount of impairment allowance	% of total accounts receivable
Total amount of the five largest accounts receivable	4,830,004	607,609	17.82%

2. Other receivables

	31 December 2021	31 December 2020
Dividend receivables	351,212	1,190,122
Other receivables	19,432,417	20,838,785
Total	19,783,629	22,028,907

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

2. Other receivables (continued)

The ageing analysis of other receivables is as follows:

	31 December 2021	31 December 2020
Within 1 years	15,567,458	15,056,515
1-2 years	2,956,523	5,605,813
2-3 years	1,092,107	1,573,531
3-4 years	620,528	26,589
4-5 years	20,969	257,061
Over 5 years	241,295	203,889
Subtotal	20,498,880	22,723,398
Less: Impairment allowance	(715,251)	(694,491)
Total	19,783,629	22,028,907

Natures of other receivables are as follows:

	31 December 2021	31 December 2020
Receivables from related parties	18,433,010	19,777,018
Dividends receivable	351,212	1,190,122
Deposits and petty cash receivable	690,048	879,962
Others	1,024,610	876,296
Subtotal	20,498,880	22,723,398
Less: Impairment allowance	(715,251)	(694,491)
Total	19,783,629	22,028,907

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

For the year ended 31 December 2021

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit-impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	21,586	672,905	694,491
Changes due to the opening balance			
– Transfer to Stage 3	(19,329)	19,329	–
– Transfer to Stage 1	4,524	(4,524)	–
Accrual	39,714	10,574	50,288
Reversal	(9,729)	(18,536)	(28,265)
Other movements	(1,427)	164	(1,263)
Closing Balance	35,339	679,912	715,251

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

2. Other receivables (continued)

For the year ended 31 December 2020

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit-impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	35,688	802,937	838,625
Changes due to the opening balance			
– Transfer to Stage 3	(20,445)	20,445	–
– Transfer to Stage 1	9,886	(9,886)	–
Accrual	12,890	50,859	63,749
Reversal	(12,305)	(181,293)	(193,598)
Write-off	–	(4,203)	(4,203)
Other movements	(4,128)	(5,954)	(10,082)
Closing Balance	21,586	672,905	694,491

The changes in the book value of other receivables that affect the changes in the provision are as follows:

For the year ended 31 December 2021

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit-impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	21,087,107	1,636,291	22,723,398
Changes due to the opening balance			
– Transfer to Stage 3	(109,979)	109,979	–
– Transfer to Stage 1	20,071	(20,071)	–
Addition	15,767,788	27,460	15,795,248
Derecognition	(17,789,023)	(192,314)	(17,981,337)
Other movements	(38,593)	164	(38,429)
Closing balance	18,937,371	1,561,509	20,498,880

For the year ended 31 December 2020

	Stage 1 12-month expected credit losses	Stage 3 Credit losses of credit-impaired financial assets (Lifetime-expected credit losses)	Total
Opening balance	22,553,131	855,205	23,408,336
Changes due to the opening balance			
– Transfer to Stage 3	(983,000)	983,000	–
– Transfer to Stage 1	18,972	(18,972)	–
Addition	13,458,952	214,246	13,673,198
Derecognition	(13,931,858)	(375,817)	(14,307,675)
Write-off	–	(4,203)	(4,203)
Other movements	(29,090)	(17,168)	(46,258)
Closing balance	21,087,107	1,636,291	22,723,398

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

2. Other receivables (continued)

The important reversal amounts in 2021 are listed as follows:

	Reason for reversal/ collection	Basis for the impairment allowance	Amount of reversal/ collection	Way of collection
Company 1	Receivable collected	Combination of credit risk characteristics	7,484	Cash
Company 2	Receivable collected	Combination of credit risk characteristics	2,481	Cash
Company 3	Receivable collected	Combination of credit risk characteristics	2,384	Cash
Company 4	Receivable collected	Combination of credit risk characteristics	1,932	Cash
Company 5	Receivable collected	Combination of credit risk characteristics	1,625	Cash
Others	Receivable collected	Combination of credit risk characteristics	12,359	Cash or Reversal
Total			28,265	

As at 31 December 2021, other receivables from the five largest customers are as follows:

	Closing Balance	% of total balance	Relation to the Company	Ageing	Impairment allowance
Company 1	1,491,177	7.27	Due from Related parties	Within 1 year	–
Company 2	1,080,752	5.27	Due from Related parties	Within 1 year	–
Company 3	1,080,568	5.27	Due from Related parties	Within 3 year	–
Company 4	1,006,667	4.91	Due from Related parties	Within 1 year	–
Company 5	694,081	3.39	Due from Related parties	Within 2 year	–
Total	5,353,245	26.11			–

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

	Closing Balance	% of total balance	Relation to the Company	Ageing	Impairment allowance
Company 1	1,833,215	8.07	Due from Related parties	Within 2 year	–
Company 2	1,623,876	7.15	Due from Related parties	Within 1 year	–
Company 3	1,083,020	4.77	Due from Related parties	Within 1 year	–
Company 4	1,058,251	4.66	Due from Related parties	1-3 years	–
Company 5	772,226	3.39	Due from Related parties	Within 1 year	–
Total	6,370,588	28.04			–

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

3. Long-term equity investments

	31 December 2021	31 December 2020
Subsidiaries	194,654,437	174,729,180
– Subsidiaries under direct control (1)	187,822,538	166,788,258
– Subsidiaries under indirect control (2)	6,831,899	7,940,922
Joint ventures (3)	6,760,732	6,420,211
Associates (4)	5,560,626	4,694,469
Subtotal	206,975,795	185,843,860
Less: Impairment allowance	(1,114,938)	(1,114,938)
Total	205,860,857	184,728,922

(1) Subsidiaries under direct control

For the year ended 31 December 2021

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Overseas Holdings Limited	49,444,328	–	49,444,328	5,000,000
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	1,245,175
China Construction Second Engineering Bureau Ltd.	5,209,149	5,000,000	10,209,149	6,046,085
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	1,978,819
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	296,749
China Construction Fifth Engineering Bureau Ltd.	6,413,789	3,982,000	10,395,789	5,182,800
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	120,830
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	618,750
China Construction Eighth Engineering Bureau Ltd.	10,139,151	5,450,000	15,589,151	6,010,240
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	1,328,500
Shenzhen China Overseas Investment Management Co., Ltd.	301,537	–	301,537	–
Infrastructure Business of China State Construction	11,194,030	–	11,194,030	830
China State Construction Finance Co., Ltd.	7,924,554	–	7,924,554	205,605
China Construction America, Inc.	3,976,853	–	3,976,853	–
China State Construction Development Co., Ltd.	1,790,637	–	1,790,637	20,490
China Construction Liupanshui Infrastructure Investment and Development Co., Ltd.	800,000	–	800,000	–
China State Construction Thailand Co., Ltd.	656,107	–	656,107	–
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,881,906	–	2,881,906	158,660
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	76,000	596,630	42,440
China Construction Decoration Group Ltd.	548,375	–	548,375	32,310
China Construction Capital Holding Co., Ltd.	8,305,000	–	8,305,000	221,860
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	1,500,000	1,000,000	2,500,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	1,036,096	–	1,036,096	–
China Construction North Investment Co., Ltd.	903,981	43,840	947,821	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	1,700,000	–	1,700,000	61,180
China Construction Transportation Construction Group Co., Ltd.	–	1,279,000	1,279,000	53,600
Others	14,285,578	4,203,440	18,489,018	911,147
Total	166,788,258	21,034,280	187,822,538	29,536,070

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

3. Long-term equity investments (continued)

(1) Subsidiaries under direct control (continued)

For the year ended 31 December 2020

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Overseas Holdings Limited	49,444,328	–	49,444,328	9,300,000
China Construction First Building (Group) Corporation Limited	7,576,219	–	7,576,219	1,238,830
China Construction Second Engineering Bureau Ltd.	5,209,149	–	5,209,149	1,972,030
China Construction Third Engineering Bureau Ltd.	6,271,354	–	6,271,354	4,381,770
China Construction Fourth Engineering Bureau Ltd.	5,199,701	–	5,199,701	1,290,320
China Construction Fifth Engineering Bureau Ltd.	6,413,789	–	6,413,789	2,677,779
China Construction Sixth Engineering Bureau Ltd.	4,277,946	–	4,277,946	759,980
China Construction Seventh Engineering Bureau Ltd.	6,006,530	–	6,006,530	1,368,470
China Construction Eighth Engineering Bureau Ltd.	10,139,151	–	10,139,151	3,807,130
China Construction Fangcheng Investment & Development Co., Ltd.	5,851,624	–	5,851,624	–
Shenzhen China Overseas Investment Management Co., Ltd.	3,601,537	(3,300,000)	301,537	–
Infrastructure Business of China State Construction	10,194,030	1,000,000	11,194,030	920
China State Construction Finance Co., Ltd.	4,724,554	3,200,000	7,924,554	162,064
China Construction America, Inc.	2,655,833	1,321,020	3,976,853	–
China State Construction Development Co., Ltd.	1,410,947	379,690	1,790,637	–
China Construction Liupanshui Infrastructure Investment and Development Co., Ltd.	800,000	–	800,000	–
China State Construction Thailand Co., Ltd.	656,107	–	656,107	3,984
CSCEC Xinjiang Construction & Engineering (Group) Co., Ltd.	2,641,967	239,939	2,881,906	91,280
China Construction (South Pacific) Development Co. Pte. Ltd.	520,630	–	520,630	75,120
China Construction Decoration Group Ltd.	548,375	–	548,375	53,380
China Construction Capital Holding Co., Ltd.	3,000,000	5,305,000	8,305,000	–
China State Railway Investment Construction Group Co., Ltd.	1,673,183	–	1,673,183	–
Zhongjian Silu Construction Investment Company Limited	1,166,000	334,000	1,500,000	–
Zhongjian Changjiang Construction Investment Co., Ltd.	886,096	150,000	1,036,096	–
China Construction North Investment Co., Ltd.	903,981	–	903,981	–
CSCEC Overseas Limited	400,000	–	400,000	–
Zhongjian Technology Limited	1,200,000	500,000	1,700,000	57,010
Others	13,395,797	889,781	14,285,578	427,309
Total	156,768,828	10,019,430	166,788,258	27,667,376

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

3. Long-term equity investments (continued)

(2) Subsidiaries under indirect control

For the year ended 31 December 2021

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction transportation construction Group Corp Ltd.	1,279,000	(1,279,000)	–	–
China West Construction Group Co., Ltd.	942,264	–	942,264	13,963
China Construction Industrial & Energy Engineering Group Co., Ltd.	837,305	–	837,305	17,922
CSCEC Technology and Engineering Co., Ltd.	739,664	–	739,664	60,280
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
CSCEC Strait Construction and Development Co., Ltd.	300,000	–	300,000	–
China Construction Tunnel Construction Co., Ltd.	300,000	–	300,000	–
China Construction Electric Power Construction Co., Ltd.	230,000	–	230,000	–
China State Construction Foshan Transportation Joint Investment Co., Ltd.	4,800	–	4,800	–
China Construction Overseas Development (Shanghai) Co., Ltd.	100,000	–	100,000	–
CSCEC Underground Space Co., Ltd.	100,000	–	100,000	–
China Construction Wuhan Construction Investment Co., Ltd.	60,000	(60,000)	–	–
China Construction Bridge Co., Ltd.	300,000	–	300,000	–
Others	2,079,457	229,977	2,309,434	14,169
Total	7,940,922	(1,109,023)	6,831,899	106,334

For the year ended 31 December 2020

	Opening balance	Current year movements	Closing balance	Cash dividend declared
China Construction transportation construction Group Corp Ltd.	1,279,000	–	1,279,000	49,270
China West Construction Group Co., Ltd.	942,264	–	942,264	13,188
China Construction Industrial & Energy Engineering Group Co., Ltd.	837,305	–	837,305	3,370
CSCEC Technology and Engineering Co., Ltd. (Formerly known as China Construction Steel Structure Corp. Ltd)	739,664	–	739,664	56,770
Hangzhou China Construction Guobo Property Investment Co., Ltd.	668,432	–	668,432	–
CSCEC Strait Construction and Development Co., Ltd.	300,000	–	300,000	543,504
China Construction Tunnel Construction Co., Ltd.	300,000	–	300,000	–
China Construction Electric Power Construction Co., Ltd.	230,000	–	230,000	–
China State Construction Foshan Transportation Joint Investment Co., Ltd.	4,800	–	4,800	–
China Construction Overseas Development (Shanghai) Co., Ltd.	100,000	–	100,000	–
CSCEC Underground Space Co., Ltd.	100,000	–	100,000	30,800
China Construction Wuhan Construction Investment Co., Ltd.	60,000	–	60,000	–
China Construction Bridge Co., Ltd.	300,000	–	300,000	–
Others	250,690	1,828,767	2,079,457	–
Total	6,112,155	1,828,767	7,940,922	696,902

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

3. Long-term equity investments (continued)

(3) Joint ventures

For the year ended 31 December 2021

	Opening Balance	Movement during the year				Closing Balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	
Zhaotong CSCEC Construction Investment Development Co., Ltd.	511,373	-	1,015	-	-	512,388
CSCEC Chengdu Rail Transit Investment and Construction Co., Ltd.	425,007	(424,500)	17	-	-	524
CSCEC Road & Bridge Group Co., Ltd.	439,554	-	17,938	(627)	-	456,865
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	1,029,089	-	(631)	-	-	1,028,458
Changsha CSCEC Chengtou Pipe Well Development Investment Co., Ltd.	323,461	-	3,853	-	(3,169)	324,145
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	369,813	116,934	20	-	11,897	498,664
ASEC CEMENT SPA	243,777	-	(55)	(18,138)	-	225,584
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co., Ltd.	268,484	-	(50,181)	-	-	218,303
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	460,784	-	-	-	-	460,784
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,220	-	(2,949)	-	-	226,271
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	231,613	-	6,280	-	-	237,893
Xuzhou Metro Line Three Investment Development Co., Ltd.	386,000	359,184	-	-	-	745,184
CSCEC-Dacheng Construction Ltd	147,076	-	1,562	-	-	148,638
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	294,000	(294,000)	7,865	-	(7,865)	-
Others	1,060,960	615,067	10,817	-	(9,813)	1,677,031
Total	6,420,211	372,685	(4,449)	(18,765)	(8,950)	6,760,732

For the year ended 31 December 2020

	Opening Balance	Movement during the year					Closing Balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Other comprehensive income adjustment	Distribution of dividends	Others	
Zhaotong CSCEC Construction Investment Development Co., Ltd.	504,445	-	6,928	-	-	-	511,373
CSCEC Chengdu Rail Transit Investment and Construction Co., Ltd.	500,023	(75,000)	(16)	-	-	-	425,007
CSCEC Road & Bridge Group Co., Ltd.	409,465	-	30,254	(165)	-	-	439,554
Zhengzhou Zhongjian Shenzhen Rail Transit Co., Ltd.	325,180	704,240	(331)	-	-	-	1,029,089
Changsha CSCEC Chengtou Pipe Well Development Investment Co., Ltd.	320,063	-	3,398	-	-	-	323,461
CSCEC Zhanjiang Dadao Investment and Construction Co., Ltd.	318,458	53,879	(2,524)	-	-	-	369,813
ASEC CEMENT SPA	289,048	-	(545)	-	-	(44,726)	243,777
Yinchuan Shenyang Road Underground Pipeline Construction & Management Co., Ltd.	268,484	-	-	-	-	-	268,484
China Construction (Tianjin) Rail Transit Investment Development Co., Ltd.	235,092	225,692	-	-	-	-	460,784
Guizhou Zhengxi Expressway Investment Management Co., Ltd.	229,225	-	(5)	-	-	-	229,220
Dalian Zhongjian Cavernous city construction and Development Co., Ltd.	227,360	-	4,253	-	-	-	231,613
Xuzhou Metro Line Three Investment Development Co., Ltd.	100,000	286,000	-	-	-	-	386,000
CSCEC-Dacheng Construction Ltd	94,205	50,000	7,871	-	(5,000)	-	147,076
Qinghai Zhengping Jiayi Highway Construction Co., Ltd.	58,800	235,200	-	-	-	-	294,000
Others	577,800	494,866	(61)	-	(11,645)	-	1,060,960
Total	4,457,648	1,974,877	49,222	(165)	(16,645)	(44,726)	6,420,211

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

3. Long-term equity investments (continued)

(4) Associates

For the year ended 31 December 2021

	Opening balance	Movement during the year				Closing balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,662,658	95,000	(107,281)	-	-	1,650,377
Yunnan Huali Expressway Investment & Development Co., Ltd.	1,185,000	376,094	-	-	-	1,561,094
Xuzhou Metro Line One Investment & Development Co., Ltd.	465,000	(365,000)	2	(2)	-	100,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	664,335	-	(32,721)	-	-	631,614
Anhui Province Yuehuang Expressway Co., Ltd.	224,000	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	95,174	(88,947)	6,271	(12,498)	-	-
Liyang Zhongjian Sander Environmental Management Co, Ltd.	146,140	-	1,737	-	-	147,877
Cangzhou Development Zone Beiqi Industrial Park Investment Center (LP)	28,967	-	1,818	(2,524)	-	28,261
Xinyu Ring Road Construction Investment Co., Ltd.	60,000	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	19,595	-	(170)	-	-	19,425
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co., Ltd.	19,600	-	(19,600)	-	-	-
Zhangzhou Zhanyuan Environmental Technology Co., Ltd.	75,965	-	-	-	-	75,965
Others	48,035	1,016,023	(1,159)	-	(886)	1,062,013
Total	4,694,469	1,033,170	(151,103)	(15,024)	(886)	5,560,626

For the year ended 31 December 2020

	Opening balance	Movement during the year				Closing balance
		Increase/(Decrease) in investment	Investment income/(losses) under equity method	Distribution of dividends	Others	
CCCC Jijiao Expressway Investment & Development Co., Ltd.	1,302,988	441,915	(82,245)	-	-	1,662,658
Yunnan Huali Expressway Investment & Development Co., Ltd.	790,000	395,000	-	-	-	1,185,000
Xuzhou Metro Line One Investment & Development Co., Ltd.	465,000	-	-	-	-	465,000
Sanmenxia National Highway 310 Southward Project Construction Management Co., Ltd.	450,000	214,335	-	-	-	664,335
Anhui Province Yuehuang Expressway Co., Ltd.	224,000	-	-	-	-	224,000
Shenshan Special Cooperation Zone Harbour City Investment & Construction Co., Ltd.	199,754	(106,053)	1,473	-	-	95,174
Liyang Zhongjian Sander Environmental Management Co, Ltd.	140,880	-	5,260	-	-	146,140
Cangzhou Development Zone Beiqi Industrial Park Investment Center (LP)	75,301	(46,000)	2,929	(3,263)	-	28,967
Xinyu Ring Road Construction Investment Co., Ltd.	60,000	-	-	-	-	60,000
Taizhou Luqiao New Island Investment Development Co., Ltd.	19,727	-	(132)	-	-	19,595
Shijiazhuang Transportation Investment Jinshi Expressway Construction Management Co., Ltd.	19,600	-	-	-	-	19,600
Zhangzhou Zhanyuan Environmental Technology Co., Ltd.	19,000	57,000	(35)	-	-	75,965
Others	378,028	(328,072)	(404)	-	(1,517)	48,035
Total	4,144,278	628,125	(73,154)	(3,263)	(1,517)	4,694,469

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

4. Revenue and cost of sales

	31 December 2021		31 December 2020	
	Revenue	Cost	Revenue	Cost
Revenue from main operations	86,025,210	81,635,154	93,540,194	92,064,559
Revenue from other operations	36,257	26,524	51,542	41,396
Total	86,061,467	81,661,678	93,591,736	92,105,955

Revenue is shown as follows:

	31 December 2021	31 December 2020
Revenue from contracts with customers	86,023,894	93,553,817
Rentals	37,573	37,919
Total	86,061,467	93,591,736

As at 31 December 2021, the transaction price allocated to the unfulfilled or partially unfulfilled performance obligations is related to the progress of the corresponding contract, and will be recognised as revenue according to the progress of performance in the future performance period.

The breakdown of revenue generated by the contract with customers is as follows:

	31 December 2021	31 December 2020
Timing of revenue recognition		
Recognise revenue at a point in time	268,852	233,245
Others	268,852	233,245
Recognise revenue over time	85,755,042	93,320,572
Housing construction project	16,826,977	19,478,468
Infrastructure construction and investment	68,909,981	73,677,998
Others	18,084	164,106
Total	86,023,894	93,553,817

5. Investment income

	31 December 2021	31 December 2020
Investment income from disposal of long-term equity investments under equity method	29,642,404	28,364,278
Investment income from debt investments	428,458	511,099
Investment income from other equity instrument investments	55,838	60,702
Investment income obtained during the holding period of the held for trading financial assets	1,545	–
Investment loss from disposal of long-term equity investments under equity method	(155,552)	(23,932)
Investment loss from derecognised financial assets measured at amortized cost	(1,073)	–
Total	29,971,620	28,912,147

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

SUPPLEMENTARY INFORMATION

2021

Unit: RMB'000

1. Statement of non-recurring profit or loss

	2021
Gains from disposal of non-current assets, including the write-off portion of the provision for impairment of assets	332,668
Government grants into the current profits and losses	498,920
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	(170,588)
Interest income from loans to non-financial corporations	106,939
Income from step-realized business combination	172,276
Reversal of the provision on receivables and contract assets for impairment on an individual basis	1,414,761
Income from disposal of long-term equity investments	7,743
Investment income from disposal of subsidiaries	4,407
Losses from non-operating activities or occasional matters	179,631
Other non-operating income and expenses than the above items	161,606
Subtotal	2,708,363
Impact on income tax	(525,304)
Subtotal	2,183,059
Impact on non-controlling interests (after tax)	(265,745)
Total	1,917,314

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

2021

	Weighted average return on net assets (%)	Earnings per share (RMB/Share)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	15.93	1.25	1.25
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	15.33	1.17	1.17

2020 (restated)

	Weighted average return on net assets (%)	Earnings per share (RMB/Share)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	15.53	1.07	1.07
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	14.75	0.99	0.98



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