

上海建工集团股份有限公司

审计报告及财务报表

二〇二五年度（下册）

**SHANGHAI CONSTRUCTION GROUP CO.,
LTD.**

**AUDITOR'S REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31,
2025**

**ENGLISH TRANSLATION OF AUDITOR'S
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

**IF THERE IS ANY CONFLICT BETWEEN
THE CHINESE VERSION AND ITS ENGLISH
TRANSLATION, THE CHINESE VERSION
WILL PREVAIL**

Shanghai Construction Group Co., Ltd.
Auditor's Report and Financial Statements
(From January 1, 2025 to December 31, 2025)

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Auditor's Report
(English Translation for Reference Only)

Xin Kuai Shi Bao Zi [2026] No. ZA11127

To the Shareholders of Shanghai Construction Group Co., Ltd.:

Opinion

We have audited the accompanying financial statements of Shanghai Construction Group Co., Ltd. ("SCG"), which comprise the consolidated and company's balance sheets as at December 31, 2025, the consolidated and company's income statements, the consolidated and company's statements of cash flows, and the consolidated and company's statements of changes in owners' equity 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 December 31, 2025 and the consolidated and company's financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

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 SCG in accordance with China Independence Standard for Certified Public Accountants No. 1 – Independence for Audit and Review Engagements and China Code of Ethics for Certified Public Accountants ("the CICPA Code") and have fulfilled our other ethical responsibilities in accordance with the CICPA Code. The independence requirements for audits of public interest entities have been applied in our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

We identified the following key audit matters in our audit:

Key Audit Matters	How these matters were addressed in the audit
(I) Recognition of revenue from engineering contracting contract	
As stated in Note 3.27 and 3.35 to the financial statements, SCG recognizes revenue generated from project contracting services provided within a period of time in accordance with progress of the contract fulfillment, which is mainly determined based on nature of the project and on proportion of the completed workload confirmed by the output value statistics, as provided by the project management department, to the estimated total workload. Management estimates the estimated total revenue of the project at the beginning of the project, and makes continuous evaluation and revision during the execution of the contract. The determination of the estimated total revenue and performance progress involves management's significant accounting estimates, so recognition of revenue from engineering contracting contract is determined as a key audit matter.	(1) Testing effectiveness of the internal controls over the engineering contracting service contract budget preparation and related revenue recognition; (2) Obtaining a project list of engineering contracting service, on sample basis, to evaluate the estimated total revenue and to assess whether the estimates made by management is proper or not; (3) Examining relevant supporting documents on which the estimated total workload and the completed workload are based, and evaluating the contract performance schedule in relation to the engineering contracting service contracts selected on sample basis; (4) Observing progress of the projects through site visit to the projects of engineering contracting services selected on sample basis, interviewing relevant project management department to confirm the percentage of completion of these projects, and comparing the percentage of completion with the book records to investigate exceptional differences.
(II) Impairment of accounts receivable and contract assets	
As stated in Note 3.10, 3.12 and 3.35 to the financial statements, SCG provides impairment on accounts receivable and contract assets based on expected credit loss. As for accounts receivable and contract assets with similar credit risk characteristics, management divides accounts receivable and contract assets into several portfolios based on their credit risk characteristics, and calculates the expected credit loss on the basis of portfolio. As for accounts receivable and contract assets with significantly different credit risk characteristics, management has adopted the specific provision on individual basis. Management considers all available reasonable and supportive information (including the forward-looking information) to evaluate the expected credit loss; however, the balances of impairment of accounts receivable and contract assets are significant, the accounting estimates made by management when making provisions for bad debts and impairment of accounts receivable and contract assets may exist uncertainty, and are subject to management's significant judgments. As such, the provision for impairment of accounts receivable and contract assets is determined as a key audit matter.	(1) Testing effectiveness of management's internal control relevant to the routine management and impairment test of accounts receivable and contract assets; (2) Examining, on sample basis, management's considerations and objective evidence in assessing the expected credit losses of accounts receivable and contract assets; (3) For impairment of accounts receivable and contract assets based on expected credit losses determined on individual basis, on sample basis, examining the basis for and rationality of the estimation of cash flows expected to be collected made by management, and checking the accuracy in calculating provisions for bad debts and impairment of such accounts receivable and contract assets; (4) For impairment of accounts receivable and contract assets based on expected credit losses based on portfolio basis, evaluating the appropriateness of the expected credit loss model adopted by management and the reasonableness in management's determination of the proportion of provision for losses based on historical credit loss experience and in combination with forward-looking information; (5) Evaluating the forward-looking information in the expected credit loss model adopted by management, including the reasonableness of the forward-looking model and the selection basis of macroeconomic indicators.

Other Information

Management of SCG ("management") is responsible for the other information. The other information comprises all of the information included in the 2025 annual report of SCG, 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as 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, management is responsible for assessing SCG's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate SCG or to cease operations, or has no realistic alternative but to do so.

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

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 considered material if, individually or in 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 judgment and maintain professional skepticism 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.
- (2) Obtain an understand of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of 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 SCG'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 SCG to cease to continue as a going concern.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, 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 SCG to express an opinion on the consolidated 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.

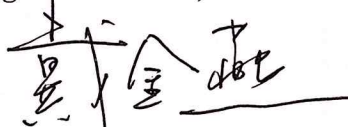
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

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.



BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Certified Public Accountant of China:
(Engagement Partner)



Certified Public Accountant of China:



Shanghai, China

April 14, 2026

Shanghai Construction Group Co., Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

1 Company profile

1.1 Overview

Shanghai Construction Group Co, Ltd. (hereinafter referred to as "SCG" or "the Company", "the Group") is a joint stock limited company approved by the Shanghai Municipal People's Government in the Document [1998] No. 19, exclusively initiated by SHANGHAI CONSTRUCTION (GROUP) GENERAL CO. (renamed on December 31, 2021, formerly known as "Shanghai Construction (Group) Corporation", hereinafter referred to as "SCG General") and established through issuing A shares to the public by stock raising. The Company's parent company is SCG General and its actual controller is the State-owned Assets Supervision and Administration Commission of Shanghai Municipality. The unified social credit code of the Company's Business License for Enterprise Legal Persons is 91310000631189305E. The Company was listed on Shanghai Stock Exchange in June 1998 with total share capital of RMB 537 million, RMB 1 per share on establishment.

In October 2001, under the approval of the Document (ZJFXZ [2001] No. 73) of the China Securities Regulatory Commission, the Company allotted 3 shares for 10 shares based on total 537,000,000 shares on December 31, 1999. In 2002, the Company allotted 2 shares for 10 shares to all shareholders. After the above changes, the Company's total share capital was RMB 719.298 million.

On October 19, 2005, approved by the Official Reply to Issues concerning the Equity Division Reform of Shanghai Construction Group Co, Ltd. (HGZWC [2005] No. 641) of Shanghai Municipal State-owned Assets Supervision and Administration Commission and deliberated and approved by the relevant meetings of the board of shareholders on equity division reform held on October 31, 2005: SCG General, the Company's only non-tradable shareholder paid consideration shares to all tradable shareholders to make its non-tradable shares obtain the right of listing and circulating. SCG General paid 79.56 million consideration shares to tradable shareholders in total, namely every 10 tradable shares get 3.4 consideration shares.

Approved by the Official Reply to the Approval of Purchase of Assets by Issuing Shares to Shanghai Construction (Group) Corporation by Shanghai Construction Group Co., Ltd. (ZJXX [2010] No. 615) of China Securities Regulatory Commission, the Company privately issued 322,761,557 shares to controlling shareholder SCG General in June 2010 to purchase equities of 12 companies and 9 land and house assets owned by SCG General. As at December 31, 2010, the Company's share capital of actually issued equities was RMB 1,042,059,600.00, in which SCG General and public stock shareholders respectively hold 69.91% and 30.09% of total share capital of the Company.

In 2010, upon the deliberation and approval of the 25th meeting of the fourth session of the board of directors and the 2009 annual general meeting, the Company changed its name to Shanghai Construction Group Co, Ltd., and went through the formalities for industrial and commercial registration of changes on July 5, 2010.

Approved by the Official Reply to the Approval of Purchase of Assets by Issuing Shares to Shanghai Construction (Group) Corporation by Shanghai Construction Group Co., Ltd. (ZJXX [2011] No. 1163) of China Securities Regulatory Commission, the Company privately issued 114,301,930 shares to controlling shareholder SCG General on August 1, 2011 to purchase 100% equities of China Shanghai (Group) Corporation for Foreign Economic & Technological

Cooperation and 100% equities of Shanghai Municipal Engineering Design Institute (Group) Co., Ltd. which are held by SCG General. As at December 31, 2011, the Company's share capital of actually issued equities was RMB 1,156,361,500.00, in which SCG General and public stock shareholders respectively hold 72.88% and 27.12% of total share capital of the Company.

In 2012, upon the approval at the Company's 2011 annual general meeting, the Company implemented the 2011 annual profit distribution on May 11, 2012, namely the increase of 5 shares for 10 shares and the increase of 5 shares for 10 shares of capital reserves. As at December 31, 2012, the Company's share capital of actually issued equities was RMB 2,312,723,000.00, in which SCG General and public stock shareholders respectively hold 72.88% and 27.12% of total share capital of the Company.

In 2013, upon the approval at the Company's 2012 annual general meeting, the Company implemented the 2012 annual profit distribution on July 17, 2013, namely cash dividends of RMB 2.10 for 10 shares and the increase of 2 shares for 10 shares of capital reserves. After the completion of profit distribution, the Company's total share capital increased from 2,312,722,974 shares to 2,775,267,568 shares.

In 2014, upon the approval at the Company's 2013 annual general meeting, the Company implemented the 2013 annual profit distribution on Wednesday, June 18, 2014, namely cash dividends of RMB 2.00 for 10 shares and the increase of 3 shares for 10 shares of capital reserves. After the completion of profit distribution, the Company's total share capital increased from 2,775,267,568 shares to 3,607,847,838 shares.

According to resolutions of the Company's 2014 the first extraordinary general meeting and the 9th session of the 6th board of directors and approved by *the Official Reply to the Approval of Issuing of Shares by Shanghai Construction Group Co., Ltd.* (ZJXK [2014] No. 971) of China Securities Regulatory Commission, the Company issued 963,855,421 RMB ordinary shares (A shares) to specific investors that comply with the relevant provisions of the China Securities Regulatory Commission in October 2014. After the completion of private placement, the Company's total share capital increased from 3,607,847,838 shares to 4,571,703,259 shares.

In 2015, upon the approval at the Company's 2014 annual general meeting, the Company implemented the 2014 annual profit distribution on May 12, 2015, namely cash dividends of RMB 2.00 for 10 shares and the increase of 3 shares for 10 shares of capital reserves. After the completion of profit distribution, the Company's total share capital increased from 4,571,703,259 shares to 5,943,214,237 shares.

In 2016, upon the approval at the Company's 2015 annual general meeting, the Company implemented the 2015 annual profit distribution on May 17, 2016, namely cash dividends of RMB 1.50 for 10 shares and the increase of 2 shares for 10 shares of capital reserves. After the completion of profit distribution, the Company's total share capital increased from 5,943,214,237 shares to 7,131,857,084 shares.

According to resolutions made at the 2015 general meeting, 29th session of the 6th Board of Directors and 3rd session of 7th Board of Directors, as well as the approval by *the Official Reply to the Approval of Issuing of Shares by Shanghai Construction Group Co., Ltd.* (ZJXK [2016] No. 3217) of China Securities Regulatory Commission, the Company was approved to issue no more than 368,735,376 shares as new shares on a non-public basis. The Company issued 350,830,083 RMB ordinary shares (A shares) to specific investors that comply with the relevant provisions of the CSRC in February 2017. After the completion of private placement, the Company's total share capital increased from 7,131,857,084 shares to 7,482,687,167.00 shares.

In 2017, upon the approval at the Company's 2016 annual general meeting, the Company implemented the 2016 annual profit distribution on May 18, 2017, namely cash dividends of RMB 1.30 for 10 shares and the increase of 1.9 shares for 10 shares of capital reserves. After the completion of profit distribution, the Company's total share capital increased from 7,482,687,167.00 shares to 8,904,397,728.00 shares.

According to the resolution made at the first extraordinary general meeting of shareholders in 2019, the Company repurchased, via centralized competitive bidding, 18,457,984 RMB ordinary shares (A shares) it issued before, during the period from December 3, 2019 to May 20, 2020, and those shares were fully used for the employee stock ownership plan. As the repurchase price was RMB 3.45 / share, the funds used for such repurchase amounted to RMB 63,690,756. Where the Company fails to implement the employee stock ownership plan within three years after the repurchase of the aforesaid shares, the shares not used to such plan yet shall be cancelled according to law.

As authorized at the first extraordinary general meeting of shareholders in 2019 and adopted upon deliberation at the 32nd meeting of the 8th Board of Directors, whereas the expiry of the period of 3 years following the completion of such repurchase, the Company, on May 9, 2023, cancelled 18,457,984 shares of treasury stocks repurchased in 2019, and went through formalities for the decrease of capital and for the registration for such decrease. Upon completion of this cancellation of the treasury stocks, the total share capital of the Company was decreased from 8,904,397,728 shares to 8,885,939,744 shares.

As at December 31, 2025, the Company's total cumulatively issued capital was 8,885,939,744.00 shares and the Company's registered capital amounted to RMB 8,885,939,744.00.

The Company and subsidiaries (hereinafter collectively referred to as "the Company") mainly engage in the general contracting of housing construction project, professional construction, design, decoration, general contracting of landscaping design and construction project, real estate development and operation, stone exploitation and concrete processing and manufacturing, management over municipal engineering construction projects, investment construction of urban infrastructure, trading of complete equipment and other commodities, Zira mining exploitation, project management and consulting and labor dispatching. Registered place: No. 33, Fushan Road, China (Shanghai) Pilot Free Trade Zone; headquarters: No. 666, East Daming Road, Shanghai.

The financial statements were approved by the Board of Directors of the Company for disclosure on April 14, 2026.

1.2 Scope of the consolidated financial statements

As at December 31, 2025, subsidiaries within the scope of the consolidated financial statements of the Company are as follows:

Name of subsidiary and structured entity
Shanghai Construction No.1 (Group) Co., Ltd.
Shanghai Construction No.1 Investment & Development Co., Ltd.
SCG (Macao) Co., Ltd.
Shanghai Construction No.1 (Group) Co., Ltd. - Installation Specialized Company
Shanghai Construction No.1 (Group) Co., Ltd - Decoration Specialized Company
SCG Jiangsu Construction Co., Ltd.
Sichuan Shangjian Construction Co., Ltd.
Shanghai Yijian Dongshun Construction Engineering Co., Ltd.
Suzhou Shangjian Construction Co., Ltd.
Wuhu Shangjian Construction Co., Ltd.

SHANGHAI CONSTRUCTION GROUP CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
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(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Name of subsidiary and structured entity
Chengdu Hujian Construction Co., Ltd.
Shanghai Construction No.2 (Group) Co., Ltd.
Shanghai Yigao Decoration Engineering Co., Ltd.
Shanghai Xieli Building Service Company
SCG Jiangxi Construction Co., Ltd.
Hubei Shangjiangong Central China Construction Co., Ltd.
Jiangxi Shangjian Construction Co., Ltd.
Anhui Shangjian Construction Co., Ltd.
Shanghai Construction No.2 (Group) Engineering Construction Co., Ltd.
Shanghai Construction No.2 (Group) Building Intelligent Engineering Co., Ltd.
Shanghai Construction No.2 (Group) Urban Renewal Construction Co., Ltd.
Shanghai Shuangjia Smart Construction Co., Ltd.
Shanghai Construction No.2 (Group) Zhiyuan Construction Co., Ltd.
Shanghai Construction No.4 (Group) Co., Ltd.
Shanghai Construction No.4 (Group) Co., Ltd. - Engineering Equipment Company
Shanghai Construction No.4 (Group) Co., Ltd. - Jianshi Engineering Construction Co., Ltd.
Shanghai Construction No.4 (Group) Co., Ltd.- Decoration Engineering Company
Shanghai Construction No.4 (Group) Co., Ltd.- Industrial Company
Shanghai Xindu Decoration Engineering Co., Ltd.
Guangdong Shenyue Construction Co., Ltd.
Shanghai Municipal Construction Co., Ltd.
Shanghai Shangqin Construction Development Co., Ltd.
Hainan Shenhai Construction Co., Ltd.
SCG (Guangdong) Construction Co., Ltd.
SCG (Shenzhen) Construction Co., Ltd.
SCG (Shenzhen) Engineering Construction Co., Ltd.
Shanghai Construction No.4 (Group) Jiangsu Construction Co., Ltd.
Shanghai Construction No.5 (Group) Co., Ltd.
SCG (Liaoning) Construction Co., Ltd.
Shanghai Ruixin Construction Engineering Co., Ltd. (Formerly known as Shanghai Construction No.5 (Group) Co., Ltd. - Decoration Engineering Company)
Shanghai Construction No.5 (Group) Co., Ltd. - Jilin Construction Company
Guangdong Shangjian Construction Technology Co., Ltd.
Bengbu Hujian Construction Engineering Co., Ltd.
Zhuhai Shenjian Construction Engineering Co., Ltd.
Shanghai Hushen Building Engineering Co., Ltd.
Zhongshan Shangjian Construction Engineering Co., Ltd.
Anhui Hujian Construction Technology Co., Ltd.
Xinjiang Hujian Construction Engineering Co., Ltd.
Hubei Shangjian Construction Engineering Co., Ltd.
Shanghai Construction No. 7 (Group) Co., Ltd.
Shanghai Yuxia Construction Engineering Co., Ltd.
SCG Xiong'an Construction Co., Ltd.
Shanghai Construction No. 7 (Group) Co., Ltd.- Industrial Company
Anhui Shangshen Construction Co., Ltd.
Shanghai Building Decoration Engineering Group Co., Ltd.
Disheng Intelligent Manufacturing (Shanghai) Technology Co., Ltd. (Formerly known as Shanghai Disheng Wood Manufacturing Co., Ltd.)
Shanghai Weilun Construction Design Co., Ltd.
Shanghai Dilun New Materials Co., Ltd.
Shanghai Xinli Decoration Engineering Co., Ltd.

SHANGHAI CONSTRUCTION GROUP CO., LTD.
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Name of subsidiary and structured entity
YoungCore (Hong Kong) International Design and Construction Co., Limited
Shanghai Yuzai Construction Engineering Co., Ltd.
Shanghai Construction Design and Research Institute Co., Ltd.
Shanghai Construction and Machinery Test Center Co., Ltd.
Shanghai Kaidi Engineering Consulting Co., Ltd.
Shanghai Evertrans Construction Management Co., Ltd.
Shanghai Jianhao Engineering Consultancy Co., Ltd.
Shanghai Jiading Construction Engineering Quality Inspection & Testing Center Co., Ltd.
Shanghai Construction Real Estate Co., Ltd.
Shanghai Zhenxin Property Management Co., Ltd.
Nanjing Haiyue Property Management Co., Ltd.
Shanghai Xinrong Yueju Property Management Co., Ltd.
Shanghai Construction Jinlong Real Estate Co., Ltd.
Shanghai Construction Dalong Real Estate Co., Ltd.
Shanghai Sanling Technology Entrepreneurship Co., Ltd.
Xuzhou Hujian Real Estate Co., Ltd.
Xuzhou Hujian Quanshan Real Estate Co., Ltd.
Shanghai Construction Huifu Property Development Co., Ltd.
Shanghai Construction Dongxu Real Estate Co., Ltd.
Shanghai Qingyue Real Estate Co., Ltd.
Shanghai Construction Jiulong Real Estate Co., Ltd.
Shanghai Construction Baolong Real Estate Co., Ltd.
Shanghai Yuehe Investment Development Co., Ltd.
Shanghai Construction Hongkou Real Estate Co., Ltd.
Shanghai Construction Nanhui Real Estate Co., Ltd.
Shanghai Construction Yuejian Real Estate Co., Ltd.
Shanghai Construction Dongyue Real Estate Co., Ltd.
Shanghai Construction Huirui Property Development Co., Ltd.
Shanghai Construction Chengmin Real Estate Co., Ltd.
Shanghai Jianhao Real Estate Co., Ltd.
Shanghai Elite Real Estate Co., Ltd.
Shanghai Haojiang Real Estate Co., Ltd.
Suzhou Hengye Real Estate Development Co., Ltd.
SCG Jiangxi Investment Development Co., Ltd.
SCG Jiangxi Jiulonghu No. 2 Municipal Construction Co., Ltd.
SCG Jiangxi Donghu No. 1 Construction Co., Ltd.
Jiangxi Xianye Real Estate Co., Ltd.
Shanghai Qingteng Real Estate Co., Ltd.
Shanghai Jianyi Investment Development Co., Ltd.
Nanjing Aohe Real Estate Development Co., Ltd.
Nanjing Aoyi Real Estate Development Company Limited
Nanjing Aoying Real Estate Development Company Limited
Shanghai Construction Huicheng Property Development Co., Ltd.
Shanghai Qixian Property Co., Ltd.
Suzhou Hengyi Real Estate Development Company Limited
Shanghai Elite Hotel Management Co., Ltd.
Shanghai Jinteng Real Estate Co., Ltd.
Shanghai Construction Jingxian Property Development Co., Ltd.
Shanghai Construction Shengxian Property Development Co., Ltd.
Shanghai Jianyuan Real Estate Co., Ltd.
Shanghai Construction Huixin Property Development Co., Ltd.

SHANGHAI CONSTRUCTION GROUP CO., LTD.
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Name of subsidiary and structured entity
Shanghai Yueming Construction Development Co., Ltd.
Hainan Chengxin Real Estate Co., Ltd.
Shanghai Yueli Enterprise Management Co., Ltd.
Shanghai Jiangyong Hai Yue Enterprise Consulting Co., Ltd.
Shanghai Construction Savills Property Management Co., Ltd.
Shanghai Yueneng Enterprise Development Co., Ltd.
Nanjing Aojian Property Co., Ltd.
Tianjin Jianyue Real Estate Development Co., Ltd.
Shanghai Construction Jinshan Construction Development Co., Ltd.
Shanghai Yueheng Construction Development Co., Ltd.
Shanghai Construction Building Materials Technology Group Co., Ltd.
Huzhou Xinkaiyuan Crushed Stones Co., Ltd.
Shanghai Pudong Premixed Concrete Co., Ltd.
Shanghai Southeast Concrete Co., Ltd.
Shanghai Caisi Technology Co., Ltd.
Shanghai Caijiu Technology Co., Ltd.
Shanghai Caier Technology Co., Ltd.
Tianjin Shenyi Concrete Co., Ltd.
Shanghai Pulian Premixed Concrete Co., Ltd.
Shanghai Fukang Construction Co., Ltd.
Shanghai Cailiu Technology Co., Ltd.
Shanghai Pusheng Concrete Co., Ltd.
Shanghai Jianan Concrete Co., Ltd.
Shanghai Jiangong Materials Transport Co., Ltd.
Shanghai Construction Jiajian Premixed Concrete Co., Ltd.
SCG Sichuan Concrete Co., Ltd.
Shanghai Caiwu Technology Co., Ltd.
Shanghai Construction Materials Huangang Premixed Concrete Co., Ltd.
Shanghai Caisan Technology Co., Ltd.
Shanghai Hongxiang Concrete Co., Ltd.
Kunshan Central Concrete Co., Ltd.
Kunshan Shenghua Concrete Co., Ltd.
Shanghai Jiangong Changzhou Jianya Building Components Co., Ltd.
Jiangxi Shenhong New Materials Co., Ltd.
Suzhou Industrial Park Yongsheng Concrete Co., Ltd.
Nanjing Xinshan Hengji Concrete Co., Ltd.
Shanghai Caiba Technology Co., Ltd.
Shanghai Construction Jiangxi Concrete Engineering Co., Ltd.
Huzhou Shangjian Concrete Co., Ltd.
Shanghai Construction Nanqiao Concrete Co., Ltd.
Shanghai Construction Yijian Materials Engineering Co., Ltd.
Shanghai Jiansong Premixed Concrete Co., Ltd.
Shanghai Sihe Property Management Co., Ltd.
Jiaxing Shangjian Shidong Concrete Co., Ltd.
Nantong Shangjian Shinan Concrete Co., Ltd.
Shanghai Construction Ru'an Concrete Co., Ltd.
Jiaxing Shangjian Shixi Concrete Co., Ltd.
Shanghai Construction Longyu Building Materials Co., Ltd.
Nantong Shangjian Building Component Product Co., Ltd.
Suzhou Shangjian Concrete Co., Ltd.
Wuhu Shangjian Huaxing New Building Materials Co., Ltd.

SHANGHAI CONSTRUCTION GROUP CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Name of subsidiary and structured entity
Changxing Shangjian Changheng Concrete Co., Ltd.
Shanghai Caiyi Technology Co., Ltd.
Taicang Shangjian Tonggao Concrete Co., Ltd.
Maanshan Shangjian Shenma Concrete Co., Ltd.
Huzhou Shangjian Huayu Concrete Co., Ltd.
Zhenjiang Shangjian Concrete Co., Ltd.
Jiangsu Shangjian Shunjie Prefabricated Components Co., Ltd.
Shangjian Guangya Engineering Materials Co., Ltd.
Yangzhou Shangjian Concrete Co., Ltd.
Suzhou Shangjian Hangshi Concrete Co., Ltd.
Wuxi Liangxing Concrete Co., Ltd.
Zhoushan Shangjian Haozhou Concrete Co., Ltd.
Nantong Haimen Shangjian Concrete Co., Ltd.
Jiaxing Shangjian Hexing Concrete Co., Ltd.
Jiaxing Shangjian Hongcheng Concrete Co., Ltd.
Maanshan Shangjian Shuangcheng Commodity Concrete Co., Ltd.
Shanghai Qigou Concrete Components Co., Ltd.
Wuhu Shangjian Huaxing Hengli Concrete Co., Ltd.
Yancheng Shangjian Wanyuan Concrete Co., Ltd.
Jiangsu Hengji Concrete Co., Ltd.
Changshu Shangjian Handong Construction Technology Co., Ltd.
Wuxi Lianyou Concrete Co., Ltd.
Shaoxing Shangjian Shunxing Concrete Co., Ltd.
Shanghai Caiqi Technology Co., Ltd.
Nantong Tongzhou Husheng Concrete Co., Ltd.
Shangrao Shangjian Tongtai Concrete Co., Ltd.
Suzhou Aifuxi Commercial Concrete Co., Ltd.
Shanghai Yuegang Concrete Co., Ltd.
Ningbo Shangjian Global Building Materials Co., Ltd.
Ningbo Chengxi Shangjian Global Building Materials Co., Ltd.
Ningbo Chengnan Shangjian Global Building Materials Co., Ltd.
Shanghai Construction China Southern Airlines Premixed Concrete Co., Ltd.
Shangrao Shangjian Tongyuan Concrete Co., Ltd.
Zhenjiang Shangjian Shixi Building Materials Co., Ltd.
Hefei Shangjian Yongli Building Materials Co., Ltd.
Yangzhou Shangjian Kaiyuan Concrete Co., Ltd.
Maanshan Shangjian Xinye Concrete Co., Ltd.
Shangjian Guangye Green Materials (Jiangsu) Co., Ltd.
Shanghai Jiangong Building Components (Hainan) Co., Ltd.
Hefei Shangjian Guojun Building Materials Co., Ltd.
Ningbo Shangjian Tengli Building Materials Co., Ltd.
Ningbo Shangjian Ciyin Building Materials Co., Ltd.
Shangjian Guangcheng Engineering Materials (Jiangsu) Co., Ltd.
Ningbo Shangjian Chaosheng Building Materials Co., Ltd.
Shanghai Shangjian Xidu New Building Materials Co., Ltd.
Suzhou Yongji Construction Materials Co., Ltd.
Jiujiang Shangjian Fengyuan New Building Materials Co., Ltd.
Zhoushan Shangjian Hengzhong Concrete Co., Ltd.
Shangjian Guanghua Green Materials (Jiangsu) Co., Ltd.
Yancheng Shangjian Tongli Concrete Co., Ltd.
Shanghai Construction Building Materials Technology Group Component Co., Ltd.

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Ningbo Shangjian Gangjian Building Materials Co., Ltd.
Yangzhou Shangjian Linjiang Concrete Co., Ltd.
Jiangsu Haijian New Building Materials Co., Ltd.
Jiangxi Jianbao New Materials Co., Ltd.
Shaoxing Shangjian Jixing Concrete Co., Ltd.
Suzhou Shunhu Concrete Co., Ltd.
Zhoushan Shangjian Guangxin Concrete Co., Ltd.
Shanghai Puze Heqing Concrete Co., Ltd.
Suzhou Xingzhong Green Building Materials Technology Co., Ltd.
Taizhou Shidong Building Materials Co., Ltd.
Zhoushan Shangjian Hongtai Concrete Co., Ltd.
Taixing Shangjian New Building Materials Co., Ltd.
Jiaxing Shangjian Jinsheng Concrete Co., Ltd.
Shanghai Caijiu Yuepu New Building Materials Co., Ltd.
Haian Shangjian Yuyuan New Building Materials Co., Ltd.
Changzhou Anfeng Shangjian Engineering Materials Co., Ltd.
Huzhou Shangjian Jianchen Concrete Co., Ltd.
Hangzhou Shangjian Jianfeng New Materials Co., Ltd.
Shanghai Installation Engineering Group Co., Ltd.
Shanghai Shang'an Mechanized Construction Co., Ltd.
Shanghai Huayi Construction Co., Ltd.
Shanghai Shang'an Property Management Co., Ltd.
Guangdong Shen'an Construction Technology Co., Ltd.
Beijing Shenyue Medical Technology Construction Co., Ltd.
Anhui Shen'an Construction Technology Co., Ltd.
Guangdong Shengpeng Construction Engineering Co., Ltd.
Shanghai SINKO Air Conditioning Equipment Co., Ltd.
Shanghai SINKO Cooling Machinery Co., Ltd.
Shanghai SINKO Building Energy Efficiency Co., Ltd.
Shanghai SINKO Air Conditioning Equipment Installation Engineering Co., Ltd.
Shanghai Foundation Engineering Group Co., Ltd.
Shanghai Shenbao Construction Engineering Co., Ltd.
Shanghai Jibao Construction Labor Co., Ltd.
Shenzhen Shenji Construction Engineering Co., Ltd.
Shanghai Kangyi Marine Engineering Co., Ltd.
Tianjin Shenji Construction Engineering Co., Ltd.
Shanghai Huadong Construction Machinery Factory Co., Ltd.
Shanghai Huaji Industry & Trade Industrial Co., Ltd.
Shanghai Anbo Construction Engineering Co., Ltd.
Shanghai Mechanized Construction Group Co., Ltd.
Shanghai Hubei Building Decoration Engineering Co., Ltd.
Shanghai SMCC Architectural Design & Consulting Co., Ltd.
Shanghai Mechanized Construction Group Urban Renewal Construction Co., Ltd. (Formerly known as Shanghai Shuzhi Construction Engineering Co., Ltd.)
SCG (Jiangsu) Steel Structure Co., Ltd.
Shanghai Jishi Vocational Skills Training Co., Ltd.
Guangdong Jinke Construction Engineering Co., Ltd.
Shanghai Xianshan Construction Engineering Co., Ltd.
Shanghai Congsheng Construction Engineering Co., Ltd.
Shanghai Gardens (Group) Co., Ltd.
Shanghai Landscape Architecture Design Research Institute Co., Ltd.

Name of subsidiary and structured entity
Ganzhou Shenhai Landscape Planning & Design Co., Ltd.
Ganzhou Shenrong Landscape Engineering Co., Ltd.
Shanghai New Garden Industrial Co., Ltd.
Shanghai Hongqiao Flower Market Operation and Management Co., Ltd.
Shanghai Flowers Trading Center Co., Ltd.
Shanghai Gardening Landscaping Construction Co., Ltd.
Shanghai Zhuolv Maintenance Engineering Co., Ltd.
Shanghai Landscape Industrial Development Co., Ltd.
Shanghai Landscape Architecture Construction Co., Ltd.
Quanzhou Yuanqi Construction Management Co., Ltd.
Shanghai Shangyuan Construction Labor Co., Ltd.
Shanghai Zhuoyuan Water Ecological Environment Engineering Co., Ltd.
Shanghai Shangyuan Ecological Construction Technology Co., Ltd. (Formerly known as Shanghai Hongyi Construction Industry Development Co., Ltd.)
Shanghai Shangyuan Materials and Equipment Co., Ltd.
Shanghai Shangyuan Seedlings Co., Ltd.
Anhui Shenwu Ecological Construction Co., Ltd.
Shanghai ShangYuan Human Resources Co., Ltd.
Qingdao Shengqing Garden Engineering Co., Ltd.
Wuhu Shenjiang Garden Engineering Co., Ltd.
Dongguan Shenyuan Construction Co., Ltd.
SLADI International Design Consulting Pte. Ltd.
Guangdong Shangyuan Ecological Construction Technology Co., Ltd.
Yuxi Shenyu Ecological Construction Co., Ltd.
SCG Dalian Construction Engineering Co., Ltd.
SCG Changzhou Wujin Viaduct Construction Co., Ltd.
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.
Shanghai Municipal Engineering Design Institute Co., Ltd.
Shanghai Water Design & Engineering Co., Ltd.
Shanghai Municipal Engineering Cost Consulting Co., Ltd.
Shanghai Simei Printing Co., Ltd.
Shanghai Municipal Engineering Design Institute Group - Foshan Simei Design Institute Co., Ltd.
Shanghai Municipal Engineering Inspection & Testing Center Co., Ltd.
Shanghai Municipal & Traffic Design Institute Co., Ltd.
Datong Municipal Engineering Design and Research Co., Ltd.
Hohhot Municipal Engineering Design Institute Co., Ltd.
Shanghai Municipal Engineering Design Institute Group - Zhejiang Municipal Design Institute Co., Ltd.
Shanghai Simei Design and Drawing Review Consulting Co., Ltd.
Shanghai Municipal Engineering Design Institute Group - No. 7 Design Institute Co., Ltd.
Shanghai Municipal Engineering Design Institute Group - No. 10 Municipal Design Institute Co., Ltd.
Shanghai Municipal Engineering Design Institute Group - No. 6 Design Institute Co., Ltd.
Shanghai Municipal Engineering Design Co., Ltd.
Shanghai Urban Transportation Design Institute Co., Ltd.
Shanghai Urban Space Architectural Design Co., Ltd.
Shanghai Municipal Engineering Design Institute Group Guangdong Co., Ltd.
Shanghai Municipal Precast Technology Development Co., Ltd.
Shanghai Municipal Engineering Design Institute Xinjiang Co., Ltd.
Qingdao Water Affairs Seawater Desalination Design and Research Institute Co., Ltd.

Name of subsidiary and structured entity
Guangxi Jianning Simei Water Design Co., Ltd.
Shanghai Municipal Engineering Design Institute (Shenzhen) Technology Innovation Center Co., Ltd.
Hainan Municipal Engineering Design and Research Co., Ltd.
Suzhou Simei Technology Co., Ltd.
Jiangsu Wuxi Shenhui Engineering Technology Research Institute Co., Ltd.
Jiangsu Wushen Advanced Technology Research Institute Co., Ltd.
Sanya Municipal Engineering Design and Research Co., Ltd.
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.
Hangzhou Tongdasheng Water Technology Co., Ltd.
China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation
Shanghai SFECO International Business Service Co., Ltd.
Shanghai SFECO International Human Resources Co., Ltd.
Shanghai SFECO Private Exit-Entry Consulting Service Co., Ltd.
Shanghai Construction (Hong Kong) Limited
Zara Mining Share Company
Shanghai SFECO Technology Service and Trade Middle East Co., Ltd.
Shanghai Machinery Complete Equipment (Group) Co., Ltd.
Shanghai Mechanical and Electrical Equipment Tendering Co., Ltd.
Shanghai Pudong Equipment Tendering Co., Ltd.
Shanghai Pudong Machinery Complete Equipment Co., Ltd.
Shanghai Pucheng Mechanical and Electrical Equipment Tendering Co., Ltd.
Shanghai Engineering Equipment Supervision Co., Ltd.
Shanghai Complete Purification Technology Equipment Co., Ltd.
Shanghai Equipment Leasing Co., Ltd.
Shanghai Machinery Complete Equipment Group Engineering Co., Ltd.
Shanghai Machinery Complete Equipment (Group) Singapore Company
Yatong Environment Water Treatment Jiangyin Co., Ltd.
Shanghai Chengchang New Energy Technology Co., Ltd.
Shanghai Chengyang New Energy Co., Ltd.
Shanghai Chengjia New Energy Co., Ltd.
Chongqing Chengjia New Energy Co., Ltd.
Yizheng Chengyang New Energy Co., Ltd.
Nantong Shencheng Automobile Sales Service Co., Ltd.
SCG America Group Inc.
SCG Plaza Inc.
Three Fulton Square LLC.
SCG American Construction Inc.
Investel Development LLC
SCG Assets Holdings Inc.
Investel Harbor Resorts LLC.
Investel One LLC
Investel Two LLC
Broadway Elite LLC.
SCG Mima Holding LLC
SCG Mima Towers LLC
Investel Garden Holdings LLC
Investel Garden Resorts LLC
SCG Kunshan Middle-ring Road Construction Co., Ltd.
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd.
Zhuhai Shenhui Construction Engineering Co., Ltd.

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Shanghai International Tourism Resort Engineering Construction Co., Ltd.
SCG Nanchang Qianhu Construction Co., Ltd.
SCG Yibin Daxikou Construction Co., Ltd.
SCG Chengdu Construction Engineering Co., Ltd.
SCG Wenzhou Oujiangkou Construction Co., Ltd.
SCG Wenzhou Qidu Bridge Construction Co., Ltd.
SCG Investment Co., Ltd.
SCG Equity Investment Fund Management Co., Ltd.
Shanghai Jianyiheng Enterprise Management Partnership (Limited Partnership)
Suzhou Jianying Purui Venture Capital Center (Limited Partnership)
SCG Anying Investment Management Center (Limited Partnership)
SCG Taihe Enterprise Management Center (Limited Partnership)
SCG Zhongying Enterprise Management Center (Limited Partnership)
Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)
Shanghai Xijiu Enterprise Management Partnership (Limited Partnership)
Shanghai Tonghang Enterprise Management Partnership (Limited Partnership)
Ningbo Meishan Bonded Port Zone Minyao Investment Management Partnership (Limited Partnership)
SCG Taizhou Fengxihu Construction Co., Ltd.
SCG Dujiangyan Construction Engineering Co., Ltd.
SCG Anji Construction Co., Ltd.
Shanghai Zhongcheng Financial Leasing Co., Ltd.
Jiaxing Jianyi Investment Co., Ltd.
Shanghai Jianfan Enterprise Management Partnership (Limited Partnership)
Shanghai Jianyi Enterprise Management Partnership (Limited Partnership)
Shanghai Beijiu Enterprise Management Partnership (Limited Partnership)
Shanghai Changying Enterprise Management Partnership (Limited Partnership)
Shanghai Jianru Jiajing Development and Construction Co., Ltd.
Shanghai Jianyangming Enterprise Management Partnership (Limited Partnership)
Shanghai Yingdafeng Asset Operation Management Co., Ltd.
Changshu Hujian New Energy Co., Ltd.
Shanghai Songze Hujian New Energy Co., Ltd.
Shanghai Yingguang New Energy Co., Ltd.
Shanghai Yingling New Energy Co., Ltd.
Wuhan Yinghui New Energy Co., Ltd.
Shanghai Jianlingcheng Enterprise Management Co., Ltd.
Shanghai Changheng Enterprise Management Partnership (Limited Partnership)
Shanghai Jianchuan Shayun Development and Construction Co., Ltd.
Shanghai Jianyihui Enterprise Management Partnership (Limited Partnership)
Shanghai Jianyi Dongfang Enterprise Management Partnership (Limited Partnership)
Shanghai Jianyueming Enterprise Management Co., Ltd.
Shanghai Maigeling Enterprise Management Co., Ltd.
SCG Overseas Holdings Co., Ltd.
SCG Overseas (Hong Kong) Co., Ltd.
Shanghai Construction Overseas Engineering Limited
Richwell Construction Engineering Limited
Max China Engineering Limited
SCG Overseas (Mongolia) Limited
SCG Overseas (Malaysia) Co., Ltd.
SCG Overseas (East Timor) Co., Ltd.
Yongda Investment Limited

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Name of subsidiary and structured entity
SCG (Caribbean) Co., Ltd.
SCG (Canada) Co., Ltd.
SCG Yiyun Technology Co., Ltd.
Shanghai Construction Electronic Commerce Co., Ltd.
Shanghai Xingyu Trade Co., Ltd.
Shanghai Xingyao Business Travel Service Co., Ltd.
Shanghai Xingfeng Information Consulting Services Co., Ltd.
Shanghai Xingyao Travel Agency Co., Ltd.
Shanghai Xingshun Culture Media Co., Ltd.
SCG (Cambodia) Co., Ltd.
SCG Meishan Construction Engineering Co., Ltd.
Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd.
Sihui Huijian Road Reconstruction Construction and Development Co., Ltd.
Changzhou Jintian Maoshan Tourist Avenue Construction Co., Ltd.
Nanjing Qiaoyuan Construction Management Co., Ltd.
Jining Fenghuangtai Construction Co., Ltd.
Shanghai Heyu Intellectual Property Agency Co., Ltd.
Huzhou Zhili Cultural and Sports Center Construction Development Co., Ltd.
SCG Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd.
Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.
SCG Equipment Engineering Co., Ltd.
SCG Yibin Cuiping Construction Co., Ltd.
Shanghai Minchuan Sports Development Co., Ltd.
Rizhao Hujian Urban Development and Construction Co., Ltd.
Qingdao Rail Transit Park Hujian Investment Development Co., Ltd.
Hainan Hujian Construction Co., Ltd.
Tianjin Housing Construction Development Group Co., Ltd.
Tianjin Huaxia Construction Development Co., Ltd.
Tianjin Housing Group Jinbin Real Estate Co., Ltd.
Tianjin Huaxia Jindian Real Estate Co., Ltd.
Tianjin Tianzhu Construction Engineering Co., Ltd.
Qian'an Huaxia Real Estate Development Co., Ltd.
Tianjin Huaxia Shenglong Real Estate Co., Ltd.
Tianjin Tianzhu Building Material Co., Ltd. (Former known as: Tianjin Wanrong Real Estate Development Co., Ltd.)
Tianjin Meijiang Construction Development Co., Ltd.
Tianjin Tianzhu Huajia Construction Engineering Co., Ltd. (Former known as: Tianjin Huajia Real Estate Co., Ltd.)
Tianjin Housing Group Jincheng Real Estate Co., Ltd.
Xi'an Hua'an Property Co., Ltd.
Tianjin Tianzhu Smart City Operation Service Co., Ltd.
Tianjin Huaqing Property Co., Ltd.
Tianjin Huafu Property Co., Ltd.
Tianjin Jincheng Huaxin Real Estate Co., Ltd.
Tianjin Housing Group (Xi'an) Architectural Industry Co., Ltd.
Tianjin Tianyi Real Estate Co., Ltd.
Tianjin Tianzhu Jiahe Real Estate Development Co., Ltd.
Tianjin Tianzhu Urban Construction Development Co., Ltd.
Tianjin Housing Group Construction Engineering General Contracting Co., Ltd.
Tianjin Tianzhu Construction and Installation Engineering Co., Ltd.

Name of subsidiary and structured entity
Tianjin Huahui Anxin Construction Engineering Co., Ltd. (Former known as: Tianjin Huahui Anxin Decoration Engineering Co., Ltd.)
Tianjin Zhongwang Longteng Technology Development Co., Ltd.
Tianjin Housing Group Building Materials Technology Co., Ltd.
Tianjin Huaxia Property Management Development Co., Ltd.
Tianjin Tianzhu Huajie Parking Management Co., Ltd.
Tianjin Housing Research Institute Co., Ltd.
Tianjin Housing Research Building Science Engineering Technology Co., Ltd.
Tianjin Building Science Energy Efficiency Environmental Test Co., Ltd.
Tianjin Inspection and Testing Center for Housing Quality and Safety Co., Ltd.
Tianjin Zhuyan Construction Research Design Co., Ltd.
Tianjin Xintianzheng Information Technology Co., Ltd.
Tianjin Tianzheng Information System Engineering Consulting Co., Ltd.
Tianjin Longcheng Investment Development Co., Ltd.
Tianjin Housing Group Real Estate Management Co., Ltd.
Tianjin Tianzhu Lingyu Real Estate Management Service Co., Ltd.
Tianjin Huaxin Real Estate Management Co., Ltd.
Tianjin Gulou Jiuwu Commercial Operation Management Co., Ltd.
Tianjin Architecture Appraisal and Design Co., Ltd.
Tianjin Tianzhu Construction Engineering Consulting Co., Ltd.
TAAD Construction Engineering Quality Inspection and Testing Co., Ltd.
Shanghai Jianxie Vocational Skills Training Co., Ltd.
Shanghai Construction Smart Construction Co., Ltd.
Xiamen Shangjian Construction Group Co., Ltd.
SCG (Hainan) Investment Co., Ltd.
Yingda'an Insurance Brokerage Co., Ltd.
Shanghai Construction Environmental Technology Co., Ltd.
Shanghai Greenment Environmental Technologies Co., Ltd.
Shanghai Shenhuan Environmental Engineering Co., Ltd.
Wuhu Huxin Construction Co., Ltd.
Hujian (Dujiangyan) Real Estate Co., Ltd.
Jingu • Kaiyuan • Hengye Platinum Building Property Trust

2 Basis of preparation for the financial statements

2.1 Basis of preparation

The Company prepares financial statements in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* and all the specific accounting standards, Application Guidance to the Accounting Standards for Business Enterprises, the interpretation of the Accounting Standards for Business Enterprises and other relevant provisions (hereinafter referred to as the “Accounting Standards for Business Enterprises”), as well as the *Rules for the Compilation and Submission of Information Disclosure by Companies Offering Securities to the Public No. 15 - General Requirements for Financial Reports* issued by the China Securities Regulatory Commission.

2.2 Going concern

The financial statements are prepared based on going concern.

The Company has no significant event or situation which may raise any serious doubt about the going-concern ability of the Company, within 12 months of the end of the reporting period.

3 Significant accounting policies and accounting estimates

The following disclosures have covered the specific accounting policies and accounting estimates formulated by the Company according to the characteristics of its actual production and operation.

3.1 Statement on compliance with the Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the consolidated and the company's financial position of the Company as at December 31, 2025, and the consolidated and the company's operating results and cash flows for the year then ended.

3.2 Accounting period

The accounting year is from January 1 to December 31 in calendar year.

3.3 Operating cycle

The Company's operating cycle is 12 months.

3.4 Functional currency

The Company adopts RMB as its functional currency. Overseas subsidiaries of the Company adopt their functional currencies based on the main economic environment in their business places, and these financial statements are prepared in RMB.

3.5 Accounting treatment methods for business combinations under common control and not under common control

Business combination under common control: Assets and liabilities obtained through business combination by the combining party (including the goodwill arising from the acquisition of the combinee by the ultimate controller) are measured at the book values of the combinee's assets and liabilities in the consolidated financial statements of the ultimate controller on the combination date. The stock premium in capital reserves is adjusted according to the difference between the book value of net assets acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the stock premium in capital reserves is insufficient to cover the difference, the remaining amount will be charged against retained earnings.

Business combination not under common control: The combination cost refers to the fair value of the assets paid, liabilities incurred or assumed and equity securities issued by the acquirer on the acquisition date for the purpose of acquiring the control over the acquiree. The Company recognizes the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The Company includes the difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree in the current profit or loss. Various identifiable assets, identifiable liabilities and contingent liabilities which are obtained from the combinee in the course of business combination and eligible for recognition are measured at fair value on the acquisition date.

Expenses incurred directly relating to the business combination are included in the current profit or loss; transaction expenses incurred in issuing equity or debt securities for business combination are included in the initial recognition amount of those equity or debt securities.

3.6 Judgment criteria for control and preparation method for consolidated financial statements

3.6.1 Judgment criteria for control

The scope of consolidation for the consolidated financial statements of the Company is determined based on control, including the Company and all its subsidiaries. Control means the Company has the power over the investee and enjoys the variable return through participating in activities related to the investee, and has the ability to affect the Company's return by using the power over the investee.

3.6.2 Procedures for consolidation

The Company prepares the consolidated financial statements according to the uniform accounting policies by taking the enterprise group as a whole accounting entity, to reflect the overall financial position, operating results and cash flows of the enterprise group. Impacts of the internal transaction between the Company and its subsidiary or among subsidiaries of the Company should be offset. If any internal transaction indicates that relevant assets have been impaired, the impairment loss should be recognized in full. If the accounting policy or accounting period of a subsidiary is different from that of the Company, the consolidated financial statements of the subsidiary, upon preparation, will be adjusted according to the accounting policy and accounting period of the Company.

The share of owners' equity, current net profit or loss and current comprehensive income of subsidiaries attributable to minority owners are respectively and separately presented under the owners' equity in the consolidated balance sheet, the net profit in the consolidated income statement, and the total comprehensive income in the consolidated income statement. If the current loss shared by a minority shareholder of a subsidiary exceeds the balances arising from the shares enjoyed by the minority shareholder in the owners' equity of the subsidiary at the beginning of the period, minority equity will be written down accordingly.

(1) Increase of subsidiaries or business

During the reporting period, if the Company acquired subsidiaries or business from the business combination under common control, the operating results and cash flows for the period from the beginning of the period for such business combination to the end of the reporting period will be included in the consolidated financial statements. Meanwhile, the beginning amounts in the consolidated financial statements and relevant items in the comparative financial statements will be adjusted accordingly, as if the reporting entity after the business combination has been existing since the time-point when the ultimate controller has the control.

If the control can be exercised over the investee under the common control as a result of additional investment and other reasons, equity investments held before obtaining the control over the combinee, relevant gains or losses and other comprehensive income recognized from the later of the date when the original equity is obtained or the date when the combining party and the combinee are under the same control to the combination date and other changes in net assets will respectively be used to offset the retained earnings at the beginning of period for the comprehensive financial statements or the current profit or loss.

During the reporting period, subsidiaries or business acquired from the business combination not under common control are included in the consolidated financial statements from the acquisition date based on the fair value of various identifiable assets, identifiable liabilities or contingent liabilities determined on the acquisition date.

If the control can be exercised over the investee not under common control as a result of additional investments and other reasons, the equity of the acquiree held before the acquisition date will be remeasured at the fair value of such equity on the acquisition date, and the difference between the fair value and book value of such equity will be included in the current investment income. Other comprehensive income that will be reclassified into profit or loss and other changes in owners' equity calculated by the equity method where the equity of the acquiree held before the acquisition date involves with are transferred into the investment income for the period where the acquisition date belongs.

(2) Disposal of subsidiaries

① General treatment methods

When the Company loses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal should be remeasured by the Company at the fair value thereof on the date of losing the control. The difference between the sum of the equity disposal consideration and the fair value of the remaining equity and the sum of the share calculated at the original shareholding ratio in net assets enjoyed in the original subsidiary and continuously calculated from the acquisition date or combination date and the goodwill will be included in the investment income for the period where the control is lost. Other comprehensive income that will be reclassified into profit or loss and other change in owners' equity calculated by the equity method, associated with the equity investments of original subsidiaries should be transferred into the investment income for the period where the control is lost.

② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equities in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions of disposing equity investment in the subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transactions belong to a package deal:

- i. These transactions are concluded at the same time or under the consideration of mutual effect;
- ii. These transactions as a whole can reach a complete business result;
- iii. The occurrence of a transaction depends on that of other transaction or more; and/or
- iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

Where the multiple transactions belong to a package deal, the accounting treatment should be made by taking them as the transaction where any subsidiary has been disposed and the corresponding control has been lost; before the loss of control, the difference between each disposal price and the share in net assets which should be enjoyed in such subsidiary on account of such investment disposal should be recognized as other comprehensive income in the consolidated financial statements, and at the loss of control, transferred into the profit or loss for the period where the control is lost.

Where multiple transactions do not belong to a package deal, before the loss of control, accounting treatment should be made via the partial disposal of equity investments in the subsidiary without losing control; at the loss of control, accounting treatment will be made by the general treatment method for the disposal of subsidiaries.

- (3) Purchase of minority interest of subsidiaries
 The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of minority interest and the share calculated at the newly increased shareholding ratio in the net assets the subsidiary continuously calculates from the acquisition date or combination date. If the share premium is insufficient to offset, retained earnings will be adjusted.
- (4) Partial disposal of equity investments in subsidiaries without losing control
 The share premium of capital reserves in the consolidated balance sheet will be adjusted based on difference between the disposal price and the share which should be enjoyed for the disposal of long-term equity investments in the net assets the subsidiary continuously calculates from the acquisition date or the combination date; if the share premium is insufficient to offset, retained earnings will be adjusted.

3.7 Classification of joint venture arrangements and accounting treatment methods of joint operation

Joint venture arrangements are classified into joint operation and joint venture.

Joint operation refers to the joint venture arrangement under which the joint venturer enjoys the assets relevant to such arrangement and assumes the liabilities relevant to the same.

The Company recognizes the following items related to its share of benefits in the joint operation:

- (1) Assets it solely holds and its share of jointly-held assets based on its percentage;
- (2) Liabilities it solely assumes and its share of jointly-assumed liabilities based on its percentage;
- (3) Revenues from sale of output enjoyed by it from the joint operation;
- (4) Revenues from sale of output from the joint operation based on its percentage; and
- (5) Separate costs and costs for the joint operation based on its percentage.

The Company accounts for investments in joint ventures by the equity method, see "Note 3.14 Long-term equity investments" for details.

3.8 Recognition criteria of cash and cash equivalents

Cash refers the Company's cash on hand and the unrestricted deposits. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.9 Foreign currency transactions and translation of foreign currency statements

3.9.1 Foreign currency transactions

Foreign currency transactions are translated into RMB for recording purpose at the spot exchange rate prevailing on the transaction date.

The balance of foreign currency items on the balance sheet date are measured at the spot exchange rate on the balance sheet date. The exchange difference arising therefrom is included in the current profit or loss, while other exchange difference arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified to capitalization is dealt with according to the principle of borrowing capitalization.

3.9.2 Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated at the spot exchange rates on balance sheet date; owners' equity items, except for the item of "Retained earnings", are translated at the spot exchange rates on the dates when the transactions occur. Income and expenses presented in the income statement are translated at the spot rate prevailing on the transaction date.

When the Company disposes of an overseas business, the translation differences in foreign currency statements related to such overseas business should be transferred to the current profit or loss from the owners' equity.

3.10 Financial instruments

When the Company becomes a party to a contract for financial instrument, a financial asset, financial liability or equity instrument should be recognized.

3.10.1 Classification of financial instruments

According to the business model of financial assets and contractual cash flow characteristics of the same, which are subject to management of the Company, financial assets are classified at the initial recognition as: financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through the current profit or loss.

The Company classifies the financial assets that meet the following conditions at the same time but have not been designated to be measured at fair value through profit or loss as the financial assets measured at amortized cost:

- The business model is adopted for the purpose of obtaining the contractual cash flow;
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

The Company classifies the financial assets that meet the following conditions at the same time and have not been designated to be measured at fair value through the current profit or loss as the financial assets (debt instruments) measured at fair value through other comprehensive income:

- The business model is adopted for the purpose of obtaining the contractual cash flow and selling such financial assets;
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

At the initial recognition, the Company irrevocably designates the non-trading equity instrument investments as financial assets (equity instruments) measured at fair value through other comprehensive income. The designation is made based on a single investment and the relevant investment is in line with the definition of the equity instrument from the issuer's perspective.

Except for the financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income, the Company classifies other financial assets as the financial assets measured at fair value through the current profit or loss. At the initial recognition, in order to eliminate or significantly reduce accounting mismatches, the Company may irrevocably designate the financial assets that should have been classified as the financial assets measured at amortized cost or those measured at fair value through other comprehensive income as the financial assets measured at fair value through the current profit or loss.

At the initial recognition, financial liabilities are classified as: financial liabilities measured at fair value through the current profit or loss and financial liabilities measured at the amortized cost.

3.10.2 Recognition basis and measurement method of financial instruments

(1) Financial assets measured at amortized cost

Financial assets measured at amortized cost, including notes receivable, accounts receivable, other receivables, long-term receivables and creditor's right investments, are initially measured at fair value, and relevant transaction costs are included in the initially recognized amount; accounts receivable without significant financing component and accounts receivable with the financing component not exceeding one year and not considered by the Company are initially measured at the contract transaction price.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At recovery or disposal, the difference between the purchase price obtained and the book value of such financial assets is included in the current profit or loss.

(2) Financial assets (debt instruments) measured at fair value through other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income include receivables financing and other creditor's right investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The interest, impairment losses or gains and exchange gains or losses calculated by the effective interest method will be included in the current profit or loss, and other gains or losses will be included in other comprehensive income.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to the current profit or loss.

(3) Financial assets (equity instruments) measured at fair value through other comprehensive income

Financial assets (equity instruments) measured at fair value through other comprehensive income, including the investment in other equity instruments, are initially measured at fair value, and relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value, and the changes in fair value are included in other comprehensive income. Dividends obtained are included in the current profit or loss.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from other comprehensive income to the retained earnings.

(4) Financial assets measured at fair value through the current profit or loss

Financial assets measured at fair value through the current profit or loss include trading financial assets, derivative financial assets and other non-current financial assets, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial assets is made at fair value, and changes in fair value are included in the current profit or loss.

- (5) Financial liabilities measured at fair value through the current profit or loss
 Financial liabilities measured at fair value through the current profit or loss include the financial liabilities held for trading and derivative financial liabilities, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial liabilities is made at fair value, and changes in fair value are included in the current profit or loss.

At derecognition, the difference between the book value and the consideration paid of such financial liabilities is included in the current profit or loss.

- (6) Financial liabilities measured at amortized cost
 Financial liabilities measured at the amortized cost include short-term borrowings, notes payable and accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, of which initial measurement is made at fair value, and related transaction costs are included in the initially recognized amount.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At derecognition, the difference between the consideration paid and the book value of such financial liabilities is included in the current profit or loss.

3.10.3 Recognition basis and measurement method for the derecognition and transfer of financial assets

Where one of the following conditions is met, the Company should derecognize financial assets:

- The contractual right of collecting cash flows of financial assets is terminated;
- The financial assets have been transferred, and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, and the Company does not retain the control over the financial assets, though it has neither transferred nor retained nearly all risks and rewards related to the ownership of the financial assets.

Where the Company and its counterparty revise a contract or make a new contract, constituting the material contract modification, the original financial assets should be derecognized, and the new financial assets should be recognized according to the modified contract terms.

At the transfer of financial assets, where nearly all of the risks and rewards related to the ownership of the financial assets have been retained, such financial assets should not be derecognized.

In determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the principle of substance over form will be adopted.

The Company divides the transfer of financial assets into overall transfer and partial transfer. Where the entire transfer of financial assets meets the derecognition criteria, the difference of the following two amounts is included in the current profit or loss:

- (1) Book value of the transferred financial asset;

- (2) The sum of consideration received from the transfer and the accumulated change amount of the fair value originally and directly included in owners' equity (the financial assets involved in the transfer are financial assets (debt instruments) measured at fair value through other comprehensive income).

Where the partial transfer of a financial asset meets the derecognition criteria, the entire book value of the financial asset transferred should be allocated between the derecognized part and the recognized part based on the relative fair value, and the difference between the following two amounts should be included in the current profit or loss:

- (1) Book value of the derecognized part;
- (2) The sum of the consideration for the derecognized part and the amount corresponding to the derecognition part in the accumulated change amount of fair value originally and directly included in owners' equity (where the financial assets transferred are the financial assets (debt instruments) measured at fair value through other comprehensive income).

Where the transfer of financial assets does not meet the derecognition criteria, the financial assets should continue to be recognized, and the consideration received should be recognized as a financial liability.

3.10.4 Derecognition of financial liabilities

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liabilities or any part thereof should be derecognized; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities should be derecognized, and at the same time, the new financial liabilities should be recognized.

Where substantive changes are made to the contract terms of existing financial liabilities in whole or in part, the existing financial liabilities should be derecognized in whole or in part, and the financial liabilities of which terms have been modified should be recognized as the new financial liabilities.

Where financial liabilities are derecognized in whole or in part, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets surrendered and the new financial liabilities assumed) should be included in the current profit or loss.

Where the Company repurchases part of its financial liabilities, it should, on the repurchase date, allocate the entire book value of whole financial liabilities based on the comparative fair value of the part that continues to be recognized and the derecognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered and the new financial liabilities assumed) should be included in the current profit or loss.

3.10.5 Method of determining the fair value of financial assets and financial liabilities

Where there is an active market for any financial instrument, the fair value of such financial instrument should be determined at the price quoted in the active market. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company adopts the valuation techniques that are applicable in the current situation and supported by enough available data and other information, selects the input values that are consistent with the asset or

liability characteristics considered by market participants in relevant asset or liability transactions, and gives priority to use relevant observable inputs. Unobservable input values are used only when relevant observable input values cannot be available or such values obtained are infeasible.

3.10.6 Test method and accounting treatment for the impairment of financial instruments

The Company carries out the accounting treatment for the impairment of financial assets measured at amortized cost, financial assets (debt instruments) measured at fair value through other comprehensive income and financial guarantee contract based on the expected credit loss.

By considering such reasonable and well-founded information as relevant matters in the past, current conditions and prediction of future economic conditions, the Company calculates the probability weighted amount, weighted by default risk, of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, to determine the expected credit loss.

For receivables and contract assets arising from the transactions specified in the *Accounting Standards for Business Enterprises No. 14 - Revenue*, whether or not they contain significant financing components, the Company always makes the provision for credit loss at the amount equivalent to the lifetime expected credit loss.

For the lease receivables arising from the transactions specified in the *Accounting Standards for Business Enterprises No. 21 - Leases*, the Company always makes the provision for credit loss at the amount equivalent to the lifetime expected credit loss.

As for other financial instruments, the Company, on each balance sheet date, assesses the changes in credit risks of relevant financial instruments after the initial recognition.

By comparing the default risk in financial instruments on the balance sheet date with the default risk in financial instruments on the initial recognition date, the Company determines the relative change in default risk in financial instruments during the estimated duration to assess whether the credit risk of financial instruments has greatly increased following the initial recognition of such financial instruments. Generally, once the period is overdue for over 30 days, the Company may consider that there is obvious increase in credit risk of such financial instrument, unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument is low on the balance sheet date, the Company will immediately consider that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If there is obvious increase in credit risk following the initial recognition of such financial instrument, the Company will measure the loss provision at the amount which is equivalent to the amount of the lifetime expected credit loss of such financial instrument; if there is no obvious increase in credit risk following the initial recognition of such financial instrument, the Company will measure the loss provision at the amount which is equivalent to the amount of the future 12-month expected credit loss of such financial instrument. Amount increased or reversed of loss provision arising therefrom will be included in the current profit or loss as impairment loss or gain. For financial assets (debt instruments) measured at fair value through other comprehensive income, the Company recognizes the provisions for credit losses in other comprehensive income, and includes the impairment losses or gains in the current profit or loss, without deducting the book values of such financial assets presented in the balance sheet.

If there is objective evidence that any receivables have had the credit impairment, the Company will make the provision for impairment for such receivables individually.

In addition to receivables with the provision for bad debts made individually, the Company divides other financial instruments into several portfolios based on the credit risk characteristics, and determines the expected credit loss based on such portfolios: For receivables and contract assets arising from the transactions specified in the *Accounting Standards for Business Enterprises No. 14 - Revenue* (2017), whether or not they contain significant financing components, the Company always makes the provision for credit loss at the amount equivalent to the lifetime expected credit loss. According to the business nature, the Company's credit portfolios are divided into: "Portfolio of building, contracting, design and construction", "portfolio of BT and PPP projects", "portfolio of finance lease" and "other portfolio".

For lease receivables, the Company always makes the provision for credit loss at the amount equivalent to the lifetime expected credit loss. For the long-term receivables from finance lease, BT And PPP business, the Group adopts the general impairment method for financial assets, that is according to the situation whether the credit risk has significant increase after the initial recognition, the Group will measure the loss provision based on the expected credit loss within the future 12 months (first level) or based on the expected credit loss over the whole duration (second and third levels).

If the Company no longer reasonably expects that the contractual cash flow of the financial asset can be fully or partially recovered; instead, the book balance of the financial asset will be directly written down.

3.11 Inventories

3.11.1 Classification and cost of inventories

Inventories are classified into: main materials, revolving materials, structural parts, mechanical parts, spare parts, stock trees and flowers, goods in process, finished products, developed products and development costs.

Inventories are initially measured at cost, and the inventory cost includes the purchase cost, processing cost and other expenditures arising from making the inventory at their present location and condition.

3.11.2 Valuation methods for inventories dispatched

Except for circulating materials, other inventories are measured by the weighted average method on reception and dispatch.

3.11.3 Inventory system

Perpetual inventory system is adopted.

3.11.4 Amortization methods for low-cost consumables and packaging materials

(1) One-off write-off method is adopted for low-cost consumables;

(2) One-off write-off method is adopted for packaging materials.

3.11.5 Recognition criteria for and method for provision for inventory depreciation

On the balance sheet date, inventories should be measured at the cost or the net realizable value, whichever is lower. Where the inventory cost is higher than its realizable value, the provision for inventory depreciation should be made. During routine activities, net realizable values of inventories refer to the amounts of the estimated selling prices of inventories minus the estimated costs to completion, estimated selling expenses and relevant taxes and surcharges.

In the normal production and operation process, for merchandise inventories for direct sale, including finished goods, stock commodities and materials for sale, their net realizable values are recognized at the estimated selling prices minus the estimated selling expenses and the relevant taxes and surcharges; for material inventories required to be processed, their net realizable values are recognized at the estimated selling prices of finished goods minus estimated costs until completion, estimated selling expenses and relevant taxes and surcharges. For inventories held to under any sales contract or service contract, their net realizable values are calculated based on the contract price. If the quantity of inventories held by the Company is more than that ordered in sales contract, the net realizable value of the excess inventories will be calculated based on general selling price.

When the provision for inventory depreciation is made, where the previous factor rendering the write-down of the inventory value has been eliminated, for which the net realizable value of the inventory is higher than the book value of the same, the provision for inventory depreciation should be reversed from the amount of provision for inventory depreciation originally made, and the reversed amount should be included in the current profit or loss.

3.11.6 Development costs and developed products

- (1) Contents of development costs and developed products
 Developed products and development costs include land use rights, construction and development costs, capitalized borrowing costs, and other direct and indirect development expenses. When the development product is carried forward to the main business costs, the actual total costs will be amortized and accounted for based on proportion of construction area between sold and unsold development products.
- (2) Accounting methods of land for development use
 For the pure land development project, the expenditure separately constitutes land development cost;

 For the overall real estate development project, if the objects bearing the expense of the project is clear, such expense will be generally amortized at the actual area and included in developed products (development costs).
- (3) Accounting method for public facilities expenses
 Public facilities which cannot be transferred for compensation are allocated and included in developed products (development costs) based on recognition criteria of income percentage; for public facilities which can be transferred for compensation, the costs incurred are collected by taking various supporting infrastructure projects as cost accounting objects.

3.12 Contract assets

3.12.1 Recognition method and criteria for contract assets

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The right of the Company to the charge of consideration via goods transfer or service rendering to the customer (and the right depends on other factors except for the time lapses) is presented as contract asset. Contract assets and contract liabilities under the same contract should be presented at net amount. The unconditional (only depending on the time lapses) right to the charge of consideration from the customer, possessed by the Company, is presented as receivables.

3.12.2 Determination method and accounting treatment for the expected credit loss of contract assets

See Note "3.10.6 Test method and accounting treatment for the impairment of financial instruments", for the determination method and accounting treatment for the expected credit loss of contract assets.

3.13 Assets held for sale and discontinued operation

3.13.1 Assets held for sale

Where the Company recovers the book value of any non-current asset or disposed asset portfolio mainly through selling (including the exchange of non-monetary assets with commercial essence) but not continuously using the same, such non-current asset or disposed asset portfolio shall be divided into assets held for sale.

The Company recognizes non-current assets or disposed asset portfolios meeting the following conditions at the same time as assets held for sale:

- (1) According to the general practice for selling such kind of asset or disposed asset portfolio in the similar transaction, the asset or portfolio can be immediately sold in the prevailing circumstance;
- (2) The sale of the asset or portfolio is very likely to happen, which means that the Company has made a resolution for one selling plan and has acquired the decided purchase commitment, and it is estimated that the sale will be completed within one year. Where the sale is subject to the approval of relevant authorities or regulatory authorities of the Company according to relevant provisions, the approval has been obtained.

For any non-current asset (excluding financial assets and deferred income tax assets) or disposed asset portfolio classified as assets held for sale, where its book value is higher than the net amount of its fair value less the selling expense, the book value shall be written down to the net amount of the fair value less the selling expense, and the amount written down shall be recognized as the losses from asset impairment and included in the current profit or loss, while the provision for impairment of assets held for sale is made.

3.13.2 Discontinued operation

Discontinued operation refers to the component which meets one of the following conditions and can be separately distinguished, moreover such component has been disposed or classified as held for sale by the Company:

- (1) the component represents an independent major business or a sole major business area;
- (2) the component is a part of a related plan where an independent major business or a sole major business area will be disposed as planned; or
- (3) the component is a subsidiary acquired only for re-sale.

Profit or loss from continued operation and profit or loss from discontinued operation are presented respectively in the income statement. Loss from discontinued operation, reversed amount and other profit or loss from operation as well as the profit or loss from disposal are presented as the profit or loss from discontinued operation. For the discontinued operation presented in the current period, the Company presents the information which has originally presented as the profit or loss from continued operation as the profit or loss from discontinued operation for the comparable accounting period in the financial statements for the current period.

3.14 Long-term equity investments

3.14.1 Judgment criteria for common control and significant influence

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises common control over the investee together with other parties to the joint venture, and enjoys the right on the investee's net assets, the investee should be a joint venture of the Company.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of the investee, but not the power to control or jointly control the formulation of such policies with other parties. Where the Company is able to exert significant influence on an investee, the investee should be the Company's associate.

3.14.2 Determination of initial investment cost

(1) Long-term equity investments acquired through business combination

The initial investment cost of the long-term equity investments in subsidiaries generating from the business combination under common control is determined at the share of book value of the combinee's owners' equity on the consolidated financial statements of the ultimate controller. The difference between the initial investment cost of long-term equity investments and the book value of consideration paid is used to adjust the share premium in capital reserves; and if the share premium in capital reserve is insufficient to be offset, retained earnings will be adjusted. If the Control can be exercised over the investee under common control as a result of additional investment and other reasons, the difference between the initial investment cost of long-term equity investments and the sum of the book value of long-term equity investments before the combination and the book value of consideration paid for further obtaining shares on the combination date, recognized in the above-mentioned principle, will be used to adjust the share premium. If the share premium is insufficient to be offset, retained earnings will be offset accordingly.

The initial investment cost of long-term equity investments in subsidiaries generating from the business combination not under common control is recognized at the combination cost determined on the acquisition date. If the control can be exercised over the investee not under the common control as a result of additional investment and other reasons, the sum of the book value of the equity investment previously held and the newly increased investment costs will be recognized as the initial investment cost.

(2) Long-term equity investments acquired by means other than business combination

For the long-term equity investment acquired from cash payment, the initial investment cost is the actually paid purchasing cost.

For the long-term equity investment acquired from issuing equity securities, the initial investment cost is the fair value of the issued equity securities.

3.14.3 Subsequent measurement and recognition of profits or losses

- (1) Long-term equity investment accounted for under the cost method
Long-term equity investments of the Company in its subsidiaries are accounted for by the cost method, unless these investments conform to the conditions for assets held for sale. Except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognizes the current investment income based on the cash dividends or profits enjoyed by the Company and declared to be distributed by the investee.
- (2) Long-term equity investment accounted for under the equity method
Long-term equity investments of the Company in associates and joint ventures are accounted for by the equity method. If the initial investment cost is in excess of the share of fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial cost of long-term equity investment; if the initial investment cost is in short of the share of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit or loss, and will be adjusted to the initial cost of long-term equity investment.

The Company should, based on its attributable share of the net profit or loss and other comprehensive income realized by the investee, respectively recognize the investment income and other comprehensive income, and simultaneously adjust the book value of the long-term equity investment. The Company should, in the light of the profits or cash dividends that the investee declares to distribute, reduce the book value of the long-term equity investment correspondingly. As to other changes in owners' equity of the investee other than net profit or loss, other comprehensive income and profit distribution (hereinafter referred to as "Other Changes in Owners' Equity"), the Company should adjust the book value of the long-term equity investment and include such change in the owners' equity.

The Company should, based on the fair value of net identifiable assets of the investee when the investment is made, recognize its attributable share of the net profits or losses, other comprehensive income and other changes in owners' equity of the investee after the adjustment made to the net profit and other comprehensive income of the investee according to the accounting policies and accounting period adopted by the Company.

The Company calculates its attributable but not realized profit or loss from internal transactions between the Company and its associates or joint ventures based on its attributable percentage and offset such profit or loss, and recognizes the investment income on that basis; however, businesses formed by assets invested or sold are excluded. Unrealized losses from internal transactions between the Company and any investee should be recognized in full if they belong to the losses from asset impairment.

For net losses on joint ventures or associates, apart from the obligation of assuming the extra loss, the Company should write down such losses with the book value of long-term equity investments and the long-term equity where net investments in joint ventures or associates have been formed substantially; and the maximum of such losses should be the sum of the book value and long-term equity mentioned above. Where any joint venture or associate realize net profit in the future, the Company should recognize the income sharing amount when the unrecognized loss sharing amount is offset with the income sharing amount.

- (3) Disposal of long-term equity investments
For the disposal of long-term equity investments, the difference between the book value and the actual price thereof are included in the current profit or loss.

For long-term equity investments with partial disposal accounting by the equity method, where the remaining equity is still accounted for by the equity method, other comprehensive income recognized originally upon the accounting by the equity method should be carried forward at the corresponding proportion on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in owners' equity should be carried forward to the current profit or loss in proportion.

Where the Company loses the common control over or significant influence on the investee on account of the disposal of equity investment and any other reason, when the accounting by the equity method is terminated, other comprehensive income recognized upon the accounting by the equity method from the original equity investment should be subject to the accounting treatment which is made on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in owners' equity should be transferred to the current profit or loss in full.

Where the Company loses the control over the investee on account of the disposal of partial equity and any other reason, at the preparation of any single financial statements, if the remaining equity has the common control over or significant influence on the investee, the accounting shall be made by the equity method, and an adjustment shall be made as if the remaining equity was accounted for by the equity method at acquisition; other comprehensive income recognized before the control over the investee is obtained shall be carried forward on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in owners' equity recognized on account of the accounting by the equity method shall be carried forward to the current profit or loss in proportion; if the remaining equity has no common control over or significant influence on the investee, relevant financial assets shall be recognized, the difference between the fair value on the day of losing control of such remaining equity and the book value of the same shall be included in the current profit or loss, and other comprehensive income and other changes in owners' equity which have been recognized before the control over the investee is obtained shall be carried forward in full.

Where the disposal of subsidiaries' equity investments till the loss of control by stages through multiple transactions belongs to a package deal, the accounting treatment should be made by taking each transaction as the transaction where the subsidiaries' equity investments are disposed and the corresponding control is lost; before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity disposed should be firstly recognized as other comprehensive income in the individual financial statements, and at the loss of control, all transferred to the profit or loss for the period when the control is lost. Where the aforesaid disposal does not belong to a package deal, the accounting treatment should be made respectively for each transaction.

3.15 Investment properties

Investment properties refer to the properties held for earning rent or for capital appreciation, or for both, including rented land use right, land use right held for transfer after the capital appreciation, rented buildings (including self-built or developed buildings for renting, and building in the process of construction or development for renting in the future).

Subsequent expenditures related to investment properties are included in the costs of investment properties when relevant economic benefits are likely to flow in the Company and their costs can be measured reliably; otherwise, such subsequent expenditures shall be included in the current profit or loss when occur.

The Company measures its existing investment property by using the cost model. For investment property measured by using the cost model, the buildings for lease shall be depreciated by using policies the same as used for fixed assets of the Company, and the land use rights for lease shall be amortized by using the same policies as applicable to intangible assets.

3.16 Fixed assets

3.16.1 Recognition and initial measurement of fixed assets

Fixed assets refer to tangible assets held for commodity production, rendering of services, renting or business management, with the useful lives over one year. Fixed assets are recognized when they simultaneously meet the following conditions:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the enterprise; and
- (2) The costs of the fixed assets can be measured reliably.

The initial measurement of fixed assets is made at cost (and by taking the impact of expected disposal costs).

The subsequent expenditures relating to fixed assets are included in the costs of fixed assets when relevant economic benefits are likely to flow in the Company and their costs can be measured reliably; as for the part replaced, the book value thereof is derecognized; all other subsequent expenditures are included in the current profit or loss when they occur.

3.16.2 Depreciation method

Depreciation of fixed assets is made on a category basis using the straight-line method. The depreciation rate is determined based on the category, estimated useful life and estimated net residual value rate of fixed assets. For fixed assets where the provision for impairment has been made, the depreciation amount in the future will be determined at the book value of the fixed assets where the provision for impairment has been deducted, based on the remaining useful life. Where the fixed assets have the components with different useful lives or bring economic benefits for the enterprise in different ways, then the Company should choose different depreciation rates or methods to separately make the provision for depreciation.

The depreciation methods, depreciation life, residual value rates and annual depreciation rates of fixed assets are presented by category as follows:

Category	Depreciation method	Depreciation life (Year)	Residual value rate (%)	Annual depreciation rate (%)
Buildings and constructions	Straight-line method	5 - 40	5	2.4 - 19.0

Category	Depreciation method	Depreciation life (Year)	Residual value rate (%)	Annual depreciation rate (%)
Machinery equipment	Straight-line method	3 - 10	5	9.5 - 31.7
Transportation equipment	Straight-line method	4 - 8	5	11.9 - 23.8
Production equipment	Straight-line method	3 - 10	5	9.5 - 31.7
Office equipment and other equipment	Straight-line method	2 - 8	5	11.9 - 47.5
Instruments and laboratory equipment	Straight-line method	3 - 10	5	9.5 - 31.7

Special equipment is mainly shield machine, of which the estimated net residual value rate is 5%, and the provision for depreciation is made by the units-of-production method and included in relevant contract performance cost.

Temporary facilities are evenly amortized at expected project construction period.

The estimated use life, estimated net residual value and depreciation method of fixed assets are reviewed at the end of each year with proper adjustments made.

3.16.3 Disposal of fixed assets

When the fixed assets are disposed, or they are expected not to bring any economic interest via use or disposal, such fixed assets will be derecognized. The difference between the revenue from the sales, transfer, scrapping or damage of fixed assets and the sum of the book value of the fixed assets and relevant taxes and surcharges should be included in the current profit or loss.

3.17 Construction in progress

The construction in progress is measured at the actually incurred cost. The actual cost includes the construction cost, installation cost, borrowing cost eligible for capitalization and other necessary expenditure incurred before making the construction in progress reach the working condition for intended use. When the construction in progress reaches the working condition for intended use, it will be transferred to fixed assets, and the provision for depreciation of the construction in progress will be made in the next month.

3.18 Borrowing costs

3.18.1 Recognition criteria of capitalization of borrowing costs

The borrowing costs incurred in the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and included in relevant asset costs; other borrowing costs should be recognized as cost based on the amount incurred and be included in the current profit or loss.

Assets eligible for capitalization refer to fixed assets, investment properties, inventories and other assets which may reach the working condition for their intended use or sale only after long-time acquisition and construction or production activities.

3.18.2 Capitalization period for borrowing costs

The capitalization period refers to the period from the time-point when borrowing costs are capitalized to the time-point when the capitalization is ceased, except the period when the capitalization of borrowing costs is suspended.

Borrowing costs are capitalized when they simultaneously meet the following conditions:

- (1) Asset disbursements, including those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalization, have already been incurred;
- (2) Borrowing costs have already been incurred; and
- (3) The acquisition and construction or production activities which are necessary for the assets to reach the working condition for their intended use or sale have been in progress.

Capitalization of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalization have reached the working condition for their intended use or sale.

3.18.3 Period of capitalization suspension

If the acquisition, construction or production activities of assets eligible for capitalization are abnormally interrupted and such interruption lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary for the acquired, constructed or produced assets eligible for capitalization to reach the working condition for their intended use or sale, the borrowing costs will continue to be capitalized. Borrowing costs incurred during the interruption are recognized as the current profit or loss until the acquisition, construction or production of the assets restarts; thereafter, the capitalization of borrowing costs should go on.

3.18.4 Measurement method of capitalization rate and capitalized amounts of borrowing costs

As for special borrowings for acquiring, constructing or producing assets eligible for capitalization, borrowing costs actually incurred during the period for special borrowings less the interest income from the unused borrowings deposited in the bank or investment income from temporary investment with the unused borrowings should be recognized as the capitalization amount of borrowing costs.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the amount of general borrowings to be capitalized should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate for the used general borrowings. The capitalization rate is determined based on the weighted and average effective interest rate for general borrowings.

During the period for capitalization, the balance of exchange from the principal and interest of the special borrowings in foreign currency should be capitalized, and included in the cost of assets eligible for capitalization. The balance of exchange from the principal and interest of other borrowings in foreign currency than the special borrowings in foreign currency should be included in the current profit or loss.

3.19 Intangible assets

3.19.1 Measurement of intangible assets

The Company's intangible assets include land use rights (excluding the lands developed by real estate enterprises), overseas land ownership, right to use the underground parking garage or parking lot, right to use stadium, right to exploit mineral resources, patents and special licenses, engineering construction license issued by Hong Kong Government, operating rental vehicle license, supermarket brand franchise, computer software, right to use public house, PPP franchise, outsourcing business qualifications, customer relations, unsettled orders and others.

- (1) The Company initially measures intangible assets at cost on acquisition;
The costs of externally purchased intangible assets include purchase prices, relevant taxes and surcharges and other expenditures incurred to make the assets reach the working condition for their intended use.
- (2) Subsequent measurement
The useful lives of the intangible assets are analyzed and determined on acquisition.

For intangible assets with definite useful lives, the Company makes the amortization thereof within the period during which they can bring economic benefits to the Company; if such period cannot be forecast, those intangible assets will be taken as intangible assets with indefinite useful lives and not be amortized.

3.19.2 Estimate of useful lives for intangible assets with definite useful lives

The Company's intangible assets include land use rights, right to use the underground parking lot, right to use stadium, operating rental vehicle license, supermarket brand franchise, computer software, patents and special licenses, right to use public house, PPP franchise, outsourcing business qualifications, customer relations, unsettled orders and others are evenly amortized over their estimated useful lives.

The right to exploit mineral resources is amortized according to the proportion of actual exploitation quantity in the total exploitable quantity under the exploitation right.

The useful lives and amortization methods of intangible assets with definite useful lives should be reviewed at the end of each year. Upon review, the useful lives and amortization methods of the intangible assets at the end of the current period are the same with those estimated before.

3.19.3 Determination basis of intangible assets with indefinite useful lives and procedure for reviewing the useful life thereof

Intangible assets	Determination basis of intangible assets with indefinite useful lives	Procedures for reviewing the useful life
Overseas land ownership	According to the local law, there is no restriction on owner's land ownership period.	It is required to confirm whether any change in the provisions of relevant laws on land ownership period exists, at the end of each period.
Construction license granted by the Hong Kong Government	The license has not set up the useful life	It is required to confirm whether any change in the useful life of the construction license exists, at the end of each period.

3.19.4 Collection range of research and development expenditures

Based on the nature and whether the intangible assets eventually arising from research and development activities have the great uncertainty, the Company's research and development expenses are classified into research expenses and development expenses, mainly including the expense on materials consumed by the Company in the course of research and development, employee compensation of the research and development department, expense on the depreciation and amortization of such assets as equipment and software used for research and development, expense on R&D testing, expense on R&D technology service and expense on authorization.

3.19.5 Specific criteria for classifying research and development phases

The Company's expenditures on internal research and development include those incurred in the research phase and those in the development phase.

Research phase: Research phase is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development phase: Development phase is the stage when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

3.19.6 Criteria for capitalization of development expenses

The research expenditure is included in the current profit or loss when it occurs. The development expenditure is recognized as intangible assets when it meets the following conditions at the same time, and is included in the current profit or loss when it fails to meet the following conditions:

- (1) It is technically feasible to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) The ways how the intangible assets generate economic benefits include the way where it is able to prove that the products made by using the intangible assets exist a market or that the intangible assets themselves have the market, and the way where the serviceability of the intangible assets can be proved in case they are used internally;
- (4) It is able to finish the development of the intangible assets and to use or sell the same with the support of sufficient technologies, financial resources and other resources; and
- (5) The expenditure attributable to the intangible assets during its development phase can be measured reliably.

If the research expenditure and development expenditure are indistinguishable, all research and development expenditures incurred will be included in the current profit or loss.

3.20 Impairment of long-term assets

Where there are signs of impairment on long-term assets, such as long-term equity investments, investment properties measured with cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with definite useful lives, and oil and gas assets on the balance sheet date, the impairment test should be made. Where the result of the impairment test shows that the recoverable amount of the asset is lower than book value, the provision for impairment should be made and included in impairment loss. The recoverable amount of the asset is the higher of the net amount of its fair value less disposal expenses or the present value of its estimated future cash flows. Provision for asset impairment is made on individual asset basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company will estimate the recoverable amount of the asset portfolio where the individual asset belongs. Asset group is the smallest one that can independently generate cash inflows.

Goodwill from business combination, intangible assets with indefinite useful lives and intangible assets that have not reached the usable condition should be subject to the impairment test at least once at the end of each year, no matter whether they have any impairment indication.

The Company has conducted an impairment test of goodwill. The book value of goodwill arising from business combination is amortized to related asset groups by the reasonable method as of the purchase date; if it is difficult do so, such value will be amortized to the relevant portfolio of asset groups. Relevant asset group or portfolio of asset groups refers to the asset group or portfolio of asset groups which is able to benefit from the synergistic effect of business combination.

At the time of making an impairment test on the relevant asset groups or portfolios of asset groups containing goodwill, if any indication shows that the goodwill-related asset group or portfolio of asset groups may have been impaired, the Company will firstly conduct an impairment test on the asset groups or portfolios of asset groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value, to recognize the corresponding impairment loss. Thereafter, the Company pay make the impairment test on the asset group or portfolio of asset groups where the goodwill is included, and compare the book value of such group or portfolio with the recoverable amount of the same. If the recoverable amount is less than the book value, the amount of impairment loss should firstly be used to reduce the book value of the goodwill allotted to such group or portfolio, and then reduce book values of other assets than the goodwill in such group or portfolio based on proportions of these book values.

Losses from the aforesaid asset impairment should not be reversed in subsequent accounting periods once recognized.

3.21 Long-term deferred expenses

Long-term deferred expenses refer to all kinds of expenses incurred but will be borne in current and future reporting periods with an amortization period of over one year. They are evenly amortized by stages during the expected benefit period and presented at net amount of the actual expenses less the accumulated amortization.

3.22 Contract liabilities

According to the relationship between the performance of obligations and the customer payment, the Company presents contract assets or contract liabilities in the balance sheet. The Company's obligations in transferring goods or rendering services to customers on the ground that it has received or will receive relevant considerations from these customers are presented as contract liabilities. Contract assets and contract liabilities under the same contract should be presented at net amount.

3.23 Employee compensation

3.23.1 Accounting treatment of short-term compensation

During the accounting period where employees serve the Company, the short-term compensation actually incurred is recognized as a liability and included in the current profit or loss or the assets-related cost.

The social insurance premiums and the housing provident fund paid by the Company for its employees, together with the labor union expenditures and employee education fund drew as required are used to calculate and determine the relevant employee compensation amount based on the prescribed accrual basis and accrual proportion during the accounting period in which the employees provide services to the Company.

The employee welfare expenses incurred in the Company are included in the current profit or loss or assets-related cost based on the actually incurred amount, in which the non-monetary benefits are measured at fair value.

3.23.2 Accounting treatment of post-employment benefits

- (1) Defined contribution plan
The Company pays the basic endowment insurance premiums and unemployment insurance premiums for employees according to relevant provisions of the local government. During the accounting period when employees serve the Company, the paid amount which is calculated based on the payment base and proportion as stipulated in the aforesaid provisions in the local place is recognized as liabilities and included in the current profit or loss or assets-related cost. In addition, the Company has also participated in the corporation pension plan / supplement endowment insurance fund approved by relevant departments of the state. The Company pays to the corporation pension plan / local social insurance agencies at a certain proportion of the total amount of employee wages, with the corresponding expenditures included in the current profit or loss or assets-related cost.
- (2) Defined benefit plan
According to the formula determined based on expected cumulative unit method, the Company will set the period that the welfare obligations deriving from the defined benefit plan, which will be included in the current profit or loss or assets-related cost.

A net liability or net asset in connection with the defined benefit plan is recognized at the present value of the obligation under the defined benefit plan less the deficit or surplus arising out of the fair value of the assets under the defined benefit plan. For a surplus of defined benefit plans, the Company should measure the net asset of such defined benefit plans at the lower of the surplus of such defined benefit plans and asset upper limit thereof.

Obligations under the defined benefit plan, including the payment obligation that is expected to be done within 12 months following the annual reporting period when the employees serve for the Company, are discounted at the market yield of the national debt matching with the obligatory term of the defined benefit plan and the currency on the balance sheet date or the bonds of the high-quality companies in the active market.

The service costs of the defined benefit plan and net interest on the net liabilities or net assets in respect of the defined benefit plan are included in the current profit or loss or assets-related costs; changes in the re-measurement of net liabilities or net assets under the defined benefit plans should be included in other comprehensive income and should not be reversed in subsequent accounting periods. When the original defined benefit plan terminates, the portion originally included in other comprehensive income will all be transferred to the retained earnings.

When the defined benefit plan is settled, the settlement gain or loss will be recognized at the balance between the present value of the obligations of the defined benefit plan determined on the settlement date and the settlement price.

3.23.3 Accounting treatment of dismissal benefits

Where the Company provides the dismissal benefit to its employees, the employee compensation liability arising from the dismissal benefit shall be recognized on the following date, whichever is earlier, and included in the current profit or loss: when the Company fails to unilaterally withdraw the dismissal benefit offered due to the termination of the labor relation plan or layoff proposal; when the Company confirms the costs or fees associated with the reorganization involving the payment of the dismissal benefits.

3.23.4 Accounting treatment of other long-term employee benefits

The Company provides the long-term compensated absence benefits to the staff having the labor relationship with the Company, including the internal staff early retired and the off-duty disabled staff. The corresponding accounting treatment methods are as same as those specified in the Note "3.23.2 Accounting treatment of post-employment benefits"; however, the service costs, net interest on the net liability or net asset of other long-term employee benefits, and the changes due to the re-measurement of the net liability or net asset of other long-term employee benefits are included in the current profit or loss or the assets-related cost.

3.24 Estimated liabilities

When an obligation relating to a contingency meets all the following conditions at the same time, it will be recognized as an estimated liability by the Company:

- (1) The obligation is a present obligation of the Company;
- (2) The performance of such obligation is likely to result in outflow of economic benefits from the Company; and
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities are initially measured at the best estimate of expenditures required for the performance of relevant present obligations.

The Company, when determining the best estimate, has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. If the time value of money is significant, the best estimates will be determined after the discount of relevant future cash outflows.

If there is continuous range for the necessary expenditures, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate will be determined at the intermediate value; in other cases, the best estimate is subject to the treatment for the following circumstances:

- If contingencies are involved with single project, the estimate will be determined based on the amount which is most likely to occur.
- If contingencies are involved with several projects, the estimate will be determined based on various possible results and relevant probabilities.

If all or part of the expenditures necessary for liquidating estimated liabilities are expected to be compensated by a third party, the compensation will be separately recognized as assets when it is virtually certain that the compensation will be received. The compensation recognized should not exceed the book value of estimated liabilities.

The Company reviews the book value of estimated liabilities on the balance sheet date. If there is unambiguous evidence indicating that such book value cannot reflect the current best estimate, such book value will be adjusted based on the current best estimate.

3.25 Share-based payment

The Company's share-based payment refers to the transaction where it grants the equity instrument or assumes the liability determined based on the equity instrument for the purpose of acquiring services rendered by employees or other parties. The Company's share-based payment is divided into the equity-settled share-based payment and the cash-settled share-based payment.

3.25.1 Equity-settled share-based payment and equity instrument

Where the Company acquires services rendered by employees via the equity-settled share-based payment, such payment should be calculated at the fair value of equity instruments granted to employees. The Company includes the share-based payment for which relevant right can be exercised subsequent to the grant of equity instruments in relevant costs or expenses on the grant date at the fair value of equity instruments, and increases capital reserves accordingly. For the share-based payment for which relevant right can be exercised after the grant of equity instruments only when the services during the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the Company, based on the best estimate of the quantity of equity instruments where relevant rights can be exercised, includes the services acquired during that period in relevant costs or expenses at the fair value on the grant date, and increases capital reserves accordingly.

In case any clause on the equity-settled share-based payment has been modified, services acquired should be recognized as if such clause has not been modified. In addition, the increase in services acquired should be recognized in case of any increase to the fair value of equity instruments granted or any change favorable to employees on the date of increasing such fair value.

During the waiting period, if any equity instrument granted is canceled, the Company will accelerate the right exercise relevant to the equity instrument canceled, immediately include the amount which should be recognized during the remaining waiting period in the current profit or loss, and recognize capital reserves at the same time. However, if any new equity instrument is granted and on the date of granting such new equity instrument, it is affirmed that such new equity instrument can replace the canceled one, the treatment for such new equity instrument will be made in the way for modifying terms and conditions of the original equity instrument.

3.25.2 Cash-settled share-based payment and equity instrument

Cash-settled share-based payment is measured at the fair value of the liability which is assumed by the Company and calculated based on share or other equity instrument. The Company includes the share-based payment for which relevant right can be exercised subsequent to the grant of equity instruments in relevant costs or expenses on the grant date at the fair value of the liability it assumes, and increase liabilities accordingly. For the share-based payment for which relevant right can be exercised after the grant of equity instruments only when the services during the waiting period are completed or the specified performance conditions are met, on each balance sheet date within the waiting period, the Company, based on the best estimate on the situation of exercising relevant right, includes the services acquired during that period in relevant costs or expenses and in liabilities according, at the fair value of the liability the Company assumes. On each balance sheet date and settlement date prior to the settlement of relevant liabilities, the fair value of liability should be remeasured through the current profit or loss.

Where the Company modifies terms and conditions of the agreement on cash-settled share-based payment so as to realize the equity-settled share-based payment, on the date of modification (no matter whether the modification is carried out during or after the waiting period), the equity-settled share-based payment shall be measured at the fair value prevailing on the date of modifying the equity instrument granted, and services obtained shall be included in capital reserves; meanwhile, liabilities recognized based on cash-settled share-based payment on the date of modification shall be derecognized, and the difference between the cash-settled share-based payment and the equity-settled share-based payment shall be included in the current profit or loss. If the waiting period is extended or shortened on account of the modification made by the Company, the Company will make the accounting treatment according to the modified waiting period.

3.26 Preferred stock, perpetual bond and other financial instruments

According to the contract terms on preferred stock/perpetual bond issued and the economic essence reflected by the preferred stock/perpetual bond rather than just in legal form, the Company classifies such financial instruments or its constituent part as financial assets, financial liabilities or equity instruments, at the initial recognition.

The financial instruments issued by the Company, such as the preferred stock and perpetual bond are classified as financial liabilities in whole or in the constituent part at the initial recognition, as long as they meet one of the following conditions:

- (1) Including the contract obligation where the Company cannot unconditionally avoid to pay with cash or other financial assets;
- (2) Covering the contract obligation of delivering the own equity instruments with variable number for settlement;
- (3) Including the derivative instrument settled with the own equity (such as the convertibility), and the settlement of such derivative instrument does not be conducted by exchanging the cash or other financial assets of fixed assets with the own equity instrument with fixed number;
- (4) Including the contract term where the contract obligation can be formed indirectly;
- (5) On the liquidation of the issuer, the perpetual bond is at the same liquidation order with the ordinary bonds and other obligations issued by the issuer.

Where the financial instruments, including the preferred stock/ perpetual bond, fail to meet one of the above conditions, they may be classified as equity instruments in whole or in the constituent part at the initial recognition.

3.27 Revenue

3.27.1 Accounting policies adopted for revenue recognition and measurement

If the Company fulfills its performance obligations in a contract, it will recognize revenue when relevant customer obtains right of control over relevant goods or services. Obtaining the right of control over relevant goods or services means that the customer is able to make decisions on the use of the goods or the rendering of the services, and can obtain almost all of the economic benefits therefrom.

If two or more performance obligations are covered in the contract, on the contract commencement date, the transaction price will be amortized to individual performance obligation based on the relative proportion of the individual selling price of goods or services involved in the individual performance obligation. The Company measures revenue at the transaction price amortized to individual performance obligation.

The transaction price refers to the amount of consideration the Company is expected to have the right to take on account of the transfer of goods or services to the customer, excluding the payments charged by any third party and the payments expected to be refunded to the customer. The Company determines the transaction price according to the contract terms and in light of its previous regular practice, in the meantime, factors such as variable consideration, significant financing composition existing in the contract, non-cash consideration, and consideration payable to customers will be taken into account. The Company determines the transaction price involving the variable consideration at the amount that should not exceed the amount of accumulatively recognized revenue that is highly unlikely to have a major reversal when relevant uncertainty is eliminated. If the significant financing component is covered in the

contract, the Company will determine the transaction price based on the amount of cash payable at once by the customer when the customer acquires the right of control over goods or services, as assumed, and amortize the difference between such transaction price and the contract price by the effective interest method during the contract period.

The obligation performance belongs to certain period in case one of the following conditions is met; otherwise, it belongs to certain time-point:

- The customer obtains and consumes the economic benefits brought by the performance of the Company while the Company is performing the obligation.
- Customers are able to control the goods under construction in the Company's performance process.
- The goods produced by the Company in the performance process of the contract have irreplaceable uses, and the Company has the right to receive payments for the portion of the performance that has been completed to date.

For a performance obligation to be performed within a certain period, the Company recognizes the revenue according to the performance progress during such period, except for the case that the performance progress cannot be reasonably determined. The Company may determine the performance progress by the output method or input method based on the nature of goods or service. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the revenue will be recognized by the Company at the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain time-point, the Company recognizes revenue when the customer obtains control over relevant goods or services. The Company will consider the following signs when judging whether the customer has acquired the right of control over relevant goods or services:

- The customer has the current payment obligation for such goods or service, i.e. the Company enjoys the current right to collect the payment for such goods or service.
- The Company has transferred the legal ownership of such goods to the customer, i.e. the customer possesses the legal ownership of such goods.
- The Company has transferred goods to the customer in kind, i.e. the customer has possessed such goods in kind.
- The substantial risks and rewards of the ownership of such goods have been transferred by the Company to the customer, i.e. the customer has acquired the substantial risks and rewards of the ownership of such goods.
- The customer has accepted such goods or services.

The Company judges whether it is the principal person in charge or an agent in the course of transaction based on whether it possesses the control over the goods or service before transferring such goods or service to the customer. If the Company is able to control such goods or service before transferring the same to the customer, it will be the principal person in charge and recognize revenue based on the total consideration received or receivable; otherwise, the Company will be an agent and recognize revenue based on the amount of the commission or handling charge that the Company has to right to collect.

3.27.2 Specific methods for revenue recognition and measurement disclosed by business type

Specific accounting policies related to the Company's major revenue-generating activities are described below:

- (1) **Revenue from engineering contracting contracts**
Engineering contracting contracts between the Company and its customers usually include performance obligations for housing construction and infrastructure construction. Since customers can control the goods under construction during the performance of the Company, the Company regards them as performance obligations to be performed within a certain period, and revenue is recognized over a period according to the performance progress, except for those whose performance progress cannot be reasonably determined. The progress of the contract performance is mainly determined according to the nature of the project and the proportion of the completed work confirmed by the output value statistics verified by the business department of the Company to the estimated total workload. The Company continues to assess and revise the estimated total workload in the course of contract implementation, and makes the best estimation as the possible contract change. When the performance progress cannot be reasonably determined, and the cost incurred in the Company is expected to be compensated, the revenue will be recognized at the incurred cost until the performance progress can be reasonably determined. If the contract cost is irrecoverable, it will be recognized as a cost when it is incurred, without the recognition of contract revenue.
- (2) **Design consulting revenue**
As the design and consulting services provided by the Company during the performance process are irreplaceable, and the Company has the right to receive payments for the portion of the performance that has been completed to date. The Company regards it as a performance obligation to be performed within a certain period, and recognizes the revenue based on the performance progress, unless the performance progress cannot be reasonably determined. When the performance progress cannot be reasonably determined, and the cost incurred in the Company is expected to be compensated, the revenue will be recognized at the incurred cost until the performance progress can be reasonably determined. If the contract cost is irrecoverable, it will be recognized as a cost when it is incurred, without the recognition of contract revenue. However, where the Company has no right to collect payments based on the progress of performance completed up to now during the entire contract term according to such contract, it shall perform the performance obligation at a certain point of time. The Company recognizes the service revenue when the rendering of service has been completed and the Company has obtained the external evidence such as the customer proof of receipt or other reasonable evidence that the work has been completed.
- (3) **Revenues from real estate sales**
For real estate sales, the sales revenue is recognized when the real estate is completed and accepted, a legally binding sales contract is signed and the delivery conditions agreed in the sales contract are met, and the customer obtains control of the relevant goods or services.
- (4) **Revenue from sales of goods**
The Company sells commercial concrete, precast components, complete sets of equipment and other commodities. After the commercial concrete has been delivered to the construction site of the customer, the pouring of concrete has been completed and the age of the commercial concrete has been expired, the revenue

from sales of commercial concrete will be recognized when the commercial concrete has been accepted upon inspection by the customer. As for the sales of goods other than the commercial concrete, the Company delivers goods to the place agreed in the contract, and recognizes the revenue therefrom when the customer completes the acceptance inspection and signs the hand-over list with the Company.

The amount of the volume-based sales discount for sales of products is determined by the expected value method based on historical experience, and the Company recognizes relevant revenue at the net amount of the contract consideration less the estimated discount amount.

(5) Revenue from BT and PPP business

Activities under BT contracts usually include construction and handover. During the project construction period, the Company recognizes relevant revenue and cost for the construction services provided by the Company in accordance with the accounting policies of the above engineering contracting contract, while recognizing long-term receivables that are measured at amortized cost and are written down upon receipt of payments from the owners during the project construction period.

PPP project contracts refer to the contracts entered into by and between the social capital investors and the government in accordance with the law on the cooperation of PPP projects, meeting the conditions of "dual characteristics" and "dual control" simultaneously. Among others, "dual characteristics" means that the social capital investors use PPP project assets to provide public products and services on behalf of the government during the operation period agreed in the contract and obtain the compensation for the public products and services provided by them; "Dual control" means that the type, object and price of the public products and services that social capital investors must use PPP project assets to provide are subject to government control or regulation. When the PPP project contract is terminated, the government can control the significant remaining equity of the PPP project assets through ownership, income rights or other forms.

Construction, operation, and transfer activities are generally included under the PPP contracts. During the construction phase, the Company recognizes contract assets in accordance with the Accounting Standards for Business Enterprises No. 14 - Revenue, which determines whether the Company is the primary responsible person or an agent. During the operation phase, the Company accounts for the contract assets accordingly under the following circumstances: (1) If the contract provides that the conditions that the Company has the right to receive a determinable amount of monetary funds (or other financial assets) during the operation of the project, the Company recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project asset as a contract asset until it has the right to receive such consideration (which only depends on the factor of passage of time); when the Company recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project asset until it has the right to receive such consideration (which only depends on the factor of passage of time), the amount of consideration or the amount of construction revenue recognized for the relevant PPP project asset is recognized as receivables and accounted for in accordance with the provisions of the accounting policy for financial instruments. The Company recognizes the difference between the amount of consideration or the

amount of construction revenue recognized for the relevant PPP project assets and the right to receive a determinable amount of cash (or other financial assets) as intangible assets when the PPP project assets reach their intended usable state. (2) Where the contract provides that the Company has the right to collect fees from the recipients of public goods and services, but the charge amount is uncertain, the right does not constitute an unconditional right to receive cash. The Company recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project assets as intangible assets when the PPP project assets reach their intended useable state and accounts for them in accordance with the provisions of the Company's accounting policy on intangible assets. During the operating phase, corresponding revenues are recognized when services are provided; routine maintenance or repair costs incurred are recognized as the current expenses. The contract stipulates that, in order to maintain the certain service capacity of infrastructure or to maintain the certain usability status prior to handing over to the contract awarding party of the infrastructure, the portion of the expenditure expected to be incurred for which the Company has a present obligation is recognized as estimated liabilities.

(6) Revenue from rendering of services

The Company externally provides project management consulting, labor dispatch and other services, and recognizes the revenue therefrom within a period based on the progress of completed services. On the balance sheet date, the Company estimates the progress of completed services, and recognizes revenue based on the progress of performance.

3.28 Contract costs

Contract costs include the contract performance cost and the contract acquisition cost.

The Company's cost on contract performance does not belong to scope of standards for inventories, fixed assets or intangible assets, and is recognized as an asset when it meets the following conditions:

- Such cost is directly relevant to the contract which has been or is expected to be acquired.
- Such cost increases the resource which will be used by the Company for obligation performance.
- Such cost is expected to be recoverable.

If the incremental cost incurred by the Company for obtaining the contract is expected to be recovered, the contract acquisition cost will be recognized as an asset.

Assets related to contract cost are amortized on the basis for the recognition of revenue from goods or services relevant to such assets; however, if the amortization period of contract acquisition cost is less than one year, the Company will include such cost in the current profit or loss when it occurs.

If the book value of the assets related to contract cost is higher than the difference between the following two items, the Company will make the provision for impairment of the exceeding part, and recognize it as the loss from impairment of assets.

1. The remaining consideration expected to be obtained on account of the transfer of goods or services related to the assets;
2. The cost that is expected to be incurred for the purpose of transferring relevant goods or services.

If the factors causing the impairment in the previous period change, resulting that the above-mentioned difference is higher than the book value of such assets, the Company will reverse the provision for impairment which has been made originally, and include it in the current profit or loss. However, the book value of assets reversed should not exceed the book value of such assets on the reversal date as if no provision for impairment has been made.

3.29 Government grants

3.29.1 Type

Government grants are monetary assets and non-monetary assets freely obtained by the Company from the government, and are divided into asset-related government grants and income-related government grants.

Asset-related government grants are government grants that the enterprise acquires for acquisition, construction or otherwise form long-term assets. Income-related government grants refer to government grants other than asset-related government grants.

3.29.2 Timing of recognition

Government grants are recognized when the Company can meet all conditions attached thereto and is able to obtain such grants.

3.29.3 Accounting treatment

Asset-related government grants are used to offset the book value of relevant assets or recognized as deferred income. If such grants are recognized as the deferred income, they will be included in the current profit or loss by reasonable and systematic methods within useful lives of related assets (If such grants are relevant to routine activities of the Company, they will be included in other income; if such grants are irrelevant to routine activities of the Company, they will be included in non-operating income);

Income-related government grants used to compensate for relevant costs or losses which will occur in the following period in the Company are recognized as the deferred income, and, during the period when relevant costs or losses are recognized, are included in the current profit or loss (if income-related government grants are relevant to routine activities of the Company, they will be included in other income; if income-related government grants are irrelevant to routine activities of the Company, they will be included in the non-operating income) or used to offset relevant costs or losses; income-related government grants used to compensate for relevant costs or losses incurred in the Company are included in the current profit or loss (if income-related government grants are relevant to routine activities of the Company, they will be included in other income; if income-related government grants are irrelevant to routine activities of the Company, they will be included in the non-operating income) or used to offset relevant costs or losses.

3.30 Deferred income tax assets and deferred income tax liabilities

Income taxes include the current income tax and the deferred income tax. Except for the income tax in the transactions or matters of business combination and directly including relevant items in the owners' equity (including other comprehensive income), the Company includes the current income tax and deferred income tax in the current profit or loss.

The deferred income tax assets and deferred income tax liabilities are calculated and recognized based on the differences (temporary differences) between the tax bases of assets and liabilities and the book values of the same.

Deductible temporary differences, not exceeding the taxable income which is likely to be obtained in the future and is used to deduct the deductible temporary differences, are recognized as deferred income tax assets. Deductible losses and tax credits that can be carried forward to subsequent years, not exceeding the taxable income which is likely to be obtained in the future for the purpose of deducting the deductible losses and tax credits, are recognized as deferred income tax assets accordingly.

Taxable temporary differences are recognized as deferred income tax liabilities except in special circumstances.

Special situations where the deferred income tax assets or deferred income tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or matters that neither belong to the business combination nor affect the accounting profit and taxable income (or deductible loss) when they occur, and where the assets and liabilities initially recognized do not cause any taxable temporary difference and deductible temporary differences with the equivalent amount.

Taxable temporary differences related to investments in subsidiaries, associates and joint ventures are recognized as deferred income tax liabilities; unless the Company is able to control the time for reversing such temporary differences and such temporary differences are unlikely to be reversed in the foreseeable future. For the deductible temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred income tax assets are recognized when the temporary differences may be reversed in the foreseeable future and they are likely to be obtained to offset the taxable income of deductible temporary differences in the future.

On the balance sheet date, the deferred income tax assets and deferred income tax liabilities are measured at the tax rates applicable to the period where relevant assets are expected to be recovered or relevant liabilities are expected to be discharged, according to the tax law.

On the balance sheet date, the Company reviews the book value of deferred income tax assets. If it is unlikely to obtain sufficient taxable income in the future to offset against the benefit of deferred income tax assets, the book value of deferred income tax assets will be written down. If it is likely to obtain sufficient taxable income, the book value of deferred tax assets written down will be recovered.

If the Company has the legal right to settle in net amounts and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the current tax assets and current tax liabilities of the Company shall be presented based on the net amount after offset.

On the balance sheet date, deferred income tax assets and deferred income tax liabilities simultaneously meeting the following conditions are presented by net amount after offset:

- The taxpayer has the legal right to settle the current income tax assets and current income tax liabilities by net amount;
- Deferred income tax assets and deferred income tax liabilities are related to the income tax which are imposed on the same taxpayer by the same tax collection authority or to different taxpayers, but, in each important future period in connection with the reversal of deferred income tax assets and liabilities, the involved taxpayers intend to settle the current income tax assets and current income tax liabilities with net amount or to obtain assets and discharge liabilities simultaneously.

3.31 Leases

A lease refers to a contract where the lessor assigns the asset use right to the lessee for a certain period to get relevant consideration. On the commencement date of a contract, the Company evaluates whether the contract is concluded for lease or involved with lease. If a party to a contract has transferred the right to control the use of one or more identified assets within a certain period in exchange for consideration, the contract should be a lease or include a lease.

If the contract is involved with several individual leases at the same time, the Company will divide the contract and carry out the accounting treatment for lease individually. If the contract includes both the lease part and non-lease part, the lessee and the lessor will separate the lease part from the non-lease part.

3.31.1 The Company as the lessee

(1) Right-of-use assets

On the commencement date of the lease term, the Company recognizes leases other than short-term lease and low-value asset lease as the right-of-use assets. Right-of-use assets are initially measured at cost. Such cost includes:

- Initially measured amount of lease liabilities;
- Lease payment amount on or before the commencement date of the lease term, or the balance of such amount less the amount relevant to the enjoyed lease incentive, if any;
- Initially direct expense incurred in the Company;
- The cost expected to incur in the Company for the purpose of disassembling and removing the leased assets, restoring the location of the leased assets or restoring the leased assets to the status specified in the lease clauses, excluding the cost on producing inventories.

The Company subsequently makes the provision for depreciation of right-of-use assets by the straight-line method. Where the Company can reasonably confirm that the ownership of the leased assets can be obtained at the expiration of the lease term, the provision for depreciation of right-of-use assets should be made over the remaining useful life for the leased assets; otherwise, such provision should be made over the lease term or the remaining useful life for the leased assets, whichever is shorter.

The Company confirms whether the right-of-use assets have been impaired in the principles specified in Note “3.20 Impairment of long-term assets” hereof, and makes accounting treatment for impairment losses recognized.

(2) Lease liabilities

On the commencement date of the lease term, the Company recognizes leases other than short-term lease and low-value asset lease as the lease liabilities. The lease liabilities are initially measured at the present value of unpaid lease payment. The lease payment includes:

- Fixed payment (including the actual fixed payment), or the balance of such payment less the amount relevant to lease incentive, if any;
- Variable lease payment depending on certain index or ratio;
- Payment expected to be paid based on the residual value of the guarantee provided by the Company;

- The executive price for buying the option, provided that the Company is reasonably certain that it will execute the option;
- Payment needs to be paid for executing the lease termination option, provided that it is reflected that the Company will execute the lease termination option during the lease term.

The Company takes the interest rate implicit in lease as the discount rate, or takes the interest rate for incremental borrowings of the Company as the discount rate if the interest rate implicit in lease cannot be determined reasonably.

The Company calculates the interest expenses for lease liabilities over all periods within the lease term based on the fixed and periodic interest rate, and includes the same in the current profit or loss or the asset-related cost.

Variable lease payment not included in the lease liabilities for measurement is included in the current profit or loss or the asset-related cost when it is actually incurred.

After the commencement date of the lease term, in case of the following situations, the Company will remeasure the lease liabilities and adjust the corresponding right-of-use assets. If the book value of right-of-use assets has been reduced to zero, but the lease liabilities still need to be reduced, the Company will include the difference in the current profit or loss:

- If the Company's assessment result of call option, renewal option or lease termination option changes, or the actual execution situation of the aforesaid option is inconsistent with the original assessment result, the Company will remeasure the lease liabilities at the present value calculated based on the lease payment after the change at the revised discount rate;
- If the actual fixed payment, the amount expected to be payable of the residual value of the guarantee or the index or ratio used to determine the lease payment changes, the Company will remeasure the lease liabilities at the present value calculated based on the lease payment after the change at the original discount rate. However, if the change in lease payment is caused by the change in the floating rate, the present value will be calculated at the revised discount rate.

(3) Short-term lease and low-value asset lease

Where the Company chooses not to recognize the short-term lease and low-value asset lease as the right-of-use assets and lease liabilities, it should include relevant lease payments in the current profit or loss or asset-related cost by the straight-line method over all periods within the lease term. Short-term lease refers to the lease where the lease term does not exceed 12 months as of the commencement date of lease term and which does not include the call option. Low-value asset lease refers to the lease where the price is low when the individual leased asset is the brand new asset. When the Company subleases or is expected to sublease the leased assets, the original lease will not be the low-value asset lease any more.

(4) Lease changes

Where any lease has changed and meet the following conditions at the same time, the Company should take such lease as an individual lease for accounting treatment:

- Such lease change has expanded the lease scope by adding one or more rights to the use of leased assets;
- The added consideration is equal to the amount of adjustment made based on the contract to the separate price for the expended part of the lease.

Where the lease change is taken as an individual lease for accounting treatment, on the effective date of lease change, the Company re-amortizes the contract consideration after change, re-determines the lease term, and remeasures the lease liabilities based on the present value calculated based on the changed lease payment at the revised discount rate.

If the lease scope or term is reduced due to the lease change, the Company will reduce the book value of right-of-use assets accordingly and include relevant gains or losses from the partial or whole termination of the lease in the current profit or loss. If other lease change causes the remeasurement of lease liabilities, the Company will adjust the book value of right-of-use assets accordingly.

3.31.2 The Company as the lessor

On the lease commencement date, the Company divides leases into the finance lease and operating lease. The finance lease refers to the lease where almost all risks and rewards related to the ownership of leased assets have been transferred, regardless of whether the ownership has been finally transferred. The operating lease refers to other leases than the finance lease. The Company, as the sublessor, classifies subleases based on the right-of-use assets generating from the original leases.

(1) Accounting treatment of operating lease

The lease receipt from operating lease is recognized as the rent revenue by the straight-line method during each period within the lease term. The Company capitalizes the incurred initial direct expense relevant to the operating lease, and amortizes the same on the same basis for rent revenue recognition during the lease term to include the same in the current profit or loss. Variable lease payment not included in the lease receipt is included in the current profit or loss when it is actually incurred. In case of any change in operating lease, the Company will make accounting treatment for the operating lease changed by taking it as a new lease from the change commencement date, the amount receivable of the new lease will be recognized at the lease payment to be received or receivable which is relevant to the lease before the change.

(2) Accounting treatment of finance lease

On the lease commencement date, the Company recognizes finance lease receivables for finance leases, and derecognizes assets under the finance lease. At the initial measurement of finance lease receivables, the Company takes the net lease investment as the entry value as the finance lease receivables. The net lease investment refers to the sum of the unguaranteed residual value and the present value calculated via discount based on the lease receipt which has not been received on the commencement date of lease term at the interest rate implicit in lease.

The Company determines via calculation the interest income over all periods within the lease term based on the fixed and periodic interest rate. The derecognition and impairment of finance lease receivables are subject to the accounting treatment specified in “Note 3.10 Financial instruments”.

Variable lease payment not included in the net lease investment for measurement is included in the current profit or loss when it is actually incurred.

Where any finance lease has changed and meets the following conditions at the same time, the Company should take such lease as an individual lease for accounting treatment:

- where the change expands the scope of the lease by adding the right to use one or more leased assets;
- The added consideration is equal to the amount of adjustment made based on the contract to the separate price for the expended part of the lease.

Where the changed finance lease does not be taken as an individual lease for accounting treatment, the Company will treat such changed finance lease according to the following situations:

- If the change takes effect on the lease commencement date, and such lease may be classified as the operating lease, the Company will make accounting treatment for such lease by taking it as a new lease from the lease change effectiveness date, and recognize the book value of the leased assets at the net lease investment before the lease change effectiveness date;
- If the change takes effect on the lease commencement date, and such lease may be classified as the finance lease, the Company will make accounting treatment according to the policies for contract modification or reset specified in the Note “3.10 Financial instruments”.

3.32 Debt restructuring

3.32.1 The Company acts as the creditor

The Company shall derecognize the creditor's right at the termination of the contractual right to receive the cash flow of creditor's right. Where a debt restructuring is carried out by means of paying off debts with assets or converting debts into equity instruments, the Company shall recognize relevant assets when they meet the definition thereof and the recognition conditions.

Where debt restructuring is carried out by means of paying off debts with assets, the Company shall measure the transferred non-financial assets at cost at the initial recognition of such assets. The cost of an inventory includes the fair value of the creditor's right abandoned and other costs directly attributable to such asset such as taxes, transport cost, handling charge and insurance cost, incurred in the course of making such assets reach the current location and condition. The cost of an investment in an associate or a joint venture, includes the fair value of the creditor's right abandoned, and other cost such as taxes directly attributable to such asset. The cost of the investment property includes the fair value of the creditor's right abandoned, and other cost such as taxes directly attributable to such asset. The cost of a fixed asset includes the fair value of the creditor's right abandoned and other costs directly attributable to the asset such as taxes, transport cost, handling charge, installation cost and professional service fee, incurred before making such asset reach the working condition for its intended use. The cost of a biological asset includes the fair value of the creditor's right abandoned and other costs directly attributable to such asset such as taxes, transport cost and insurance cost. The cost of an intangible asset includes the fair value of the creditor's right abandoned, and other cost such as taxes directly attributable to such asset for the expected purpose. Where a debt restructuring is carried out by converting debts into equity instruments, causing creditors to convert their claims into equity investments in associates or joint ventures, the Company shall measure the initial investment costs at the sum of the fair value of the creditor's right abandoned and other costs such as taxes directly attributable to these assets. The difference between the fair value of the creditor's right abandoned and the book value is included in current profit or loss.

Where a debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured creditor's rights in accordance with "Note 3.10 Financial Instruments" hereof.

Where a debt restructuring is carried out by means of paying off debts with multiple assets or in a portfolio manner, the Company shall first recognize and measure the transferred financial assets and restructured creditor's rights in accordance with "Note 3.10 Financial Instruments" hereof, allocate the net amount of the fair value of the creditor's rights abandoned after deducting the recognized amounts of the transferred financial assets and the restructured creditor's rights based on the fair value ratios of assets other than the transferred financial assets, and then determine the cost of each asset separately by the foregoing methods on this basis. The difference between the fair value of the creditor's right abandoned and the book value shall be included in current profit or loss.

3.32.2 The Company acts as the debtor

The Company shall derecognize debts when the current obligation of such debts has been relieved.

Where a debt restructuring is carried out by means of paying off debts with assets, the Company shall derecognize such debts when relevant assets and the debts paid off meet the conditions for derecognition, and include the difference between the book value of the debts paid off and the book value of the transferred assets in the current profit or loss.

Where a debt restructuring is carried out by means of converting debts into equity instruments, the Company shall derecognize the debts paid off when they meet the derecognition conditions. At the initial recognition of equity instruments, the Company measures these equity instruments at the fair value of such equity instruments, or the fair value of the debts paid off if where the fair value of these equity instruments cannot be measured reliably. The difference between the book value of the debts paid off and the amount recognized of these equity instruments shall be included in the current profit or loss.

Where a debt restructuring is carried out by modifying other terms, the Company shall recognize and measure the restructured debts rights in accordance with "Note 3.10 Financial Instruments" hereof.

Where a debt restructuring is carried out by means of paying off debts with multiple assets or in a portfolio manner, the Company shall recognize and measure relevant equity instruments and restructured debts as described above, and include the differences between the book value of the debts paid off and the book value of the transferred assets and the sum of amounts recognized of these equity instruments and restructured debts included in the current profit or loss.

3.33 Segment report

The Company determines the operating segment based on the internal organizational structure, management requirements and internal reporting system, and determines the reporting segment based on the operating segment and discloses the segment information.

The operating segment includes the Company's constituent parts meeting the following conditions at the same time: (1) These constituent parts can cause revenue or expense during the routine activities; (2) The Management of the Company is able to make the regular assessment on the operating results of these constituent parts, so as to decide the resource distribution made therefor and assess the performance thereof; (3) The Company is able to obtain such accounting-

related information as financial condition, operating results and cash flows of these constituent parts. If two or more operating segments have the similar economic characteristics, meeting certain conditions, they can be combined into one operating segment.

3.34 Determination method and selection basis of importance criteria

In preparing and presenting the financial statements, the Group follows the materiality principle. Under reasonable expectations, an item in the financial statements is material if its omission or misstatement could influence the economic decisions of users made on the basis of the financial statements. In assessing materiality, the Group, by taking into account the specific circumstances, makes judgments based on both the nature (whether the item arises from the Group's routine activities and whether it has a significant impact on the Group's financial position, operating results and cash flows) and the amounts (proportions accounting for in the Group's key financial indicators including operating income, operating costs, net profit, total assets, total liabilities and total equity, or proportions accounting for in separately presented items in the financial statements).

Item	Importance criteria
Important receivables with individual provision for bad debts	The provision for bad debts made individually amounts to more than RMB 300.00 million
Recovery or reversal of provision for bad debts of important receivables	The recovery or reversal of provision for bad debts of receivables amounts to more than RMB 100.00 million
Charge-off of provision for bad debts of significant receivables	The individual charge-off amount of provision for bad debts of receivables is more than RMB 100.00 million
Recovery or reversal of provision for impairment of important contract assets	The recovery or reversal of provision for impairment of contract assets amounts to more than RMB 100.00 million
Important construction in progress	The budget for a single construction in progress amounts to more than RMB 300.00 million and the opening or closing book balance of the construction in progress amounts to more than RMB 100.00 million.
Significant accounts payable, other payables and contract liabilities, with aging over 1 year	Aging of over 1 year and the closing amount with aging of over 1 year amounts to more than RMB 100.00 million
Important joint ventures and associates	The book values of joint ventures and associates account for more than 2.5% in the net assets presented in the consolidated financial statements of the Company, or the long-term equity investment income calculated under the equity method accounts for more than 10% in the consolidated net profit of the Group
Subsidiaries with important minority interests	The minority interests of subsidiaries account for more than 5% in the consolidated net assets of the Company, or the net loss attributable to minority interests accounts for more than 5% in the consolidated net profit of the Company

3.35 Major accounting estimates and judgment

According to the historical experience and other factors, including the rational expectations on future events, the Company carries out the continuous assessment on the significant accounting estimates and key judgment adopted.

3.35.1 Critical judgments on adopting accounting estimates

(1) **Judgment on significant increase in credit risk and credit impairment**

When distinguishing different stages of financial instruments, the Company makes judgments on significant increase in credit rating right and credit impairment as follows: the Company will judge that the credit risk has increased significantly in case of significant changes in one or more indicators: the significant change in the business environment of the debtor, the internal and external credit rating, or the actual or expected operating results, or the significant decrease in the value of collateral or the credit rating of the guarantor, which may impact the probability of default.

In case of any default, or the debtor has any significant financial difficulty or/and is under the debt restructuring or likely to go bankrupt, the Company will make the judgment on credit impairment.

3.35.2 Significant accounting estimates and critical assumption

The following significant accounting estimates and key assumptions exist significant risks causing major adjustments to the book values of assets and liabilities in the next accounting year:

(1) **Measurement of expected credit loss**

The Company calculates the expected credit loss based on the default risk exposure and the expected credit loss ratio, and determines the expected credit loss ratio based on the probability of default and loss given default or based on the aging matrix. At the time of determining the expected credit loss ratio, the Company adjusts the historical data by using the historical credit loss ratio, in light of the current condition and the forward-looking information.

In considering the forward-looking information, the Company takes into account different macroeconomic scenarios. In 2025, three economic scenarios - "benchmark", "adverse" and "favourable" - are weighted at 60%, 20% and 20% respectively. The Company regularly monitors and reviews the significant macroeconomic assumptions and parameters used in the calculation of expected credit losses, and has also considered the uncertainties under different macroeconomic scenarios and updated relevant assumptions and parameters accordingly. When make such judgments and estimates, the Company may deduce the expected change in the debtor's credit risk based on the history data of repayment in the light of such factors as economic policies, macroeconomic indicators, and industry risks. Different estimate may affect the provision for impairment, and the provision for impairment made may be not equal to the actual impairment loss amount incurred in the future.

(2) **Recognition of revenue from building construction**

The revenue and expenses of construction and service contracts recognized by the progress of performance are subject to related judgments by the Company. If it is expected that there will be loss on the construction and service contracts, such loss should be recognized as the current expenses. The Company estimate the cost to be incurred according to the budget of the construction and service contracts; and due to the characteristics of the engineering construction contract business, the contract signing date and the project completion date often belong to different accounting periods. Throughout the progress of the contract, the Company

continuously reviews and revises the costs and expenses in the contract budget, and reviews the contract progress. If there may be a change in contract income, contract cost or the contract performance progress, a revision will be made. The revision may result in an increase or decrease in the estimated revenue or cost, which will be reflected in the income statement during the revision period.

(3) Accounting estimate for the provision for impairment of goodwill

The Company makes the impairment test for goodwill at least once a year. The recoverable amount of the asset group or the portfolio of asset groups where the goodwill is included is determined at the higher between the net of the fair value of the asset group or the portfolio of asset groups less the disposal cost and the present value of the expected future cash flows, and the accounting estimate should be adopted in the course of relevant calculation.

In case management revises the growth rate used for calculating the future cash flows of the asset group or the portfolio of asset groups, and the revised growth rate is lower than that adopted at present, the Company will make additional provision for impairment of goodwill. In case management revises the gross margin rate used for calculating the future cash flows of the asset group or the portfolio of asset groups, and the revised gross margin rate is lower than that adopted at present, the Company will make additional provision for impairment of goodwill.

In case management revises the pre-tax discount rate used for discounting cash flows, and the revised pre-tax discount rate is higher than that adopted at present, the Company will make additional provision for impairment of goodwill.

In case the actual growth rate and gross margin rate are higher than those estimated or the actual pre-tax discount rate is lower than that estimated by management, the Company cannot reverse the loss from the goodwill impairment where the provision has been made.

(4) Income tax and deferred income tax

The Company pays enterprise income tax in several regions. In the normal operating activities, the final tax treatment for certain transactions and events is uncertain. The Company is required to exercise significant judgment when accruing the income tax expenses in each region. In case of any difference between the final result of any of such tax matters and the amount initially recorded, such difference will impact the amounts of income tax expenses and deferred income tax in the period when such difference is confirmed.

As stated in Note 4.2 hereof, some subsidiaries of the Company are high-tech enterprises. The qualification of high-tech enterprises is valid for three years, and a new application for identification of high-tech enterprises should be filled with relevant governmental department when the qualification has been due. According to the historical experience in re-identifying high-tech enterprises whose qualification has been due and the actual situation of those subsidiaries, the Company believed that those subsidiaries would continue to obtain the identification of high-tech enterprises in future years, and then calculated the corresponding deferred income tax at the preferential tax rate of 15%. If some subsidiaries fail to pass the re-identification of high-tech enterprises after the expiration of the high-tech enterprise qualification in the future, the income tax will be calculated at the statutory tax rate of 25%, which will affect the recognized deferred income tax assets, deferred income tax liabilities and income tax expenses.

Deductible losses that can be carried forward to subsequent years, not exceeding the taxable income which is likely to be obtained in the future for the purpose of deducting the deductible losses, are recognized as deferred income tax assets accordingly. The taxable income to be obtained in the future includes the taxable income realized by the Company through the normal production and operation activities, and taxable income increased on account of the future reversal of taxable temporary differences for the prior period. At determining the time of obtaining the taxable income in the future and the amount of such taxable income, the Company needs to use estimation and judgment. In case of any difference between the actual and the estimated, the book value of deferred income tax assets may be adjusted.

(5) Provision for inventory depreciation

The Company measures inventories on the balance sheet date at the cost or the net realizable value, whichever is lower. Assumptions and estimation need to be used for the calculation of net realizable value. In case management re-revises the estimated selling price and the costs and expenses to be incurred at the completion of work, the estimation of net realizable value of inventories will be affected, and the difference therefrom will affect the provision for inventory depreciation that has been made.

(6) Taxes involved in real estate development

The Company is required to pay different kinds of taxes for the estate development and land development. When calculating and extracting land value-added tax and other taxes and dues, the Company should make the significant judgment as the final tax-related results of many transactions and calculations are hard to be determined in the course of real estate development. The Company makes estimation on whether it should pay any additional tax, and recognizes tax liabilities on this basis. In case the final tax-result of real estate development is inconsistent with the tax liability recognized initially, the difference will affect the tax calculation and extraction in the current period.

3.35.3 Judgment on the financial guarantee's impact on sales

Under normal business environment, the Company signs a house sale contract with the house purchaser. If a house purchaser needs to obtain mortgage loans from banks to pay the house payment, the Company will reach a tripartite agreement of guarantees for mortgage loans with the purchaser and relevant bank. Under the agreement, the house purchaser needs to pay at least 15% -35% of the total house payment as a down payment, and the Company will provide phased joint liability guaranty for the mortgage loan issued by the bank to the house purchaser, and the term of such guaranty is generally 6 months to 2 years. The liability for such phased joint liability guaranty shall be relieved after the purchaser completes formalities for the house ownership certificate and the house mortgage registration.

Under the tripartite agreement of guarantees for mortgage loans, the Company only provides guaranty to the bank for the purchaser's outstanding part of mortgage loans within the guaranty term, and the bank will only recourse to the Company in the case of the purchaser's breach of contract due to no repayment for the mortgage loans.

According to the Company's historical experience in sales of similar developed products, the Company believes that, in the period of such joint liability guaranty, there is low risk of the Company undertaking the guaranty liability due to the purchaser's failure of repayment for the loans and the Company may recourse to the purchaser the advance payment for undertaking the phased joint liability guaranty; and in case of no repayment

by the purchaser, the Company may take the priority of disposing relevant house according to relevant house sale contract to avoid loss. Therefore, the Company considers that the financial guaranty has no effect on the recognition of revenue from sales of developed products.

3.36 Changes in significant accounting policies and accounting estimates

3.36.1 Changes in significant accounting policies

During the reporting period, the Group had no change in significant accounting policies.

3.36.2 Changes in significant accounting estimates

During the reporting period, the Group had no change in significant accounting estimates.

4 Taxation

4.1 Major tax types and tax rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Levied based on the difference between the output tax (calculated based on the revenue from sales of goods and rendering of services according to tax law) and the deductible input tax for the period	3%, 6%, 9%, 13%
Urban maintenance and construction tax	Levied based on the VAT actually paid	7%, 5%, 1%
Enterprise income tax	Levied based on the taxable income	15%, 20%, 25%
Land value increment tax	Levied based on the added value obtained from property transfer at the prescribed tax rate	Accumulative system for ratio exceeding at level 30%-60%

For taxpayers adopting different enterprise income tax rates, the information should be disclosed as follows:

Company	Enterprise income tax rate for enterprises in 2025
Shanghai Construction No.1 (Group) Co., Ltd.	15.00%
Shanghai Construction No.2 (Group) Co., Ltd.	15.00%
Shanghai Construction No.4 (Group) Co., Ltd.	15.00%
Shanghai Construction No.5 (Group) Co., Ltd.	15.00%
Shanghai Construction No. 7 (Group) Co., Ltd.	15.00%
Shanghai Building Decoration Engineering Group Co., Ltd.	15.00%
Shanghai Construction Design and Research Institute Co., Ltd.	15.00%
Shanghai Installation Engineering Group Co., Ltd.	15.00%
Shanghai Mechanized Construction Group Co., Ltd.	15.00%
Shanghai Foundation Engineering Group Co., Ltd.	15.00%
Shanghai Construction Building Materials Technology Group Co., Ltd.	15.00%
Shanghai Gardens (Group) Co., Ltd.	15.00%
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	15.00%
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	15.00%
Shanghai Construction Environmental Technology Co., Ltd.	15.00%
Shanghai Construction Electronic Commerce Co., Ltd.	15.00%
SCG Equipment Engineering Co., Ltd.	15.00%
SCG Yiyun Technology Co., Ltd.	15.00%
Shanghai Construction Smart Construction Co., Ltd.	15.00%

The Group's overseas second-level subsidiaries including SCG Overseas Holdings Co., Ltd., SCG (Caribbean) Co., Ltd., SCG (Canada) Co., Ltd., SCG (America) Construction Co., Ltd. and SCG (Cambodia) Co., Ltd. adopt the local rate of income tax.

4.2 Tax preference

1. According to the *Circular on the Policy for Enterprise Income Tax Deduction for Equipment and Implements* (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 37), issued by the Ministry of Finance and the State Taxation Administration, the Group is allowed to count on a lump-sum basis the costs of equipment and implements that are newly bought between January 1, 2024 and December 31, 2027, into the costs and expenses of the current period, and deduct such costs when the taxable income is calculated, provided that the unit value of such equipment and implements is no more than RMB 5.00 million; and such costs will no longer be depreciated within certain years.

2. According to the Announcement on the Value-added Tax Super-deduction Policy for Advanced Manufacturing Enterprises (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 43) issued by the Ministry of Finance and the State Taxation Administration, the above-mentioned subsidiaries of the Company, as advanced manufacturing enterprises, shall add an extra 5% based on the deductible input tax for the current period for the deduction of the VAT payable, from January 1, 2023 to December 31, 2027.

3. The following second-level subsidiaries of the Company have obtained the High-tech Enterprise Certificate jointly issued by the Shanghai Municipal Commission of Science and Technology, Shanghai Municipal Bureau of Finance, Shanghai Municipal Tax Service, State Taxation Administration, and Shanghai Local Taxation Bureau. The certificate is valid for 3 years. According to Article 28 of the Law of the People's Republic of China on Enterprise Income Tax, the applicable enterprise income tax rate in 2025 shall be 15%.

Second-level subsidiaries	Basic information of the preferential tax rate of 15% for high-tech enterprises	
	Certificate No.	Valid period of certificate
Shanghai Construction No.1 (Group) Co., Ltd.	GR202531004379	December 25, 2025 - December 25, 2028
Shanghai Construction No.2 (Group) Co., Ltd.	GR202431001221	December 04, 2024 - December 04, 2027
Shanghai Construction No.4 (Group) Co., Ltd.	GR202431000828	December 04, 2024 - December 04, 2027
Shanghai Construction No.5 (Group) Co., Ltd.	GR202531004531	December 25, 2025 - December 25, 2028
Shanghai Construction No. 7 (Group) Co., Ltd.	GR202431000246	December 04, 2024 - December 04, 2027
Shanghai Building Decoration Engineering Group Co., Ltd.	GR202431002180	December 04, 2024 - December 04, 2027
Shanghai Construction Design and Research Institute Co., Ltd.	GR202331001393	November 15, 2023 - November 15, 2026
Shanghai Construction Building Materials Technology Group Co., Ltd.	GR202531002635	December 19, 2025 - December 19, 2028
Shanghai Installation Engineering Group Co., Ltd.	GR202531002431	December 25, 2025 - December 25, 2028
Shanghai Mechanized Construction Group Co., Ltd.	GR202431006393	December 26, 2024 - December 26, 2027
Shanghai Foundation Engineering Group Co., Ltd.	GR202431004391	December 26, 2024 - December 26, 2027

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Second-level subsidiaries	Basic information of the preferential tax rate of 15% for high-tech enterprises	
	Certificate No.	Valid period of certificate
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	GR202331005444	December 12, 2023 - December 12, 2026
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	GR202331002241	November 15, 2023 - November 15, 2026
Shanghai Gardens (Group) Co., Ltd.	GR202331001145	November 15, 2023 - November 15, 2026
Shanghai Construction Electronic Commerce Co., Ltd.	GR202331000308	November 15, 2023 - November 15, 2026
SCG Equipment Engineering Co., Ltd.	GR202531005799	December 25, 2025 - December 25, 2028
SCG Yiyun Technology Co., Ltd.	GR202431006174	December 26, 2024 - December 26, 2027
Shanghai Construction Environmental Technology Co., Ltd.	GR202531005761	December 25, 2025 - December 25, 2028
Shanghai Construction Smart Construction Co., Ltd.	GR202331006979	December 12, 2023 - • December 12, 2026

4. According to the Announcement of the Ministry of Finance and the State Taxation Administration on Relevant Tax and Fee Policies for Further Supporting the Development of Micro and Small Enterprises and Individual Businesses (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No.12), the above-mentioned subsidiaries of the Group covered by the scope of small and low-profit enterprises shall calculate the taxable income at 25%, and pay the enterprise income tax at the tax rate of 20%, which shall be implemented until December 31, 2027.

5 Notes to the items of the consolidated financial statements

5.1 Cash at bank and on hand

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Cash on hand	5,539,192.59	3,801,742.35
Digital currency	7,128,000.00	
Bank deposits	101,380,885,963.03	102,893,101,257.51
Other cash and cash equivalents	927,198,048.88	604,362,625.09
Payments deposited with finance companies		
Total	102,320,751,204.50	103,501,265,624.95
Including: total amount of deposit abroad	1,601,405,684.44	1,718,741,199.79

5.2 Financial assets held for trading

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Financial assets measured at fair value through the current profit or loss	1,358,252,142.52	1,783,177,118.49
Including: other equity instrument investments	1,348,252,142.52	1,783,177,118.49
Others	10,000,000.00	
Total	1,358,252,142.52	1,783,177,118.49

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Equity instrument investments:

Investee	Nature of equity	Number of shares as at December 31, 2025	Fair value as at December 31, 2025
Orient Securities	Circulating shares of a listed company	72,947,867	795,131,750.30
Grandland Group	Circulating shares of a listed company	56,850	96,076.50
Hainan Airport	Circulating shares of a listed company	256,134	1,365,194.22
*ST Jinke	Restricted shares of a listed company	427,215	615,189.60
Shanghai Pudong Development Bank	Circulating shares of a listed company	8,913,521	110,884,201.24
Zhangjiajie (obtained through the investment in Qianjin No. 152 Special Customer Asset Management Plan of Nuode Fund)	Circulating shares of a listed company	11,479,064	89,083,166.82
SDIC Essence (obtained through the investment in Qianjin No. 169 Special Customer Asset Management Plan of Nuode Fund)	Circulating shares of a listed company	35,699,493	273,371,434.62
Kangni Mechanical & Electrical (obtained through the investment in Qianjin No. 180 Special Customer Asset Management Plan of Nuode Fund)	Circulating shares of a listed company	7,249,126	49,693,191.72
CCOOP	Circulating shares of a listed company	11,204,775	28,011,937.50
Total			1,348,252,142.52

5.3 Notes receivable

5.3.1 Presentation of notes receivable by category

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Bank acceptance bills	800,271,155.55	833,180,771.23
Finance company acceptance bills		
Commercial acceptance bills	489,283,023.20	543,564,834.83
Less: provision for impairment	77,868,978.81	80,747,762.51
Total	1,211,685,199.94	1,295,997,843.55

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5.3.2 Provision, reversal or recovery of provision for bad debts in the current period

Category	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision	Recovery or reversal	Write-off or charge- off	Other changes	
Provision for bad debts of notes receivable	80,747,762.51	2,993,783.70	-		115,000.00	77,868,978.81

5.3.3 Pledged notes receivable of the Company as at December 31, 2025

Item	Pledged amount as at December 31, 2025
Bank acceptance bills	55,178,483.11

5.3.4 Notes receivable that have been endorsed or discounted by the Company as at December 31, 2025 but not matured on the balance sheet date

Item	Amount derecognized as at December 31, 2025	Amount not derecognized as at December 31, 2025
Bank acceptance bills		548,544,231.38
Commercial acceptance bills		159,903,908.71
Total		708,448,140.09

5.4 Accounts receivable

5.4.1 Disclosure of accounts receivable by aging

Aging	Balance as at December 31, 2025	Balance as at December 31, 2024
Within 1 year (including 1 year)	34,789,988,411.30	45,628,926,103.51
1 - 2 years	13,052,348,984.23	13,398,738,547.68
2 - 3 years	7,221,425,756.10	6,290,944,321.22
3 - 4 years	4,375,243,204.88	5,391,658,429.45
4 - 5 years	3,738,740,332.33	2,784,952,084.03
Over 5 years	6,023,650,120.58	4,468,255,427.47
Sub-total	69,201,396,809.42	77,963,474,913.36
Less: provision for bad debts	11,726,280,054.87	10,568,363,807.08
Total	57,475,116,754.55	67,395,111,106.28

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5.4.2 Disclosure of accounts receivable by category based on the method for provision for bad debts

Category	Balance as at December 31, 2025					Balance as at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts made individually	10,024,344,352.39	14.49	5,704,704,795.51	56.91	4,319,639,556.88	9,570,732,574.27	12.28	5,106,155,460.09	53.35	4,464,577,114.18
Provision for bad debts made by portfolios with credit risk characteristics	59,177,052,457.03	85.51	6,021,575,259.36	10.18	53,155,477,197.67	68,392,742,339.09	87.72	5,462,208,346.99	7.99	62,930,533,992.10
Including:										
Building, contracting, design and construction	55,100,103,027.45	79.62	5,876,851,520.24	10.67	49,223,251,507.21	63,950,162,517.75	82.02	5,330,042,220.18	8.33	58,620,120,297.57
BT & PPP projects	3,238,559,256.43	4.68	77,105,978.31	2.38	3,161,453,278.12	3,863,288,701.26	4.96	83,171,036.77	2.15	3,780,117,664.49
Others	838,390,173.15	1.21	67,617,760.81	8.07	770,772,412.34	579,291,120.08	0.74	48,995,090.04	8.46	530,296,030.04
Total	69,201,396,809.42	100.00	11,726,280,054.87		57,475,116,754.55	77,963,474,913.36	100.00	10,568,363,807.08		67,395,111,106.28

Important accounts receivable with individual provision for bad debts:

Item	Balance as at December 31, 2025				Balance as at December 31, 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Tax base	Book balance	Provision for bad debts
Entity 1	457,895,016.50	228,947,508.26	50.00	Expected risk of recovery	501,992,821.69	250,996,410.85
Entity 2	396,226,870.17	396,226,870.17	100.00	Expected risk of recovery	396,265,241.78	396,265,241.78
Entity 3	389,755,418.91	155,902,167.57	40.00	Expected risk of recovery	404,537,005.79	101,134,251.44
Entity 4	363,337,840.75	24,158,078.56	6.65	Expected risk of recovery	336,591,374.28	22,181,371.57
Entity 5	284,176,117.82	259,786,220.05	91.42	Expected risk of recovery	296,373,056.15	192,726,502.73
Total	1,891,391,264.15	1,065,020,844.61			1,935,759,499.69	963,303,778.37

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Provision for bad debts made by portfolios with credit risk characteristics:

Item	Balance as at December 31, 2025		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Building, contracting, design and construction	55,100,103,027.45	5,876,851,520.24	10.67
BT & PPP projects	3,238,559,256.43	77,105,978.31	2.38
Others	838,390,173.15	67,617,760.81	8.07
Total	59,177,052,457.03	6,021,575,259.36	

5.4.3 Provision, reversal or recovery of provision for bad debts in the current period

Category	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts of accounts receivable	10,568,363,807.08	1,632,772,428.07	446,519,523.20	31,221,071.00	2,884,413.92	11,726,280,054.87

In which, recovery or reversal with significant amount of provision for bad debts in 2021:

Entity	Amount recovered or reversed	Reason for reversal	Method for recovery	Basis for determining the original provision for bad debts and its rationality
Entity 1	200,000,000.00	Recovery	Bank deposits	Estimated risk of recovery

5.4.4 Accounts receivable actually charged off in the current period

Item	Amount charged off
Accounts receivable actually charged off	31,221,071.00

5.4.5 Top 5 of accounts receivable and contract assets as at December 31, 2025, presented by debtor

Entity	Balance of accounts receivable as at December 31, 2025	Balance of contract assets as at December 31, 2025	Total of balances of accounts receivable and contract assets as at December 31, 2025	Proportion in the total of balances of accounts receivable and contract assets as at December 31, 2025 (%)	Total of balances of the provision for bad debts of accounts receivable and the provision for impairment of contract assets as at December 31, 2025
Entity 1	1,610,792,938.18		1,610,792,938.18	1.17	18,371,795.77
Entity 2	1,391,592,769.55	307,354,735.52	1,698,947,505.07	1.24	121,730,897.36
Entity 3	1,265,970,921.23		1,265,970,921.23	0.92	22,284,392.09
Entity 4	710,775,746.60	8,652,173.86	719,427,920.46	0.52	41,703,511.44
Entity 5	541,300,198.89	78,892,837.32	620,193,036.21	0.45	33,174,439.20
Total	5,520,432,574.45	394,899,746.70	5,915,332,321.15	4.30	237,265,035.86

5.5 Receivables financing

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Notes receivable	372,882,967.55	375,010,676.87
Accounts receivable	198,108,721.19	111,150,875.46
Plus: changes in fair value		
Total	570,991,688.74	486,161,552.33

5.6 Advances to suppliers

5.6.1 Presentation of advances to suppliers by aging

Aging	Balance as at December 31, 2025		Balance as at December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,016,706,005.49	91.17	2,470,029,936.14	88.22
1 - 2 years	119,791,807.44	5.42	237,115,435.09	8.47
2 - 3 years	9,932,460.16	0.45	32,060,335.43	1.15
Over 3 years	65,671,379.12	2.96	60,557,526.82	2.16
Total	2,212,101,652.21	100.00	2,799,763,233.48	100.00

5.6.2 Top 5 of advances to suppliers as at December 31, 2025, presented by supplier

Supplier	Balance as at December 31, 2025	Proportion in the total ending balance of advances to suppliers (%)
Entity 1	66,904,649.14	3.02
Entity 2	51,015,925.11	2.31
Entity 3	49,593,433.60	2.24
Entity 4	43,302,344.21	1.96
Entity 5	39,105,841.92	1.77
Total	249,922,193.98	11.30

5.7 Other receivables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Interest receivable		
Dividends receivable	1,830,797.99	31,282,320.45
Other receivables	5,549,434,874.10	6,805,006,028.43
Total	5,551,265,672.09	6,836,288,348.88

5.7.1 Dividends receivable

Details of dividends receivable

Project (or investee)	Balance as at December 31, 2025	Balance as at December 31, 2024
Shanghai Metro Shield Equipment Engineering Co., Ltd.		30,000,000.00
Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd.	1,830,797.99	1,282,320.45
Sub-total	1,830,797.99	31,282,320.45
Less: provision for bad debts		
Total	1,830,797.99	31,282,320.45

5.7.2 Other receivables

(1) Disclosure of other receivables by aging

Aging	Balance as at December 31, 2025	Balance as at December 31, 2024
Within 1 year (including 1 year)	1,690,701,791.66	2,502,658,765.93
1 - 2 years	1,025,768,796.08	1,609,728,847.87
2 - 3 years	675,532,043.44	419,944,024.86
Over 3 years	2,712,490,204.91	2,863,021,261.35
Sub-total	6,104,492,836.09	7,395,352,900.01
Less: provision for bad debts	555,057,961.99	590,346,871.58
Total	5,549,434,874.10	6,805,006,028.43

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(2) Disclosure of other receivables by category based on the method for provision for bad debts

Category	Balance as at December 31, 2025					Balance as at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts made individually	2,216,191,082.60	36.30	394,743,906.68	17.81	1,821,447,175.92	2,194,156,932.34	29.67	336,875,754.70	15.35	1,857,281,177.64
Provision for bad debts made by portfolios with credit risk characteristics	3,888,301,753.49	63.70	160,314,055.31	4.12	3,727,987,698.18	5,201,195,967.67	70.33	253,471,116.88	4.87	4,947,724,850.79
Including:										
Portfolio of deposit and security deposits	761,341,287.78	12.47	17,049,631.11	2.24	744,291,656.67	599,840,479.75	8.11	14,520,703.89	2.42	585,319,775.86
Other portfolios	3,126,960,465.71	51.23	143,264,424.20	4.58	2,983,696,041.51	4,601,355,487.92	62.22	238,950,412.99	5.19	4,362,405,074.93
Total	6,104,492,836.09	100.00	555,057,961.99		5,549,434,874.10	7,395,352,900.01	100.00	590,346,871.58		6,805,006,028.43

Other important receivables with individual provision for bad debts:

Item	Balance as at December 31, 2025				Balance as at December 31, 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Tax base	Book balance	Provision for bad debts
Entity 1	1,861,536,310.38	93,076,815.52	5.00	Expected risk of recovery	1,811,124,723.26	90,556,236.16
Entity 2	122,464,777.22	122,464,777.22	100.00	Expected risk of recovery	122,464,777.22	46,123,238.86
Total	1,984,001,087.60	215,541,592.74			1,933,589,500.48	136,679,475.02

Description: The balance of entity 1 as at December 31, 2025 was formed through the acquisition of Tianjin Housing in 2020. The Group and the holding shareholder of entity 1 had signed the irrevocable joint and several guarantee agreement, with the guarantee covering the principal of debt and corresponding interest and the guarantee period for three years as of the date on which the principal debt performance period expires.

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Provision for bad debts made by portfolios with credit risk characteristics:

Item	Balance as at December 31, 2025		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Portfolio of deposit and security deposits	761,341,287.78	17,049,631.11	2.24
Other portfolios	3,126,960,465.71	143,264,424.20	4.58
Total	3,888,301,753.49	160,314,055.31	

(3) Details of provision for bad debts

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at December 31, 2024	253,471,116.88	181,216,826.58	155,658,928.12	590,346,871.58
In 2025, balance as at December 31, 2024				
-- Transfer to Stage II	-518,342.33	518,342.33		
-- Transfer to Stage III	-12,513,602.84	-122,584,777.22	135,098,380.06	
-- Reversal from Stage II				
-- Reversal from Stage I				
Provision in 2025	-80,148,015.66	77,292,074.65	5,329,291.01	2,473,350.00
Reversal in 2025		-2,184,227.98	-6,822,422.19	-9,006,650.17
Write-off in 2025				
Charge-off in 2025			-28,778,508.68	-28,778,508.68
Other changes	22,899.26			22,899.26
Balance as at December 31, 2025	160,314,055.31	134,258,238.36	260,485,668.32	555,057,961.99

(4) Provision, reversal or recovery of provision for bad debts in the current period

Category	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts of other receivables	590,346,871.58	2,473,350.00	9,006,650.17	28,778,508.68	22,899.26	555,057,961.99

(5) Other receivables actually charged off in the current period

Item	Amount charged off
Other receivables actually charged off	28,778,508.68

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(6) Classification of other receivables by nature

Nature	Book balance as at December 31, 2025	Book balance as at December 31, 2024
Margin and deposit	1,608,786,123.45	1,713,576,020.57
Current accounts of related parties	873,850,325.79	1,906,967,834.25
Others	3,621,856,386.85	3,774,809,045.19
Total	6,104,492,836.09	7,395,352,900.01

(7) Top 5 of other receivables as at December 31, 2025, presented by debtor

Entity	Nature	Balance as at December 31, 2025	Aging	Proportion in the total balance of other receivables as at December 31, 2025 (%)	Provision for bad debts Balance as at December 31, 2025
Tianjin Housing Group Real Estate Investment Co., Ltd.	Current accounts of third parties	1,861,536,310.38	Over 0 - 3 years	30.49	93,076,815.52
Fulton SCG Development LLC	Borrowings	426,997,023.10	Over 3 years	6.99	
Shanghai Tianyu Shihong Enterprise Development Co., Ltd.	Performance bond	253,750,570.29	1 - 2 years	4.16	12,687,528.51
Hangzhou Hujian Urban Development and Construction Co., Ltd.	Principal and interest of borrowings	150,364,723.41	Within 1 year	2.46	7,518,231.57
Tianjin Huagui Real Estate Development Co., Ltd.	Current accounts of related parties	122,464,777.22	Over 3 years	2.01	122,464,777.22
Total		2,815,113,404.40		46.11	235,747,352.82

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5.8 Inventories

5.8.1 Classification of inventories

Category	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for inventory depreciation / provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation / provision for impairment of contract performance cost	Book value
Main materials	669,337,491.76	94,500.68	669,242,991.08	1,053,677,062.56	94,043.66	1,053,583,018.90
Finished goods	2,241,795,694.59	11,817,938.29	2,229,977,756.30	2,628,815,763.10	11,817,938.29	2,616,997,824.81
Revolving materials	557,485,648.51		557,485,648.51	442,870,250.91		442,870,250.91
Goods in process	179,358,951.97		179,358,951.97	265,056,643.59		265,056,643.59
Development cost	11,263,593,825.94		11,263,593,825.94	40,795,609,086.84	241,698,230.55	40,553,910,856.29
Developed products	44,946,129,831.49	1,701,636,735.23	43,244,493,096.26	15,889,388,421.53	1,278,997,509.14	14,610,390,912.39
Structural parts	56,428,651.03		56,428,651.03	139,462,599.21		139,462,599.21
Machinery parts	34,545,829.13		34,545,829.13	39,114,588.70		39,114,588.70
Spare parts	54,167,303.32		54,167,303.32	68,921,156.20		68,921,156.20
Stock trees and flowers	120,586,936.34		120,586,936.34	126,100,790.51		126,100,790.51
Total	60,123,430,164.08	1,713,549,174.20	58,409,880,989.88	61,449,016,363.15	1,532,607,721.64	59,916,408,641.51

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(1) Development cost

Project	Commencement date	Estimated time of completion	Estimated total investments	Balance as at December 31, 2025	Balance as at December 31, 2024
Dujiangyan Irrigation System	December 2025	June 2029	RMB 705.00 million	273,488,940.23	
Plot 22A-05 in International Medical Park	June 2021	June 2025	RMB 629.10 million		566,746,419.49
Heyuan	October 2017	November 2026	RMB 2,252.77 million	1,751,906,799.89	1,751,671,960.97
Urban Village in Huinan Town	June 2016	December 2026	RMB 13,475.03 million	4,384,058,600.96	5,689,494,284.34
Residential project in Jizhou District	November 2019	March 2026	RMB 2,445.96 million	1,224,870,819.96	1,180,870,056.50
Miyun Road	March 2023	October 2026	RMB 4,531.76 million	1,888,614,576.86	3,408,295,847.04
Nanjing Plot No. G45	July 2018	December 2025	RMB 4.2 billion		1,165,223,375.16
Plot No.1 and No.7 at Xinchang City in Shanghai Breach	September 2015	December 2025	RMB 33,500.00 million		25,897,999,615.37
Suzhou Plot No.2016-WG-26	August 2017	December 2024	RMB 9.3 billion	884,846,028.57	885,501,483.69
Plot No.2025-2 in Tianjin Binhai Economic-Technological Development Area	November 2025	June 2028	RMB 405.75 million	157,575,155.68	
Xinchang Town project	April 2025	June 2026	RMB 1,036,332,500.00	512,035,576.63	
Others				186,197,327.16	249,806,044.28
Total				11,263,593,825.94	40,795,609,086.84

In the balance of the development costs as at December 31, 2025, the capitalization amount of borrowing costs amounted to RMB 890,428,471.21.

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(2) Developed products

Project	Time of completion	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
BROADWAY ELITE	January 2021	1,613,542,061.68		59,662,125.39	1,553,879,936.29
SCG MIMA TOWERS LLC	July 2018	1,055,695,410.09		45,222,239.81	1,010,473,170.28
Haiyue Huijinting (Urban Village in Huinan Town)	August 2024	276,918,134.26		183,776,418.04	93,141,716.22
Haiyue Jinmaoyue (Plot No.25-01 of the east side of Xinfeng Road, Huaxin Town, Qingpu District)	December 2021	39,143,894.81	646,825.45	634,740.22	39,155,980.04
Haiyue Meilunyuan Phase II (Settlement-type commodity housing project at Plot No. 27010-202031-2 in Laocheng Town, Chengmai County, Hainan Province)	April 2024	615,632,482.07	923,069.18	61,946,036.96	554,609,514.29
Haiyue Meilunyuan Phase I (Settlement-type commodity housing project at Plot No. 27010-202031-2 in Laocheng Town, Chengmai County, Hainan Province)	April 2023	142,979,710.76		46,095,324.80	96,884,385.96
Haiyue Rongting (A commercial residential building project at plots No. 04-05 and 04-06 in Fengjing Town of Jinshan District)	December 2021	1,095,745,919.90	8,507,081.21	13,749,517.88	1,090,503,483.23
Haiyue Songyating (Urban Village in Huinan Town)	September 2025		2,020,551,008.28	1,601,080,186.36	419,470,821.92
Miyun Road	September 2025		1,963,739,609.13	1,027,874,542.49	935,865,066.64
Mingyi Yayuan	April 2025		601,738,403.06	50,084,750.40	551,653,652.66
Nanjing Plot No. G45	December 2025	653,973,357.23	1,182,802,726.05	422,189,055.68	1,414,587,027.60
Nanjing Plot No. G68	September 2021	1,065,106,551.28	81,414,115.55	76,180,272.51	1,070,340,394.32
Rongchangyuan	November 2019	417,804,002.35			417,804,002.35

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Project	Time of completion	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Plot No.1 and No.7 at Xinchang City in Shanghai Breach	September 2025		29,387,040,049.17	2,093,537,694.55	27,293,502,354.62
Cuiguyuan Project at Plot No.41 of Eco-city	October 2022	482,249,783.73		141,163,672.30	341,086,111.43
Suzhou Plot No.2016-WG-26	June 2021	5,894,715,928.05		3,408,463.94	5,891,307,464.11
Yuehuali (Urban Village in Huinan Town)	June 2023	237,014,703.94	40,726,299.37	65,701,266.20	212,039,737.11
Yuekang Yayuan (Kangqiao Industrial Park at Plot No. E09B0-1)	November 2023	539,824,632.70	16,676,935.73	146,984,887.36	409,516,681.07
Yunjiangli	June 2016	343,503,245.06		334,930.60	343,168,314.46
Others		1,415,538,603.62	37,344,002.33	245,742,589.06	1,207,140,016.89
Total		15,889,388,421.53	35,342,110,124.51	6,285,368,714.55	44,946,129,831.49

5.8.2 Provision for inventory depreciation and provision for impairment of contract performance cost

Category	Balance as at December 31, 2024	Increase in 2025		Decrease in 2025		Balance as at December 31, 2025
		Provision	Others	Reversal or write-off	Others	
Main materials	94,043.66	457.02				94,500.68
Finished goods	11,817,938.29					11,817,938.29
Development cost	241,698,230.55				241,698,230.55	
Developed products	1,278,997,509.14	392,240,270.65	241,698,230.55	211,299,275.11		1,701,636,735.23
Total	1,532,607,721.64	392,240,727.67	241,698,230.55	211,299,275.11	241,698,230.55	1,713,549,174.20

5.9 Contract assets

5.9.1 Breakdown of contract assets

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract assets	39,511,301,408.57	932,308,068.20	38,578,993,340.37	43,850,114,979.83	878,011,229.81	42,972,103,750.02

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5.9.2 Disclosure of contract assets under the method of provision for impairment by category

Category	Balance as at December 31, 2025					Balance as at December 31, 2024				
	Book balance		Provision for impairment		Book value	Book balance		Provision for impairment		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for impairment made individually	2,872,481,352.83	7.27	786,915,959.49	27.39	2,085,565,393.34	3,120,544,088.79	7.12	716,132,879.60	22.95	2,404,411,209.19
Provision for impairment made by portfolios with credit risk characteristics	36,638,820,055.74	92.73	145,392,108.71	0.40	36,493,427,947.03	40,729,570,891.04	92.88	161,878,350.21	0.40	40,567,692,540.83
Including:										
Building, contracting ,design and construction	36,394,113,308.03	92.10	144,424,478.11	0.40	36,249,688,829.92	40,548,642,940.04	92.47	161,154,638.42	0.40	40,387,488,301.62
Others	244,706,747.71	0.63	967,630.60	0.40	243,739,117.11	180,927,951.00	0.41	723,711.79	0.40	180,204,239.21
Total	39,511,301,408.57	100.00	932,308,068.20		38,578,993,340.37	43,850,114,979.83	100.00	878,011,229.81		42,972,103,750.02

Important contract assets with the provision for impairment made individually:

Item	Balance as at December 31, 2025				Balance as at December 31, 2024	
	Book balance	Provision for impairment	Proportion of provision (%)	Tax base	Book balance	Provision for impairment
Entity 1	238,459,222.79	47,691,844.56	20.00	Expected risk of recovery	247,633,499.98	49,526,699.99
Entity 2	200,723,027.71	19,507,306.07	9.72	Expected risk of recovery	201,793,639.45	19,511,588.52
Entity 3	189,310,844.48	47,327,711.12	25.00	Expected risk of recovery	191,124,036.70	38,224,807.34
Entity 4	172,624,137.30	51,787,241.19	30.00	Expected risk of recovery	172,624,137.30	17,262,413.73
Entity 5	170,578,973.60	25,586,846.04	15.00	Expected risk of recovery	169,574,135.16	25,436,120.27
Entity 6	163,607,706.13	47,646,062.10	29.12	Expected risk of recovery		
Entity 7	163,293,586.03	122,470,189.52	75.00	Expected risk of recovery	76,932,118.97	51,729,156.80
Entity 8	101,999,756.59	15,299,963.49	15.00	Expected risk of recovery	154,775,317.18	23,216,297.58
Total	1,400,597,254.63	377,317,164.09			1,214,456,884.74	224,907,084.23

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Provision for impairment made by portfolios with credit risk characteristics:

Item	Balance as at December 31, 2025		
	Contract assets	Provision for impairment	Proportion of provision (%)
Building, contracting ,design and construction	36,394,113,308.03	144,424,478.11	0.40
Others	244,706,747.71	967,630.60	0.40
Total	36,638,820,055.74	145,392,108.71	

5.9.3 Provision for impairment of contract assets made in the current period

Item	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision in 2025	Reversal in 2025	Write-off/Charge-off in 2025	Other changes	
Provision for impairment of contract assets (including the provision for impairment of long-term contract assets)	1,742,828,681.10	484,163,423.11	64,174,870.60		-18,391.57	2,162,798,842.04

5.10 Non-current assets maturing within one year

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Long-term receivables maturing within one year	2,621,657,300.96	2,278,352,508.65
Other non-current assets maturing within one year	26,180,055.55	
Total	2,647,837,356.51	2,278,352,508.65

5.11 Other current assets

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Value-added tax retained	1,330,662,568.20	1,599,162,132.32
Input VAT to be certified	432,296,290.93	275,651,635.32
Taxes and surcharges prepaid	2,476,980,701.63	2,132,009,917.10
Others	7,569,657.24	5,489,151.30
Total	4,247,509,218.00	4,012,312,836.04

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Information on assets related to contract acquisition costs

Category	Balance as at December 31, 2024	Increase in 2025	Amortization in 2025	Provision for impairment		Balance as at December 31, 2025	Amortization method
				Provision in 2025	Reversal in 2025		
Commission expenses incurred to obtain contract	4,995,113.98	51,453,971.96	48,879,686.24			7,569,399.70	Amortized when relevant revenue is recognized
Total	4,995,113.98	51,453,971.96	48,879,686.24			7,569,399.70	

5.12 Creditor's right investments

Information on creditor's right investments

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Creditor's right investment of Changshu Hujian Environmental Water Co., Ltd.	128,923,380.06		128,923,380.06	152,838,861.00		152,838,861.00
Creditor's right investment of Nanping Wuhuan Renewable Energy Co., Ltd.	65,000.00		65,000.00	65,000.00		65,000.00
Creditor's right investment of Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	1,965,697.50		1,965,697.50	1,953,878.88		1,953,878.88
Sub-total	130,954,077.56		130,954,077.56	154,857,739.88		154,857,739.88
Less: the part maturing within one year						
Total	130,954,077.56		130,954,077.56	154,857,739.88		154,857,739.88

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5.13 Long-term receivables

5.13.1 Information on long-term receivables

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Finance lease outlay	2,190,944,805.74	395,501,806.45	1,795,442,999.29	2,410,640,415.61	368,883,507.29	2,041,756,908.32
Including: unrealized financing income	292,857,658.61		292,857,658.61	314,712,756.77		314,712,756.77
BT & PPP projects	25,156,402,899.60	462,813,116.06	24,693,589,783.54	25,200,421,025.00	369,945,241.34	24,830,475,783.66
Zhoudong Sewage Disposal Plant of Zhouzhuang Town	28,669,945.05		28,669,945.05	31,412,809.05		31,412,809.05
Sub-total	27,376,017,650.39	858,314,922.51	26,517,702,727.88	27,642,474,249.66	738,828,748.63	26,903,645,501.03
Less: the part maturing within one year	2,670,457,904.45	48,800,603.49	2,621,657,300.96	2,312,233,333.40	33,880,824.75	2,278,352,508.65
Total	24,705,559,745.94	809,514,319.02	23,896,045,426.92	25,330,240,916.26	704,947,923.88	24,625,292,992.38

5.13.2 Provision for bad debts of long-term receivables

Category	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts of long-term receivables	738,828,748.63	129,472,733.66	9,986,559.78			858,314,922.51

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5.14 Long-term equity investments

5.14.1 Breakdown of long-term equity investments

Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025							Balance as at December 31, 2025 (Book value)	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Profit or loss on investments recognized by the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others	
1. Joint ventures											
Shanghai Jianyihui Enterprise Management Partnership (Limited Partnership)	420,076,821.31				-191,420,305.10					-228,656,516.21	
Fulton SCGDevelopment LLC	444,322,595.74				-84,627.88					17,046,098.25	461,284,066.11
Others	124,133,071.04				1,641,819.48			548,477.54			125,226,412.98
Sub-total	988,532,488.09				-189,863,113.50			548,477.54		-211,610,417.96	586,510,479.09
2. Associates											
Ningbo Tower Construction Development Co., Ltd.	508,264,477.26				145,284,121.08						653,548,598.34
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	392,906,439.87				-14,823,771.29						378,082,668.58
Hangzhou Hujian Urban Development and Construction Co., Ltd.	1,193,802,158.06				27,692,765.36						1,221,494,923.42
Yancheng Hujian Jinghai Enterprise Management Partnership (Limited Partnership)	609,765,491.06				-1,295,583.01			79,872,453.78		85,169,682.24	613,767,136.51
Shanghai Park High Quality Development Private Equity Partnership (Limited Partnership)	261,579,852.29		4,000,000.00		-3,726,839.58						261,853,012.71

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025								Balance as at December 31, 2025 (Book value)	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Profit or loss on investments recognized by the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Shanghai Haijixing International Supply Chain Co., Ltd.	86,326,322.30		470,672,277.70		-3,090,798.95						553,907,801.05	
Shanghai East Bund Construction Real Estate Development Co., Ltd.	335,433,411.48				-1,535,777.05					-1,625,781.58	332,271,852.85	
Shanghai Jinxie Property Co., Ltd.	948,526,798.98				-3,936,428.55						944,590,370.43	
Shanghai Baoyue Real Estate Co., Ltd.	316,947,158.75				94,345,356.91						411,292,515.66	
Shanghai SEISYS Co., Ltd.	203,377,498.29				4,272,350.92			3,000,000.00			204,649,849.21	
SCG Angong Equity Investment Fund Partnership Enterprise (Limited Partnership)	660,189,545.14				17,547,345.23						677,736,890.37	
Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	1,437,060,177.50				-1,252,939.45						1,435,807,238.05	
Shanghai Lingang New Area Jingang Xijiu Real Estate Co., Ltd.	1,148,793,204.88				-7,249,810.05			9,800,000.00		1,912,584.12	1,133,655,978.95	
Others	389,709,752.28			90,146,594.00	-8,403,216.42					6,595.32	291,166,537.18	
Sub-total	8,492,682,288.14		474,672,277.70	90,146,594.00	243,826,775.15			92,672,453.78		85,463,080.10	9,113,825,373.31	
Total	9,481,214,776.23		474,672,277.70	90,146,594.00	53,963,661.65			93,220,931.32		-126,147,337.86	9,700,335,852.40	

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5.15 Other equity instrument investments

5.15.1 Breakdown of other equity instrument investments

Item	Balance as at December 31, 2024	Increases/decreases in 2025					Balance as at December 31, 2025	Dividend income recognized in 2025	Cumulative gains included in other comprehensive income	Cumulative losses included in other comprehensive income	Reason for being designated as the item measured at fair value through other comprehensive income
		Additional investment	Reduced investment	Gains included in other comprehensive income in 2025	Losses included in other comprehensive income in 2025	Others					
Shanghai Jianteng Green Environmental-protection Equity Investment Co., Ltd.	41,755,908.57		11,249,986.00	1,126,045.55			31,631,968.12		23,343,906.12		Equity instruments held not for trading
Shanghai Pudong BOC Fullerton Community Bank Co., Ltd.	10,770,059.73				2,691,555.57		8,078,504.16			3,921,495.84	Equity instruments held not for trading
Shanghai Tower Construction Development Co., Ltd.	250,451,656.44				46,577,329.42		203,874,327.02			140,125,672.98	Equity instruments held not for trading
CDB Jingcheng (Beijing) Investment Funds Co., Ltd.	11,312,658.76				3,442,738.04		7,869,920.72			10,843,529.57	Equity instruments held not for trading
Shanghai State-owned Capital Investment FOF Co., Ltd.	403,932,100.00				1,375,868.70		402,556,231.30	4,470,395.30	2,556,231.30		Equity instruments held not for trading
SDIC Willy Maqiao (Shanghai) Renewable Resources Co., Ltd.	176,523.01			8,569.01			185,092.02		15,868.08		Equity instruments held not for trading
CITIC Trust beneficial interests (Jinke Company)		324,758.77					324,758.77				Equity instruments held not for trading

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		Additional investment	Reduced investment	Gains included in other comprehensive income in 2025	Losses included in other comprehensive income in 2025	Others					
Guanghuan Investment (Meizhou) Urban Environmental Management Co., Ltd.	18,842.91			1,212.88			20,055.79		455.79		Equity instruments held not for trading
Shenzhen Construction Real Estate Development Co., Ltd.	461,927.30				29,904.24		432,023.06			1,167,976.94	Equity instruments held not for trading
Tianjin Jinjing Glass Bulb Holding Co., Ltd.										56,000.00	Equity instruments held not for trading
Shanghai Urban Water Resources Development and Utilization State Engineering Center Co., Ltd.	11,866,051.29				1,091,470.73		10,774,580.56			1,225,419.44	Equity instruments held not for trading
Shanghai Baisui Building Materials Industry Co., Ltd.	184,672.66			26,660.74			211,333.40		105,096.72		Equity instruments held not for trading
Shenzhen Shenshui Guangming Water Environment Co., Ltd.	2,283,249.64				173,474.91		2,109,774.73			440,225.27	Equity instruments held not for trading

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		Additional investment	Reduced investment	Gains included in other comprehensive income in 2025	Losses included in other comprehensive income in 2025	Others					
Putian Zhongjian Mulan Construction Development Co., Ltd.	570,031.40			85,010.06			655,041.46		155,041.46		Equity instruments held not for trading
BE (Hangzhou) Environment Engineering Co., Ltd.	1,118,164.43			78,440.72			1,196,605.15		509,605.15		Equity instruments held not for trading
Wuhu Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.	6,172,375.04				517,243.02		5,655,132.02			903,007.33	Equity instruments held not for trading
Wuhu Three Gorges Phase II Water Environment Comprehensive Treatment Co., Ltd.	1,053,929.83				30,034.09		1,023,895.74			51,037.46	Equity instruments held not for trading
Zhoushan Sangde Water Co., Ltd.			1,096,608.50			1,096,608.50					Equity instruments held not for trading
Chongqing Banan District Three Gorges Water Environment Comprehensive Treatment Co., Ltd.	7,828,639.15				135,630.31		7,693,008.84		653,621.84		Equity instruments held not for trading

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		Additional investment	Reduced investment	Gains included in other comprehensive income in 2025	Losses included in other comprehensive income in 2025	Others					
Dangtu County Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.	957,892.25			10,470.81			968,363.06		126,321.14		Equity instruments held not for trading
Wuhu City Fanchang District Three Gorges Water Environment Comprehensive Treatment Co., Ltd.	3,197,019.12				65,041.59		3,131,977.53		312,828.89		Equity instruments held not for trading
Ma'anshan City Three Gorges Phase I Water Environment Comprehensive Treatment Co., Ltd.	874,837.81			18,077.54			892,915.35		192,915.35		Equity instruments held not for trading
Tangshan Caofeidian Tonggang Interchange Development and Construction Co., Ltd.	1,361,379.00						1,361,379.00			21.00	Equity instruments held not for trading
Xinjiang Shuifa Runxin Water Treatment Technology Co., Ltd.	1,000,000.00						1,000,000.00				Equity instruments held not for trading

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		Additional investment	Reduced investment	Gains included in other comprehensive income in 2025	Losses included in other comprehensive income in 2025	Others					
Xinjiang Herun Yiyuan Water Treatment Technology Co., Ltd.		498,693.00					498,693.00				Equity instruments held not for trading
CRCC Development Group Guangzhou Water Co., Ltd.		25,000.00					25,000.00				Equity instruments held not for trading
Ningbo Chengjian Zhizao Technologies Co., Ltd.				784,893.69			784,893.69			14,215,106.31	Equity instruments held not for trading
Shanghai Lingang Holding Co., Ltd.	121,200,000.00		131,470,350.00	8,673,600.00		65,022,450.00	63,425,700.00	2,400,000.00		44,903,950.00	Equity instruments held not for trading
Tianjin Residence Group Heat Power Engineering Co., Ltd.	2,690,000.00				10,000.00		2,680,000.00			1,320,000.00	Equity instruments held not for trading
Tianjin Huaxiang Ancient Construction Engineering Co., Ltd.	760,000.00						760,000.00			240,000.00	Equity instruments held not for trading
Tianjin Zhuyi Construction Engineering General Contract Co., Ltd.	1,650,000.00				10,000.00		1,640,000.00			1,090,045.89	Equity instruments held not for trading

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Item	Balance as at December 31, 2024	Increases/decreases in 2025					Balance as at December 31, 2025	Dividend income recognized in 2025	Cumulative gains included in other comprehensive income	Cumulative losses included in other comprehensive income	Reason for being designated as the item measured at fair value through other comprehensive income
		Additional investment	Reduced investment	Gains included in other comprehensive income in 2025	Losses included in other comprehensive income in 2025	Others					
Tianjin Housing and Urban-Rural Development Thermal Engineering Co., Ltd.	160,000.00				10,000.00		150,000.00			450,000.00	Equity instruments held not for trading
Tianjin Jinre Residential Heating Co., Ltd.										150,000.00	Equity instruments held not for trading
Tianjin Jinre Zhujian Heating Supply Co., Ltd.	740,000.00			10,000.00			750,000.00		600,000.00		Equity instruments held not for trading
Tianjin Hualian Commercial Building Co., Ltd.	143,608.00						143,608.00				Equity instruments held not for trading
Tianjin Housing Industrialization Investment Co., Ltd.	10,580,000.00				80,000.00		10,500,000.00			9,500,000.00	Equity instruments held not for trading
NYOCOR Co., Ltd.	454,021.20				25,223.40		428,797.80	16,815.60	329,497.88		Equity instruments held not for trading
Zhongzhao United Information Co., Ltd.	1,144,990.74			329,844.84			1,474,835.58		474,835.58		Equity instruments held not for trading
Total	896,870,538.28	848,451.77	143,816,944.50	11,152,825.84	56,265,514.02	66,119,058.50	774,908,415.87	6,887,210.90	29,376,225.30	230,603,488.03	

5.15.2 Description of derecognition in the current period

Project	Cumulative gains transferred to retained earnings	Cumulative losses transferred to retained earnings	Reason for derecognition
Zhoushan Sangde Water Co., Ltd.		822,456.37	Cancellation in 2025
Shanghai Lingang Holding Co., Ltd.		45,378,270.66	Partially sold in 2025

5.16 Other non-current financial assets

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Financial assets measured at fair value through the current profit or loss	2,627,712,574.27	2,662,957,729.70
Including: other equity instrument investments	205,240,327.82	201,519,397.61
Others	2,422,472,246.45	2,461,438,332.09
Total	2,627,712,574.27	2,662,957,729.70

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Equity instrument investments:		
Changshu Hujian Environmental Water Co., Ltd.	200,212,045.43	196,753,576.96
Shanghai Lingang Dongfang Junhe Equity Investment Management Co., Ltd.	5,028,282.39	4,765,820.65
Sub-total	205,240,327.82	201,519,397.61
Others:		
Trust Guarantee fund of CCB Trust		50,000,000.00
Trust Guarantee Fund for SIT- Shanghai Construction Perpetual Group Capital Trust Plan	18,100,000.00	50,000,000.00
CITIC Trust · Juxin No.375 Collective Fund Trust Plan Protection Fund	9,000,000.00	
Shanghai Chengchuang Urban Renewal Equity Investment Fund Partnership (Limited Partnership)	291,248,852.01	292,920,909.17
Shanghai Lingang Dongfang Junhe Science and Technology Innovation Industry Equity Investment Fund Partnership (limited partnership)	5,388,781.94	49,864,765.36
Shanghai Guohe Phase II Modern Service Industry Equity Investment Fund Partnership (limited partnership)	42,955,947.68	62,229,432.86
Shanghai Guofang FOF Phase I Venture Capital Partnership (Limited Partnership)	180,402,604.79	229,805,178.28
Shanghai Guohe Fanyule Growth Equity Investment Fund Partnership (limited partnership)	5,478,425.87	10,371,471.16
Shanghai Shenchuang Equity Investment Management Center (limited partnership)	1,062,959.26	18,703,675.38
Shanghai Shenchuang Equity Investment Fund Partnership (limited partnership)	2,074,742.86	76,246,092.96
Wuxi Chengding Smart City Venture Equity Partnership (Limited Partnership)	102,143,223.00	103,555,547.00

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Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Shanghai Shenchuang Xindongli Equity Investment Management Center (Limited Partnership)	10,446,775.45	14,730,445.16
Shanghai Shenchuang Xindongli Equity Investment Fund Partnership (Limited Partnership)	255,301,112.08	319,866,523.94
Shenzhen Linghui Jishi Equity Investment Fund Partnership (Limited Partnership)	300,163,254.94	205,653,364.18
Qingdao Huakong Growth Equity Investment Partnership (Limited Partnership)	303,480,019.84	216,479,512.70
Shanghai Shenchuang Industry City Private Equity Fund Partnership (Limited Partnership)	392,129,613.68	306,699,714.34
Shanghai Shenchuang Industry City Investment Management Center (Limited Partnership)	7,682,409.45	10,482,690.46
Shenzhen Pengyuan Keystone Private Equity Investment Fund Partnership (Limited Partnership)	121,297,772.08	60,794,837.69
Hangzhou Caijin Future Community Equity Investment Partnership (Limited Partnership)	138,803,823.86	158,689,765.80
Shenzhen Dachen Chuangcheng Private Equity Investment Fund Enterprise (Limited Partnership)	57,391,858.99	
Huzhou Electric Power Construction Engineering Equity Investment Partnership (Limited Partnership)	194,446.36	181,801.57
Hainan Shenya East Bund Investment Co., Ltd.	77,675,211.71	105,774,758.96
Shanghai Hongke Investment Management Partnership (Limited Partnership)	100,000,000.00	100,000,000.00
Zhonghai Trust (Pujiang International)	50,410.60	
Shanghai Lingang Xinyefang Business Equity Investment Fund Partnership (limited partnership)		18,387,845.12
Sub-total	2,422,472,246.45	2,461,438,332.09

5.17 Investment properties

5.17.1 Investment properties measured at cost

Item	Buildings and constructions
1. Original book value	
(1) Balance as at December 31, 2024	5,401,317,721.21
(2) Increase in 2025	4,379,202,732.89
- Outsourcing	
- Transferred from inventories / fixed assets / construction in progress	264,359,789.39
- Increase due to business combination	4,116,767,578.09
- Foreign currency translation differences	-13,730,616.24
- Reclassification and other changes	11,805,981.65
(3) Decrease in 2025	2,646,293.53
- Disposal	2,646,293.53
(4) Balance as at December 31, 2025	9,777,874,160.57
2. Accumulative depreciation and accumulative amortization	
(1) Balance as at December 31, 2024	1,003,690,020.52
(2) Increase in 2025	781,801,854.67
- Provision or amortization	232,410,460.30
- Transferred from fixed assets	45,434,913.20

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Item	Buildings and constructions
- Increase due to business combination	506,030,010.18
- Foreign currency translation differences	-2,167,798.13
- Reclassification and other changes	94,269.12
(3) Decrease in 2025	961,355.34
- Disposal	961,355.34
(4) Balance as at December 31, 2025	1,784,530,519.85
3. Provision for impairment	
(1) Balance as at December 31, 2024	11,623,572.89
(2) Increase in 2025	140,737,567.91
- Provision	
- Increase due to business combination	140,737,567.91
(3) Decrease in 2025	417,246.21
- Disposal	417,246.21
(4) Balance as at December 31, 2025	151,943,894.59
4. Book value	
(1) Book value as at December 31, 2025	7,841,399,746.13
(2) Book value as at December 31, 2024	4,386,004,127.80

5.17.2 Investment properties with pending certificate of title

Item	Book value	Reason for pending certificates of title
Buildings and constructions	8,696,808.58	In process

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5.18 Fixed assets

5.18.1 Fixed assets and disposal of fixed assets

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Fixed assets	10,347,453,755.06	10,365,889,166.96
Disposal of fixed assets		834,603.20
Total	10,347,453,755.06	10,366,723,770.16

5.18.2 Breakdown of fixed assets

Item	Buildings and constructions	Machinery equipment	Transportation equipment	Production equipment	Office equipment and other equipment	Temporary facility	Special equipment	Instruments and laboratory equipment	Total
1. Original book value									
(1) Balance as at December 31, 2024	10,964,994,090.86	3,987,742,015.03	400,872,194.51	1,604,611,772.34	1,247,615,842.93	7,563,611,459.03	292,685,885.48	322,903,412.13	26,385,036,672.31
(2) Increase in 2025	879,192,744.00	410,966,390.49	40,074,556.70	75,891,930.32	82,270,341.32	1,018,229,486.54	21,385,125.39	-2,841,603.04	2,525,168,971.72
- Purchase	80,056,586.41	77,781,485.06	26,221,457.14	17,397,687.20	60,935,344.37	1,023,954,160.59	19,735,287.47	7,239,421.58	1,313,321,429.82
- Transfer from construction in progress	845,361,352.34	333,352,927.24	9,760,003.13	35,463,029.98	18,959,078.18	2,477,242.39	3,068,960.54	7,672,651.45	1,256,115,245.25
- Transfer from inventories	4,409,619.11				43,257.29				4,452,876.40
- Increase due to business combination		278,805.90	1,101,938.62	2,343,612.84	661,175.23				4,385,532.59
- Foreign currency translation differences	-46,477,879.11	-23,622,922.40	-819,949.15	-8,927,123.73	-3,395,037.05		-718.20	-17,745.63	-83,261,375.27
- Reclassification and other changes	-4,156,934.75	23,176,094.69	3,811,106.96	29,614,724.03	5,066,523.30	-8,201,916.44	-1,418,404.42	-17,735,930.44	30,155,262.93
(3) Decrease in 2025	175,064,042.49	127,826,253.22	36,092,807.14	86,850,061.03	79,426,302.98	723,512,557.14	145,974,052.94	10,241,497.01	1,384,987,573.95
- Disposal or scrapping	75,943,173.95	120,320,875.49	35,437,939.88	86,850,061.03	77,007,674.98	723,512,557.14	145,974,052.94	10,241,497.01	1,275,287,832.42
- Transfer to investment properties	99,120,868.54								99,120,868.54

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Item	Buildings and constructions	Machinery equipment	Transportation equipment	Production equipment	Office equipment and other equipment	Temporary facility	Special equipment	Instruments and laboratory equipment	Total
- Transfer to construction in progress		7,505,377.73	654,867.26						8,160,244.99
- Disposal of subsidiaries					2,418,628.00				2,418,628.00
(4) Balance as at December 31, 2025	11,669,122,792.37	4,270,882,152.30	404,853,944.07	1,593,653,641.63	1,250,459,881.27	7,858,328,388.43	168,096,957.93	309,820,312.08	27,525,218,070.08
2. Accumulated depreciation									
(1) Balance as at December 31, 2024	4,133,526,250.00	2,451,234,341.72	278,591,010.99	727,722,001.35	989,257,956.70	6,965,395,831.05	257,679,855.33	215,273,472.89	16,018,680,720.03
(2) Increase in 2025	488,139,494.58	285,992,991.44	30,781,058.59	183,731,604.88	98,896,197.53	1,243,609,555.71	6,489,449.69	11,993,063.01	2,349,633,415.43
- Provision	501,959,117.93	310,238,264.76	26,968,950.14	135,279,187.93	99,885,934.98	1,245,388,656.13	10,345,083.71	28,213,110.82	2,358,278,306.40
- Increase due to business combination		55,084.22	215,427.28	302,864.61	168,061.78				741,437.89
- Foreign currency translation differences	-13,074,278.56	-15,386,021.76	-536,827.01	-3,175,282.78	-3,270,404.89		-718.20	-18,182.50	-35,461,715.70
- Reclassification and other changes	-745,344.79	-8,914,335.78	4,133,508.18	51,324,835.12	2,112,605.66	-1,779,100.42	-3,854,915.82	-16,201,865.31	26,075,386.84
(3) Decrease in 2025	66,213,260.85	116,162,882.08	31,062,844.76	43,068,195.87	70,511,824.26	716,715,367.56	138,161,882.91	9,120,347.47	1,191,016,605.76
- Disposal or scrapping	20,778,347.65	110,318,246.30	31,036,922.92	43,068,195.87	68,968,404.88	716,715,367.56	138,161,882.91	9,120,347.47	1,138,167,715.56
- Transfer to investment properties	45,434,913.20								45,434,913.20
- Transfer to construction in progress		5,844,635.78	25,921.84						5,870,557.62
- Disposal of subsidiaries					1,543,419.38				1,543,419.38
(4) Balance as at December 31, 2025	4,555,452,483.73	2,621,064,451.08	278,309,224.82	868,385,410.36	1,017,642,329.97	7,492,290,019.20	126,007,422.11	218,146,188.43	17,177,297,529.70

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Item	Buildings and constructions	Machinery equipment	Transportation equipment	Production equipment	Office equipment and other equipment	Temporary facility	Special equipment	Instruments and laboratory equipment	Total
3. Provision for impairment									
(1) Balance as at December 31, 2024	428,759.51				38,025.81				466,785.32
(2) Increase in 2025									
- Provision									
(3) Decrease in 2025									
- Disposal or scrapping									
(4) Balance as at December 31, 2025	428,759.51				38,025.81				466,785.32
4. Book value									
(1) Book value as at December 31, 2025	7,113,241,549.13	1,649,817,701.22	126,544,719.25	725,268,231.27	232,779,525.49	366,038,369.23	42,089,535.82	91,674,123.65	10,347,453,755.06
(2) Book value as at December 31, 2024	6,831,039,081.35	1,536,507,673.31	122,281,183.52	876,889,770.99	258,319,860.42	598,215,627.98	35,006,030.15	107,629,939.24	10,365,889,166.96

5.18.3 Breakdown of fixed assets with pending certificates of title

Item	Book value	Reason for failure to complete the formalities for the certificate of title
Buildings and constructions	537,248,612.85	In process

5.18.4 Disposal of fixed assets

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Buildings and constructions		834,603.20

5.19 Construction in progress

5.19.1 Construction in progress and project materials

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Construction in progress	976,608,766.49		976,608,766.49	1,465,359,262.01		1,465,359,262.01
Project materials						
Total	976,608,766.49		976,608,766.49	1,465,359,262.01		1,465,359,262.01

5.19.2 Breakdown of construction in progress

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
INVESTEL RESORT MGT	722,309,540.49		722,309,540.49	780,649,914.06		780,649,914.06
Low-income rental housing in Juyuan				224,319,290.15		224,319,290.15
Project development at Plot No.718, Hongjing Road in Minhang District				87,222,823.11		87,222,823.11
Others	254,299,226.00		254,299,226.00	373,167,234.69		373,167,234.69
Total	976,608,766.49		976,608,766.49	1,465,359,262.01		1,465,359,262.01

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5.19.3 Changes in important construction in progress in the current period

Item	Budget amount	Balance as at December 31, 2024	Increase in 2025	Amount transferred to fixed assets in 2025	Other decreases in 2025	Balance as at December 31, 2025	Proportion of accumulated project investments in budget amount (%)	Work progress	Accumulated capitalized amount of interest	Including: capitalized amount of interest in 2025	Capitalization rate of interest in 2025 (%)	Source of funds
INVESTEL RESORT MGT	4,233,406,711.02	780,649,914.06	22,977,166.59	69,236,301.47	12,081,238.69	722,309,540.49	18.98	18.98%	95,957,782.08	20,360,516.10	3.42	Borrowings and self-financed funds
Low-income rental housing in Juyuan	839,620,000.00	224,319,290.15	253,303,263.74	477,622,553.89			56.89	100.00%	5,945,114.47	4,047,087.70	2.30	Borrowings and self-financed funds
Project development at Plot No.718, Hongjing Road in Minhang District	155,000,000.00	87,222,823.11	53,878,094.32	141,100,917.43			91.03	100.00%				Self-financed funds
Total		1,092,192,027.32	330,158,524.65	687,959,772.79	12,081,238.69	722,309,540.49			101,902,896.55	24,407,603.80		

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5.20 Right-of-use assets

5.20.1 Breakdown of right-of-use assets

Item	Buildings and constructions	Machinery equipment	Production equipment	Land use right	Others	Total
1. Original book value						
(1) Balance as at December 31, 2024	2,825,915,738.16	499,241,464.00	1,410,836,895.28	866,490,296.62	7,496,486.08	5,609,980,880.14
(2) Increase in 2025	377,965,962.47	74,392,557.69	46,292,496.56	-65,201,485.95		433,449,530.77
- Newly-added leases	495,205,184.49	75,404,833.77	163,861,517.40	48,492,526.41		782,964,062.07
- Increase due to business combination	-67,722,020.88					-67,722,020.88
- Lease change and adjustment upon reevaluation	-14,050,178.49	-1,006,272.50	-119,085,311.93	-113,694,012.36		-247,835,775.28
- Foreign currency translation differences	210,558.83	-6,003.58				204,555.25
- Reclassification and other changes	-35,677,581.48		1,516,291.09			-34,161,290.39
(3) Decrease in 2025	609,405,230.68	29,287,373.65	154,118,297.96	100,459,368.88		893,270,271.17
- Disposal	609,405,230.68	29,287,373.65	154,118,297.96	100,459,368.88		893,270,271.17
(4) Balance as at December 31, 2025	2,594,476,469.95	544,346,648.04	1,303,011,093.88	700,829,441.79	7,496,486.08	5,150,160,139.74
2. Accumulated depreciation						
(1) Balance as at December 31, 2024	1,057,188,596.74	144,684,928.32	354,001,796.33	270,974,513.57	4,756,315.99	1,831,606,150.95
(2) Increase in 2025	472,469,961.33	111,479,720.49	178,847,293.15	92,018,380.37	2,464,299.87	857,279,655.21
- Provision	475,191,232.25	111,485,724.07	178,847,293.15	92,018,380.37	2,464,299.87	860,006,929.71
- Increase due to business combination	-1,005,720.87					-1,005,720.87
- Foreign currency translation differences	34,639.93	-6,003.58				28,636.35
- Reclassification and other changes	-1,750,189.98					-1,750,189.98

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Item	Buildings and constructions	Machinery equipment	Production equipment	Land use right	Others	Total
(3) Decrease in 2025	391,905,694.61	29,287,373.65	68,469,176.95	46,593,085.59		536,255,330.80
- Disposal	391,905,694.61	29,287,373.65	68,469,176.95	46,593,085.59		536,255,330.80
(4) Balance as at December 31, 2025	1,137,752,863.46	226,877,275.16	464,379,912.53	316,399,808.35	7,220,615.86	2,152,630,475.36
3. Provision for impairment						
(1) Balance as at December 31, 2024						
(2) Increase in 2025						
- Provision						
(3) Decrease in 2025						
- Disposal						
(4) Balance as at December 31, 2025						
4. Book value						
(1) Book value as at December 31, 2025	1,456,723,606.49	317,469,372.88	838,631,181.35	384,429,633.44	275,870.22	2,997,529,664.38
(2) Book value as at December 31, 2024	1,768,727,141.42	354,556,535.68	1,056,835,098.95	595,515,783.05	2,740,170.09	3,778,374,729.19

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5.21 Intangible assets

5.21.1 Breakdown of intangible assets

Item	Domestic land use right	Overseas land ownership	Mineral resource exploration right	PPP franchise	Outsourcing business qualifications	Computer software	Client relationship	Others	Total
1. Original book value									
(1) Balance as at December 31, 2024	1,948,032,078.62	1,760,596,517.97	1,564,507,544.01	379,476,795.10	270,140,031.69	156,323,225.23	78,650,000.00	347,924,621.22	6,505,650,813.84
(2) Increase in 2025	3,290,060.00	-33,109,079.24	35,756,726.15			10,566,153.53		-270,573.67	16,233,286.77
- Purchase	3,290,060.00	5,833,651.26	61,667,889.72			9,855,195.05		100,000.00	80,746,796.03
- Internal research and development								313,426.33	313,426.33
- Transfer from construction in progress						682,358.48			682,358.48
- Foreign currency translation differences		-38,942,730.50	-24,078,015.72					-684,000.00	-63,704,746.22
- Reclassification and other changes			-1,833,147.85			28,600.00			-1,804,547.85
(3) Decrease in 2025	7,699,828.23					61,340.00		17,060,000.00	24,821,168.23
- Disposal	7,699,828.23					61,340.00		17,060,000.00	24,821,168.23
(4) Balance as at December 31, 2025	1,943,622,310.39	1,727,487,438.73	1,600,264,270.16	379,476,795.10	270,140,031.69	166,828,038.76	78,650,000.00	330,594,047.55	6,497,062,932.38
2. Accumulated amortization									
(1) Balance as at December 31, 2024	423,422,702.66		1,155,901,450.34	95,455,398.53	103,119,925.34	130,128,323.78	53,141,892.00	90,229,252.63	2,051,398,945.28
(2) Increase in 2025	37,495,486.83		78,146,808.22	24,282,867.44	33,814,308.44	11,376,477.05	12,754,054.08	11,922,668.84	209,792,670.90
- Provision	41,783,328.43		119,472,471.51	24,282,867.44	33,814,308.44	11,347,877.05	12,754,054.08	7,634,827.24	251,089,734.19

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Item	Domestic land use right	Overseas land ownership	Mineral resource exploration right	PPP franchise	Outsourcing business qualifications	Computer software	Client relationship	Others	Total
- Foreign currency translation differences			-17,035,570.41						-17,035,570.41
- Reclassification and other changes	-4,287,841.60		-24,290,092.88			28,600.00		4,287,841.60	-24,261,492.88
(3) Decrease in 2025	4,215,082.17					61,340.00		17,060,000.00	21,336,422.17
- Disposal	4,215,082.17					61,340.00		17,060,000.00	21,336,422.17
(4) Balance as at December 31, 2025	456,703,107.32		1,234,048,258.56	119,738,265.97	136,934,233.78	141,443,460.83	65,895,946.08	85,091,921.47	2,239,855,194.01
3. Provision for impairment									
(1) Balance as at December 31, 2024			206,883,938.03					98,492,687.77	305,376,625.80
(2) Increase in 2025	25,436,013.38		-4,593,327.65					-364,800.00	20,477,885.73
- Provision	25,436,013.38								25,436,013.38
- Foreign currency translation differences			-4,593,327.65					-364,800.00	-4,958,127.65
(3) Decrease in 2025									
- Disposal									
(4) Balance as at December 31, 2025	25,436,013.38		202,290,610.38					98,127,887.77	325,854,511.53
4. Book value									
(1) Book value as at December 31, 2025	1,461,483,189.69	1,727,487,438.73	163,925,401.22	259,738,529.13	133,205,797.91	25,384,577.93	12,754,053.92	147,374,238.31	3,931,353,226.84
(2) Book value as at December 31, 2024	1,524,609,375.96	1,760,596,517.97	201,722,155.64	284,021,396.57	167,020,106.35	26,194,901.45	25,508,108.00	159,202,680.82	4,148,875,242.76

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5.22 Goodwill

5.22.1 Changes in goodwill

Name of the investee or matters forming goodwill	Balance as at December 31, 2024	Increase in 2025		Decrease in 2025	Balance as at December 31, 2025
		Amount formed through business combination	Foreign currency translation differences	Disposal	
Original book value					
Goodwill arising from the acquisition of Zara Mining (Remark 1)	190,035,114.27		-4,219,242.71		185,815,871.56
Goodwill arising from the acquisition of Shanghai JianAn Chemical Engineering Co., Ltd.	4,787,441.29				4,787,441.29
Goodwill arising from the acquisition of Shanghai SINKO Cooling Machinery Co., Ltd.	2,225,201.61				2,225,201.61
Goodwill arising from the acquisition of Shanghai Huayi Construction Co., Ltd.	4,736,653.92				4,736,653.92
Goodwill arising from the acquisition of Shanghai Urban Transportation Design Institute Co., Ltd.	854,541.32				854,541.32
Goodwill arising from the acquisition of Shanghai Construction (Jiangsu) Steel Structure Co., Ltd.	33,186,974.18				33,186,974.18
Goodwill arising from the acquisition of Shanghai Urban Space Architectural Design Co., Ltd.	1,239,963.57				1,239,963.57
Goodwill arising from the acquisition of SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	100,524,405.10				100,524,405.10
Goodwill arising from the acquisition of Shanghai Greenment Environmental Technologies Co., Ltd.	157,972,503.81				157,972,503.81
Goodwill arising from the acquisition of Tianjin Housing Construction Development Group Co., Ltd.	299,178,127.18				299,178,127.18
Goodwill arising from the acquisition of Shanghai Jiading Construction Engineering Quality Inspection & Testing Center Co., Ltd.	270,145.94				270,145.94
Goodwill arising from the acquisition of Tianjin Architecture Appraisal and Design Co., Ltd.	24,966,353.65				24,966,353.65

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Name of the investee or matters forming goodwill	Balance as at December 31, 2024	Increase in 2025		Decrease in 2025	Balance as at December 31, 2025
		Amount formed through business combination	Foreign currency translation differences	Disposal	
Sub-total	819,977,425.84		-4,219,242.71		815,758,183.13
Provision for impairment					
Goodwill arising from the acquisition of Zara Mining (Remark 1)	190,035,114.27		-4,219,242.71		185,815,871.56
Goodwill arising from the acquisition of Shanghai JianAn Chemical Engineering Co., Ltd.		4,787,441.29			4,787,441.29
Goodwill arising from the acquisition of Shanghai SINKO Cooling Machinery Co., Ltd.	2,225,201.61				2,225,201.61
Goodwill arising from the acquisition of Shanghai Construction (Jiangsu) Steel Structure Co., Ltd.	33,186,974.18				33,186,974.18
Goodwill arising from the acquisition of SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	28,266,105.10				28,266,105.10
Goodwill arising from the acquisition of Shanghai Greenment Environmental Technologies Co., Ltd.		10,329,110.24			10,329,110.24
Goodwill arising from the acquisition of Tianjin Housing Construction Development Group Co., Ltd. (Remark 2)	104,626,349.27	42,248,121.85			146,874,471.12
Sub-total	358,339,744.43	57,364,673.38	-4,219,242.71		411,485,175.10
Book value	461,637,681.41	-57,364,673.38			404,273,008.03

Remark 1: As a result of the Company's subsidiary Shanghai SFECO's purchase of 60% of the shares of Eritrea's Zahra Mining Company, the provision for impairment was fully made on December 31, 2017. In 2024, only the difference on translation of foreign currency financial statements was adjusted.

Remark 2: The goodwill arising from the acquisition of Tianjin Residential Construction Development Group Co., Ltd. was formed by the Company's acquisition of 51% equity interest in Tianjin Residential Construction Development Group Co., Ltd. in October 2020. As Tianjin Residential Construction Development Group Co., Ltd. sold property assets and leased property assets externally, the relevant goodwill was gradually transferred out with the sale of property assets. In the impairment test, the Company conducted the allocated calculation of the saleable property.

5.22.2 Composition of the asset group or portfolio of asset groups including goodwill and relevant information on the corresponding operating segments

Item	Composition of the asset group or the portfolio of asset groups including goodwill and basis	Corresponding operating segment and basis	Whether it is consistent with that in previous years
Goodwill arising from the acquisition of Shanghai JianAn Chemical Engineering Co., Ltd.	The goodwill arising from the acquisition of Shanghai JianAn Chemical Engineering Co., Ltd. was formed through the mergers and acquisitions of the 100% equity of Shanghai Jian'an Chemical Engineering Design Co., Ltd. by Shanghai Installation Engineering Group Co., Ltd., a wholly-owned subsidiary of the Company, in 2011. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years. Shanghai Jian'an Chemical Design Co., Ltd. was canceled by its parent company Shanghai Installation Engineering Group Co., Ltd. upon consolidation by merger in 2022.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent
Goodwill arising from the acquisition of Shanghai Huayi Construction Co., Ltd.	The goodwill arising from the acquisition of Shanghai Huayi Construction Co., Ltd. was formed through the mergers and acquisitions of the 60% equity of Shanghai Huayi Construction Co., Ltd. by Installation Group, a wholly-owned subsidiary of the Company, in March 2012. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent
Goodwill arising from the acquisition of Shanghai Urban Transportation Design Institute Co., Ltd.	The goodwill arising from the acquisition of Shanghai Urban Transportation Design Institute Co., Ltd. was formed through the mergers and acquisitions of the 70% equity of Shanghai Urban Transportation Design Institute Co., Ltd. by Municipal Engineering Design Institute, a wholly-owned subsidiary of the Company, in 2014. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent

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Item	Composition of the asset group or the portfolio of asset groups including goodwill and basis	Corresponding operating segment and basis	Whether it is consistent with that in previous years
Goodwill arising from the acquisition of Shanghai Urban Space Architectural Design Co., Ltd.	The goodwill arising from the acquisition of Shanghai Urban Space Architectural Design Co., Ltd. was formed through the mergers and acquisitions of the 100% equity of Shanghai Urban Space Architectural Design Co., Ltd. by Municipal Engineering Design Institute, a wholly-owned subsidiary of the Company, in June 2016. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent
Goodwill arising from the acquisition of SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	The goodwill arising from the acquisition of SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd. was formed through the mergers and acquisitions of the 100% equity of SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd. by Shanghai Municipal Construction Co., Ltd., a wholly-owned subsidiary of the Company, in April 2018. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent
Goodwill arising from the acquisition of Shanghai Greenment Environmental Technologies Co., Ltd.	The goodwill arising from the acquisition of Shanghai Greenment Environmental Technologies Co., Ltd. was formed through mergers and acquisitions of the 100% equity of Shanghai Greenment Environmental Technologies Co., Ltd. by Garden Group, a wholly-owned subsidiary of the Company, in October 2020. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent
Goodwill arising from the acquisition of Tianjin Housing Construction Development Group Co., Ltd.	The goodwill arising from the acquisition of Tianjin Housing Construction Development Group Co., Ltd. was formed through mergers and acquisitions of the 51% equity of Tianjin Housing Construction Development Group Co., Ltd. by the Company in October 2020. Such asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent

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Item	Composition of the asset group or the portfolio of asset groups including goodwill and basis	Corresponding operating segment and basis	Whether it is consistent with that in previous years
Goodwill arising from the acquisition of Shanghai Jiading Construction Engineering Quality Inspection & Testing Center Co., Ltd.	The goodwill arising from the acquisition of Shanghai Jiading Construction Engineering Quality Inspection & Testing Center Co., Ltd. was formed through the mergers and acquisitions of the 60% equity of Shanghai Jiading Construction Engineering Quality Inspection & Testing Center Co., Ltd. by the Company in September 2023. The asset group is consistent with the asset group determined on the acquisition date and at the impairment test of goodwill in previous years.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent
Goodwill arising from the acquisition of Tianjin Architecture Appraisal and Design Co., Ltd.	The goodwill arising from the acquisition of Tianjin Architecture Appraisal and Design Co., Ltd. was formed through the mergers and acquisitions of the 100% equity of Tianjin Architecture Appraisal and Design Co., Ltd. by Tianjin Housing Construction Development Group Co., Ltd., a wholly-owned subsidiary of the Company in May 2024.	For the purpose of internal management, relevant assets belong to such portfolio	Consistent

5.22.3 Specific methods for the determination of recoverable amount

Recoverable amounts determined at the net amount of the fair value less the disposal expense:

Project	Book value	Recoverable amount	Impaired amount	Way of determining the fair value and disposal expense
Goodwill cash-generating unit - Tianjin Housing Construction Development Group Co., Ltd.	2,690,258,142.22	2,764,481,557.03		Based on the market price
Goodwill cash-generating unit - Tianjin Huaxia Property Management Development Co., Ltd.	780,180.24	861,026.64		Based on the market price
Goodwill cash-generating unit - Tianjin Huaxin Real Estate Management Co., Ltd.	88,015,524.78	64,214,192.00	23,801,332.78	Based on the market price
Goodwill cash-generating unit - Tianjin Tianzhu Lingyu Real Estate Management Service Co., Ltd.	5,009.49	37,922.00		Based on the market price
Goodwill cash-generating unit - Tianjin Housing Group Real Estate Management Co., Ltd.	468,828,204.83	494,684,474.90		Based on the market price

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Project	Book value	Recoverable amount	Impaired amount	Way of determining the fair value and disposal expense
Goodwill cash-generating unit - Tianjin Gulou Jiuwu Commercial Operation Management Co., Ltd.	147,780,648.27	197,172,170.00		Based on the market price
Goodwill cash-generating unit - Xi'an Hua'an Property Co., Ltd.	68,984,203.61	77,665,050.00		Based on the market price
Goodwill cash-generating unit - Tianjin Huafu Property Co., Ltd.	18,171,370.36	16,072,776.00	2,098,594.36	Based on the market price
Goodwill cash-generating unit - Tianjin Huahui Anderson Construction Engineering Co., Ltd.	1,657,394.40	14,564,405.83		Based on the market price
Goodwill cash-generating unit - Tianjin Longcheng Investment Development Co., Ltd.	46,826,085.32	89,307,950.00		Based on the market price
Goodwill cash-generating unit - Tianjin Housing Group Building Materials Technology Co., Ltd.	3,705,506.05	5,779,859.77		Based on the market price
Goodwill cash-generating unit - Tianjin Zhongwang Longteng Technology Development Co., Ltd.	16,238,243.47	16,979,319.00		Based on the market price
Goodwill cash-generating unit - Tianjin Huaxia Construction Development Co., Ltd.	41,441,528.13	105,887,252.52		Based on the market price
Goodwill cash-generating unit - Tianjin Tianzhu Building Material Co., Ltd.	11,996,735.65	15,200,000.00		Based on the market price
Goodwill cash-generating unit - Tianjin Meijiang Construction Development Co., Ltd.	60,501,953.20	81,540,000.00		Based on the market price
Goodwill cash-generating unit - Tianjin Huaxia Shenglong Real Estate Co., Ltd.	130,485,553.67	115,721,392.00	14,764,161.67	Based on the market price
Goodwill cash-generating unit - Tianjin Tianzhu Construction Engineering Co., Ltd.	12,612,296.29	13,300,800.00		Based on the market price
Goodwill cash-generating unit - Tianjin Tianzhu Construction and Installation Engineering Co., Ltd.	469,900.24	502,049.21		Based on the market price
Goodwill cash-generating unit - Tianjin Housing Group Jincheng Real Estate Co., Ltd.	118,816,133.99	139,675,567.00		Based on the market price
Goodwill cash-generating unit - Tianjin Tianzhu Smart City Operation Service Co., Ltd.	34,519,508.55	43,313,708.15		Based on the market price

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Project	Book value	Recoverable amount	Impaired amount	Way of determining the fair value and disposal expense
Goodwill cash-generating unit - Tianjin Housing Group Construction Engineering General Contracting Co., Ltd.	296,090,135.99	287,056,506.23	9,033,629.76	Based on the market price
Goodwill cash-generating unit - Shanghai Jiading Construction Engineering Quality Inspection & Testing Center Co., Ltd.	3,915,089.98	4,100,000.00		Based on the market price
Total	4,262,099,348.73	4,548,117,978.28	49,697,718.57	

Recoverable amounts determined based on the present value of the estimated future cash flows:

Project	Book value	Recoverable amount	Impaired amount	Forecast period (Year)	Key parameters during the forecast period (growth rate, and profit rate, etc.)	Basis for determining key parameters during the forecast period	Key parameters during the stable period (growth rate, profit rate, and discount rate, etc.)	Basis for determining key parameters during the stable period
Goodwill cash-generating unit - Tianjin Housing Research Building Science Engineering Technology Co., Ltd.	2,445,985.87	2,460,000.00		5 years	Growth rate of operating income in the forecast period: 1.05%; profit rate and discount rate in the forecast period: 8.47% and 10.59%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period

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Project	Book value	Recoverable amount	Impaired amount	Forecast period (Year)	Key parameters during the forecast period (growth rate, and profit rate, etc.)	Basis for determining key parameters during the forecast period	Key parameters during the stable period (growth rate, profit rate, and discount rate, etc.)	Basis for determining key parameters during the stable period
Goodwill cash-generating unit - Tianjin Zhuyan Construction Research Design Co., Ltd.	3,867,479.75	3,960,000.00		5 years	Growth rate of operating income in the forecast period: 4.04%; profit rate and discount rate in the forecast period: 12.08% and 10.58%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period
Goodwill cash-generating unit - Tianjin Housing Research Institute Co., Ltd.	4,916,342.79	5,800,000.00		5 years	Growth rate of operating income in the forecast period: 6.68%; profit rate and discount rate in the forecast period: 11.83% and 9.42%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period

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Project	Book value	Recoverable amount	Impaired amount	Forecast period (Year)	Key parameters during the forecast period (growth rate, and profit rate, etc.)	Basis for determining key parameters during the forecast period	Key parameters during the stable period (growth rate, profit rate, and discount rate, etc.)	Basis for determining key parameters during the stable period
Goodwill cash-generating unit - Tianjin Inspection and Testing Center for Housing Quality and Safety Co., Ltd.	29,468,494.78	34,900,000.00		5 years	Growth rate of operating income in the forecast period: 8.92%; profit rate and discount rate in the forecast period: 7.35% and 9.33%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period
Goodwill cash-generating unit - Shanghai JianAn Chemical Engineering Co., Ltd.	13,829,841.29	8,500,000.00	5,329,841.29	5 years	Growth rate of operating income in the forecast period: 7.19%; profit rate and discount rate in the forecast period: -4.23% and 12.59%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period

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Project	Book value	Recoverable amount	Impaired amount	Forecast period (Year)	Key parameters during the forecast period (growth rate, and profit rate, etc.)	Basis for determining key parameters during the forecast period	Key parameters during the stable period (growth rate, profit rate, and discount rate, etc.)	Basis for determining key parameters during the stable period
Goodwill cash-generating unit - Shanghai Huayi Construction Co., Ltd.	13,619,870.91	26,200,000.00		5 years	Growth rate of operating income in the forecast period: 1.00%; profit rate and discount rate in the forecast period: 0.30% and 14.40%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period
Goodwill cash-generating unit - Shanghai Urban Transportation Design Institute Co., Ltd.	1,365,341.02	1,690,000.00		5 years	Growth rate of operating income in the forecast period: 5.31%; profit rate and discount rate in the forecast period: 0.26% and 12.50%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period

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Goodwill cash-generating unit - Shanghai Urban Space Architectural Design Co., Ltd.	1,239,963.57	1,700,000.00		5 years	Growth rate of operating income in the forecast period: 3.00%; profit rate and discount rate in the forecast period: 2.44% and 13.10%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period
Goodwill cash-generating unit - SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	105,479,544.64	203,000,000.00		5 years	Growth rate of operating income in the forecast period: 2.45%; profit rate and discount rate in the forecast period: 1.34% and 15.80%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period

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Project	Book value	Recoverable amount	Impaired amount	Forecast period (Year)	Key parameters during the forecast period (growth rate, and profit rate, etc.)	Basis for determining key parameters during the forecast period	Key parameters during the stable period (growth rate, profit rate, and discount rate, etc.)	Basis for determining key parameters during the stable period
Goodwill cash-generating unit - Shanghai Greenment Environmental Technologies Co., Ltd.	170,329,110.24	160,000,000.00	10,329,110.24	5 years	Growth rate of operating income in the forecast period: 12.19%; profit rate and discount rate in the forecast period: 9.33% and 10.97%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period
Goodwill cash-generating unit - Tianjin Architecture Appraisal and Design Co., Ltd.	23,831,130.24	31,400,000.00		5 years	Growth rate of operating income in the forecast period: -4.21%; profit rate and discount rate in the forecast period: 3.43% and 10.95%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period

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Project	Book value	Recoverable amount	Impaired amount	Forecast period (Year)	Key parameters during the forecast period (growth rate, and profit rate, etc.)	Basis for determining key parameters during the forecast period	Key parameters during the stable period (growth rate, profit rate, and discount rate, etc.)	Basis for determining key parameters during the stable period
Goodwill cash-generating unit - TAAD Construction Engineering Quality Inspection and Testing Co., Ltd.	2,871,459.64	4,900,000.00		5 years	Growth rate of operating income in the forecast period: 3.00%; profit rate and discount rate in the forecast period: 15.44% and 10.98%	Income growth rate and profit rate: forecasted based on the historical business performance of the asset group and the company's development plan and business plan; discount rate: reflecting the time value of money in the current market	Regular income growth rate: 0%; profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period	Profit rate and pre-tax discount rate are consistent with those in the last year within the forecast period
Total	373,264,564.74	484,510,000.00	15,658,951.53					

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5.23 Long-term deferred expenses

Item	Balance as at December 31, 2024	Increase in 2025	Amortization in 2025	Other decreases	Balance as at December 31, 2025
Expenses on improvement of right-of-use assets	368,530,447.75	53,682,269.82	90,348,925.17	15,439,636.30	316,424,156.10
Others	70,646,812.06	31,485,911.30	24,603,400.75	3,958.14	77,525,364.47
Total	439,177,259.81	85,168,181.12	114,952,325.92	15,443,594.44	393,949,520.57

5.24 Deferred income tax assets and deferred income tax liabilities

5.24.1 Deferred income tax assets without offset

Item	Balance as at December 31, 2025		Balance as at December 31, 2024	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for credit and asset impairment	12,462,925,223.42	2,304,099,088.85	10,472,769,864.90	1,937,955,516.37
Depreciation of fixed assets	51,365,674.76	10,524,103.63	48,880,997.38	9,707,839.29
Dismissal and post-employment benefits payable to employees	208,244,096.63	32,126,978.86	213,841,937.00	32,655,631.15
Accrued expenses	352,330,346.33	64,640,993.93	338,752,297.76	61,598,590.47
Estimated liabilities	12,239,916.47	3,059,979.12	7,489,643.80	1,872,410.95
Offset of unrealized profits from internal transactions	572,339,246.49	142,127,329.39	540,172,186.36	133,999,369.91
Deductible losses	140,890,714.59	26,018,456.90	143,971,654.97	26,781,608.29
Deferred income	117,095,020.39	21,125,710.68	153,673,640.67	25,538,620.01
Changes in fair value of financial instruments measured at fair value through the current profit or loss	16,693,735.82	4,172,152.31	423,177,296.87	105,783,885.91

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Item	Balance as at December 31, 2025		Balance as at December 31, 2024	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Changes in fair value of financial instruments measured at fair value through other comprehensive income	202,047,464.27	50,395,113.94	251,518,047.29	62,765,628.86
Lease liabilities	2,651,023,730.67	560,641,991.49	2,917,138,967.75	631,553,181.15
Others	232,102,246.59	58,018,173.01	76,892,764.12	16,513,343.57
Total	17,019,297,416.43	3,276,950,072.11	15,588,279,298.87	3,046,725,625.93

5.24.2 Deferred income tax liabilities without offset

Item	Balance as at December 31, 2025		Balance as at December 31, 2024	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Changes in fair value of financial instruments measured at fair value through the current profit or loss	766,721,626.02	191,685,141.24	722,143,528.65	180,553,350.73
Changes in fair value of financial instruments measured at fair value through other comprehensive income	804,333.46	120,650.02	29,277,115.17	7,319,278.79
Depreciation of fixed assets	23,752,323.34	3,562,848.50	27,074,037.34	4,061,105.60
Asset valuation appreciation	105,156,730.01	23,158,286.31	151,972,025.93	26,167,579.66
Asset evaluation increment from business combination not under common control	1,185,340,344.49	294,345,058.67	1,451,801,053.87	359,474,068.03
Right-of-use assets	2,519,629,263.37	535,524,710.42	2,843,564,284.59	619,725,113.63
Total	4,601,404,620.69	1,048,396,695.16	5,225,832,045.55	1,197,300,496.44

5.24.3 Deferred income tax assets or liabilities after offset

Item	As at December 31, 2025		As at December 31, 2024	
	Amount offset in deferred income tax assets and liabilities	Balance of deferred income tax assets or liabilities after the offset	Amount of offset between deferred income tax assets and deferred income tax liabilities	Balance of deferred income tax assets or liabilities after the offset
Deferred income tax assets	757,985,854.88	2,518,964,217.23	831,150,461.55	2,215,575,164.38
Deferred income tax liabilities	757,985,854.88	290,410,840.28	831,150,461.55	366,150,034.89

5.24.4 Details of unrecognized deferred income tax assets

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Deductible temporary differences	4,900,922,423.28	2,161,728,591.23
Deductible losses	15,720,256,667.61	14,064,883,340.55
Total	20,621,179,090.89	16,226,611,931.78

5.24.5 Deductible losses from unrecognized deferred income tax assets will be expired in the following years

Year	Balance as at December 31, 2025	Balance as at December 31, 2024	Remark
Year 2025		1,570,194,451.98	
Year 2026	2,106,061,980.77	1,840,339,999.92	
Year 2027	2,271,627,081.13	2,540,780,162.69	
Year 2028	3,854,621,030.31	4,181,154,851.54	
Year 2029 and later	7,487,946,575.40	3,932,413,874.42	
Total	15,720,256,667.61	14,064,883,340.55	

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5.25 Other non-current assets

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract assets	28,573,770,750.17	1,230,490,773.84	27,343,279,976.33	26,930,385,322.82	864,817,451.29	26,065,567,871.53
Time deposit	1,364,660,754.81		1,364,660,754.81	2,188,248,481.55		2,188,248,481.55
Project reserves	106,411,423.64		106,411,423.64	150,216,250.92		150,216,250.92
Others	203,830,462.88	64,603,427.93	139,227,034.95	171,865,944.87	64,723,285.21	107,142,659.66
Total	30,248,673,391.50	1,295,094,201.77	28,953,579,189.73	29,440,716,000.16	929,540,736.50	28,511,175,263.66

5.26 Assets with restrictions on the ownership or use right

Item	As at December 31, 2025		As at December 31, 2024	
	Book value	Type of restriction	Book value	Type of restriction
Cash at bank and on hand	16,073,840,660.58	Restriction in the right of use and ownership	11,905,872,854.21	Restriction in the right of use and ownership
Notes receivable	55,178,483.11	Discount of acceptance bill	42,834,346.14	Discount of acceptance bill
Accounts receivable	1,496,633,518.09	Mortgaged or pledged for borrowings	788,977,115.26	Mortgaged or pledged for borrowings
Inventories	35,281,366,581.47	Mortgaged or pledged for borrowings	32,110,568,068.33	Mortgaged or pledged for borrowings
Fixed assets	2,430,626,648.54	Mortgaged or pledged for borrowings	1,611,844,889.58	Mortgaged or pledged for borrowings
Intangible assets	1,549,495,929.71	Mortgaged or pledged for borrowings	1,965,055,937.81	Mortgaged or pledged for borrowings
Investment properties	3,499,726,360.11	Mortgaged or pledged for borrowings	1,878,577,643.86	Mortgaged or pledged for borrowings
Long-term borrowings (Including non-current assets maturing within one year)	10,346,709,020.54	Mortgaged or pledged for borrowings	8,460,220,647.74	Mortgaged or pledged for borrowings
Other non-current assets			3,533,026,516.04	Mortgaged or pledged for borrowings
Total	70,733,577,202.15		62,296,978,018.97	

5.27 Short-term borrowings

Classification of short-term borrowings

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Pledged borrowings	867,026,130.14	341,224,609.37
Mortgaged borrowings	9,000,000.00	3,000,000.00
Guaranteed borrowings	8,406,207,176.27	8,007,605,706.64
Credit borrowings	3,276,860,432.56	2,712,880,370.72
Total	12,559,093,738.97	11,064,710,686.73

5.28 Notes payable

Category	Balance as at December 31, 2025	Balance as at December 31, 2024
Bank acceptance bills	1,876,823,440.69	2,061,110,204.87
Commercial acceptance bills	1,178,801,243.57	1,903,814,493.13
Total	3,055,624,684.26	3,964,924,698.00

5.29 Accounts payable

5.29.1 Presentation of accounts payable

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Accounts payable to third parties	166,785,305,274.51	183,819,292,040.23
Payables to related parties	1,104,050,051.33	1,124,617,068.28
Total	167,889,355,325.84	184,943,909,108.51

5.29.2 Important accounts payable with aging over one year or overdue

Item	Balance as at December 31, 2025	Reason for no payment or carry-forward
Entity 1	180,226,128.60	Not yet settled
Entity 2	144,988,714.37	Not yet settled
Entity 3	135,070,000.00	Not yet settled
Entity 4	125,789,284.70	Not yet settled
Entity 5	123,644,874.34	Not yet settled
Total	709,719,002.01	

5.30 Advances from customers

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Advances from customers for projects/goods	1,018,220.32	304,760.00
Advances from customers for property sales	619,295.00	18,571.42
Others	22,063,644.40	20,051,061.75
Total	23,701,159.72	20,374,393.17

5.31 Contract liabilities

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Payments for projects settled but not completed	23,637,406,180.97	19,955,645,203.65
Advances from customers for projects/goods	1,511,092,687.92	2,060,214,868.75

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Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Advances from customers for property sales	12,789,778,160.03	10,912,129,081.16
Others	64,123,876.33	40,344,479.91
Total	38,002,400,905.25	32,968,333,633.47

5.32 Employee compensation payable

5.32.1 Presentation of employee compensation payable

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Short-term compensation	987,128,599.47	12,782,127,185.37	12,717,081,067.71	1,052,174,717.13
Post-employment benefits - defined contribution plans	60,386,473.25	1,620,825,002.62	1,621,306,999.26	59,904,476.61
Dismissal benefits	20,003.00	141,528,919.00	140,341,978.16	1,206,943.84
Total	1,047,535,075.72	14,544,481,106.99	14,478,730,045.13	1,113,286,137.58

5.32.2 Presentation of short-term compensation

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
(1) Salaries, bonuses, allowances and subsidies	864,616,258.27	9,584,420,906.97	9,496,171,572.42	952,865,592.82
(2) Employee welfare expenses	579,219.22	367,743,147.85	367,734,919.02	587,448.05
(3) Social insurance premiums	30,552,338.44	869,706,440.54	870,463,709.98	29,795,069.00
Including: medical insurance premium and maternity insurance premium	28,815,173.47	801,941,428.47	802,762,047.03	27,994,554.91
Work-related injury insurance premium	1,737,164.97	67,765,012.07	67,701,662.95	1,800,514.09
(4) Housing provident fund	28,101,289.49	916,828,146.76	920,483,260.10	24,446,176.15

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Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
(5) Labor union expenditures and employee education funds	17,980,982.77	232,825,755.67	232,241,199.43	18,565,539.01
(6) Short-term compensated absences				
(7) Short-term profit sharing plan				
(8) Other short-term compensation	45,298,511.28	810,602,787.58	829,986,406.76	25,914,892.10
Total	987,128,599.47	12,782,127,185.37	12,717,081,067.71	1,052,174,717.13

5.32.3 Presentation of defined contribution plans

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Basic endowment insurance premium	55,689,241.39	1,451,184,584.38	1,453,210,278.58	53,663,547.19
Unemployment insurance premium	2,637,741.10	46,702,622.78	46,991,298.29	2,349,065.59
Enterprise annuity payment	2,059,490.76	122,937,795.46	121,105,422.39	3,891,863.83
Total	60,386,473.25	1,620,825,002.62	1,621,306,999.26	59,904,476.61

5.33 Taxes and surcharges payable

Taxes and surcharges	Balance as at December 31, 2025	Balance as at December 31, 2024
VAT	1,780,624,220.10	976,354,305.27
Enterprise income tax	748,551,152.34	1,069,528,766.60
Individual income tax	77,812,570.12	72,436,978.17
Urban maintenance and construction tax	58,462,785.83	91,844,092.56
House property tax	20,014,244.12	25,142,516.24
Land value increment tax	585,303,878.42	1,158,577,158.70
Education surtax	41,761,680.55	66,396,822.82
Resource tax	21,257,737.10	24,928,692.40
Others	177,779,767.40	114,735,920.97
Total	3,511,568,035.98	3,599,945,253.73

5.34 Other payables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Interest payable		
Dividends payable	20,248,401.95	23,466,609.16
Other payables	22,109,048,537.79	21,506,328,475.58
Total	22,129,296,939.74	21,529,795,084.74

5.34.1 Dividends payable

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Dividends payable to minority shareholders of subsidiaries	20,248,401.95	23,466,609.16

5.34.2 Other payables

(1) Presentation of other payables by nature

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Current accounts with related parties	2,925,581,342.12	2,081,555,833.31
Current accounts of third parties	3,913,460,761.34	3,771,740,460.07
Reserve payment for house	2,780,885,512.62	2,450,474,855.08
Performance bond	7,398,356,976.43	8,054,142,308.05
Deposit and security deposit	1,481,186,534.95	1,624,148,907.71
Risk fund for project contracting	144,434,647.61	175,030,427.27
Accrued expenses	334,328,804.69	389,022,355.44
Property maintenance funds	11,000,118.32	7,571,415.58
Demolition and relocation compensation	13,347,947.25	58,986,256.25
Employee security fund	56,740,920.18	68,569,210.97
Others	3,049,724,972.28	2,825,086,445.85
Total	22,109,048,537.79	21,506,328,475.58

(2) Other important payables with aging over one year or overdue

Item	Balance as at December 31, 2025	Reason for no payment or carry- forward
Entity 1	1,141,266,782.18	Not yet settled
Entity 2	1,069,273,520.32	Not yet settled
Entity 3	301,997,112.25	Not yet settled
Entity 4	162,622,998.60	Not yet settled
Entity 5	100,000,000.00	Not yet settled

5.35 Non-current liabilities maturing within one year

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Long-term borrowings maturing within one year	6,493,232,306.17	11,235,829,305.13
Bonds payable maturing within one year	639,861,254.47	8,737,658,286.66
Long-term payables maturing within one year	16,899,569.00	17,364,843.89
Lease liabilities maturing within one year	780,299,211.32	803,551,993.32
Total	7,930,292,340.96	20,794,404,429.00

5.36 Other current liabilities

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Output tax to be carried forward	887,842,042.66	958,356,458.63
Total	887,842,042.66	958,356,458.63

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5.37 Long-term borrowings

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Pledged borrowings	2,607,655,688.03	1,235,965,022.60
Mortgaged borrowings	1,557,224,735.85	4,032,257,133.63
Guaranteed borrowings	18,346,314,024.01	19,019,583,287.08
Credit borrowings	2,775,960,849.32	2,843,866,128.00
Entrusted borrowings form related parties	480,000,000.00	100,000,000.00
Mortgage and guaranteed borrowings	12,639,250,188.35	15,045,849,645.00
Pledged and guaranteed borrowings	3,503,212,686.91	5,357,335,858.46
Total	41,909,618,172.47	47,634,857,074.77

5.38 Bonds payable

5.38.1 Details of bonds payable

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Medium-term notes Phase I in 2020 of Shanghai Construction Group Co., Ltd.		2,039,500,000.00
USD bond overseas		4,313,593,696.00
USD bond overseas	4,220,683,581.73	
Kaiyuan - SCG Real Estate Platinum Building Asset-backed Special Plan	981,421,121.10	999,211,753.77
Ping'an Securities - Shanghai Construction Settlement Building Asset-backed Special Plan	2,156,372,620.72	2,336,647,503.56
Medium-term notes Phase I in 2024 of Shanghai Construction Real Estate Co., Ltd.	1,356,740,821.91	1,356,705,333.33
Medium-term notes Phase I in 2025 of Shanghai Construction Group Co., Ltd.	1,514,026,250.00	
Minsheng Tonghui - Shanghai Construction Jian'an No.1 Asset-backed Plan	1,778,865,445.21	
Corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase I)	1,215,181,578.37	
Corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase II)	1,712,362,245.63	
Corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase III)	1,476,564,110.28	
Less: bonds payable maturing within one year	639,861,254.47	8,737,658,286.66
Total	15,772,356,520.48	2,308,000,000.00

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5.38.2 Increase/decrease in bonds payable (excluding preferred stocks, perpetual bonds and other financial instruments divided into the financial liabilities)

Bond name	Par value	Coupon rate	Date of issue	Term of bond	Amount issued	Balance as at December 31, 2024	Issued in 2025	Interest accrued at par value	Amortization of premiums or discounts	Repayment in 2025	Foreign currency translation differences	Balance as at December 31, 2025	Default or not
Medium-term notes Phase I in 2020 of Shanghai Construction Group Co., Ltd. (Remark 1)	2,000,000,000.00	3.95%	August 7, 2020	5 years	2,000,000,000.00	2,039,500,000.00		39,500,000.00		2,079,000,000.00			No
USD bond overseas (Remark 2)	USD 600,000,000.00	2.25%	June 16, 2020	5 years	USD 600,000,000.00	4,313,593,696.00		3,928,047.70		4,311,568,930.42	-5,952,813.28		No
USD bond overseas (Remark 2)	USD 600,000,000.00	4.60%	June 4, 2025	3 years	USD 600,000,000.00		4,292,708,138.10	153,928,539.25		153,928,539.25	-72,024,556.37	4,220,683,581.73	No
Kaiyuan - SCG Real Estate Platinum Building Asset-backed Special Plan (Remark 3)	1,001,000,000.00	Floating interest rate	September 11, 2020	21 years	1,001,000,000.00	999,211,753.77		34,555,511.33		52,346,144.00		981,421,121.10	No
Ping'an Securities - Shanghai Construction Settlement Building Asset-backed Special Plan (Remark 4)	2,500,000,000.00	3.42%	March 20, 2023	6 years	2,640,000,000.00	2,336,647,503.56		81,997,095.24		262,271,978.08		2,156,372,620.72	No
Medium-term notes Phase I in 2024 of Shanghai Construction Real Estate Co., Ltd. (Remark 5)	1,340,000,000.00	2.40%	June 24, 2024	3 years	1,340,000,000.00	1,356,705,333.33		24,691,488.58		24,656,000.00		1,356,740,821.91	No

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Bond name	Par value	Coupon rate	Date of issue	Term of bond	Amount issued	Balance as at December 31, 2024	Issued in 2025	Interest accrued at par value	Amortization of premiums or discounts	Repayment in 2025	Foreign currency translation differences	Balance as at December 31, 2025	Default or not
Medium-term notes Phase I in 2025 of Shanghai Construction Group Co., Ltd. (Remark 6)	1,500,000,000.00	2.29%	August 5, 2025	7 years	1,500,000,000.00		1,500,000,000.00	14,026,250.00				1,514,026,250.00	No
Minsheng Tonghui - Shanghai Construction Jian'an No.1 Asset-backed Plan (Remark 7)	1,781,000,000.00	2.50%	July 24, 2025	20 years	1,781,000,000.00		1,781,000,000.00	19,906,972.99		22,041,527.78		1,778,865,445.21	No
Five-year corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase I) (Remark 8)	700,000,000.00	2.35%	May 29, 2025	5 years	700,000,000.00		700,000,000.00	9,734,794.52	1,755,391.11			707,979,403.41	No
Seven-year corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase I) (Remark 8)	500,000,000.00	2.88%	May 29, 2025	7 years	500,000,000.00		500,000,000.00	8,521,643.83	1,319,468.87			507,202,174.96	No

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Bond name	Par value	Coupon rate	Date of issue	Term of bond	Amount issued	Balance as at December 31, 2024	Issued in 2025	Interest accrued at par value	Amortization of premiums or discounts	Repayment in 2025	Foreign currency translation differences	Balance as at December 31, 2025	Default or not
Five-year corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase II) (Remark 8)	700,000,000.00	2.15%	July 24, 2025	5 years	700,000,000.00		700,000,000.00	6,597,260.28	1,371,660.03			705,225,600.25	No
Seven-year corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase II) (Remark 8)	1,000,000,000.00	2.50%	July 24, 2025	7 years	1,000,000,000.00		1,000,000,000.00	10,958,904.11	3,822,258.73			1,007,136,645.38	No
Five-year corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase III) (Remark 8)	978,000,000.00	2.27%	December 4, 2025	5 years	978,000,000.00		978,000,000.00	1,642,236.16	2,083,894.19			977,558,341.97	No

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Bond name	Par value	Coupon rate	Date of issue	Term of bond	Amount issued	Balance as at December 31, 2024	Issued in 2025	Interest accrued at par value	Amortization of premiums or discounts	Repayment in 2025	Foreign currency translation differences	Balance as at December 31, 2025	Default or not
Seven-year corporate bonds issued by SCG Investment Co., Ltd. in a non-public manner to professional investors in 2025 (Phase III) (Remark 8)	500,000,000.00	2.77%	December 4, 2025	7 years	500,000,000.00		500,000,000.00	1,024,520.55	2,018,752.24			499,005,768.31	No
Total						11,045,658,286.66	11,951,708,138.10	411,013,264.54	12,371,425.17	6,905,813,119.53	-77,977,369.65	16,412,217,774.95	

Descriptions of bonds payable:

Remark 1: In August 2020, the Group issued the 5-year medium-term notes with National Association of Financial Market Institutional Investors, and the notes issued amounted to RMB 2,000,000,000.00. The interest on these notes borne the simple interest on an annual basis and was paid semi-annually at the fixed annual interest rate of 3.95%, and the principals of those notes were repaid at maturity. In 2025, principals had been repaid on schedule.

Remark 2: In June 2020, the Group issued the 5-year overseas corporate bonds with The Stock Exchange of Hong Kong Ltd., and the bonds issued amounted to USD 600,000,000.00. The interest on these bonds borne the simple interest on an annual basis and was paid semi-annually at the fixed annual interest rate of 2.25%, and the principals of those bonds were repaid at maturity. In 2025, principals had been repaid on schedule. In June 2025, the Group issued the 3-year overseas corporate bonds with The Stock Exchange of Hong Kong Ltd., and the bonds issued amounted to USD 600,000,000.00. The interest on these notes borne the simple interest on an annual basis and was paid semi-annually at the fixed annual interest rate of 4.60% and the principals of those bonds were repaid at maturity. On December 31, 2025, the principal of and interest on bonds payable within one year amounted to RMB 15,455,636.08, and were presented by the Group as the non-current liabilities maturing within one year.

Remark 3: In September 2020, SCG Real Estate, a subsidiary of the Group, issued the 21-year bonds with Shanghai Stock Exchange, and the bonds issued amounted to RMB 1,001,000,000.00, in which RMB 1.0 billion of bonds issued were in the type of priority A, and RMB 1.00 million of bonds issued were in the type of priority B. The interest on these bonds borne the simple interest on an annual basis, at the non-fixed annual interest rate. The interest amount for each repayment period was determined based on the expected return of asset-backed securities and relevant taxes and dues during the duration after the establishment of the special plan, and paid once a year. On December 31, 2025, the principal and interest of bonds payable within one year amounted to RMB 33,421,121.10, and were presented by the Group as the non-current liabilities maturing within one year.

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Remark 4: In March 2023, SCG Real Estate, a subsidiary of the Group, issued the 6-year corporate bonds with Shenzhen Stock Exchange, and the bonds issued amounted to RMB 2,640,000,000.00. The interest on these bonds borne the simple interest on an annual basis, at the fixed annual interest rate of 3.42%, and was paid once a year. The principal was repaid according to the repayment plan. In December 2025, SCG Real Estate had adjusted the mechanism for “securities transaction” specified in the originally issued clauses to the mechanism for “on-market put and resale” conforming to the latest Business Guidelines for the Regulation of Asset-backed Securities in the Duration of the Shenzhen Stock Exchange. On December 31, 2025, the principal and interest of bonds payable within one year amounted to RMB 516,372,620.72, and were presented by the Group as the non-current liabilities maturing within one year.

Remark 5: Remark 1: On June 24, 2024, SCG Real Estate, a subsidiary of the Group, issued the 3-year medium-term notes Phase I in 2024 with National Association of Financial Market Institutional Investors, and the notes issued amounted to RMB 1,340,000,000.00. The interest on these bonds borne the simple interest on an annual basis, at the fixed annual interest rate of 2.40%, and was paid once a year. The principal was repaid according to the repayment plan. On December 31, 2025, the principal and interest of bonds payable within one year amounted to RMB 16,740,821.91, and were presented by the Group as the non-current liabilities maturing within one year.

Remark 6: In August 2025, the Group issued the 7-year medium-term notes with National Association of Financial Market Institutional Investors, and the notes issued amounted to RMB 1,500,000,000.00. The interest on these notes borne the simple interest on an annual basis, at the fixed annual interest rate of 2.29%, and was paid semi-annually. The principal was repaid at maturity. On December 31, 2025, the principal and interest of bonds payable within one year amounted to RMB 14,026,250.00, and were presented by the Group as the non-current liabilities maturing within one year.

Remark 7: In July 2025, Zhenxin Property, a subsidiary of the Group, issued the 20-year bonds with China Insurance Asset Registration and Trading System Co., Ltd., and the bonds issued amounted to RMB 1,781,000,000.00, in which RMB 1.78 billion of bonds issued were in the type of priority, and RMB 1.00 billion of bonds issued were in the type of subordinated. The interest on these bonds borne the simple interest on an annual basis, and the coupon rate of priority bonds was 2.50%. The interest was paid annually. On December 31, 2025, the interest of bonds payable within one year amounted to RMB 5,365,445.21, and was presented by the Group as the non-current liabilities maturing within one year.

Remark 8: SCG Investment, a subsidiary of the Group issued six (6) types of bonds (5-year and 7-year bonds) in three (3) phases with Shanghai Stock Exchange in 2025, and the bonds issued amounting to RMB 4,378,000,000.00. The interest rates for six (6) types of bonds respectively were 2.35%, 2.88%, 2.15%, 2.50%, 2.27% and 2.77%, and the interest on these bonds borne the simple interest on an annual basis and was paid annually. On December 31, 2025, the interest of bonds payable within one year amounted to RMB 38,479,359.45, and was presented by the Group as the non-current liabilities maturing within one year.

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5.39 Lease liabilities

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Lease liabilities	3,072,607,501.96	3,731,215,622.08
Less: lease liabilities maturing within one year	780,299,211.32	803,551,993.32
Total	2,292,308,290.64	2,927,663,628.76

5.40 Long-term payables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Long-term payables	86,328,460.00	114,480,862.21
Special payables	104,862,469.95	88,666,685.18
Total	191,190,929.95	203,147,547.39

5.40.1 Long-term payables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Performance security payable	69,938,543.00	98,362,892.00
Others	16,389,917.00	16,117,970.21
Total	86,328,460.00	114,480,862.21

5.40.2 Special payables

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Experimental manufacturing costs for scientific research	1,620,000.00			1,620,000.00
Compensation for demolition	87,046,685.18	41,018,222.00	24,822,437.23	103,242,469.95
Total	88,666,685.18	41,018,222.00	24,822,437.23	104,862,469.95

5.41 Long-term employee compensation payable

5.41.1 Details of long-term employee compensation payable

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
I. Post-employment benefits - net liabilities of defined benefit plans	325,156,691.00	324,715,424.00
II. Dismissal benefits		
III. Other long-term benefits	13,433,690.00	18,466,910.00
Less: fair value of plan assets	55,043,702.13	59,465,627.00
Total	283,546,678.87	283,716,707.00

Remark: The Group had, according to the retiree socialization plan and the old-age security management plan, collected the old-age security management funds and paid the same to the fund manager entrusted.

5.41.2 Changes in defined benefit plan

(1) Present value of obligation under the defined benefit plan

Item	Year 2025	Year 2024
1. Balance at the end of the last year	324,715,424.00	216,996,032.00
2. Defined benefit cost included in the current profit or loss	15,672,552.00	137,642,832.00
(1) Current service cost		
(2) Previous service cost	10,187,489.00	132,461,611.00
(3) Settlement gains ("-" for losses)		
(4) Net amount of interest	5,485,063.00	5,181,221.00
3. Defined benefit cost included in other comprehensive income	8,024,277.00	-14,005,247.00
(1) Actuarial gains ("-" for losses)	8,024,277.00	-14,005,247.00
4. Other changes	-23,255,562.00	-15,918,193.00
(1) Consideration paid at settlement		
(2) Benefits paid	-23,255,562.00	-15,918,193.00
5. Balance at the end of the period	325,156,691.00	324,715,424.00

(2) Description of significant actuarial assumptions and sensitivity analysis results of the defined benefit plan

Significant actuarial assumptions for present value of defined benefit obligation are as follows:

Significant assumptions in the actuarial estimate	As at December 31, 2025	As at December 31, 2024
Discount rate - Post-employment benefits	2.00%	1.75%
Discount rate - Other long-term employee benefits	1.50%	1.50%
Annual growth rate of mutual security benefits of the federation of trade unions, and annual growth rate of supplementary medical benefits	5.00%, 8.00%	5.00%, 8.00%
Annual growth rate of supplementary pension benefits for former personnel without labor relation	0.00%/4.50%/8.00%	0.00%/4.50%/8.00%
Annual growth rate of supplementary funeral benefits for former personnel without labor relation	0.00%/6.00%	0.00%/6.00%
Annual growth rate of social insurance and housing accumulation fund contributions for former employees with labor relations	10.00%	10.00%

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Significant assumptions in the actuarial estimate	As at December 31, 2025	As at December 31, 2024
Annual growth rate of living expenses and other subsidies for former employees with labor relations	4.50%	4.50%
Annual growth rate of supplementary funeral benefits for former employees with labor relations	4.50%	4.50%
Mortality rate	China Life Insurance Mortality Table (2010-2013) - CL5/CL6 up 2 years	China Life Insurance Mortality Table (2010-2013) - CL5/CL6 up 2 years

If one assumption changes and others stay the same, the sensitivity analysis on significant actuarial assumption for present value of defined benefit obligation is as follows:

Significant assumptions in the actuarial estimate	Change region of assumptions	Change region of present value of defined benefit plan obligation	
		Increase in assumption	Decrease in assumption
Discount rate	±0.25%	-8,419,168.00	8,801,448.00

5.42 Estimated liabilities

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Pending litigation	154,793,100.73	116,240,671.26	3,775,176.30	267,258,595.69
Others		29,411,611.73		29,411,611.73
Total	154,793,100.73	145,652,282.99	3,775,176.30	296,670,207.42

5.43 Deferred income

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Asset-related government grants	142,689,582.40	1,780,000.00	43,875,869.59	100,593,712.81
Income-related government grants	72,393,557.88	78,924,010.50	84,746,219.86	66,571,348.52
Others	2,591,267.98		109,717.20	2,481,550.78
Total	217,674,408.26	80,704,010.50	128,731,806.65	169,646,612.11

5.44 Share capital

Item	Balance as at December 31, 2024	Changes in 2025 ("+" for increase and "-" for decrease)					Balance as at December 31, 2025
		New shares issued	Share donation	Conversion of reserves into share	Others	Sub-total	
Total shares	8,885,939,744.00						8,885,939,744.00

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5.45 Other equity instruments

5.45.1 Basic information on preferred stocks, perpetual bonds and other financial instruments outstanding at the end of the period

Outstanding financial instruments	Issuing time	Accounting classification	Dividend yield or interest rate	Issue price	Quantity	Amount	Due date or renewal	Conversion condition	Conversion status
Perpetual Collective Fund Trust Plan (Phase III) of SITI Shanghai Construction Co., Ltd.	January 12, 2021	Other equity instruments	5.25%	100.00	18,100,000	1,810,000,000.00	January 12, 2026	None	None
Medium-term notes Phase I in 2023 of Shanghai Construction Group Co., Ltd.	July 13, 2023	Other equity instruments	4.07%	100.00	15,000,000	1,500,000,000.00	July 13, 2028	None	None
2024 Renewable corporate bonds (Phase I) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	March 22, 2024	Other equity instruments	2.73%	100.00	10,000,000	1,000,000,000.00	March 22, 2027	None	None
2024 Renewable corporate bonds (Phase I) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	March 22, 2024	Other equity instruments	3.05%	100.00	30,000,000	3,000,000,000.00	March 22, 2029	None	None

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Outstanding financial instruments	Issuing time	Accounting classification	Dividend yield or interest rate	Issue price	Quantity	Amount	Due date or renewal	Conversion condition	Conversion status
2024 Renewable corporate bonds (Phase II) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	July 24, 2024	Other equity instruments	2.35%	100.00	20,000,000	2,000,000,000.00	July 24, 2029	None	None
2024 Renewable corporate bonds (Phase III) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	November 8, 2024	Other equity instruments	2.68%	100.00	20,000,000	2,000,000,000.00	November 8, 2029	None	None
CITIC Trust · Juxin No.375 Collective Fund Trust Plan	August 14, 2025	Other equity instruments	3.50%	100.00	9,000,000	900,000,000.00	August 14, 2030	None	None
2025 Renewable corporate bonds (Phase I) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	August 22, 2025	Other equity instruments	2.30%	100.00	45,000,000	4,500,000,000.00	August 22, 2028	None	None

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Outstanding financial instruments	Issuing time	Accounting classification	Dividend yield or interest rate	Issue price	Quantity	Amount	Due date or renewal	Conversion condition	Conversion status
Medium-term notes Phase II in 2025 of Shanghai Construction Group Co., Ltd.	September 19, 2025	Other equity instruments	2.42%	100.00	20,000,000	2,000,000,000.00	September 19, 2028	None	None
Total					187,100,000.00	18,710,000,000.00			

5.45.2 Information on changes in such financial instruments as preferred stocks and perpetual bonds, outstanding at the end of the period

Outstanding financial instruments	As at December 31, 2024		Increase in 2025		Decrease in 2025		As at December 31, 2021	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Perpetual Collective Fund Trust Plan (Phase I) of SITI Shanghai Construction Co., Ltd.	18,400,000	1,841,896,222.20		62,033,555.56	18,400,000	1,903,929,777.76		
Perpetual Collective Fund Trust Plan (Phase II) of SITI Shanghai Construction Co., Ltd.	13,500,000	1,351,590,000.00		54,258,750.00	13,500,000	1,405,848,750.00		

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Outstanding financial instruments	As at December 31, 2024		Increase in 2025		Decrease in 2025		As at December 31, 2021	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
Perpetual Collective Fund Trust Plan (Phase III) of SITI Shanghai Construction Co., Ltd.	18,100,000	1,812,639,583.33		96,344,791.67		96,344,791.67	18,100,000	1,812,639,583.33
Medium-term notes Phase I in 2023 of Shanghai Construction Group Co., Ltd.	15,000,000	1,528,768,767.12		61,050,000.00		61,050,000.00	15,000,000	1,528,768,767.12
2024 Renewable corporate bonds (Phase I) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	10,000,000	1,021,316,438.36		27,300,000.00		27,300,000.00	10,000,000	1,021,316,438.36
2024 Renewable corporate bonds (Phase I) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	30,000,000	3,071,445,205.48		91,500,000.00		91,500,000.00	30,000,000	3,071,445,205.48

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Outstanding financial instruments	As at December 31, 2024		Increase in 2025		Decrease in 2025		As at December 31, 2021	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
2024 Renewable corporate bonds (Phase II) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	20,000,000	2,020,731,506.85		47,000,000.00		47,000,000.00	20,000,000	2,020,731,506.85
2024 Renewable corporate bonds (Phase III) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.	20,000,000	2,007,929,863.01		53,600,000.00		53,600,000.00	20,000,000	2,007,929,863.01
CITIC Trust · Juxin No.375 Collective Fund Trust Plan			9,000,000	912,250,000.00		11,200,000.00	9,000,000	901,050,000.00

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Outstanding financial instruments	As at December 31, 2024		Increase in 2025		Decrease in 2025		As at December 31, 2021	
	Quantity	Book value	Quantity	Book value	Quantity	Book value	Quantity	Book value
2025 Renewable corporate bonds (Phase I) publicly issued to professional investors by Shanghai Construction Group Co., Ltd.			45,000,000	4,537,430,136.99			45,000,000	4,537,430,136.99
Medium-term notes Phase II in 2025 of Shanghai Construction Group Co., Ltd.			20,000,000	2,013,790,684.93			20,000,000	2,013,790,684.93
Total	145,000,000	14,656,317,586.35	74,000,000	7,956,557,919.15	31,900,000	3,697,773,319.43	187,100,000	18,915,102,186.07

Description of changes in other equity instruments in 2020 and change reasons, and basis of relevant accounting treatment:

(1) Perpetual Collective Fund Trust Plan of SITI Shanghai Construction Co., Ltd.

In August 2020, the Company issued the perpetual collective fund trust plan with the total issue amount of RMB 5,000,000,000.00, and such plan will be redeemed by the Company in 2025 or the later period. According to the issue clauses, the initial investment term for such perpetual collective fund trust should last for 5 years. When each initial investment term expires, each following year will be taken as the renewal investment term for the corresponding investment fund. According to the trust plan, the investment funds actually transferred to the Company on August 14, 2020, September 27, 2020 and January 12, 2021 respectively amounted to RMB 1,840,000,000.00 (redeemed in 2025), RMB 1,350,000,000.00 (redeemed in 2025) and RMB 1,810,000,000.00.

Such trust plan will exist for a long term before the actual redemption carried out by the Group according to the issue clauses, and expire at the active redemption appointed by the Group according to the issuing clauses. Unless there is any compulsory interest payment which is under the control of the Group, on each interest date under such trust plan, the Group may choose by itself to defer the current interest and all interest and fruits which have been deferred to the next interest date for payment, without limit to the frequency for deferring interest payment. As such trust plan met the recognition criteria for equity instruments, it was included in shareholders' equity.

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- (2) In July 2023, the Company issued the medium-term notes with the total amount of RMB 1,500,000,000.00. Such medium-term notes will exist for a long term before the actual active redemption carried out by the Group according to the issue clauses, and expire at the redemption appointed by the Group according to the issuing clauses. The right of redemption of the above-mentioned medium-term notes was owned by the Group, investors had no redemption option. Unless there is any compulsory interest payment which is under the control of the Group, on each interest date of such medium-term notes, the Group may choose by itself to defer the current interest and all interest and fruits which have been deferred to the next interest date for payment, without limit to the frequency for deferring interest payment. As those medium-term notes met the recognition criteria for equity instruments, they were included in shareholders' equity.
- (3) In March, July and November of 2024, the Company issued the medium-term notes with the total amount of RMB 8,000,000,000.00. Such medium-term notes will exist for a long term before the actual active redemption carried out by the Group according to the issue clauses, and expire at the redemption appointed by the Group according to the issuing clauses. The right of redemption of the above-mentioned medium-term notes was owned by the Group, investors had no redemption option. Unless there is any compulsory interest payment which is under the control of the Group, on each interest date of such medium-term notes, the Group may choose by itself to defer the current interest and all interest and fruits which have been deferred to the next interest date for payment, without limit to the frequency for deferring interest payment. As those medium-term notes met the recognition criteria for equity instruments, they were included in shareholders' equity.
- (4) CITIC Trust · Juxin No.375 Collective Fund Trust Plan: In August 2025, the Company issued the perpetual collective fund trust plan with the total issue amount of RMB 900,000,000.00, and such plan will be redeemed by the Company in 2030 or the later period. Such trust plan will exist for a long term before the actual redemption carried out by the Group according to the issue clauses, and expire at the active redemption appointed by the Group according to the issuing clauses. Unless there is any compulsory interest payment which is under the control of the Group, on each interest date under such trust plan, the Group may choose by itself to defer the current interest and all interest and fruits which have been deferred to the next interest date for payment, without limit to the frequency for deferring interest payment. As such trust plan met the recognition criteria for equity instruments, it was included in shareholders' equity.
- (5) In July 2025, the Company issued the renewable corporate bonds with the total amount of RMB 4,500,000,000.00. Such renewable corporate bonds will exist for a long term before the actual active redemption carried out by the Group according to the issue clauses, and expire at the redemption appointed by the Group according to the issuing clauses. The right of redemption of the above-mentioned renewable corporate bonds was owned by the Group, and investors had no redemption option. Unless there is any compulsory interest payment which is under the control of the Group, on each interest date of such renewable corporate bonds, the Group may choose by itself to defer the current interest and all interest and fruits which have been deferred to the next interest date for payment, without limit to the frequency for deferring interest payment. As those renewable corporate bonds met the recognition criteria for equity instruments, they were included in shareholders' equity.

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- (6) In September 2025, the Company issued the medium-term notes with the total amount of RMB 2,000,000,000.00. Such medium-term notes will exist for a long term before the actual active redemption carried out by the Group according to the issue clauses, and expire at the redemption appointed by the Group according to the issuing clauses. The right of redemption of the above-mentioned medium-term notes was owned by the Group, investors had no redemption option. Unless there is any compulsory interest payment which is under the control of the Group, on each interest date of such medium-term notes, the Group may choose by itself to defer the current interest and all interest and fruits which have been deferred to the next interest date for payment, without limit to the frequency for deferring interest payment. As those medium-term notes met the recognition criteria for equity instruments, they were included in shareholders' equity.

5.46 Capital reserves

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Capital (share capital) premium	1,480,598,656.34	7,259,858.45		1,487,858,514.79
Other capital reserves	1,264,095,994.34			1,264,095,994.34
Total	2,744,694,650.68	7,259,858.45		2,751,954,509.13

5.47 Other comprehensive income

Item	Balance as at December 31, 2024	Year 2025						Balance as at December 31, 2025
		Amount before income tax in 2025	Less: amount previously included in other comprehensive income and currently transferred to the profit or loss	Less: income tax expenses	Amount after tax attributable to the company	Amount after tax attributable to minority shareholders	Less: amount previously included in other comprehensive income and currently transferred to the retained earnings	
1. Other comprehensive income that cannot be reclassified into profit or loss	-193,597,107.34	-51,605,688.11		-11,893,582.03	-39,682,170.41	-29,935.67	-49,589,293.87	-183,689,983.88
Including: changes in re-measurement of the defined benefit plan	-33,362,702.34	-6,492,999.93		-535,703.55	-5,957,234.91	-61.47		-39,319,937.25
Changes in fair value of other equity instrument investments	-160,234,405.00	-45,112,688.18		-11,357,878.48	-33,724,935.50	-29,874.20	-49,589,293.87	-144,370,046.63

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Item	Balance as at December 31, 2024	Year 2025						Balance as at December 31, 2025
		Amount before income tax in 2025	Less: amount previously included in other comprehensive income and currently transferred to the profit or loss	Less: income tax expenses	Amount after tax attributable to the company	Amount after tax attributable to minority shareholders	Less: amount previously included in other comprehensive income and currently transferred to the retained earnings	
2. Other comprehensive income that will be reclassified into profit or loss	-114,605,646.73	21,149,181.38			31,810,423.85	-10,661,242.47		-82,795,222.88
Including: other comprehensive income that can be transferred to profit or loss under the equity method	1,572,612.94							1,572,612.94
Differences arising from translation of foreign- currency financial statements	-116,178,259.67	21,149,181.38			31,810,423.85	-10,661,242.47		-84,367,835.82
Total of other comprehensive income	-308,202,754.07	-30,456,506.73		-11,893,582.03	-7,871,746.56	-10,691,178.14	-49,589,293.87	-266,485,206.76

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5.48 Special reserves

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Work safety expenses	17,988,635.62	5,038,654,167.75	5,042,060,682.96	14,582,120.41

5.49 Surplus reserves

Item	Balance as at December 31, 2024	Increase in 2025	Decrease in 2025	Balance as at December 31, 2025
Statutory surplus reserves	2,989,326,967.40	204,690,405.55		3,194,017,372.95
Discretionary surplus reserves				
Total	2,989,326,967.40	204,690,405.55		3,194,017,372.95

5.50 Retained earnings

Item	Year 2025	Year 2024
Retained earnings at the end of the previous year before adjustment	17,075,655,263.62	16,310,689,326.98
Total adjustment to retained earnings at the beginning of the year ("+" for increase and "-" for decrease)		
Retained earnings at the beginning of the year after adjustment	17,075,655,263.62	16,310,689,326.98
Plus: net profit attributable to owners of the company in the current period	1,237,139,456.03	2,167,691,910.46
Less: withdrawal of statutory surplus reserves	204,690,405.55	314,078,476.40
Common stock dividends payable	533,156,384.64	533,156,384.64
Equity attributable to holders of other equity instruments in the current year	556,557,919.17	555,527,380.78
Plus: Carry-forward of other comprehensive income for retained earnings	-46,200,727.03	36,268.00
Retained earnings at the end of the period	16,972,189,283.26	17,075,655,263.62

5.51 Operating income and operating costs

5.51.1 Operating income and operating costs

Item	Year 2025		Year 2024	
	Income	Costs	Income	Costs
Primary business	204,583,363,982.16	183,778,123,752.41	299,231,294,569.13	273,416,810,701.95
Other business	1,413,247,454.69	984,232,969.68	985,493,185.33	566,303,660.84
Total	205,996,611,436.85	184,762,356,722.09	300,216,787,754.46	273,983,114,362.79

Details of operating income:

Item	Year 2025	Year 2024
Income from customer contracts	205,384,065,053.24	299,713,461,937.47
Lease income	612,546,383.61	503,325,816.99
Total	205,996,611,436.85	300,216,787,754.46

5.51.2 Breakdown of operating income and operating costs

Income from customer contracts in 2025:

Category	Operating income	Operating costs
Business type:		
Building, contracting, design and construction	179,021,286,073.66	163,280,757,744.24
Building industry	11,670,285,711.95	10,232,832,186.08
Real estate development industry	6,499,072,682.58	5,741,314,209.75
Complete equipment and other merchandise trade	2,125,536,584.66	1,847,806,093.37
Investment and construction of urban infrastructure	1,312,851,111.14	194,517,433.21
Project management and consultancy, labor dispatch and other services	3,716,519,932.48	2,531,507,361.80
Gold selling business	1,038,512,956.77	533,408,177.79
Total	205,384,065,053.24	184,362,143,206.24
Classification by the time for merchandise transfer:		
Recognized at certain time-point	23,037,153,504.45	23,766,244,772.52
Recognized in certain period	182,346,911,548.79	160,595,898,433.72
Total	205,384,065,053.24	184,362,143,206.24
Classification by business area:		
Chinese mainland	199,119,484,867.59	179,343,946,056.88
Other countries and regions	6,264,580,185.65	5,018,197,149.36
Total	205,384,065,053.24	184,362,143,206.24

5.52 Taxes and surcharges

Item	Year 2025	Year 2024
Urban maintenance and construction tax	231,580,997.05	272,754,971.20
Educational surcharge	176,427,937.08	210,039,378.04
Resource tax	59,135,946.20	60,280,812.71
House property tax and land value increment tax	-36,954,223.20	313,043,450.08
Stamp tax	144,685,150.90	171,556,995.56
Others	22,617,342.57	65,281,003.75
Total	597,493,150.60	1,092,956,611.34

5.53 Selling and distribution expenses

Item	Year 2025	Year 2024
Employee compensation and benefits	297,337,832.88	323,659,580.91
Commission agency fee	188,494,206.90	207,839,747.05
Advertising and promotion expenses	39,940,009.78	30,560,055.43
Business transportation costs	7,234,963.09	8,393,363.39
Office expenses	31,006,891.07	34,732,055.23
Depreciation and amortization	4,916,734.12	7,467,476.58
Others	79,203,520.77	70,830,988.57
Total	648,134,158.61	683,483,267.16

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5.54 General and administrative expenses

Item	Year 2025	Year 2024
Employee compensation and benefits	5,312,466,710.03	5,696,412,446.35
Depreciation and amortization	634,190,924.16	708,773,289.23
Office expenses	410,502,226.56	407,708,302.30
Entertainment expenses	24,770,451.89	39,918,329.10
Business transportation costs	85,220,129.77	78,655,702.87
Insurance premium	60,239,947.02	55,578,668.62
Repair expenses	17,577,452.71	24,242,574.02
Others	1,037,646,324.95	780,856,554.16
Total	7,582,614,167.09	7,792,145,866.65

5.55 Research and development expenses

Item	Year 2025	Year 2024
Direct expenses on materials	3,556,268,811.19	4,387,646,009.46
Personal expenses	1,132,072,659.94	1,565,189,956.00
Depreciation and amortization	23,232,272.60	58,557,705.63
Lease expenses	95,735,859.87	95,809,866.24
Maintenance and renovation expenses	230,143,890.38	455,249,362.88
Other fees	2,803,201,613.66	4,548,613,718.71
Total	7,840,655,107.64	11,111,066,618.92

5.56 Financial expenses

Item	Year 2025	Year 2024
Interest expenses	2,620,013,090.31	2,931,902,011.78
Including: lease liability interest expenses	132,147,819.03	161,090,601.94
Less: interest income	648,707,121.63	946,096,685.34
Profit or loss on foreign exchange	15,012,632.27	-17,241,399.14
Others	172,107,214.93	180,425,504.19
Total	2,158,425,815.88	2,148,989,431.49

5.57 Other income

Item	Year 2025	Year 2024
Government grants	690,373,334.23	673,858,363.75
Additional deduction of input tax	11,778,710.50	16,525,063.92
Handling charges for withdrawal of individual income tax	11,262,453.38	12,500,938.00
VAT directly exempted	966,814.38	1,332,837.30
Total	714,381,312.49	704,217,202.97

5.58 Investment income

Item	Year 2025	Year 2024
Long-term equity investment income calculated under the equity method	53,963,661.65	264,921,584.09
Investment income from disposal of long-term equity investments	-21,555,801.44	6,237,352.46
Investment income from financial assets held for trading during the holding period	33,347,863.03	34,453,227.35

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Item	Year 2025	Year 2024
Investment income from disposal of financial assets held for trading	107,488,826.01	
Interest revenue from creditor's right investment during the holding period	4,358,749.48	5,213,068.59
Dividend revenue from other equity instrument investment during the holding period	6,887,210.90	2,423,146.05
Investment income from other non-current financial assets during the holding period	100,407,848.22	54,619,557.64
Investment income from disposal of other non-current financial assets	-596,773.69	
Income from interest on entrusted loans and fund possession cost	9,827,742.59	12,254,896.95
Investment income from debt restructuring	-13,440,422.28	-5,816,042.33
Losses from discounting receivables financing meeting the derecognition criteria	-48,025,354.82	-38,337,473.02
Gains from derecognition of financial assets measured at amortized cost	-5,229,936.32	-6,058,596.87
Others	79,872,453.78	15,174,508.77
Total	307,306,067.11	345,085,229.68

5.59 Gains from changes in fair value

Sources of gains from changes in fair value	Year 2025	Year 2024
Financial assets held for trading	39,604,296.33	253,877,332.56
Including: income from changes in fair value of derivative financial instruments		
Other non-current financial assets	169,498,177.34	-149,216,099.77
Others		355,339.97
Total	209,102,473.67	105,016,572.76

5.60 Losses from credit impairment

Item	Year 2025	Year 2024
Losses from bad debts of notes receivable	-2,993,783.70	32,156,764.65
Losses from bad debts of accounts receivable	1,186,252,904.87	1,325,477,483.10
Losses from bad debts of other receivables	-6,533,300.17	103,457,592.70
Losses from bad debts of long-term receivables	119,486,173.88	208,629,117.78
Total	1,296,211,994.88	1,669,720,958.23

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5.61 Losses from asset impairment

Item	Year 2025	Year 2024
Loss from inventory depreciation and losses from impairment of contract performance cost	392,240,727.67	352,250,779.68
Losses from impairment of contract assets	419,988,552.51	112,674,314.59
Losses from impairment of investment properties		11,623,572.89
Losses from impairment of intangible assets	25,436,013.38	
Losses from impairment of goodwill	57,364,673.38	6,339,285.20
Others	-119,857.28	-1,530,044.82
Total	894,910,109.66	481,357,907.54

5.62 Gains from disposal of assets

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss in the current period
Gains from disposal of fixed assets	185,516,257.68	741,277,523.76	185,516,257.68
Gains from disposal of intangible assets	102,971.64		102,971.64
Gains from disposal right-of-use assets	-7,244,927.62	4,478,874.88	-7,244,927.62
Others	177,385,481.42		177,385,481.42
Total	355,759,783.12	745,756,398.64	355,759,783.12

5.63 Non-operating income

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss in the current period
Government grants	3,999,230.34	8,550,833.22	3,999,230.34
Income from liquidated damages or fines	21,746,230.64	34,777,971.74	21,746,230.64
Others	15,321,147.14	57,645,451.16	15,321,147.14
Total	41,066,608.12	100,974,256.12	41,066,608.12

5.64 Non-operating expenditures

Item	Year 2025	Year 2024	Amount included in non-recurring profit or loss in the current period
Expenses on fines and overdue fines	90,418,905.86	80,719,793.84	90,418,905.86
Expenses on compensation	32,906,435.06	43,344,096.49	32,906,435.06
Others	42,083,049.46	13,458,683.47	42,083,049.46
Total	165,408,390.38	137,522,573.80	165,408,390.38

5.65 Income tax expenses

5.65.1 Breakdown of income tax expenses

Item	Year 2025	Year 2024
Current income tax expenses	1,027,057,439.83	1,287,789,444.09
Deferred income tax expenses	-383,328,082.93	-295,822,760.66
Total	643,729,356.90	991,966,683.43

5.65.2 Adjustment process of accounting profit and income tax expenses

Item	Year 2025
Total profits	1,678,018,064.53
Income tax expenses calculated at statutory [or applicable] tax rate	419,504,516.13
Effect of the application of various tax rates by subsidiaries	-143,246,819.69
Effect of adjustments to the income tax for the prior years	-99,632,193.30
Effect of non-taxable income	-72,088,565.56
Interest on perpetual bonds	-139,139,479.79
Effect of non-deductible costs, expenses and losses	78,210,012.22
Impact of changes in tax rate on the balance of deferred income tax at the beginning of the period	-662,598.09
Effect of deductible losses from using the deferred income tax assets unrecognized in previous periods	-138,651,573.34
Effect of deductible temporary differences or losses from deferred income tax assets unrecognized in the current period	801,417,286.35
Additional deduction	-95,741,904.39
Partnership's income tax expenses assumed by the shareholder	33,760,676.36
Income tax expenses	643,729,356.90

5.66 Earnings per share

5.66.1 Basic earnings per share

The basic earnings per share is calculated by dividing the consolidated net profit attributable to the common stockholder of the company by the weighted average of the Company's outstanding common stock:

Item	Year 2025	Year 2024
Consolidated net profit attributable to the common stockholder of the company	1,237,139,456.03	2,167,691,910.46
Less: equity attributable to holders of other equity instruments	556,557,919.17	555,527,380.78
Weighted average of the Company's outstanding common stock	8,885,939,744.00	8,885,939,744.00
Basic earnings per share	0.08	0.18
Including: basic earnings per share from continued operation	0.08	0.18
Basic earnings per share from discontinued operation		

5.66.2 Diluted earnings per share

The diluted earnings per share is calculated by dividing the consolidated net profit attributable to the common stockholder of the company (diluted) by the weighted average of the Company's outstanding common stock (diluted):

Item	Year 2025	Year 2024
Consolidated net profit attributable to the common stockholder of the company (diluted)	1,237,139,456.03	2,167,691,910.46

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Item	Year 2025	Year 2024
Less: equity attributable to holders of other equity instruments in the current year (diluted)	556,557,919.17	555,527,380.78
Weighted average of the Company's outstanding common stock (diluted)	8,885,939,744.00	8,885,939,744.00
Diluted earnings per share	0.08	0.18
Including: diluted earnings per share from continued operation	0.08	0.18
Diluted earnings per share from discontinued operation		

5.67 Items in the statement of cash flows

5.67.1 Cash from operating activities

(1) Cash received from other operating activities

Item	Year 2025	Year 2024
Current accounts with all parties received	3,460,202,288.35	1,680,809,398.64
Received from the principal of construction fund of BT and PPP projects of the owner	2,065,705,174.23	1,627,952,713.73
Received from security deposit	2,049,841,347.54	3,146,020,040.86
Received from government grants	692,574,250.08	623,721,641.05
Others	1,932,521,889.40	2,715,901,948.47
Total	10,200,844,949.60	9,794,405,742.75

(2) Cash paid for other operating activities

Item	Year 2025	Year 2024
Paid for current accounts with all parties	2,121,045,667.58	2,345,666,445.50
Paid for funds of BT and PPP projects	580,413,804.82	925,632,430.97
Paid for operating expenses	5,785,372,262.87	9,392,200,199.58
Paid for deposits and margins	3,519,155,286.49	2,973,739,209.59
Others	4,145,902,256.11	4,510,341,602.64
Total	16,151,889,277.87	20,147,579,888.28

5.67.2 Cash from investing activities

(1) Cash received from other investing activities

Item	Year 2025	Year 2024
Time deposits held to maturity and interest thereon	5,798,327,218.05	3,462,841,050.83
Inter-enterprise loans and interest income from those loans	791,684,200.50	153,245,751.00
Others	429,423,919.47	67,950,087.10
Total	7,019,435,338.02	3,684,036,888.93

(2) Cash paid for other investing activities

Item	Year 2025	Year 2024
Principal of time deposits to be held to maturity	6,827,803,438.07	4,350,397,141.01

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Item	Year 2025	Year 2024
Inter-enterprise loans	343,910,000.00	429,860,000.00
Others	26,806,115.88	1,962,290.00
Total	7,198,519,553.95	4,782,219,431.01

5.67.3 Cash from financing activities

(1) Cash received from other financing activities

Item	Year 2025	Year 2024
Inter-enterprise loans	33,879,503.02	468,800,000.00
Guarantee fund from the trust institution		17,986,350.00
Total	33,879,503.02	486,786,350.00

(2) Cash paid for other financing activities

Item	Year 2025	Year 2024
Paid for relevant expenses on bonds issue	37,890,888.59	22,747,296.84
Paid for relevant payments for financing, repayment of borrowings, creditor's right transfer and factoring	2,924,585.71	131,946,366.04
Paid for lease liabilities	857,519,630.04	915,418,009.79
Payment paid for liquidation	3,994,135,672.41	3,997,200,000.00
Paid for the acquisition of equity of minority shareholders		40,196,337.12
Others	52,244,094.33	20,380,180.75
Total	4,944,714,871.08	5,127,888,190.54

5.68 Supplementary information on the statement of cash flows

5.68.1 Supplementary information on the statement of cash flows

Supplementary information	Year 2025	Year 2024
1. Net profit adjusted to cash flows from operating activities		
Net profit	1,034,288,707.63	2,125,513,133.28
Plus: losses from credit impairment	1,296,211,994.88	1,669,720,958.23
Losses from asset impairment	894,910,109.66	481,357,907.54
Depreciation of fixed assets	2,590,688,766.70	2,611,726,768.26
Depreciation of right-of-use assets	860,006,929.71	905,582,076.88
Amortization of intangible assets	247,835,001.00	297,817,477.89
Amortization of long-term deferred expenses	114,952,325.92	122,276,449.05
Losses from disposal of fixed assets, intangible assets and other long-term assets		
("-" for gains)	-355,759,783.12	-745,756,398.64
Losses from scrapping of fixed assets ("-" for gains)	5,591,538.92	7,665,174.35
Losses from changes in fair value ("-" for gains)	-209,102,473.67	-105,016,572.76
Financial expenses ("-" for gains)	2,440,219,367.84	2,470,846,458.75
Investment losses ("-" for gains)	-357,355,625.52	-380,854,772.80

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Supplementary information	Year 2025	Year 2024
Decreases in deferred income tax assets ("-" for increases)	-321,811,218.37	-275,114,927.73
Increases in deferred income tax liabilities ("-" for decreases)	-61,516,864.56	-20,707,832.93
Decreases in inventories ("-" for increases)	1,388,225,045.00	-317,877,004.73
Decreases in operating receivables ("-" for increases)	13,325,808,897.27	-259,539,188.78
Increases in operating payables ("-" for decreases)	16,333,259,205.12	3,545,294,604.24
Others		
Net cash flows from operating activities	6,559,933,514.17	12,132,934,310.10
2. Significant investing and financing activities not involving cash receipts and payments		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Right-of-use assets acquired by assuming lease liabilities		
3. Net changes in cash and cash equivalents		
Ending balance of cash	86,246,910,543.92	91,595,392,770.74
Less: beginning balance of cash	91,595,392,770.74	90,399,522,130.55
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net (decrease)/increase in cash and cash equivalents	-5,348,482,226.82	1,195,870,640.19

5.68.2 Net cash received from disposal of subsidiaries in 2025

	Amount
Cash or cash equivalents received in 2025 from disposal of subsidiaries in 2025	1,641,818.13
Including: Jiangyin Dayang Concrete Engineering Co., Ltd.	101,818.13
Tianjin Tianzhu Bailing Health Industry Development Co., Ltd.	1,540,000.00
Less: cash and cash equivalents held by subsidiaries on date of losing control	671,405.24
Including: Jiangyin Dayang Concrete Engineering Co., Ltd.	261.58
Tianjin Tianzhu Bailing Health Industry Development Co., Ltd.	671,143.66
Net cash received from disposal of subsidiaries	970,412.89

5.68.3 Composition of cash and cash equivalents

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
I. Cash	86,246,910,543.92	91,595,392,770.74
Including: cash on hand	5,539,192.59	3,801,742.35

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Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Unrestricted digital currency	7,128,000.00	
Unrestricted bank deposits	86,083,689,431.59	91,552,543,922.36
Other unrestricted monetary funds	150,553,919.74	39,047,106.03
II. Cash equivalents		
Including: bond investments maturing within three months		
III. Ending balance of cash and cash equivalents	86,246,910,543.92	91,595,392,770.74

Items with restricted use but still presented as cash and cash equivalents:

Item	Balance as at December 31, 2025	Reasons for belonging to cash and cash equivalents
Balance of funds in bank accounts dedicated for payment of farmers and engineering project supervision	20,783,081,593.53	Restriction in usage scope only, no restriction in the right of use and ownership

Cash at bank and on hand not belonging to cash and cash equivalents:

Item	Balance as at December 31, 2025	Balance as at December 31, 2024	Reasons for not belonging to cash and cash equivalents
Bank guarantee and bill deposit	289,358,063.55	478,755,627.21	Restriction in the right of use and ownership
Performance bond	58,465,550.98	202,200,079.83	Restriction in the right of use and ownership
Frozen account funds	3,778,584,107.43	2,998,468,595.01	Restriction in the right of use and ownership
Account under the supervision by the owner and account dedicated for payment of farmers	4,780,655,178.60	3,624,293,787.39	Restriction in the right of use and ownership
Principal and interest of time deposits to be held to maturity	6,610,232,922.98	4,527,808,158.66	Belonging to investment projects
Others	556,544,837.04	74,346,606.11	Restriction in the right of use and ownership
Total	16,073,840,660.58	11,905,872,854.21	

5.68.4 Financing arrangements of suppliers

Item presented	Balance as at December 31, 2025		Balance as at December 31, 2024
	Book balance	Including: payments collected by suppliers from the financing providers	
Accounts payable	1,842,219,726.87	1,724,780,872.64	2,003,461,615.22

5.69 Foreign currency monetary items

5.69.1 Foreign currency monetary items

Item	Balance of foreign currency as at December 31, 2025	Exchange rate	RMB amount translated as at December 31, 2025
Cash at bank and on hand			2,268,562,492.64
Including: USD	262,221,260.09	7.0288	1,843,100,792.92
TTD	220,977,586.00	1.0648	235,296,933.57
HKD	93,202,530.58	0.9032	84,180,525.62
MOP	60,237,379.56	0.8985	54,123,285.53
CAD	3,758,050.00	5.1142	19,219,419.31
EUR	1,016,511.85	8.2355	8,371,483.34
Kazakhstan KZT	575,090,377.68	0.0140	8,051,265.29
UZS	9,777,177,989.46	0.0006	5,866,306.79
LAK	7,866,719,658.87	0.0003	2,360,015.90
VUV	34,917,049.00	0.0581	2,028,680.55
AED	947,340.06	1.9071	1,806,672.23
JPY	27,006,275.00	0.0448	1,209,881.12
ERN	2,188,644.46	0.4678	1,023,847.88
HNL	2,206,309.96	0.2656	585,995.93
SGD	94,868.27	5.4586	517,847.94
RWF	64,090,101.00	0.0048	307,632.48
NPR	4,853,439.79	0.0489	237,333.21
IDR	423,555,360.00	0.0004	169,422.14
BBD	10,585.32	3.5085	37,138.60
MNT	16,428,228.87	0.0020	32,856.46
XOF	929,415.00	0.0126	11,710.63
WST	4,263.21	2.5297	10,784.64
LSL	18,744.12	0.4227	7,923.14
KES	85,762.85	0.0545	4,674.08
MRU	195.60	0.1764	34.50
MMK	8,740.40	0.0033	28.84
Accounts receivable			114,753,657.08
Including: USD	9,423,746.13	7.0288	66,237,626.80
MOP	18,273,249.31	0.8985	16,418,514.51
HKD	16,143,688.00	0.9032	14,580,979.00
CAD	2,519,089.00	5.1142	12,883,124.96
TTD	4,344,096.00	1.0648	4,625,593.42
AED	4,099.62	1.9071	7,818.39
Other receivables			834,027,750.16
Including: USD	86,026,794.82	7.0288	604,665,135.43

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Item	Balance of foreign currency as at December 31, 2025	Exchange rate	RMB amount translated as at December 31, 2025
MOP	227,702,051.05	0.8985	204,590,292.87
CAD	2,911,562.00	5.1142	14,890,310.38
HKD	10,760,288.00	0.9032	9,718,692.12
TTD	84,813.00	1.0648	90,308.88
LSL	107,000.00	0.4227	45,228.90
MNT	8,715,750.00	0.0020	17,431.50
BBD	2,950.00	3.5085	10,350.08
Accounts payable			594,182,224.26
Including: MOP	501,207,275.58	0.8985	450,334,737.11
USD	8,708,028.13	7.0288	61,206,988.12
CAD	10,070,309.00	5.1142	51,501,574.29
HKD	24,145,424.00	0.9032	21,808,146.96
TTD	8,589,935.00	1.0648	9,146,562.79
BBD	52,505.34	3.5085	184,214.99
Other payables			635,323,883.00
Including: USD	38,702,296.57	7.0288	272,030,702.13
TTD	207,170,272.41	1.0648	220,594,906.06
HKD	105,545,661.99	0.9032	95,328,841.91
MOP	49,627,900.75	0.8985	44,590,668.82
Kazakhstan KZT	184,848,000.00	0.0140	2,587,872.00
NPR	1,980,000.00	0.0489	96,822.00
VUV	1,360,000.00	0.0581	79,016.00
AED	7,893.70	1.9071	15,054.08
Short-term borrowings			5,321,477,992.39
Including: USD	757,096,231.56	7.0288	5,321,477,992.39
Non-current liabilities maturing within one year			1,175,234,452.82
Including: USD	167,202,716.37	7.0288	1,175,234,452.82
Long-term borrowings			775,093,236.54
Including: USD	110,273,906.86	7.0288	775,093,236.54

5.70 Leases

5.70.1 Acting as the lessee

Item	Year 2025	Year 2024
Interest expenses on lease liabilities	132,147,819.03	161,090,601.94
Expense on short-term lease under simplified treatment and included in the assets-related cost or the current profit or loss	784,490,953.87	951,817,778.74
Total cash outflows related to leases	1,687,029,104.53	1,934,562,918.45

5.70.2 Acting as the lessor

(1) Finance lease

	Year 2025	Year 2024
Sales profit or loss	167,638,996.15	124,766,131.05
Financing income of net lease investment	167,638,996.15	124,766,131.05

Lease receipts that will be collected after the balance sheet date:

Remaining lease term	Year 2025	Year 2024
Within 1 year	845,415,620.56	1,005,260,858.89
1 - 2 years	553,775,850.58	634,328,787.09
2 - 3 years	344,903,852.44	333,531,681.85
3 - 4 years	88,116,301.83	128,153,542.09
4 - 5 years	40,580,346.24	46,955,501.06
Over 5 years	80,605,796.81	42,363,442.24
Sub-total of undiscounted lease receipts	1,953,397,768.46	2,190,593,813.22
Net lease investment	1,953,397,768.46	2,190,593,813.22

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6 Changes in the scope of consolidation

6.1 Business combination not under common control

6.1.1 Business combination not under common control occurred in the current period

Name of acquiree	Time-point for equity acquisition	Cost on equity acquisition	Equity acquisition ratio (%)	Way of equity acquisition	Acquisition date	Determination basis of acquisition date	Revenue of the acquiree from the acquisition date to the end of the period	Net profit of the acquiree from the acquisition date to the end of the period	Cash flows of the acquiree from the acquisition date to the end of the period
Hangzhou Shangjian Jianfeng New Materials Co., Ltd.	January 30, 2025	24,558,730.15	90.00	Acquisition	January 30, 2025	Time-point for equity transfer	199,888,013.18	-8,361,864.38	12,247,999.89

6.1.2 Combination cost and goodwill

	Hangzhou Shangjian Jianfeng New Materials Co., Ltd.
Combination cost	
- Cash	24,558,730.15
Total combination cost	24,558,730.15
Less: fair value of net identifiable assets acquired	24,558,730.15
Amount of goodwill/combination cost in short of the fair value of net identifiable assets acquired	

6.1.3 Identifiable assets and liabilities of the acquiree on the acquisition date

	Hangzhou Shangjian Jianfeng New Materials Co., Ltd.	
	Fair value on the acquisition date	Book value on the acquisition date
Assets:	91,802,815.95	91,379,826.61
Cash at bank and on hand	31,897,431.79	31,897,431.79
Receivables	32,490,903.67	32,490,903.67
Inventories	21,552,477.30	21,552,477.30
Fixed assets	3,150,981.25	2,727,991.91
Other assets	2,711,021.94	2,711,021.94
Liabilities:	64,515,338.01	64,515,338.01
Borrowings		
Payables	62,797,192.08	62,797,192.08
Other liabilities	1,718,145.93	1,718,145.93
Net assets	27,287,477.94	26,864,488.60
Less: Minority equity	2,728,747.79	2,686,448.86
Net assets gained	24,558,730.15	24,178,039.74

6.2 Disposal of subsidiaries

6.2.1 Transactions or matters where the Company loses the control over subsidiaries during the current period

Subsidiary	Disposal price at the time-point of losing the right of control	Disposal proportion at the time-point of losing the right of control (%)	Disposal method at the time-point of losing the right of control	Time-point of losing the right of control	Basis of determination of the time-point of losing the right of control	Difference of the subsidiary's net asset shares in the consolidated financial statements corresponding to the disposal price and disposed investment	Proportion of the residual equity on the date of losing the right of control	Book value of the residual equity in the consolidated financial statements on the date of losing the right of control	Fair value of the residual equity in the consolidated financial statements on the date of losing the right of control	Gains or losses from the re-measurement of residual equity at fair value	Determination method and main assumptions for the fair value of the residual equity in the consolidated financial statements on the day of losing the right of control	Amount of other comprehensive income relating to the equity investment of the original subsidiary transferred to the profit or loss on investments/retained earnings
Jiangyin Dayang Concrete Engineering Co., Ltd.	101,818.13	100.00	Sales	September 30, 2025	Time-point for equity transfer	19,580.41						
Tianjin Tianzhu Bailing Health Industry Development Co., Ltd.	1,540,000.00	100.00	Sale and transfer	December 1, 2025	The right of control has been transferred	199,948.69						

6.3 Changes in scope of consolidation due to other reasons

In 2024, the Company newly established 15 subsidiaries, acquired 14 subsidiaries in other way and cancelled 20 subsidiaries.

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7 Equity in other entities

7.1 Equity in subsidiaries

7.1.1 Structure of the enterprise group

Subsidiary	Registered capital (RMB'0,000, unless otherwise stated)	Main business place	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
Shanghai Construction No.1 (Group) Co., Ltd.	100,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.2 (Group) Co., Ltd.	100,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.4 (Group) Co., Ltd.	100,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No.5 (Group) Co., Ltd.	100,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction No. 7 (Group) Co., Ltd.	100,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Building Decoration Engineering Group Co., Ltd.	80,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction Design and Research Institute Co., Ltd.	15,000.00	Shanghai	Shanghai	Building design	100.00		Business combination under common control
Shanghai Installation Engineering Group Co., Ltd.	50,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control

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Subsidiary	Registered capital (RMB'0,000, unless otherwise stated)	Main business place	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
Shanghai Mechanized Construction Group Co., Ltd.	80,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Foundation Engineering Group Co., Ltd.	80,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Construction Building Materials Technology Group Co., Ltd.	30,000.00	Shanghai	Shanghai	Building industry	97.00	3.00	Business combination under common control
Shanghai Construction Real Estate Co., Ltd.	590,000.00	Shanghai	Shanghai	Real estate development	100.00		Business combination under common control
Shanghai Gardens (Group) Co., Ltd.	50,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	150,000.00	Shanghai	Shanghai	Building design	100.00		Business combination under common control
China SFECO Group	30,000.00	Shanghai	Shanghai	Domestic and overseas project contracting, import and export agency business	100.00		Business combination under common control
SCG Changzhou Wujin Viaduct Construction Co., Ltd.	40,000.00	Changzhou, Jiangsu	Changzhou, Jiangsu	Investment and construction of urban infrastructure	100.00		Establishment

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Subsidiary	Registered capital (RMB'0,000, unless otherwise stated)	Main business place	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
SCG Dalian Construction Engineering Co., Ltd.	600.00	Dalian, Liaoning	Dalian, Liaoning	Investment and construction of urban infrastructure	100.00		Establishment
SCG Kunshan Middle-ring Road Construction Co., Ltd.	345,000.00	Kunshan, Jiangsu	Kunshan, Jiangsu	Investment and construction of urban infrastructure	70.00	30.00	Establishment
SCG America Group Inc.	USD 18.00 million	Delaware, USA	Delaware, USA	Building construction	100.00		Establishment
Zhuhai Shenhai Construction Engineering Co., Ltd.	600.00	Zhuhai, Guangdong	Zhuhai, Guangdong	Building construction	100.00		Establishment
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd.	7,000.00	Nanchang, Jiangxi	Nanchang, Jiangxi	Investment and construction of urban infrastructure	60.00	40.00	Establishment
SCG Nanchang Qianhu Construction Co., Ltd.	67,300.00	Nanchang, Jiangxi	Nanchang, Jiangxi	Investment and construction of urban infrastructure	60.00	40.00	Establishment
Shanghai International Tourism Resort Engineering Construction Co., Ltd.	5,000.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
SCG (Canada) Co., Ltd.	CAD 100,000	Alberta, Canada	Alberta, Canada	Building construction	100.00		Establishment
SCG Overseas Holdings Co., Ltd.	HKD 1.25 million	Hong Kong, China	Hong Kong, China	Investment management	100.00		Establishment

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					Direct	Indirect	
Shanghai SINKO Air Conditioning Equipment Co., Ltd.	35,500.00	Shanghai	Shanghai	Production and sales of air conditioning equipment	50.00		Business combination not under common control
SCG Yibin Daxikou Construction Co., Ltd.	1,000.00	Yibin, Sichuan	Yibin, Sichuan	Investment and construction of urban infrastructure	60.00	40.00	Establishment
SCG Chengdu Construction Engineering Co., Ltd.	14,000.00	Chengdu, Sichuan	Chengdu, Sichuan	Investment and construction of urban infrastructure	70.00	30.00	Establishment
SCG Investment Co., Ltd.	300,000.00	Shanghai	Shanghai	Investment management	100.00		Establishment
SCG (Caribbean) Co., Ltd.	TTD 6,356,100.00	Port of Spain, Trinidad and Tobago	Port of Spain, Trinidad and Tobago	Building construction	100.00		Establishment
Shanghai Construction Electronic Commerce Co., Ltd.	10,000.00	Shanghai	Shanghai	E-commerce	100.00		Establishment
SCG (Cambodia) Co., Ltd.	USD 1.00 million	Toul Kork, Cambodia	Toul Kork, Cambodia	Building construction	100.00		Establishment
SCG Wenzhou Oujiankou Construction Co., Ltd.	256,000.00	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Investment and construction of urban infrastructure	100.00		Establishment
SCG Wenzhou Qidu Bridge Construction Co., Ltd.	50,000.00	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Investment and construction of urban infrastructure	100.00		Establishment

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					Direct	Indirect	
Sihui Huijian Road Reconstruction Construction and Development Co., Ltd.	38,000.00	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Investment and construction of urban infrastructure	90.00		Establishment
Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd.	45,780.00	Zhaoqing, Guangdong	Zhaoqing, Guangdong	Investment and construction of urban infrastructure	95.00		Establishment
SCG Meishan Construction Engineering Co., Ltd.	227,300.00	Meishan, Sichuan	Meishan, Sichuan	Investment and construction of urban infrastructure	100.00		Establishment
Changzhou Jintian Maoshan Tourist Avenue Construction Co., Ltd.	71,621.00	Changzhou, Jiangsu	Changzhou, Jiangsu	Investment and construction of urban infrastructure	70.00		Establishment
SCG Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd.	49,128.00	Wenzhou, Zhejiang	Wenzhou, Zhejiang	Investment and construction of urban infrastructure	95.00		Establishment
Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.	51,216.00	Zhuhai, Guangdong	Zhuhai, Guangdong	Investment and construction of urban infrastructure	69.98		Establishment

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Subsidiary	Registered capital (RMB'0,000, unless otherwise stated)	Main business place	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
Huzhou Zhili Cultural and Sports Center Construction Development Co., Ltd.	25,194.00	Huzhou, Zhejiang	Huzhou, Zhejiang	Investment and construction of urban infrastructure	63.00	27.00	Establishment
Nanjing Qiaoyuan Construction Management Co., Ltd.	29,510.00	Nanjing, Jiangsu	Nanjing, Jiangsu	Investment and construction of urban infrastructure	100.00		Establishment
Shanghai Heyu Intellectual Property Agency Co., Ltd.	50.00	Shanghai	Shanghai	Business service	100.00		Establishment
Jining Fenghuangtai Construction Co., Ltd.	17,912.00	Jining, Shandong	Jining, Shandong	Investment and construction of urban infrastructure	36.00	54.00	Establishment
SCG Equipment Engineering Co., Ltd.	1,500.00	Shanghai	Shanghai	Building construction	100.00		Business combination under common control
SCG Yiyun Technology Co., Ltd.	1,000.00	Shanghai	Shanghai	Information service	100.00		Establishment
SCG Yibin Cuiping Construction Co., Ltd.	1,000.00	Yibin, Sichuan	Yibin, Sichuan	Investment and construction of urban infrastructure	100.00		Business combination not under common control
Shanghai Minchuan Sports Development Co., Ltd.	9,186.43	Shanghai	Shanghai	Investment and construction of urban infrastructure	56.00	24.00	Establishment

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					Direct	Indirect	
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	23,000.00	Shaoxing, Zhejiang	Shaoxing, Zhejiang	Building construction	100.00		Business combination not under common control
Rizhao Hujian Urban Development and Construction Co., Ltd.	34,574.00	Rizhao, Shandong	Rizhao, Shandong	Investment and construction of urban infrastructure	63.00	27.00	Establishment
Hainan Hujian Construction Co., Ltd.	11,000.00	Haikou, Hainan	Haikou, Hainan	Building construction	100.00		Establishment
Qingdao Rail Transit Park Hujian Investment Development Co., Ltd.	95,634.00	Qingdao, Shandong	Qingdao, Shandong	Investment and construction of urban infrastructure	90.00		Establishment
Tianjin Housing Construction Development Group Co., Ltd.	100,000.00	Tianjin	Tianjin	Real estate development	51.00		Business combination not under common control
Shanghai Construction Environmental Technology Co., Ltd.	50,000.00	Shanghai	Shanghai	Building construction and technology service	76.00	24.00	Establishment
Shanghai Jianxie Vocational Skills Training Co., Ltd.	100.00	Shanghai	Shanghai	Vocational skills training	100.00		Establishment

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					Direct	Indirect	
Shanghai Construction Smart Construction Co., Ltd.	50,000.00	Shanghai	Shanghai	Building construction	100.00		Establishment
Xiamen Shangjian Construction Group Co., Ltd.	10,010.00	Xiamen, Fujian	Xiamen, Fujian	Building construction	51.00	49.00	Other acquisition
SCG (Hainan) Investment Co., Ltd.	80,000.00	Haikou, Hainan	Haikou, Hainan	Building construction and investment	100.00		Establishment
Hangzhou Hujian Construction Co., Ltd.	1,000.00	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Building construction	100.00		Establishment
Hangzhou Tongdasheng Water Technology Co., Ltd.	2,800.00	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Building construction	100.00		Other acquisition
Shanghai Construction Jinshan Construction Development Co., Ltd.	20,000.00	Shanghai	Shanghai	Real estate development and management		70.00	Establishment
Shanghai Yueheng Construction Development Co., Ltd.	14,000.00	Shanghai	Shanghai	Real estate development	50.00	50.00	Establishment

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Subsidiary	Registered capital (RMB'0,000, unless otherwise stated)	Main business place	Registration place	Business nature	Shareholding ratio (%)		Method of acquisition
					Direct	Indirect	
Shanghai Machinery Complete Equipment (Group) Co., Ltd.	56,871.02	Shanghai	Shanghai	Mechanical and electrical equipment and installation, commissioning, construction machinery, supporting materials, engineering supervision, international bidding, equipment leasing, and operation and import and export agent, etc.	51.00	49.00	Business combination not under common control
Wuhu Huxin Construction Co., Ltd.	1,000.00	Wuhu, Anhui	Wuhu, Anhui	Building construction	99.00	1.00	Establishment
Hujian (Dujiangyan) Real Estate Co., Ltd.	28,500.00	Dujiangyan, Chengdu, Sichuan	Dujiangyan, Chengdu, Sichuan	Real estate development and management	100.00		Establishment

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7.1.2 Major non-wholly-owned subsidiaries

Subsidiary	Shareholding ratio of minority shareholders	Profit or loss attributable to minority shareholders in the current period	Dividends declared to be distributed to minority shareholders in the current period	Ending balance of minority equity
Tianjin Housing Construction Development Group Co., Ltd. ("Tianjin Housing Group")	49.00%	-450,901,108.51		-2,409,482,309.77

7.1.3 Main financial information of major non-wholly-owned subsidiaries

Subsidiary	Balance as at December 31, 2025						Balance as at December 31, 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Tianjin Housing Group	14,800,058,671.66	3,176,698,133.86	17,976,756,805.52	20,977,445,964.49	2,080,065,061.49	23,057,511,025.98	15,809,668,639.10	3,833,291,250.76	19,642,959,889.86	21,369,938,206.29	2,186,710,414.66	23,556,648,620.95

Subsidiary	Year 2025				Year 2024			
	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities	Operating income	Net profit	Total comprehensive income	Cash flows from operating activities
Tianjin Housing Group	2,705,929,833.04	-1,167,004,521.61	-1,167,065,489.37	225,318,275.70	2,707,425,483.07	-926,730,699.64	-927,990,900.70	12,334,724.06

7.1.4 Financial or other support provided to structured entities included in the scope of the consolidated financial statements

Name of structured entity	Control basis	Financial support provided
SCG Anying Investment Management Center (Limited Partnership)	The Group as a general partner has subscribed inferior LP shares	None
Shanghai Construction Jianyiheng Enterprise Management Partnership (Limited Partnership)	The Group is the only partner	None
SCG Taihe Enterprise Management Center (Limited Partnership)	The Group as a general partner has subscribed inferior LP shares and provided a commitment to repurchase for priority-level partners.	Providing a commitment to repurchase for priority-level partners
SCG Zhongying Enterprise Management Center (Limited Partnership)	The Group as a general partner has subscribed inferior LP shares	None
SCG Hexi Enterprise Management Center (Limited Partnership)	The Group as a general partner has subscribed inferior LP shares and provided a commitment to repurchase for priority-level partners.	Providing a commitment to repurchase for priority-level partners
Ningbo Meishan Bonded Port Zone Minyao Investment Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Suzhou Jianying Purui Venture Capital Center (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Suzhou Jianying Ruixin Venture Capital Center (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Shanghai Xijiu Enterprise Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Shanghai Tonghang Enterprise Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Shanghai Jianfan Enterprise Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Shanghai Jianyi Enterprise Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None

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Name of structured entity	Control basis	Financial support provided
Shanghai Bejiu Enterprise Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Shanghai Changying Enterprise Management Partnership (Limited Partnership)	The Group as a general partner is responsible for the partnership affair implementation and the partnership control.	None
Jingu - Kaiyuan - Hengye Bojin Building Property Right Trust	The Group is a credit enhancement entity.	Undertaking the responsibility of making up the difference

7.2 Transactions leading to changes in the share of owners' equity in subsidiaries and still controlling the subsidiaries

7.2.1 Effect of transactions on minority interests and equity attributable to owners of the company

	Huzhou Shangjian Concrete Co., Ltd.
Purchase cost / disposal consideration	
- Cash	13,921,939.42
- Fair value of non-cash assets	
Total purchase cost / disposal consideration	13,921,939.42
Less: share of net assets of subsidiaries calculated at the ratio of equity acquired / disposed of	13,650,893.60
Difference	271,045.82
Including: adjustment to capital reserves	271,045.82

7.3 Equity in joint venture arrangements or associates

7.3.1 Significant joint ventures or associates

Name of joint venture or associate	Main business place	Registration place	Business nature	Shareholding ratio (%)		Accounting treatment method for investments in joint ventures or associates
				Direct	Indirect	
Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Shanghai	Shanghai	Real estate development	15.00		Equity method
Ningbo Tower Construction Development Co., Ltd.	Ningbo	Ningbo	Real estate development	40.00		Equity method

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7.3.2 Main financial information of significant associates

	Balance as at December 31, 2025/Year 2025		Balance as at December 31, 2024/Year 2024	
	Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Ningbo Tower Construction Development Co., Ltd.	Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Ningbo Tower Construction Development Co., Ltd.
Current assets	162,231,943.48	2,634,840,235.57	103,871,857.97	4,134,043,575.80
Non-current assets	11,826,291,163.21	295,430,391.43	10,871,076,641.61	351,846,704.06
Total assets	11,988,523,106.69	2,930,270,627.00	10,974,948,499.58	4,485,890,279.86
Current liabilities	321,429,454.23	1,295,386,795.96	39,073,471.45	3,214,216,751.52
Non-current liabilities	2,095,045,398.82		1,355,473,844.80	
Total liabilities	2,416,474,853.05	1,295,386,795.96	1,394,547,316.25	3,214,216,751.52
Minority equity				
Equity attributable to shareholders of the company	9,572,048,253.64	1,634,883,831.04	9,580,401,183.33	1,271,673,528.34
Share of net assets calculated at the shareholding ratio	1,435,807,238.05	653,953,532.42	1,437,060,177.50	508,669,411.34
Adjusted matters		-404,934.08		-404,934.08
- Goodwill				
- Unrealized profits of internal transactions		-404,934.08		-404,934.08
- Others				
Book value of the equity investment in associates	1,435,807,238.05	653,548,598.34	1,437,060,177.50	508,264,477.26
Fair value of the equity investment in associates with public offer				
Operating revenue		3,445,475,686.98		246,503.70
Net profit	-8,352,929.69	363,210,302.70	-8,810,634.83	4,224,026.70
Net profit of discontinued operation				

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	Balance as at December 31, 2025/Year 2025		Balance as at December 31, 2024/Year 2024	
	Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Ningbo Tower Construction Development Co., Ltd.	Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Ningbo Tower Construction Development Co., Ltd.
Other comprehensive income				
Total comprehensive income	-8,352,929.69	363,210,302.70	-8,810,634.83	4,224,026.70
Dividends received from associates in the current period				

7.3.3 Summary of financial information on insignificant joint ventures and associates.

	Balance as at December 31, 2025/Year 2025	Balance as at December 31, 2024/Year 2024
Joint ventures:		
Total book value of investments	586,510,479.09	988,532,488.09
Total amounts of the following items calculated at shareholding ratio		
- Net profit	-189,863,113.50	-263,557,929.00
- Other comprehensive income	17,046,098.25	-173,686,465.53
- Total comprehensive income	-172,817,015.25	-437,244,394.53
Associates:		
Total book value of investments	7,024,469,536.92	6,547,357,633.38
Total amounts of the following items calculated at shareholding ratio		
- Net profit	99,795,593.52	518,989,793.12
- Other comprehensive income		
- Total comprehensive income		

7.4 Equities of the structured entities not included in the scope of consolidated financial statements

7.4.1 Basic information on the structuring entities not included in the scope of consolidated financial statements

As at December 31, 2025, the structured entities associated with the Group but not included in the scope of consolidated financial statements of the Company mainly engaged in industrial funds, and the fund investment direction was urban renewal.

7.4.2 Book value and maximum loss exposure of equity-related assets and liabilities

Item	Item presented in financial statements	Book value as at December 31, 2025	Maximum loss exposure
Industrial fund	Long-term equity investments	1,624,319,562.66	1,624,319,562.66

Method for determining the maximum loss exposure

For the above-mentioned industrial fund management model, the limited partnership system is adopted. The investment company of the Group's subsidiary is a limited partner and bears the loss within the limit of the capital contribution. The Group accounts for the above-mentioned industrial fund by the equity method, and the maximum loss exposure is the book value of the industrial fund on the reporting date.

8 Government grants

Type	Year 2025	Year 2024
Asset-related government grants	13,663,014.62	7,627,134.54
Income-related government grants	680,709,549.95	674,782,062.43
Total	694,372,564.57	682,409,196.97

9 Risks related to financial instruments

9.1 Risks in financial instruments

During its business operation, the Company faces various financial risks: credit risks, liquidity risks and market risks (including exchange rate risk, interest rate risk and other price risks). The above-mentioned financial risks and the risk management policies adopted by the Company for reducing those risks are as follows:

The Board of Directors is responsible for planning and building the risk management structure for the Company, formulating the Company's policies and relevant guidelines for risk management, and supervising the implementation of risk management measures. The Company has formulated the risk management policies to identify and analyze all risks faced by the Company. These risk management policies have specified the provisions on specific risks, covering the management of market risk, credit risk and liquidity risk. The Company may make the regular assessment on the market environment and the changes in its operating activities to decide whether the risk management policies and systems need to be updated. The Company's risk management is carried out by the Risk Management Committee according to the policies approved by the Board of Directors. The Risk Management Committee identify, assess and avoid relevant risks by closely cooperating with other business departments of the Company. The Company's internal audit department may conduct the regular audit regarding the risk management and control and the procedures therefor, and submit the audit result to the Company's Audit Committee.

9.1.1 Credit risks

The credit risk refers to the risk where the Company may have the financial loss caused by the counterparty's failure in performing any contractual obligation.

The Company's credit risks mainly come from those contracts for monetary funds, notes receivable, accounts receivable, receivables financing, contract assets, other receivables, creditor's right investment, other creditor's right investment and financial guarantee, as well as from the investment in debt instruments which have not been included in the scope for impairment assessment and are measured at fair value through the current profit or loss and the derivative financial assets. On the balance sheet date, the book value of financial assets of the Company has reflected the maximum credit risk exposure of such assets; the off-balance-sheet maximum credit risk exposure refers to the maximum amount of RMB 5,781,984,413.89, payable to performing the financial guarantee.

The Company's cash at bank and on hand mainly refers to the bank deposits in the state-owned banks with good reputation and higher credit rating and other large- and medium-scale listed banks, and the Company believes that it has not any significant credit risk, nor any significant loss caused by the bank's default.

In addition, as for notes receivable, accounts receivable, receivables financing, contract assets and other receivables, the Company has set relevant policies to control the credit risk exposure. The Company, based on its customers' financial positions, the possibility of obtaining guarantees from the third party, credit records and other factors such as the current market conditions, evaluates the credit qualifications of customers and set the corresponding credit period. The Company may monitor the customers' credit records periodically; as for the customers with bad credit records, the Company may press for payment in writing, or shorten or cancel the credit period to ensure that its overall credit risks are within the controllable scope.

9.1.2 Liquidity risks

The liquidity risk refers to the risk of capital shortage of an enterprise taking place in the course of cash payment or settlement via other financial assets.

The policy of the Company is to ensure that there are sufficient cash for the payment of the matured debts. Liquidity risk is under the centralized control of the financial department of the Company. The financial department monitors cash balance and readily realizable and marketable securities and makes rolling forecast on cash flows of the next 12 months to ensure that the Company has sufficient funds to repay debts in all cases of reasonable prediction. Meanwhile, the financial department continues the monitoring on whether the Company has obtained the commitment from the main financial institutions for providing the sufficient reserve funds according to relevant loan agreement to meet the short/long-term fund demand.

The Company's financial liabilities are presented based on non-discounted contractual cash flows by the due date as follows:

Item	Amount as at December 31, 2025				
	Within 1 year	1-2 years	2 - 5 years	Over 5 years	Total
Short-term borrowings	12,559,093,738.97				12,559,093,738.97
Notes payable	3,055,624,684.26				3,055,624,684.26
Accounts payable	167,889,355,325.84				167,889,355,325.84
Other payables	22,129,296,939.74				22,129,296,939.74
Other current liabilities	887,842,042.66				887,842,042.66
Long-term borrowings	6,493,232,306.17	7,145,012,799.20	14,301,000,066.44	20,463,605,306.83	48,402,850,478.64
Bonds payable	639,861,254.47	2,105,000,000.00	3,515,500,000.00	10,164,227,945.65	16,424,589,200.12
Lease liabilities	780,299,211.32	626,230,462.54	1,297,584,588.61	494,804,347.40	3,198,918,609.87
Long-term payables	16,899,569.00	14,146,869.00	56,941,002.82	15,240,588.18	103,228,029.00
Total	214,451,505,072.43	9,890,390,130.74	19,171,025,657.87	31,137,878,188.06	274,650,799,049.10

Item	Amount as at December 31, 2024				
	Within 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
Short-term borrowings	11,064,710,686.73				11,064,710,686.73
Notes payable	3,964,924,698.00				3,964,924,698.00
Accounts payable	184,943,909,108.51				184,943,909,108.51
Other payables	21,529,795,084.74				21,529,795,084.74

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Item	Amount as at December 31, 2024				
	Within 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
Other current liabilities	958,356,458.63				958,356,458.63
Long-term borrowings	11,235,829,305.13	5,616,947,966.13	29,561,239,217.25	12,456,669,891.39	58,870,686,379.90
Bonds payable	8,737,658,286.66	20,000,000.00	1,416,000,000.00	872,000,000.00	11,045,658,286.66
Lease liabilities	1,086,690,620.24	743,241,285.07	1,350,895,266.76	837,374,254.97	4,018,201,427.04
Long-term payables	17,364,843.89	32,003,379.00	39,906,009.00	16,839,250.18	106,113,482.07
Total	243,539,239,092.53	6,412,192,630.21	32,368,040,493.00	14,182,883,396.54	296,502,355,612.28

9.1.3 Market risks

Market risks of financial instruments refer to the risks of fluctuation in the fair values or future cash flows of financial instruments due to changes in market prices, and include exchange rate risks, interest rate risks, and other price risks.

(1) Interest rate risk

Interest rate risk refers to the risk that fair values or future cash flows of financial instruments may fluctuate due to the change in market interest rate.

Interest-bearing financial instruments adopting the fixed interest rate and floating interest rate may bring the interest rate risk to the Group's fair value and cash flows. The Group determines the proportions of fixed and floating interest rates based on the market environment, and maintain the portfolio of proper fixed and floating interest rates via the regular review and supervision. As at December 31, 2025, the short-term interest-bearing debts, interest-bearing debts maturing within one year and long-term interest-bearing debts mainly come from contracts adopting the floating interest rate, amounting to RMB 51,006,108,673.82.

The Group continues monitoring and controlling the interest rate level of the Group. The increases in interest rate will increase the costs of the new interest-bearing debts and the interest expenses of interest-bearing debts failing to be paid up by the Group and subject to the interest calculation at floating interest rate, and will, significantly and adversely, affect the Group's financial results; the management will make an adjustment according to the latest market conditions. These adjustments may refer to the arrangements of exchanging interest rates to reduce the interest rate risks. In 2025, the Group had no any interest rate swap arrangement.

As at December 31, 2025, if the interest rate of borrowings calculated at the floating interest rate increased or decreased by 50 base points when other variables remained unchanged, the Group's net profit before tax would decrease or increase by RMB 255,030,543.37 (As at December 31, 2024: RMB 276,821,680.02).

(2) Exchange rate risk

Exchange rate risk refers to the risk that fair value or future cash flows of financial instruments fluctuates due to variations in foreign exchange rate. The Group continues to monitor the foreign currency transactions and the size of foreign currency assets and liabilities to reduce the exchange rate risk it faces to the largest extent. In addition, the Company may also sign the forward foreign exchange contract or currency swap contract to avoid the exchange rate risk. In 2024 and 2025, the Group signed no forward foreign exchange contracts or currencies. On December 31, 2025, RMB amounts of financial assets in foreign currency held by the Group's companies adopting RMB as the functional currency are as follows:

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Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	USD	Other foreign currency	Total	USD	Other foreign currency	Total
Financial assets in foreign currency -						
Cash at bank and on hand	650,960,133.41	74,064,139.76	725,024,273.17	1,099,815,470.04	124,114,403.06	1,223,929,873.10
Other receivables		73,010.48	73,010.48	14,987,735.29	152,332.19	15,140,067.48
Accounts receivable	1,828,427.12		1,828,427.12	16,191,513.38		16,191,513.38
Total	652,788,560.53	74,137,150.24	726,925,710.77	1,130,994,718.71	124,266,735.25	1,255,261,453.96
Financial liabilities in foreign currency -						
Accounts payable	20,030,871.96	184,214.99	20,215,086.95	77,223,672.19	140,617.92	77,364,290.11
Other payables	418,136.28	168,666,124.51	169,084,260.79	2,085,062.27	170,275,453.69	172,360,515.96
Total	20,449,008.24	168,850,339.50	189,299,347.74	79,308,734.46	170,416,071.61	249,724,806.07

As at December 31, 2025, as for various financial assets in USD and financial liabilities in USD held by companies adopting RMB as the functional currency, if the RMB appreciates or depreciates by 5% against the USD, and other factors remain unchanged, the pre-tax profit of the Group will decrease or increase by RMB 31,616,977.61 (As at December 31, 2024: RMB 52,584,299.21).

(3) Other price risks

Other price risk refers to the risk by which the fair value or future cash flow of any financial instrument may fluctuate following the change in market price other than the exchange rate risk and interest rate risk. Other price risk faced by the Group mainly comes from the investments in various equity instruments. Under such risks, the equity instrument price may change. As at December 31, 2025, if the value of equity instruments increased or decreased by 5% when other variables remained unchanged, the net profit before tax and other comprehensive income of the Group would increase or decrease by RMB 198,798,235.84 and RMB 38,741,553.41 respectively (As at December 31, 2024: Net profit before tax: RMB 222,306,742.41 and other comprehensive income: RMB 44,843,526.91).

10 Disclosure of fair value

Input values used in the fair value measurement are divided into three levels:

Level 1 input values are unadjusted quoted prices in the active market of identical assets or liabilities accessible on the measurement date.

Level 2 input values are input values that are directly or indirectly observable for relevant assets or liabilities, other than Level 1 input values.

Level 3 input values are unobservable input values for relevant assets or liabilities.

The fair value measurement is categorized in its entirety based on the lowest level where the input values that are significant to the entire measurement stand.

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10.1 Fair values of assets and liabilities measured at fair value as at December 31, 2025

Item	Fair value as at December 31, 2025			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Continuous fair value measurement				
◆Financial assets held for trading	1,358,252,142.52			1,358,252,142.52
1. Financial assets measured at fair value through the current profit or loss	1,358,252,142.52			1,358,252,142.52
(1) Investment in debt instruments				
(2) Investment in equity instruments	1,348,252,142.52			1,348,252,142.52
(3) Derivative financial assets				
(4) Others	10,000,000.00			10,000,000.00
2. Financial assets designated to be measured at fair value through the current profit or loss				
(1) Investment in debt instruments				
(2) Others				
◆Receivables financing			570,991,688.74	570,991,688.74
◆Other creditor's right investment				
◆Investment in other equity instruments			774,908,415.87	774,908,415.87
◆Other non-current financial assets			2,627,712,574.27	2,627,712,574.27
1. Financial assets measured at fair value through the current profit or loss			2,627,712,574.27	2,627,712,574.27

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Item	Fair value as at December 31, 2025			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
(1) Investment in debt instruments				
(2) Investment in equity instruments			205,240,327.82	205,240,327.82
(3) Derivative financial assets				
(4) Others			2,422,472,246.45	2,422,472,246.45
2. Financial assets designated to be measured at fair value through the current profit or loss				
(1) Investment in debt instruments				
(2) Others				
Total assets with continuous fair value measurement	1,358,252,142.52		3,973,612,678.88	5,331,864,821.40

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10.2 Information on the adjustment to the book value as at December 31, 2024 and the book value as at December 31, 2025 and the sensitivity analysis of unobservable parameters, as for items with continuous level 3 fair value measurement

10.2.1 Information on the adjustment to the continuous level 3 fair value measurement

Item	Balance as at December 31, 2024	Transferred to level 3 fair value measurement	Transferred from level 3 fair value measurement	Total gains or losses in the current period		Purchase, issue, sales and settlement				Balance as at December 31, 2025	Unrealized gains or changes during the period when assets held at the end of the reporting period are included in the profit or loss
				Included in the profit or loss	Included in the other comprehensive income	Acquisition	Issue	Sales	Settlement		
◆Financial assets held for trading											
Financial assets measured at fair value through the current profit or loss											
- Investment in debt instruments											
- Investment in equity instruments											
- Derivative financial assets											
- Others											
Financial assets designated to be measured at fair value through the current profit or loss											
- Investment in debt instruments											
- Others											
◆Receivables financing	486,161,552.33					570,991,688.74		486,161,552.33		570,991,688.74	
◆Other creditor's right investment											

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Item	Balance as at December 31, 2024	Transferred to level 3 fair value measurement	Transferred from level 3 fair value measurement	Total gains or losses in the current period		Purchase, issue, sales and settlement				Balance as at December 31, 2025	Unrealized gains or changes during the period when assets held at the end of the reporting period are included in the profit or loss
				Included in the profit or loss	Included in the other comprehensive income	Acquisition	Issue	Sales	Settlement		
◆Investment in other equity instruments	896,870,538.28				-45,112,688.18	848,451.77		77,697,886.00		774,908,415.87	
◆Other non- current financial assets	2,662,957,729.70			169,498,177.34		241,493,887.97		446,237,220.74		2,627,712,574.27	
Financial assets measured at fair value through the current profit or loss	2,662,957,729.70			169,498,177.34		241,493,887.97		446,237,220.74		2,627,712,574.27	
- Investment in debt instruments											
- Investment in equity instruments	201,519,397.61			3,720,930.21						205,240,327.82	
- Derivative financial assets											
- Others	2,461,438,332.09			165,777,247.13		241,493,887.97		446,237,220.74		2,422,472,246.45	
Financial assets designated to be measured at fair value through the current profit or loss											
- Investment in debt instruments											
- Others											
Total	4,045,989,820.31			169,498,177.34	-45,112,688.18	813,334,028.48		1,010,096,659.07		3,973,612,678.88	

11 Related parties and related transactions

11.1 Parent company of the Company

Parent company	Registration place	Business nature	Registered capital	Shareholding ratio of the parent company in the Company (%)	Voting right ratio of the parent company in the Company (%)
SCG General	Shanghai	Construction of construction works, rental of non-residential real estate, housing rental	RMB 3.0 billion	30.26	30.26

The ultimate controller of the Company is Shanghai Construction Holdings Group Co., Ltd.

11.2 Subsidiaries of the Company

See "Note 7 Equity in other entities" for subsidiaries of the Company.

11.3 Joint ventures and associates of the Company

See "Note 7 Equity in other entities" for details of major joint ventures and associates of the Company.

Other joint ventures or associates having balances from related transactions with the Company in the current or prior period:

Joint venture or associate	Relationship with the Company
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Associate of the Company
Suzhou Jianjia Building Component Product Co., Ltd.	Joint venture of the Company
Wuxi Jian'an Building Component Product Co., Ltd.	Joint venture of the Company
Shanghai Metro Shield Equipment Engineering Co., Ltd.	Associate of the Company
Fulton SCG Development LLC	Associate of the Company
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	Associate of the Company
Hangzhou Hujian Urban Development and Construction Co., Ltd.	Associate of the Company
Ningbo Tower Construction Development Co., Ltd.	Associate of the Company
Shanghai East Bund Construction Real Estate Development Co., Ltd.	Associate of the Company
Shanghai Jianjiahao Enterprise Management Co., Ltd.	Associate of the Company
Shanghai SEISYS Co., Ltd.	Associate of the Company
Wuxi Jinghongyuan Supply Chain Management Co., Ltd.	Associate of the Company
Tianjin Huagui Real Estate Development Co., Ltd.	Associate of the Company
Tianjin Binhai New Area Linbi Real Estate Development Co., Ltd.	Associate of the Company
Tianjin Jinxi Huacheng Real Estate Co., Ltd.	Associate of the Company

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Joint venture or associate	Relationship with the Company
Zhejiang Shangjia Construction Co., Ltd.	Associate of the Company
Shanghai Cenqin Enterprise Management Co., Ltd.	Subsidiary of the Company's associate
Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd.	Joint venture of the Company
Shanghai Jinxie Property Co., Ltd.	Associate of the Company
Yancheng Chonghai Urban Development and Construction	Associate of the Company
Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Associate of the Company
Shanghai Baoyue Real Estate Co., Ltd.	Associate of the Company
Shanghai Linnan Jingxian Public Rental Housing Operation Co., Ltd.	Associate of the Company
Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Associate of the Company
Shanghai Lingang New Area Jingang Xijiu Real Estate Co., Ltd.	Associate of the Company
Shanghai Baoyue Real Estate Co., Ltd.	Associate of the Company
Beijing Diaoyutai Decoration Engineering Co., Ltd.	Associate of the Company
Yancheng Hujian Jinghai Enterprise Management Partnership (Limited Partnership)	Associate of the Company
Shanghai Haijixing International Supply Chain Co., Ltd.	Associate of the Company

11.4 Other related parties

Other related party	Relationship with the Company
Shanghai Construction No.1 Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Construction No.2 Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Construction No.4 Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Construction No.5 Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Yijian Building Technology Consulting Co., Ltd.	Controlled by the same parent company
Shanghai Dongqing Construction Labor Co., Ltd.	Controlled by the same parent company
Shanghai Qunli Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Fengjing Landscape Industrial Co., Ltd.	Controlled by the same parent company
Shanghai Flower&Tree Co., Ltd.	Controlled by the same parent company
Shanghai Construction Hospital	Controlled by the same parent company
Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	Controlled by the same parent company
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Controlled by the same parent company

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Other related party	Relationship with the Company
China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation	Controlled by the same parent company
Shanghai Tuobolaite Real Estate Co., Ltd.	Controlled by the same parent company
Shanghai Di Jiu Security Service Co., Ltd.	Controlled by the same parent company
Shanghai International Tendering Co., Ltd.	Controlled by the same parent company
Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	Controlled by the same parent company
Shanghai Wood Industry Institute Co., Ltd.	Controlled by the same parent company
Shanghai Construction Education Training Service Center Co., Ltd.	Controlled by the same parent company
Shanghai Xinyu Engineering Construction Supervision Co., Ltd.	Controlled by the same parent company
SCG International (Caribbean) Co., Ltd.	Controlled by the same parent company
Shanghai Construction No.7 Industrial Co., Ltd.	Controlled by the same parent company
Jiangxi Jianhao Real Estate Co., Ltd.	Controlled by the same parent company
SCG America Group Inc.	Controlled by the same parent company
SCG (H.K.) LIMITED	Controlled by the same parent company
Shanghai Jinmen Import and Export Co., Ltd.	Controlled by the same parent company
Tianjin Jinyue Real Estate Development Company Limited	Controlled by the same parent company
Changshu Hujian Environmental Water Co., Ltd.	Other related party
Shanghai Chengtou Group Corporation	Other related party

Remark: Shanghai Qunli Industrial Co., Ltd. had been cancelled on June 20, 2025.

11.5 Related transactions

11.5.1 Related transactions on purchase and sales of goods, and rendering and receipt of services

Purchase of goods/receipt of services

Related party	Content of related transaction	Year 2025	Year 2024
Shanghai Dongqing Construction Labor Co., Ltd.	Cost of subcontract works	1,194,991,739.40	1,349,007,825.78
Shanghai SEISYS Co., Ltd.	Cost of subcontract works	68,826,826.94	497,214,009.77
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Cost of subcontract works	49,134,066.16	68,943,243.56

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Related party	Content of related transaction	Year 2025	Year 2024
Shanghai Metro Shield Equipment Engineering Co., Ltd.	Cost of subcontract works	91,125,143.93	100,822,809.74
Shanghai Di Jiu Security Service Co., Ltd.	Purchase of goods and services	75,905,066.62	73,629,790.85
Shanghai Qunli Industrial Co., Ltd.	Cost of subcontract works	719,408.41	846,510.68
Shanghai Construction Hospital	Purchase of goods and services	20,028,352.43	17,656,218.97
Shanghai Chengjieshua Construction Engineering Consulting Co., Ltd.	Purchase of goods and services	5,837,133.30	15,978,867.93
Suzhou Jianjia Building Component Product Co., Ltd.	Purchase of goods and services	49,478,020.04	54,668,108.04
Wuxi Jinghongyuan Supply Chain Management Co., Ltd.	Purchase of goods and services	681,387.00	2,836,941.00
Shanghai Construction Education Training Service Center Co., Ltd.	Purchase of goods and services	4,494,755.78	3,970,048.21
Shanghai Construction No.2 Industrial Co., Ltd.	Purchase of goods and services	12,684,099.01	13,479,774.57
Shanghai Construction No.1 Industrial Co., Ltd.	Purchase of goods and services	20,158,932.96	28,298,590.59
Shanghai Construction No.4 Industrial Co., Ltd.	Purchase of goods and services	10,433,132.40	4,907,307.72
SCG General	Purchase of goods and services	25,369,843.30	45,102,498.81
Shanghai Yijian Building Technology Consulting Co., Ltd.	Purchase of goods and services	802,161.24	3,009,232.46
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Purchase of goods and services	4,644,155.26	930,917.44
Shanghai Flower&Tree Co., Ltd.	Purchase of goods and services	2,448,828.13	941,786.87
Shanghai Fengjing Landscape Industrial Co., Ltd.	Purchase of goods and services	2,363,223.04	8,649,500.76

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Related party	Content of related transaction	Year 2025	Year 2024
Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	Purchase of goods and services	23,805,462.55	26,627,738.13
Shanghai International Tendering Co., Ltd.	Purchase of goods and services	3,719,617.51	13,460,688.19
Shanghai Xinyu Engineering Construction Supervision Co., Ltd.	Receipt of services	75,000.00	174,528.32
Shanghai Wood Industry Institute Co., Ltd.	Receipt of services	1,188,669.81	47,250.00
Shanghai Construction No.5 Industrial Co., Ltd.	Receipt of services	1,577,951.23	293,004.10
Shanghai Construction No.7 Industrial Co., Ltd.	Purchase of goods and services	4,789,435.20	
Shanghai Chengtou Group Corporation	Cost of subcontract works	1,442,170.00	
Beijing Diaoyutai Decoration Engineering Co., Ltd.	Cost of subcontract works	160,358.43	
Tianjin Jinxi Huacheng Real Estate Co., Ltd.	Purchase of goods and services	24,056.71	

Sales of goods/rendering of services

Related party	Content of related transaction	Year 2025	Year 2024
Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	Income from subcontract works	590,184,640.53	533,939,158.46
Shanghai Lingang New Area Jingang Xijiu Real Estate Co., Ltd.	Income from subcontract works	101,436,613.39	
Shanghai Chengtou Group Corporation	Income from subcontract works	147,124,440.38	
Yancheng Chonghai Urban Development and Construction	Income from subcontract works	696,083.11	355,247,430.06
Ningbo Tower Construction Development Co., Ltd.	Income from subcontract works	63,878,451.62	343,435,202.62

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Related party	Content of related transaction	Year 2025	Year 2024
Shanghai East Bund Construction Real Estate Development Co., Ltd.	Income from subcontract works	26,797,648.38	306,465,871.15
Hangzhou Hujian Urban Development and Construction Co., Ltd.	Income from subcontract works	63,601,586.79	295,753,046.88
Shanghai Fengjing Landscape Industrial Co., Ltd.	Rendering of services	15,438,543.83	74,662,300.83
Shanghai Jinxie Property Co., Ltd.	Income from subcontract works	214,153.21	74,054,130.00
Shanghai Linnan Jingxian Public Rental Housing Operation Co., Ltd.	Rendering of services	46,510,990.26	69,379,062.55
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	Income from subcontract works	21,898,327.07	64,220,183.49
Tianjin Jinyue Real Estate Development Company Limited	Rendering of services	1,761,252.27	61,149,922.49
Shanghai Tuobolaite Real Estate Co., Ltd.	Rendering of services		36,331,470.25
Zhejiang Shangjia Construction Co., Ltd.	Income from subcontract works	2,661,969.63	32,163,679.68
Wuxi Jian'an Building Component Product Co., Ltd.	Sales of goods	11,936,113.39	23,955,735.92
Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	Rendering of services	6,175,898.39	21,985,875.22
Shanghai Construction Hospital	Rendering of services	11,322,763.25	14,865,039.87
Shanghai Construction No.1 Industrial Co., Ltd.	Rendering of services	9,180,426.35	11,157,563.17
Suzhou Jianjia Building Component Product Co., Ltd.	Sales of goods	760,494.53	9,758,868.11
Shanghai Construction No.2 Industrial Co., Ltd.	Income from subcontract works	24,239,525.63	9,510,993.57
SCG General	Rendering of services	59,703,872.13	5,472,141.37
Shanghai SEISYS Co., Ltd.	Income from subcontract works	7,455,997.93	5,383,381.07

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Related party	Content of related transaction	Year 2025	Year 2024
Shanghai Construction No.5 Industrial Co., Ltd.	Income from subcontract works		2,371,284.92
Shanghai International Tendering Co., Ltd.	Sales of goods	1,235,994.36	1,578,935.43
Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd.	Rendering of services	1,189,964.25	1,472,406.51
Shanghai Baoyue Real Estate Co., Ltd.	Rendering of services		769,545.28
Shanghai Construction Education Training Service Center Co., Ltd.	Rendering of services	1,226,262.40	531,855.12
Shanghai Cenqin Enterprise Management Co., Ltd.	Rendering of services	191,297.87	367,920.70
Shanghai Metro Shield Equipment Engineering Co., Ltd.	Income from subcontract works	4,716.98	181,500.02
Shanghai Construction No.7 Industrial Co., Ltd.	Rendering of services	2,671,793.85	139,532.61
Shanghai Xinyu Engineering Construction Supervision Co., Ltd.	Rendering of services	12,298.85	58,044.49
Shanghai Flower&Tree Co., Ltd.	Rendering of services	1,058,608.40	50,533.07
Shanghai Yijian Building Technology Consulting Co., Ltd.	Rendering of services	588,010.39	29,588.03
Shanghai Di Jiu Security Service Co., Ltd.	Rendering of services	186,592.95	21,961.72
China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation	Rendering of services		8,624.98
Shanghai Construction No.4 Industrial Co., Ltd.	Rendering of services	750,000.00	309.73
Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	Sales of goods	103,137.17	

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Related party	Content of related transaction	Year 2025	Year 2024
Changshu Hujian Environmental Water Co., Ltd.	Rendering of services	3,599,964.42	
Shanghai Lianhe Pawn Liability Co., Ltd.	Rendering of services	330,188.68	
Shanghai Dongqing Construction Labor Services Co., Ltd.	Rendering of services	299,822.97	
Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	Sales of goods	81,332.03	
Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	Rendering of services	134,923.08	
Shanghai Hutai Flower, Bird & Rare Stone Market Management Co., Ltd.	Rendering of services	28,928.41	

11.5.2 Related-party leases

The Company acted as the lessor:

Name of lessee	Type of leased assets	Lease income recognized in 2025	Lease income recognized in 2024
China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation	Office building	10,329,583.26	6,151,297.44
Tianjin Jinxi Huacheng Real Estate Co., Ltd.	Building		1,172,752.32
Shanghai Construction No.4 Industrial Co., Ltd.	Site	1,300,000.00	1,500,000.00
SCG General	Housing	1,283,230.48	1,283,230.48
Shanghai Construction No.2 Industrial Co., Ltd.	Housing	1,110,612.80	1,199,046.28
Shanghai East Bund Construction Real Estate Development Co., Ltd.	Housing	559,906.65	
Others	Building	586,650.10	522,871.43

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The Company as the lessee:

Lessor	Type of leased assets	Year 2025					Year 2024				
		Rental expenses for short-term leases and leases of low-value assets subject to simplified treatment	Variable lease payment not included in the lease liabilities for measurement	Cash paid for rent	Interest expenses on lease liabilities	Right-of-use assets increased	Rental expenses for short-term leases and leases of low-value assets subject to simplified treatment	Variable lease payment not included in the lease liabilities for measurement	Cash paid for rent	Interest expenses on lease liabilities	Right-of-use assets increased
SCG General	Land use rights and housing			24,868,349.26	4,370,131.92				24,029,065.53	5,089,424.69	17,254,785.46
Shanghai Construction No.1 Industrial Co., Ltd.	Construction machinery and housing			26,386,238.51	3,764,823.19				22,029,944.59	4,719,830.86	
Shanghai Construction No.2 Industrial Co., Ltd.	Housing			11,144,672.13	2,590,534.72	61,186.11			11,815,237.20	3,004,780.55	
Shanghai Construction No.7 Industrial Co., Ltd.	Housing			11,340,575.24	1,500,535.99				2,922,383.67	1,704,609.90	
Shanghai Construction No.4 Industrial Co., Ltd.	Housing			427,220.18	1,781,611.84				3,585,240.97	1,273,963.64	
Shanghai Construction Hospital	Housing			1,300,000.00	56,171.16	2,532,435.58			1,266,666.66	13,684.31	

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Lessor	Type of leased assets	Year 2025					Year 2024				
		Rental expenses for short-term leases and leases of low-value assets subject to simplified treatment	Variable lease payment not included in the lease liabilities for measurement	Cash paid for rent	Interest expenses on lease liabilities	Right-of-use assets increased	Rental expenses for short-term leases and leases of low-value assets subject to simplified treatment	Variable lease payment not included in the lease liabilities for measurement	Cash paid for rent	Interest expenses on lease liabilities	Right-of-use assets increased
Shanghai Fengjing Landscape Industrial Co., Ltd.	Housing			2,955,022.81	81,140.49	2,815,695.52		2,158,263.25		99,102.29	
Shanghai Maigeling Enterprise Management Co., Ltd.	Housing			2,815,156.99	679,174.14	3,715,198.16			15,531,691.33	739,701.92	45,859,958.08
Shanghai Construction No.5 Industrial Co., Ltd.	Housing						2,729,052.83				
Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	Housing			17,247,706.44	1,935,466.56	79,160,086.61					

11.5.3 Related-party guarantees

The Company as the guarantor:

Guaranteed party	Guaranteed amount	Guarantee starting date	Guarantee maturity date	Whether or not the guarantee performance has been completed
Suzhou Jianjia Building Component Product Co., Ltd.	27,000,000.00	June 30, 2025	January 1, 2027	No

The Company as the guaranteed party:

Guarantor	Guaranteed amount	Guarantee starting date	Guarantee maturity date	Whether or not the guarantee performance has been completed
SCG General	4,700,000,000.00	Year 2020	January 20, 2031	No
SCG General	2,538,341,332.80	Year 2017	June 1, 2030	No
SCG General	1,926,460,547.17	Year 2019	January 9, 2029	No
SCG General	660,000,000.00	Year 2025	June 4, 2026	No
SCG General	500,000,000.00	Year 2019	June 18, 2031	No
SCG General	593,319,594.45	Year 2019	September 30, 2033	No
SCG General	227,384,520.00	Year 2020	December 30, 2035	No
SCG General	182,243,229.00	Year 2021	January 31, 2032	No
SCG General	180,000,000.00	Year 2015	February 14, 2030	No
SCG General	198,100,000.00	Year 2021	December 16, 2031	No
SCG General	75,371,867.55	Year 2020	October 27, 2038	No

11.5.4 Entrusted borrowings form related parties

Item	Related party	Balance as at December 31, 2025	Balance as at December 31, 2024
Long-term borrowings	Shanghai International Tendering Co., Ltd.	300,000,000.00	
Long-term borrowings	SCG General		100,000,000.00
Long-term borrowings	China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation	180,000,000.00	

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Item	Related party	Balance as at December 31, 2025	Balance as at December 31, 2024
Non-current liabilities maturing within one year	SCG General	100,131,944.44	131,944.44
Non-current liabilities maturing within one year	Shanghai International Tendering Co., Ltd.	275,000.00	400,427,777.78
Non-current liabilities maturing within one year	China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation		180,000,000.00

11.5.5 Other related transactions

(1) Interest expenses

Related party	Year 2025	Year 2024
SCG General	4,815,972.22	24,037,904.24
Shanghai International Tendering Co., Ltd.	10,950,555.55	14,233,333.34
China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation	7,227,500.00	7,686,000.00

(2) Interest income

Related party	Year 2025	Year 2024
Hangzhou Hujian Urban Development and Construction Co., Ltd.	10,214,631.41	11,886,976.25
Fulton SCG Development LLC	5,096,866.20	21,488,063.61
Shanghai Jinxie Property Co., Ltd.		26,062,632.78
Shanghai Cenqin Enterprise Management Co., Ltd.	202,775.74	389,995.94

11.5.6 Remuneration of key management personnel

Item	Year 2025	Year 2024
Remuneration of key management personnel	8,658,700.00	12,483,200.00

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11.6 Unsettled receivables from and payables to related parties

11.6.1 Receivables

Item	Related party	Balance as at December 31, 2025		Balance as at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Ningbo Tower Construction Development Co., Ltd.	321,540,082.93	17,094,096.67	20,341,850.64	1,017,092.53
	Shanghai Shangshi North Bund Landmark Construction and Development Co., Ltd.	316,260,652.48	15,813,032.62		
	Shanghai Lingang New Area Jingang Xijiu Real Estate Co., Ltd.	190,138,635.96	12,469,478.86		
	Shanghai Chengtou Group Corporation	149,382,368.00	15,948,658.46		
	Shanghai Fengjing Landscape Industrial Co., Ltd.	51,360,106.04	6,795,635.60	46,415,157.80	2,438,257.89
	Shanghai Jinxie Property Co., Ltd.	34,953,565.03	3,151,709.47	61,158,162.07	3,057,908.10
	Tianjin Jinxi Huacheng Real Estate Co., Ltd.	20,300,936.75	13,103,044.99	21,955,364.75	10,614,765.48
	Wuxi Jian'an Building Component Product Co., Ltd.	14,943,461.42	862,648.86	11,734,669.58	586,733.48
	Shanghai Metro Shield Equipment Engineering Co., Ltd.	10,147,250.49	3,009,256.25	10,277,250.49	2,288,716.23
	Tianjin Jinyue Real Estate Development Company Limited	9,838,344.74	735,991.83	60,980,474.15	3,049,023.71
	SCG General	7,367,263.50	3,836,717.73	8,141,383.68	3,177,222.27

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Item	Related party	Balance as at December 31, 2025		Balance as at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Hangzhou Hujian Urban Development and Construction Co., Ltd.	6,230,877.40	587,312.84	8,036,489.15	539,709.03
	Zhejiang Shangjia Construction Co., Ltd.	5,755,845.58	804,413.94	6,769,885.49	948,658.23
	Jiangxi Jianhao Real Estate Co., Ltd.	5,003,055.00	603,743.25	5,003,055.00	353,590.50
	Suzhou Jianjia Building Component Product Co., Ltd.	2,371,033.79	194,130.75	4,426,826.52	221,341.33
	Shanghai SEISYS Co., Ltd.	1,071,700.00	144,605.00	4,133,700.00	244,610.00
	Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd.	3,573,425.69	337,075.10	2,914,313.58	218,403.82
	Shanghai Construction Hospital	1,352,701.40	405,017.53	1,920,188.84	349,046.29
	Yancheng Chonghai Urban Development and Construction	382,300.00	32,360.00	1,282,300.00	64,115.00
	Tianjin Huagui Real Estate Development Co., Ltd.	819,369.87	819,369.87	819,369.87	657,869.87
	Shanghai Baoyue Real Estate Co., Ltd.			815,718.00	40,785.90
	Shanghai Wood Industry Institute Co., Ltd.	636,320.00	63,632.00	736,320.00	36,816.00
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	30,775.47		367,645.47	18,382.27
	Tianjin Binhai New Area Linbi Real Estate Development Co., Ltd.	328,248.43	82,062.11	328,248.43	49,237.26

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Item	Related party	Balance as at December 31, 2025		Balance as at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Shanghai Construction No.1 Industrial Co., Ltd.	29,517.71	1,475.89	193,019.31	11,026.37
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	37,659.81	1,048.67	115,495.19	5,774.77
	Shanghai International Tendering Co., Ltd.			75,000.00	7,500.00
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	5,351.00	267.55		
Advances to suppliers					
	Shanghai Maigeling Enterprise Management Co., Ltd.			2,463,031.04	
	Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company			1,800,000.00	
	Shanghai Construction Education Training Service Center Co., Ltd.	43,850.00		333,644.53	
	Shanghai Metro Shield Equipment Engineering Co., Ltd.			194,400.00	
	Shanghai Fengjing Landscape Industrial Co., Ltd.			103,139.43	
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	16,039.00		190,061.00	

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Item	Related party	Balance as at December 31, 2025		Balance as at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Shanghai Chengtou Group Corporation	4,422.83			
	SCG General	430,502.30			
Other receivables					
	Shanghai Jinxie Property Co., Ltd.			589,137,000.00	29,456,850.00
	Hangzhou Hujian Urban Development and Construction Co., Ltd.	150,364,723.41	7,518,231.57	588,850,194.82	29,442,509.74
	Fulton SCG Development LLC	426,997,023.10		431,538,581.79	
	Tianjin Huagui Real Estate Development Co., Ltd.	122,464,777.22	122,464,777.22	122,464,777.22	46,123,238.86
	Tianjin Binhai New Area Linbi Real Estate Development Co., Ltd.	106,580,788.77	5,329,039.44	106,580,788.77	5,329,039.44
	Shanghai Maigeling Enterprise Management Co., Ltd.			25,010,006.76	1,250,500.34
	Ningbo Tower Construction Development Co., Ltd.	18,535,403.25	951,770.16	18,035,403.25	901,770.16
	Wuxi Jian'an Building Component Product Co., Ltd.	7,570,032.30	378,501.62	15,172,661.15	758,633.06
	Shanghai International Tendering Co., Ltd.	2,000,000.00	100,000.00	5,328,000.00	266,400.00
	Suzhou Jianjia Building Component Product Co., Ltd.	2,335,003.65	116,750.18	4,363,520.04	218,176.01
	SCG General	363,852.00	18,192.60	366,632.45	18,331.63

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Item	Related party	Balance as at December 31, 2025		Balance as at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	93,144.27	2,513.40	120,268.00	6,013.40
	Shanghai Construction No.7 Industrial Co., Ltd.	1,591.22	79.56		
	Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	3,000.00	150.00		
	Zhejiang Shangjia Construction Co., Ltd.	34,300,000.00	1,715,000.00		
	Shanghai Chengtou Group Corporation	2,240,986.60	112,049.33		
Other current assets					
	Shanghai Cenqin Enterprise Management Co., Ltd.			6,111.11	
Other non-current assets (non-current assets maturing within one year)					
	Shanghai Cenqin Enterprise Management Co., Ltd.	5,006,111.11		5,000,000.00	
Long-term receivables					
	Shanghai Construction Hospital	11,528,125.00	164,545.81		

11.6.2 Payables

Item	Related party	Book balance as at December 31, 2025	Book balance as at December 31, 2024
Accounts payable			
	Shanghai Dongqing Construction Labor Co., Ltd.	757,918,820.69	718,879,712.13
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	91,070,808.95	128,718,012.89
	Shanghai SEISYS Co., Ltd.	35,173,429.13	36,172,677.70
	Shanghai Metro Shield Equipment Engineering Co., Ltd.	19,183,083.04	83,104,973.08
	Shanghai Construction No.4 Industrial Co., Ltd.	19,807,128.45	19,537,114.91
	Shanghai Qunli Industrial Co., Ltd.	844,101.25	7,547,051.33
	Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	32,239,563.16	34,360,000.00
	Suzhou Jianjia Building Component Product Co., Ltd.	66,959,905.93	52,473,045.32
	Shanghai Di Jiu Security Service Co., Ltd.	26,861,456.02	13,654,764.96
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	23,679,363.34	
	Shanghai Construction No.1 Industrial Co., Ltd.	5,397,918.04	5,978,774.95
	Shanghai Lingang New Area Jingang Xijiu Real Estate Co., Ltd.	4,090,878.27	
	SCG Investment Co., Ltd.	2,337,506.75	
	Jiangxi Jianhao Real Estate Co., Ltd.		4,263,082.86
	Shanghai Flower&Tree Co., Ltd.	2,534,633.44	3,485,574.02
	Wuxi Jinghongyuan Supply Chain Management Co., Ltd.		1,935,315.00
	Shanghai Chengjiehua Construction Engineering Consulting Co., Ltd.	3,982,067.75	3,053,362.09
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	2,917,416.75	1,090,295.85
	Shanghai Construction No.5 Industrial Co., Ltd.	883,770.00	883,770.00
	SCG General		1,167,993.58
	Shanghai Fengjing Landscape Industrial Co., Ltd.	3,503,194.33	6,188,711.32
	Zhejiang Shangjia Construction Co., Ltd.		985,227.49
	Shanghai Wood Industry Institute Co., Ltd.	1,288,455.00	

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Item	Related party	Book balance as at December 31, 2025	Book balance as at December 31, 2024
	Shanghai Construction No.7 Industrial Co., Ltd.	756,567.13	
	Sino-Singapore Tianjin Eco-City Environment & Green Construction Testing Center Co., Ltd.	771,124.50	
	Shanghai Construction No.2 Industrial Co., Ltd.	535,746.83	
	Others	1,313,112.58	1,137,608.80
Notes payable			
	Shanghai MBT&SCG High-Tech Construction Chemical Co., Ltd.	3,507,647.00	17,549,867.83
	Shanghai Dongqing Construction Labor Services Co., Ltd.		5,876,760.00
Other payables			
	Shanghai Jinxie Property Co., Ltd.	861,273,000.00	
	Shanghai East Bund Construction Real Estate Development Co., Ltd.	319,617,175.24	364,475,683.59
	SCG General	618,493,621.79	599,761,289.14
	Shanghai Dongqing Construction Labor Services Co., Ltd.	237,479,545.69	231,362,652.79
	Yancheng Chonghai Urban Development and Construction	212,000,000.00	212,000,000.00
	SCG International (Caribbean) Co., Ltd.	82,816,626.97	85,077,512.44
	Shanghai Construction No.4 Industrial Co., Ltd.	52,649,244.00	67,531,216.91
	SCG (H.K.) LIMITED	111,207,403.07	33,020,746.63
	Shanghai Fengjing Landscape Industrial Co., Ltd.	10,727,451.10	8,860,249.24
	Fulton SCG Development LLC	8,434,560.00	
	Shanghai Qunli Industrial Co., Ltd.		2,033,000.00
	China Shanghai (Group) Corporation for Foreign Economic & Technological Cooperation	2,559,669.42	2,422,085.21
	Shanghai Flower&Tree Co., Ltd.	1,416,833.33	1,516,833.33
	Shanghai SEISYS Co., Ltd.	2,805,482.00	1,427,065.63
	Others	1,724,023.27	1,160,080.75
	Zhejiang Shangjia Construction Co., Ltd.		603,630.64
	Shanghai Engineering Construction Consultant & Supervision Co., Ltd.	149,928.47	3,027.00

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Item	Related party	Book balance as at December 31, 2025	Book balance as at December 31, 2024
	Shanghai Baoyue Real Estate Co., Ltd.	357,700,000.00	357,700,000.00
	Hangzhou Hujian Urban Development and Construction Co., Ltd.		34,000,000.00
	Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	44,526,777.77	
Lease liabilities			
	SCG General	60,218,601.67	84,934,529.81
	Shanghai Construction No.1 Industrial Co., Ltd.	46,081,054.83	77,194,076.08
	Shanghai Construction No.2 Industrial Co., Ltd.	42,835,352.62	52,733,052.26
	Shanghai Construction No.4 Industrial Co., Ltd.	25,762,495.74	31,796,714.37
	Shanghai Construction No.7 Industrial Co., Ltd.	25,550,311.42	30,353,454.30
	Shanghai Maigeling Enterprise Management Co., Ltd.		21,829,186.73
	Shanghai Fengjing Landscape Industrial Co., Ltd.	810,937.53	
	Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	53,031,356.63	
Lease liabilities maturing within one year			
	SCG General	22,105,928.13	20,498,217.33
	Shanghai Construction No.1 Industrial Co., Ltd.	22,859,911.18	13,608,062.15
	Shanghai Construction No.2 Industrial Co., Ltd.	9,948,808.70	9,409,130.88
	Shanghai Maigeling Enterprise Management Co., Ltd.		9,238,781.94
	Shanghai Construction No.4 Industrial Co., Ltd.	7,565,239.10	6,701,229.14
	Shanghai Construction No.7 Industrial Co., Ltd.	3,555,120.76	3,600,473.97
	Shanghai Fengjing Landscape Industrial Co., Ltd.	1,042,949.24	
	Shanghai Construction No. 5 (Group) Co., Ltd.- Industrial Company	10,816,490.10	
	Shanghai Construction Hospital	1,288,606.74	

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12 Commitments and contingencies

12.1 Significant commitments

12.1.1 Significant financial commitments relevant to borrowings acquired

(1) Borrowings acquired by mortgage of assets

Asset item	Name of collateral	Book amount of collateral	Amount of borrowed principal	Term of borrowing
Long-term borrowings (Including those maturing within one year)	Leased assets acquired under finance lease	56,649,260.99	31,543,688.59	November 24, 2023 - August 21, 2027
Intangible assets	Property address: Jinpai Port Industrial Park in Lingao County; property certificate number: Qiong (2022) LGXBDCQ No.0041302	26,070,248.04	57,506,575.00	April 20, 2023 - March 27, 2033
Fixed assets		107,277,015.45		
Intangible assets	Hu (2023) JZBDCQ No.027717 State-owned construction land parcel 174/7, Block 107, Juyuan Residential Area, Jiading District, land parcel 174/7, Block 107, Juyuan Residential Area, Jiading District, a construction in progress	263,476,046.48	385,806,805.02	January 19, 2024 - January 19, 2049
Fixed assets		476,627,506.90		
Investment properties	Properties (Hu (2019) PZBDCQ No.114388) at No. 2233 Longyang Road and No. 308 Lanhua Road in Pudong New Area, Shanghai	3,404,962,472.32	1,992,000,000.00	March 8, 2018 - March 7, 2028
Inventories	Right of use of the state-owned construction land (Jin 2023 XQQBDCQ No.0038739)	2,507,841,310.86	135,982,021.60	July 4, 2023 - July 4, 2026
Fixed assets	Real estates No.601, No.602, No.604 and No.604 at No. 681 Xioamuqiao Road; Hu (2025) XZBDCZM No.04017003	11,632,708.06	180,000,000.00	August 19, 2025 - August 19, 2036
Investment properties		94,763,887.79		
Fixed assets	Property (NKFQZZ No.16008965)	16,809,880.00	9,000,000.00	May 30, 2025 - May 29, 2026
Intangible assets	Land (TKGY (2016) No.030400009)	11,052,347.70		
Inventories	MIMA ONE Apartment on sale	1,055,957,178.47	442,814,400.00	December 17, 2022 - December 17, 2026

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Asset item	Name of collateral	Book amount of collateral	Amount of borrowed principal	Term of borrowing
Inventories	Project under construction in Broadway	1,568,597,366.95	427,870,537.62	June 12, 2022 - June 11, 2027
Fixed assets	Hotel assets under INVESTEL HARBOR RESORTS LLC	878,415,191.90	70,288,000.00	January 15, 2021 - October 28, 2026
Intangible assets		340,099,017.85	275,548,052.82	June 28, 2021 - June 26, 2026
Intangible assets	SCG PLAZA III	829,372,829.65	386,584,000.00	May 21, 2021 - May 20, 2026
Fixed assets	RENAISSANCE FLUSHING	672,408,057.42	347,222,698.91	March 15, 2020 - March 14, 2030
Intangible assets		79,425,440.00		
Fixed assets	Floors 9-14 and parking lots at two basements, No. 666 East Daming Road, Shanghai (HFDHZ (2012) No. 003651)	267,456,288.81	180,000,000.00	April 3, 2015 - February 14, 2030
Inventories	Construction in progress of settlement-type commodity housing project in Plot No. 27010-202113, Laocheng Town, Chengmai County	554,609,514.29	307,650,679.94	Without a fixed repayment date
Inventories	Land use rights (Hu (2022) HZBDCQ No. 002662, Hu (2022) HZBDCQ No. 002634)	26,109,340,000.00	9,795,825,440.59	November 13, 2020 - November 12, 2035
Inventories	Land use right (Hu (2025) PZBDCQ No. 029735)	391,450,000.00	33,085,363.61	September 24, 2025 - July 31, 2028
Inventories	Land use rights (Hu (2024) PZBDCQ No. 087885, Hu (2023) PZBDCQ No. 077453)	3,093,571,210.90	713,424,747.76	January 9, 2019 - January 8, 2029

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(2) Borrowings acquired by pledge of assets

Asset item	Name of pledge	Book amount of pledge	Amount of borrowed principal	Term of borrowing
Accounts receivable	Electronic certificate of creditor's right discounted but not due	38,306,067.26	38,306,067.26	July 21, 2025 - August 20, 2026
Long-term borrowings (Including those maturing within one year)	Finance lease receivables	1,745,577,088.02	1,073,325,894.00	June 15, 2022 - December 23, 2028
Accounts receivable	Accounts receivable of Yibin Cuiping District Construction Investment Co., Ltd.	250,000,000.00	250,000,000.00	July 2, 2025 - July 2, 2027
Accounts receivable	Accounts receivable of Dujiangyan Xingshi Group Co., Ltd.	200,000,000.00	200,000,000.00	November 17, 2025 - November 12, 2026
Accounts receivable	Right of collecting accounts receivable from Mitsubishi Electric PV Project	136,124.00	11,991,811.00	August 2, 2023 - July 19, 2038
Accounts receivable	Pledge of accounts receivable of Yaopi Project (Accounts receivable during the operation period, the project is currently under construction)	-	5,885,583.08	September 17, 2025 - September 17, 2040
Long-term borrowings (Including those maturing within one year)	Accounts receivable under the connecting line engineering PPP project contract of Changhe Expressway-Maoshan Interconnected to Jintan Binhu New City	52,906,283.86	638,161,728.00	January 8, 2019 - June 20, 2029
Long-term borrowings (Including those maturing within one year)	All accounts receivable from Huzhou Zhili Cultural and Sports Center Construction Development Co., Ltd. From 2021 to 2035	536,771,066.46	445,852,000.00	April 10, 2020 - December 30, 2035
Accounts receivable		79,030,690.99		

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Asset item	Name of pledge	Book amount of pledge	Amount of borrowed principal	Term of borrowing
Long-term borrowings (Including those maturing within one year)	Government payments received by Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd. for the construction of Zhuhai West Central Urban Area (Jinwan Area) Sponge City Pilot PPP project, including availability service fee and operation and maintenance performance service fee	334,084,495.98	28,994,526.60	June 3, 2020 - May 26, 2032
Long-term borrowings (Including those maturing within one year)	Accounts receivable (Revenue from Supporting Infrastructure PPP Project for Shantytowns Transformation in Dongguan Area, Donggang District, Rizhao City, including the operating income, and government viability gap funding)	1,389,876,787.52		
Accounts receivable		22,876,487.30	1,107,851,875.88	September 8, 2022 - June 21, 2039
Long-term borrowings (Including those maturing within one year)	All accounts receivable and other rights and income related thereto possessed by the legal pledgor under the Investment Contract of the PPP Project of the Tongtou Lingkun Section of National Highway 228	1,592,016,910.47		
Accounts receivable		325,416,198.16	1,160,714,225.00	November 1, 2019 - September 30, 2033
Long-term borrowings (Including those maturing within one year)	Accounts receivable of government viability gap funding in Nursery Upgrading	310,376,838.20	182,243,229.00	February 1, 2021 - January 31, 2032

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Asset item	Name of pledge	Book amount of pledge	Amount of borrowed principal	Term of borrowing
Accounts receivable	and Renovation PPP Project (Fenghuangtai Botanic Garden) in the Western Suburb of Jining City	167,438,493.60		
Long-term borrowings (Including those maturing within one year)	Right to earnings under the PPP contract of Sihui Huijian Road Reconstruction Construction and Development Co., Ltd.	751,016,236.34	418,787,132.62	July 11, 2022 - July 11, 2032
Long-term borrowings (Including those maturing within one year)	Accounts receivable under the PPP contract; Accounts receivable from Qidu Beicha	893,506,416.10	500,000,000.00	June 19, 2019 - June 18, 2031
Accounts receivable	Bridge	86,778,478.33		
Long-term borrowings (Including those maturing within one year)	Accounts receivable under Jiangchuan Sports Center PPP	131,490,486.91	147,787,975.59	November 3, 2020 - October 27, 2038
Accounts receivable	Project	30,050,706.59		
Long-term borrowings (Including those maturing within one year)	Pledge guarantee with the maximum amount of RMB 4,480.00 million provided by pledging relevant income and equity under Public-private Partnership (PPP) Project Contract for the Construction Project Phase I of Qingdao Rail Transit Industry Demonstration Zone and its supplementary agreements	2,605,343,433.55		
Accounts receivable		243,693,988.00	1,614,497,376.35	September 29, 2021 - November 6, 2035

12.1.2 Others

According to the Partnership Agreement of Shanghai Jianyi Dongfang Enterprise Management Partnership (Limited Partnership) and the Agreement on Priority Acquisition and Purchase of Assets, signed by the Group and other partners of Shanghai Jianyihui Enterprise Management Partnership (Limited Partnership) ("Jianyihui"), the Group and other parties to these agreements shall enjoy the rights of priority purchase of and priority capital contribution for RMB 800 million of investment shares of predominant partners having the investment term of (2+1 years), and be liable for the acquisition of priority shares held by predominant partners in case of any circumstance agreed in these agreement.

12.2 Contingencies

12.2.1 Significant contingencies on the balance sheet date

- (1) Contingent liabilities arising from debt guarantees provided to other entities and the financial influence thereof

When some house-purchase customers of Shanghai Construction Real Estate purchased the commercial houses through bank mortgage (mortgaged loan), in accordance with the requirements of banks on granting mortgaged loans for individual house-purchase, Shanghai Construction Real Estate should respectively provide the joint and several liability guaranty for the mortgaged loans issued by the banks to the house-purchase customers in a phased manner. This liability guaranty should be terminated after the house-purchase customers go through the formalities for obtaining the title deeds and for the house mortgage registration. As at December 31, 2025, the balance of borrowers' loans not matured amounted to RMB 5,754,984,413.89 (As at December 31, 2024, the balance of borrowers' loans not matured amounted to RMB 325,823,395.83).

In 2025, Shanghai Construction Building Materials Technology Group Co., Ltd. ("Building Materials Technology"), a subsidiary of the Company, by virtue of the shareholding ratio of 50%, provided a guarantee for production and operation working capital loans applied for by the joint venture Suzhou Jianjia Building Component Product Co., Ltd. with CCB, CMB and BOC; as at December 31, 2025, the balance of guarantee arising from such loans amounted to RMB 27,000,000.00.

- (2) Contingent liabilities arising from providing the liquidity support
 On September 11, 2020, SCG Real Estate Company, a subsidiary of the Company, by taking the cash flows from the trust beneficiary right under the underlying assets [Jingu • Kaiyuan • Hengye Platinum Building Property Right Trust] of Kaiyuan - SCG Real Estate Platinum Building Asset-Backed Special Plan as the direct source of repayment, and the net income from property operation generated from the target property held by the project company Suzhou Hengye Real Estate Development Co., Ltd. as the first source of repayment for the expected income and principal of the prior Class A asset-backed securities, established Kaiyuan - SCG Real Estate Platinum Building Asset-Backed Special Plan, raising RMB 1.001 billion. During the life of the special plan, in order to ensure the fulfillment of all obligations, Suzhou Hengye Real Estate Development Co., Ltd. mortgaged all the leased unsold properties at 1st-28th floors of Suzhou Hengye Platinum Building, located at No.1337 Sanxiang Road, Suzhou City (book value as of December 31, 2025: investment properties: RMB 578,939,262.98) to China Jingu International Trust Co., Ltd. and pledged the accounts receivable and fruits or the rental income from the leasing and operation of Suzhou Hengye Platinum Building located at No.1337 Sanxiang Road, Suzhou City, which is entitled to be disposed to China Jingu International Trust Co., Ltd.. The Company undertakes

credit enhancement obligations such as liquidity support obligations, repurchase for rating downgrade, repurchase for operating income shortfall and payment for provision support deposits in accordance with the *Credit Enhancement Arrangement Agreement*. As at December 31, 2025, the principal and interest of the priority shares of such asset-backed special plan amounted to RMB 981,421,121.10.

SCG Real Estate, a subsidiary of the Company, completed the issue of Ping'an Securities - Shanghai Construction Settlement Building Asset-backed Special Plan on March 20, 2023. Such plan has a term of 6 (3+3) years, and the funds raising therefor amounted to RMB 2.640 billion. As the original owner of Ping'an Securities - Shanghai Construction Settlement Building Asset-backed Special Plan, SCG Real Estate, transferred the underlying assets to the plan manager (i.e. Ping An Securities Co., Ltd., the representative of the special plan) according to the Agreement on Transfer of Underlying Assets, and the plan manager paid the principal and expected income to holders of asset-backed securities under the special plan by taking the payments collected from underlying assets as the main sources of funds. In order to ensure that the right of holders of senior asset-backed securities under the special plan to receive the expected earnings and principal of senior asset-backed securities in each period according to the issuance documents and agreements can be realized, the Company signed the Letter of Commitment for Difference Payment according to relevant laws, administrative regulations and departmental rules to undertake the obligation to make up differences under the special plan according to the terms and conditions of such letter of commitment. As at December 31, 2025, the principal and interest of priority shares of such asset-backed special plan amounted to RMB 2,156,372,620.72. Meanwhile, in order to ensure the fulfillment of all obligations under the special plan, SCG Real Estate pledged the future income from sales due to SCG Real Estate (book value as at December 31, 2025: accounts receivable: RMB 151,485,458.04) as for three projects, i.e. construction project of farmer resettlement region for centralized residence in Chenjia Town (residential land No.87/2 at Neighborhood 15, Chenjia Town, Chongming District, Shanghai), Kangqiao Industrial Zone Plot No.E09B-01 relocation and resettlement housing construction project and Shanghai International Medical Zone Plat No.22A-05 relocation and resettlement housing construction project (Land No.1/9 at Neighborhood 42, Zhoupu Town), to the plan manager.

In 2025, the Company's subsidiary, SCG Investment Co., Ltd., upon confirmation by the Shanghai Stock Exchange by issuing the Letter of No Objection regarding the Listing and Transfer of Privately Placed Corporate Bonds of SCG Investment Co., Ltd., completed its 2025 issuance of corporate bonds to professional investors in a private placement. The issuance raised a total of RMB 4,378,000,000.00 of funds. The guaranteed bonds are 2025 Privately Placed Corporate Bonds of SCG Investment Co., Ltd. to Professional Investors, with a term not exceeding 10 years (inclusive). The Company provided the unconditional and irrevocable joint and several liability guarantee for these bonds.

SCG Real Estate, a subsidiary of the Company, completed the issuance of "Minsheng Tonghui - Shanghai Construction Jian'an No.1 Asset-backed Plan" on July 24, 2025. Such plan has a term of 20 (3+3+3+3+3+3+2) years, and the funds raised for such plan amounted to RMB 1.781 billion. Whereas Shanghai Zhenxin Property Management Co., Ltd., a wholly-owned subsidiary of the Company, will transfer the underlying assets to the plan manager (i.e. Minsheng Tonghui Asset Management Co., Ltd.) according to the Agreement on the Transfer of Underlying

Assets, as the original beneficiary of Minsheng Tonghui - Shanghai Construction Jian'an No.1 Asset-backed Plan, and the plan manager will provide the guarantee for the underlying creditor's right by pledging the housing ownership of the underlying property, the right of use of the state-owned construction land within the occupied area and the management income from the underlying property. In order to ensure that the right of holders of senior asset-backed securities under the special plan to receive the expected earnings and principal of senior asset-backed securities in each period according to the issuance documents and agreements can be realized, the Company signed the Letter of Commitment for Difference Payment according to relevant laws, administrative regulations and departmental rules to undertake the obligation to make up differences under the special plan according to the terms and conditions of such letter of commitment. As at December 31, 2025, the principal and interest of priority shares of such asset-backed special plan amounted to RMB 1,778,865,445.21. Meanwhile, in order to ensure the performance of all obligations under the special plan, SCG Real Estate pledged the properties located at No. 1269 Puxiu Road, Minhang District, Shanghai (with the book value as at December 31, 2025: RMB 1,546,830,828.89) to the plan manager.

- (3) Contingent liabilities arising from pending litigation and their financial effects
In the course of routine operating activities, the Group may be involved in some disputes, lawsuits or claims with customers, subcontractors and suppliers. After consulting relevant legal counsel and reasonably estimating the results of these pending disputes, lawsuits or claims by management of the Company, the Group has accrued corresponding reserves for disputes, lawsuits or claims that are likely to cause losses to the Group. For these pending disputes, lawsuits or claims for which the final results cannot be reasonably estimated at present, or if management of the Company believes that such disputes, lawsuits or claims are likely not to cause the flow-out of related economic benefits of the Group, management of the Company has not made provision for them.

13 Post balance sheet events

13.1 Profit distribution

Total dividends to be distributed (RMB)	311,007,891.04
Total dividends declared to be issued upon deliberation and approval (RMB)	

According to the resolution adopted upon deliberation at the 17th meeting of the 9th Board of Directors of the Company on April 14, 2026, the Company plans to distribute cash dividends of RMB 0.035 (including tax) per share to all shareholders. As at December 31, 2025, the total share capital of the Company amounted to 8,885,939,744 shares. On this basis, the Company plans to distribute cash dividends amounting to RMB 311,007,891.04 (including tax) and accounting for 25.14% in the net profit attributable to shareholders of listed companies in 2025.

If during the period from the date of disclosing such profit distribution plan to the registration date of shares under the equity distribution, the total share capital of the Company was changed due to the conversion from convertible bonds to shares / repurchase of shares / repurchase and cancellation of shares granted under the equity incentive plan / repurchase and cancellation of shares under the major assets restructuring, the Company will adjust the total amount to be distributed to make the ratio of distribution per share unchanged. This profit distribution plan should be submitted at the general meeting of shareholders of the Company for deliberation.

14 Other significant events

14.1 Segment information

14.1.1 Determination basis of and accounting policies for the report segment

Reportable segments of the Group refer to business units providing different products or services, or operating in different regions. As different business units or regions need different technologies and market strategies, the Group, separately, manages the production and operation of each reportable segment and assess its operating results, to decide the resource allocation therefor and assess the performance thereof. The Group has 7 reportable segments:

- Building, contracting, design and construction, responsible for building construction, survey and design in housing engineering, infrastructure engineering, professional engineering, architectural decoration and other fields;
- Real estate development, responsible for real estate development and construction, sales, leasing and property management;
- Building industry, responsible for the production and sales of concrete and precast components, steel structures and other products;
- Investment and construction of urban infrastructure, responsible for PPP (public-private partnership) investment, and municipal infrastructure construction;
- Complete equipment and other commodity services, responsible for the sales of complete equipment other commodities;
- Gold sales, responsible for Zara Mining gold mining and gold sales;
- Project management consulting, labor dispatch and other services, responsible for providing project management consulting, labor dispatch and other business services.

The inter-segment transfer price is determined by reference to the price adopted by third parties for sales. Assets are allocated based on the segment operation and the location of assets, while liabilities are allocated based on the segment operation. Expenses indirectly attributable to all segments are allocated at the income ratio among segments.

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14.1.2 Financial information in the report segment

Unit: RMB '0,000

Item	Building, contracting, design and construction	Real estate development	Construction industry	Investment in construction of urban infrastructure	Complete sets of equipment and other merchandise trade	Gold selling business	Project management and consulting, labor dispatch and other services	Retained earnings	Inter-segment offset	Total
Revenue from external transactions	17,929,175.39	663,587.63	1,167,443.58	131,848.23	213,777.28	103,851.30	389,977.73			20,599,661.14
Revenue from inter-segment transactions	353,946.86	6,829.93	668,095.83		123,555.99		347,044.91		-1,499,473.52	
Income from investments in associates and joint ventures								5,396.37		5,396.37
Losses from credit and asset impairment	-183,085.56	-24,602.59	1,870.21	-9,252.64	1,520.53		-5,809.41		247.25	-219,112.21
Depreciation and amortization expenses	220,232.47	32,929.96	91,030.25	2,535.18	965.12	15,257.66	76,433.68		-58,036.02	381,348.30
Total profits (Total losses)								167,801.81		167,801.81
Income tax expenses								64,372.94		64,372.94
Net profit (Net loss)								103,428.87		103,428.87
Total assets	31,233,655.71	8,355,123.52	3,640,779.11	3,672,668.81	458,848.80	204,018.02	3,941,300.53		-14,498,449.23	37,007,945.27
Total liabilities	24,445,148.49	7,053,861.77	2,835,324.47	2,342,927.70	365,927.47	38,251.45	3,281,978.24		-8,532,598.63	31,830,820.96
Long-term equity investments in associates and joint ventures								970,033.59		970,033.59
Increase in non- current assets other than the long-term equity investments	-39,956.35	92,731.29	-99,905.57	-77,496.69	41,050.65		63,199.01		161,748.28	141,370.62

15 Notes to main items of the parent company's financial statements

15.1 Accounts receivable

15.1.1 Disclosure of accounts receivable by aging

Aging	Balance as at December 31, 2025	Balance as at December 31, 2024
Within 1 year (including 1 year)	5,105,560,919.03	6,089,823,956.69
1 - 2 years	1,904,709,443.68	1,011,337,349.75
2 - 3 years	301,106,787.26	303,120,265.50
3 - 4 years	247,307,228.29	116,943,007.35
4 - 5 years	115,810,513.03	26,353,600.38
Over 5 years	122,885,898.54	137,525,043.62
Sub-total	7,797,380,789.83	7,685,103,223.29
Less: provision for bad debts	1,019,422,736.79	774,927,444.84
Total	6,777,958,053.04	6,910,175,778.45

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15.1.2 Disclosure of accounts receivable by category based on the method for provision for bad debts

Category	Balance as at December 31, 2025					Balance as at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts made individually	553,127,136.05	7.09	437,139,385.15	79.03	115,987,750.90	494,213,481.20	6.43	282,320,234.11	57.13	211,893,247.09
Provision for bad debts made by portfolios with credit risk characteristics	7,244,253,653.78	92.91	582,283,351.64	8.04	6,661,970,302.14	7,190,889,742.09	93.57	492,607,210.73	6.85	6,698,282,531.36
Including:										
Building, contracting, design and construction	7,046,179,097.93	90.37	582,283,351.64	8.26	6,463,895,746.29	6,904,235,413.08	89.84	492,607,210.73	7.13	6,411,628,202.35
Related parties in the Company	198,074,555.85	2.54			198,074,555.85	286,654,329.01	3.73			286,654,329.01
Total	7,797,380,789.83	100.00	1,019,422,736.79		6,777,958,053.04	7,685,103,223.29	100.00	774,927,444.84		6,910,175,778.45

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Important accounts receivable with individual provision for bad debts:

Item	Balance as at December 31, 2025				Balance as at December 31, 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Tax base	Book balance	Provision for bad debts
Entity 1	284,176,117.82	259,786,220.04	91.42	Estimated risk of recovery	284,176,117.82	184,638,212.41

15.1.3 Provision, reversal or recovery of provision for bad debts in the current period

Category	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts of accounts receivable	774,927,444.84	244,567,585.03	72,293.08			1,019,422,736.79

15.1.4 Accounts receivable actually charged off in the current period: None

15.1.5 Top 5 of accounts receivable and contract assets as at December 31, 2025, presented by debtor

Entity	Balance of accounts receivable as at December 31, 2025	Balance of contract assets as at December 31, 2025	Total of balances of accounts receivable and contract assets as at December 31, 2025	Proportion in the total of balances of accounts receivable and contract assets as at December 31, 2025 (%)	Total of balances of the provision for bad debts of accounts receivable and the provision for impairment of contract assets as at December 31, 2025
Entity 1	707,771,464.00	193,913,429.36	901,684,893.36	5.11	40,602,581.97
Entity 2	467,938,732.00	170,637,241.50	638,575,973.50	3.62	32,884,772.52
Entity 3	220,335,138.00	398,425,980.21	618,761,118.21	3.50	15,867,450.07
Entity 4	532,245,547.00	37,904,767.75	570,150,314.75	3.23	26,763,896.42
Entity 5	5,912,324.83	429,921,272.72	435,833,597.55	2.47	2,310,917.57
Total	1,934,203,205.83	1,230,802,691.54	3,165,005,897.37	17.93	118,429,618.55

15.2 Other receivables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Interest receivable		
Dividends receivable	325,938,669.74	325,994,680.91
Other receivables	19,476,440,836.88	18,932,165,613.23
Total	19,802,379,506.62	19,258,160,294.14

15.2.1 Dividends receivable

(1) Details of dividends receivable

Project (or investee)	Balance as at December 31, 2025	Balance as at December 31, 2024
SCG Jiangxi Jiulonghu Municipal Engineering Design Co., Ltd.	4,506,000.00	4,506,000.00
Huzhou Xinkaiyuan Crushed Stones Co., Ltd.	182,160,839.50	182,160,839.50
SCG Nanchang Qianhu Construction Co., Ltd.	31,386,000.00	31,386,000.00
Shanghai Jianyiheng Enterprise Management Partnership (Limited Partnership)		18,125,000.00
SCG Kunshan Middle-ring Road Construction Co., Ltd.	65,106,841.41	65,106,841.41
Changzhou Jintian Maoshan Tourist Avenue Construction Co., Ltd.	24,710,000.00	24,710,000.00
Shanghai Machinery Complete Equipment (Group) Co., Ltd.	18,068,988.83	
Sub-total	325,938,669.74	325,994,680.91
Less: provision for bad debts		
Total	325,938,669.74	325,994,680.91

15.2.2 Other receivables

(1) Disclosure of other receivables by aging

Aging	Balance as at December 31, 2025	Balance as at December 31, 2024
Within 1 year (including 1 year)	5,009,138,124.08	5,674,229,122.90
1 - 2 years	3,579,888,568.77	2,849,543,225.24
2 - 3 years	1,895,517,309.70	3,499,894,214.28
Over 3 years	9,228,675,557.12	7,083,367,117.95
Sub-total	19,713,219,559.67	19,107,033,680.37
Less: provision for bad debts	236,778,722.79	174,868,067.14
Total	19,476,440,836.88	18,932,165,613.23

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(2) Disclosure of other receivables by category based on the method for provision for bad debts

Category	Balance as at December 31, 2025					Balance as at December 31, 2024				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion (%)	Amount	Proportion of provision (%)		Amount	Proportion (%)	Amount	Proportion of provision (%)	
Provision for bad debts made individually	11,470,993,465.93	58.19	201,921,116.93	1.76	11,269,072,349.00	11,027,888,638.37	57.72	104,502,081.07	0.95	10,923,386,557.30
Provision for bad debts made by portfolios with credit risk characteristics	8,242,226,093.74	41.81	34,857,605.86	0.42	8,207,368,487.88	8,079,145,042.00	42.28	70,365,986.07	0.87	8,008,779,055.93
Including:										
Aging portfolio	697,152,116.63	3.54	34,857,605.86	5.00	662,294,510.77	1,407,319,720.87	7.37	70,365,986.07	5.00	1,336,953,734.80
Current accounts with related parties in the Company	7,545,073,977.11	38.27			7,545,073,977.11	6,671,825,321.13	34.91			6,671,825,321.13
Total	19,713,219,559.67	100.00	236,778,722.79		19,476,440,836.88	19,107,033,680.37	100.00	174,868,067.14		18,932,165,613.23

Other important receivables with individual provision for bad debts:

Item	Balance as at December 31, 2025				Balance as at December 31, 2024	
	Book balance	Provision for bad debts	Proportion of provision (%)	Tax base	Book balance	Provision for bad debts
Entity 1	11,400,645,647.06	182,851,746.93	1.60	Estimated risk of recovery	11,025,956,631.75	103,636,523.90

Remark: Entity 1 refers to a non-wholly-owned subsidiary of the Company. In 2024, the Company signed the irrevocable guarantee agreement with minority shareholders of such subsidiary, by which minority shareholders shall provide the irrevocable joint liability guarantee to the Company based on the book balance in the prior year at the shareholding ratio, within the scope covering the principal and interest of creditor's right, for three years as of the expiration of the period where such subsidiary shall perform debt-related obligations for the Company according to the Agreement on Borrowings.

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(3) Details of provision for bad debts

Provision for bad debts	Stage I	Stage II	Stage III	Total
	12-month expected credit loss	Lifetime expected credit loss (without credit impairment)	Lifetime expected credit loss (with credit impairment)	
Balance as at December 31, 2024	70,365,986.07	103,992,007.05	510,074.02	174,868,067.14
In 2025, balance as at December 31, 2024				
--Transfer to Stage II	-3,788,709.01	3,788,709.01		
--Transfer to Stage III	-329,796.00		329,796.00	
--Reversal from Stage II				
--Reversal from Stage I				
Provision in 2025	-31,389,875.20	87,034,406.85	6,266,124.00	61,910,655.65
Reversal in 2025				
Write-off in 2025				
Charge-off in 2025				
Other changes				
Balance as at December 31, 2025	34,857,605.86	194,815,122.91	7,105,994.02	236,778,722.79

(4) Provision, reversal or recovery of provision for bad debts in the current period

Category	Balance as at December 31, 2024	Changes in 2025				Balance as at December 31, 2025
		Provision	Recovery or reversal	Write-off or charge-off	Other changes	
Provision for bad debts of other receivables	174,868,067.14	61,910,655.65				236,778,722.79

(5) Other receivables actually charged off in the current period: None.

(6) Classification of other receivables by nature

Nature	Book balance as at December 31, 2025	Book balance as at December 31, 2024
Current accounts among related parties	19,190,694,147.83	18,169,293,577.83
Margin and deposit	382,749,376.14	396,727,232.23
Advanced payment	24,730,482.41	22,219,527.27
Others	115,045,553.29	518,793,343.04
Total	19,713,219,559.67	19,107,033,680.37

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(7) Top 5 of other receivables as at December 31, 2025, presented by debtor

Entity	Nature	Balance as at December 31, 2025	Aging	Proportion in the total balance of other receivables as at December 31, 2025 (%)	Provision for bad debts Balance as at December 31, 2025
Tianjin Housing Construction Development Group Co., Ltd.	In- group current account	11,400,645,647.06	0 - 3 years or more	57.83	182,851,746.93
SCG Wenzhou Oujiangkou Construction Co., Ltd.	In- group current account	2,421,215,439.04	Within 3 years	12.28	
SCG Meishan Construction Engineering Co., Ltd.	In- group current account	1,422,925,553.74	Within 3 years	7.22	
SCG Yibin Cuiping Construction Co., Ltd.	In- group current account	463,811,000.00	Within 1 year	2.35	
Qingdao Rail Transit Park Hujian Investment Development Co., Ltd.	In- group current account	447,255,908.43	Within 3 years	2.27	
Total		16,155,853,548.27		81.95	182,851,746.93

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15.3 Long-term equity investments

Item	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	40,989,523,354.33	76,692,805.65	40,912,830,548.68	41,676,423,354.33		41,676,423,354.33
Investments in associates and joint ventures	3,728,063,657.14		3,728,063,657.14	3,098,108,326.10		3,098,108,326.10
Total	44,717,587,011.47	76,692,805.65	44,640,894,205.82	44,774,531,680.43		44,774,531,680.43

15.3.1 Investments in subsidiaries

Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Shanghai Construction No.1 (Group) Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Shanghai Construction No.2 (Group) Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Shanghai Construction No.4 (Group) Co., Ltd.	1,112,642,250.98						1,112,642,250.98	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Shanghai Construction No.5 (Group) Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Shanghai Construction No. 7 (Group) Co., Ltd.	1,000,000,000.00						1,000,000,000.00	
Shanghai Building Decoration Engineering Group Co., Ltd.	700,000,000.00						700,000,000.00	
Qingdao Rail Transit Park Hujian Investment Development Co., Ltd.	860,706,000.00						860,706,000.00	
Shanghai Construction Real Estate Co., Ltd.	6,241,019,533.97		6,344,697,874.20				12,585,717,408.17	
Shanghai Installation Engineering Group Co., Ltd.	546,782,623.08						546,782,623.08	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Shanghai Mechanized Construction Group Co., Ltd.	815,085,073.89						815,085,073.89	
Shanghai Foundation Engineering Group Co., Ltd.	1,083,997,946.62						1,083,997,946.62	
Shanghai Construction Building Materials Technology Group Co., Ltd.	1,231,128,715.02						1,231,128,715.02	
Shanghai Gardens (Group) Co., Ltd.	612,193,782.45						612,193,782.45	
Shanghai Municipal Engineering Design Institute (Group) Co., Ltd.	2,322,980,428.40						2,322,980,428.40	
CHINA SFECO GROUP	424,883,645.48						424,883,645.48	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
SCG Changzhou Wujin Viaduct Construction Co., Ltd.	400,000,000.00						400,000,000.00	
SCG Nanchang Qianhu Construction Co., Ltd.	403,800,000.00						403,800,000.00	
Shanghai Construction Environmental Technology Co., Ltd.	383,800,000.00						383,800,000.00	
SCG Investment Co., Ltd.	3,038,076,145.82						3,038,076,145.82	
SCG Wenzhou Oujiangkou Construction Co., Ltd.	290,268,355.12						290,268,355.12	
SCG Wenzhou Qidu Bridge Construction Co., Ltd.	475,000,000.00						475,000,000.00	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Sihui Huijian Road Reconstruction Construction and Development Co., Ltd.	341,962,000.00						341,962,000.00	
Zhaoqing Huijian Railway Station Complex Construction and Development Co., Ltd.	434,818,440.00						434,818,440.00	
Changzhou Jintian Maoshan Tourist Avenue Construction Co., Ltd.	465,500,000.00						465,500,000.00	
SCG Meishan Construction Engineering Co., Ltd.	909,200,000.00						909,200,000.00	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Zhuhai Jinwan District Jianjin Ecological City Construction Co., Ltd.	232,333,600.00						232,333,600.00	
Rizhao Hujian Urban Development and Construction Co., Ltd.	217,816,200.00						217,816,200.00	
SCG Wenzhou Oujiangkou Traffic Engineering Construction Co., Ltd.	466,716,000.00						466,716,000.00	
SCG (Zhejiang) Water Conservancy and Hydropower Construction Co., Ltd.	251,000,000.00						251,000,000.00	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Shanghai Machinery Complete Equipment (Group) Co., Ltd.	452,796,239.64						452,796,239.64	
Hujian (Dujiangyan) Real Estate Co., Ltd.			285,000,000.00				285,000,000.00	
SCG Dujiangyan Construction Engineering Co., Ltd.	216,000,000.00						216,000,000.00	
Shanghai Jianyiheng Enterprise Management Partnership (Limited Partnership)	450,000,000.00						450,000,000.00	

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Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025				Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Provision for impairment in 2025	Others		
Shanghai Xijiu Enterprise Management Partnership (Limited Partnership)	937,966,797.00						937,966,797.00	
Shanghai Beijiu Enterprise Management Partnership (Limited Partnership)	1,296,683,321.70						1,296,683,321.70	
SCG (Jiangsu) Steel Structure Co., Ltd.	698,500,750.00						698,500,750.00	
Shanghai Construction Jiulong Real Estate Co., Ltd.	6,344,697,874.20			6,344,697,874.20				
Shanghai Zhongcheng Financial Leasing Co., Ltd.	341,599,000.00						341,599,000.00	
Others	2,676,468,630.96		30,100,000.00	1,002,000,000.00	76,692,805.65		1,627,875,825.31	76,692,805.65
Total	41,676,423,354.33		6,659,797,874.20	7,346,697,874.20	76,692,805.65		40,912,830,548.68	76,692,805.65

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15.3.2 Investments in associates and joint ventures

Investee	Balance (Book value) as at December 31, 2024	Balance of provision for impairment as at December 31, 2024	Increases/decreases in 2025								Balance (Book value) as at December 31, 2025	Balance of provision for impairment as at December 31, 2025
			Additional investment	Negative investment	Profit or loss on investments recognized under the equity method	Adjustment to other comprehensive income	Other changes in equity	Cash dividends or profits declared to be distributed	Provision for impairment	Others		
Associates												
Ningbo Tower Construction Development Co., Ltd.	508,669,411.34				145,284,121.08						653,953,532.42	
Hangzhou Fuyang Qinwang Construction Development Co., Ltd.	392,906,439.87				-14,823,771.29						378,082,668.58	
Hangzhou Hujian Urban Development and Construction Co., Ltd.	1,196,875,216.64				27,692,765.36						1,224,567,982.00	
Yancheng Hujian Jinghai Enterprise Management Partnership (Limited Partnership)	609,764,491.06				4,001,645.45			79,872,453.78		79,872,453.78	613,766,136.51	
Shanghai Park High Quality Development Private Equity Partnership (Limited Partnership)	261,579,852.29		4,000,000.00		-3,726,839.58						261,853,012.71	
Shanghai Haijixing International Supply Chain Co., Ltd.	86,326,322.30		470,672,277.70		-3,090,798.95						553,907,801.05	
Others	41,986,592.60				-54,068.73						41,932,523.87	
Total	3,098,108,326.10		474,672,277.70		155,283,053.34			79,872,453.78		79,872,453.78	3,728,063,657.14	

15.4 Operating income and operating costs

15.4.1 Operating income and operating costs

Item	Year 2025		Year 2024	
	Income	Costs	Income	Costs
Primary business	39,496,527,733.71	38,197,964,237.98	57,984,897,795.38	56,125,182,097.78
Other business	99,518,457.44	38,453,380.25	104,717,512.55	51,642,384.05
Total	39,596,046,191.15	38,236,417,618.23	58,089,615,307.93	56,176,824,481.83

Details of operating income:

Item	Year 2025	Year 2024
Income from customer contracts	39,585,570,808.94	58,074,243,003.71
Lease income	10,475,382.21	15,372,304.22
Total	39,596,046,191.15	58,089,615,307.93

15.4.2 Breakdown of operating income and operating costs

Income from customer contracts in 2025:

Category	Year 2025	
	Operating income	Operating costs
Business type:		
Building, contracting, design and construction	39,585,570,808.94	38,232,402,137.43
Total	39,585,570,808.94	38,232,402,137.43
Classification by the time for merchandise transfer:		
Recognized at certain time-point		
Recognized in certain period	39,585,570,808.94	38,232,402,137.43
Total	39,585,570,808.94	38,232,402,137.43
Classification by business area:		
Chinese mainland	38,254,567,931.24	36,972,979,095.16
Other countries and regions	1,331,002,877.70	1,259,423,042.27
Total	39,585,570,808.94	38,232,402,137.43

15.5 Investment income

Item	Year 2025	Year 2024
Long-term equity investment income calculated under the cost method	2,003,645,702.35	2,712,484,845.08
Long-term equity investment income calculated under the equity method	155,283,053.34	88,975,643.36
Investment income from disposal of long-term equity investments	-11,938.18	
Investment income from financial assets held for trading during the holding period	16,048,530.74	16,413,270.08
Dividend revenue from other equity instrument investment during the holding period	4,470,395.30	
Investment income from other non-current financial assets during the holding period	9,853,702.09	3,318,684.49
Income from interest on entrusted loans	730,120,667.57	711,735,692.91
Others	79,872,453.78	3,360,436.10
Total	2,999,282,566.99	3,536,288,572.02

16 Supplementary information

16.1 Statement on non-recurring profit or loss in the current period

Item	Amount
Profit or loss of disposal of non-current assets (including the offset amount where provision for asset impairment has been made)	328,612,442.76
Government grants included in the current profit or loss (except for government grants closely related with the normal business of the Company, obtained based on the established standard in accordance with national policies and provisions and having the continuous influence on the profits or losses of the Company)	705,635,017.95
The profit or loss from changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and the profit or loss from the disposal of financial assets and financial liabilities, except the effective hedging relevant to the Company's normal business	315,994,525.99
Capital possession fee included in the current profit or loss and collected from non-financial enterprises	
Profit or loss from assets investment or management entrusted to other persons	
Profit or loss from outward entrusted loans	9,827,742.59
Losses on various assets due to any force majeure, such as the natural disaster	
Reversal of provision for impairment of the receivables subject to the separate impairment test	528,826,576.80
Income from the fair value of net identifiable assets an enterprise may enjoy in the investee less the investment cost for which the enterprise may acquire any subsidiary, associate or joint venture	
Net profit or loss of the subsidiary from the business combination under common control for the period from the beginning of the period to the combination date	
Profit or loss on exchange of non-monetary assets	
Profits or losses from debt restructuring	-13,440,422.28
Nonrecurring expenses incurred in the enterprise due to relevant discontinued operating activities, including the expenses on staff resettlement	
One-time impact of the adjustments made to the laws and regulations on tax and accounting on the current profit or loss	
Share-based payments recognized one time due to the cancellation or modification of the equity incentive plan	
As for the cash-settled share-based payment, the profit or loss from changes in the fair value of employee compensation payable after the vesting date	
Profit or loss on changes in fair value of investment property subsequently measured by adopting the fair value mode	
Profit or loss from the transaction where the transaction price is not fair	
Profit or loss from contingencies irrelevant to the company's normal business	

SHANGHAI CONSTRUCTION GROUP CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025
(ENGLISH TRANSLATION FOR REFERENCE ONLY)

Item	Amount
Revenue from trustee fee from the entrusted management	
Other non-operating income and expenditures except for the above-mentioned items	-122,749,473.68
Other profit or loss conforming to the definition of non-recurring profit or loss	-121,758,142.72
Sub-total	1,630,948,267.41
Affected income tax	222,308,532.32
Affected minority equity (after tax)	233,645,758.89
Total	1,174,993,976.20

16.2 Return on equity and earnings per share

Profit during the reporting period	Weighted average return on equity (%)	Earnings per share (RMB)	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	2.16	0.08	0.08
Net profit attributable to common shareholders of the Company after the deduction of non-recurring profits or losses	-1.57	-0.06	-0.06

Shanghai Construction Group Co., Ltd.

(Official Seal)

April 14, 2026