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河北建設集團股份有限公司
HEBEI CONSTRUCTION GROUP CORPORATION LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1727)

A [illegible] 30 [illegible] 2023

The board of directors (the "[illegible]") of Hebei Construction Group Corporation Limited (the "[illegible]") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2023. This announcement complies with the relevant content requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "[illegible]") in relation to preliminary announcements of interim results.

We are a leading non-state-owned construction group in China and are principally engaged in the following businesses:

- Construction contracting business. We provide construction project contracting services mainly as a general contractor for building construction projects and infrastructure construction projects.

- Other businesses. We are also engaged in service concession arrangements and other businesses.

A substantial majority of our revenue is generated from the construction contracting business, which mainly comprises of building construction business, infrastructure construction business and specialized and other construction contracting business. In the first half of 2023, our new contract value was RMB14,335 million, representing a decrease of 32.47% as compared with RMB21,229 million for the corresponding period of last year.

New contract value (by region):

	30	
	2023	2022
(RMB100 million)	**143.35**	212.29
Share of Beijing-Tianjin-Hebei	**91.24%**	79.24%
Share of other regions	**8.76%**	20.76%

New contract value (by segment):

	30	
	2023	2022
(RMB100 million)	**143.35**	212.29
Share of building construction	**53.54%**	71.59%
Share of infrastructure construction	**32.21%**	19.91%
Share of specialized and other construction	**14.25%**	8.50%

We also undertake construction contracting projects by leveraging our qualifications and experience in specialized areas such as electrical and mechanical installation, construction of steel structures and decoration. Our electrical and mechanical installation works generally cover the supply, installation and maintenance of equipment for power plants, pipelines for heating and natural gas, as well as

		(RMB100 million)	
Public building	High-quality Dairy Cow Ecological Breeding and Farming Zone Project in Jining District of Ulanqab (烏蘭察布市集寧區優質奶牛生態繁育養殖園區項目)	4.88	Inner Mongolia Autonomous Region
	EPC General Contracting of the Construction Project of Phase II of the New County Hospital of Gu'an County People's Hospital (固安縣人民醫院新縣醫院二期建設項目EPC總承包)	4.33	Hebei
	Cangzhou Economic and Trade Vocational Education Park Project – Cangzhou School of Industry and Trade (滄州市經貿職業教育園項目—滄州工貿學校)	4.32	Hebei
	Tsinghua University Science Museum and Ancillary Service Building Project (清華大學科學博物館及服務配套樓項目)	3.95	Beijing
Industrial building	General Contracting for Construction of Hua'an Industrial Baoding Hi-Tech Digital Intelligence Valley Project (華安產業保定高新數智谷項目施工總承包工程)	2.92	Hebei
	Construction Project of North Zone of Dezhou Vegetable Basket Cold Chain Logistics Industrial Park (德州市菜籃子冷鏈物流產業園北區建設工程)	2.90	Shandong
Municipal infrastructure construction	EP General Contracting of Baoding South Second Ring Pipeline Network and Supporting Municipal Infrastructure Upgrading and Transformation Project (保定市南二環管網及配套市政基礎設施提升改造工程EP工程總承包)	8.81	Hebei
	General Contracting of Design and Construction of Urban and Rural Integrated Pipeline Network and Ancillary Facilities Transformation Project in Jingxiu District of Baoding (Section II) (保定市競秀區城鄉一體化管網及配套設施改造工程設計施工總承包(二標段))	3.02	Hebei
Transportation infrastructure construction	Construction of Runway of the West Airfield of Guangzhou Baiyun International Airport Phase III Expansion Project (Section II) (廣州白雲國際機場三期擴建工程西飛行區場道工程施工(二標段))	6.81	Guangdong

	(RMB100 million)	
Construction of 101 Medical General Building, Zhengding New District Hospital (North Phase I) of the No. 2 Hospital of Hebei Medical University (河北醫科大學第二醫院正定新區醫院(北區一期)101醫療綜合樓施工)	7.68	Hebei
Cangzhou Economic and Trade Vocational Education Park Project – Cangzhou School of Industry and Trade (滄州市經貿職業教育園項目—滄州工貿學校)	4.32	Hebei
Construction of Medical General Building, Scientific Research Building and Medical Quarantine Building for the Relocation Project of Hohhot No.2 Hospital (呼和浩特市第二醫院遷建項目醫療綜合樓、科研樓、醫護隔離樓等工程施工)	7.10	Inner Mongolia Autonomous Region
General Contracting of Construction of the Project of Inpatient Complex of the Affiliated Hospital of Hebei University (河北大學附屬醫院住院綜合樓項目施工總承包)	4.30	Hebei
Construction Project of Outpatient Complex and Ophthalmology Building of the East Campus of Baoding No.1 Central Hospital (保定市第一中心醫院東院門診綜合樓和眼科大樓項目施工)	3.99	Hebei
Building A3# – Building A6# and Zone 2 of Underground Parking Lot of Baoding National University Science and Technology Park Science and Innovation Zone Project (Productive Services) (保定國家大學科技園科創分園項目(生產性服務業)A3#樓-A6#樓及地下車庫二區)	3.92	Hebei

		(RMB100 million)	
Residential building	Phase II Project of Renovation of Urban Villages in Longtun New Town of Botou (泊頭市龍屯新城城中村改造二期項目)	9.54	Hebei
	General Contracting of Phase II of North Area of Hengshui Yongjin Peninsula Project (衡水雍錦半島北區II期項目總包工程)	6.12	Hebei
	Section I of the Construction Project of Relocation Housing for Renovation of Xidayuan Area in Baoding (保定市西大園片區改造回遷安置房建設項目施工一標段)	3.35	Hebei
	General Contracting of the Zizaifengjing Project (自在峰璟工程總承包)	4.86	Hebei
	General Contracting of the Construction Project of South Zone of Lot A in the West Side of Beihu Core Area, Tianqiao District, Jinan (濟南市天橋區北湖核心區西側片區地塊A南區建設項目施工總承包工程)	10.78	Shandong
	Landun Shangpin Garden Project (Residential Buildings 1#-19#, Ancillary Buildings 1#-4#, Kindergarten and Underground Parking Lot) (蘭頓尚品雅園項目(1#-19#住宅樓、配套用房1#-4#、幼兒園、地下車庫))	4.52	Hebei
	General Contracting of Construction of Phase II of Changlingju Commercial and Residential Project (長嶺居商住項目二期工程施工總承包)	4.23	Guangdong
	General Contracting of Phase 5A of Area 1A of Wolong Bay International Business District Public Facilities and Residential Project (臥龍灣國際商務區公共設施及住宅項目一A區5A期總承包工程)	3.87	Liaoning
	Resettlement Housing Construction Project In Sifeng District, Pingshui (平水四豐區塊安置房建設工程)	3.75	Zhejiang
	Gaoke Luwan International Community Land Lot No. DK4 (BQ3-9-8) Phase II Section C Construction and Installation Project (高科麓灣國際社區DK4號(BQ3-9-8)地塊二期C標段建安工程)	3.40	Shaanxi

		(RMB100 million)	
Transportation infrastructure construction	Section Four of Construction of Runway and Underpass of Harbin Taiping International Airport Expansion Project (Phase II) (特新機場飛行區場道工程及下穿通道工程施工四標段)	4.46	Heilongjiang
	New Hohhot Airport Airfield Runway Project (FXQ-CD-03) Section Construction (呼和浩特新機場飛行區場道工程(FXQ-CD-03)標段施工		

		(RMB100 million)	
Electrical and mechanical installation	EPC General Contracting of 50MW Wind Farm Project in Chenzui Town, Wuqing District, Tianjin (天津武清區陳咀鎮50MW風電場項目EPC總承包)	2.57	Tianjin
	General Contracting of Design and Construction of 110kV Cable Project of Phase I of Incremental Distribution Pilot Project of Hydrogen Energy Research Demonstration Zone in Baoding Automobile Technology Industrial Park (保定汽車科技產業園氫能科研示範區增量配電試點項目一期110kV線路工程設計施工總承包)	1.05	Hebei
Steel structures	Construction of Anyue Jiayuan Residence Affordable Housing Project (Phase II) (Residential buildings 8#, 10#-13#, commercial building and kindergarten) (安悅佳苑小區保障性住房項目(二期)(8#、10#-13#住宅樓及商業、幼兒園)施工)	2.93	Hebei
Decoration	Beijing New Airport Education and Scientific Research Station Decoration Project (		

Representative projects of completed projects

		(RMB100 million)	
Public building	Construction of Shijiazhuang College Training Base Project (石家莊學院實訓基地項目施工)	1.08	Hebei
	Scientific Research Complex at 4# of Phase II of the Langfang Pilot Test Base of Technical Institute of Physics and Chemistry under Chinese Academy of Sciences (中國科學院理化技術研究所廊坊中試基地二期4#科研綜合樓)	1.76	Hebei
	EPC General Contracting Project of New Construction (Design, Procurement and Construction) of Tianji Campus of Post Road Primary School Education Group (郵政路小學教育集團天驥校區新建工程(設計、採購、施工)EPC總承包項目)	1.09	Jiangxi
Residential building	Phase I of the Project of Transformation of Carpark of BAIC Group Off-road Vehicle into Designated Relocation Housing in Beijing (Plot SY00-0007-6032) (北京北汽越野車棚改定向安置房項目一期(SY00-0007-6032地塊)工程)	3.85	Beijing
	Section I of Shuiyuehuajun Project in Leting County (樂亭縣水悅華郡項目第一標段)	1.67	Hebei
	Gaoyang County Changrun • Jiaye Residential Community Project (Buildings 5#, 6#, 7# and 11# and Portion of Underground Carpark) (高陽縣長潤•嘉業住宅小區項目(5#、6#、7#、11#樓及部分地下車庫))	1.48	Hebei
	Gaoyang County Changrun · Jiaye Residential Community Project (Buildings 8#, 9# and 10#, Main Entrance and Portion of Underground Carpark) (高陽縣長潤•嘉業住宅小區項目(8#、9#、10#樓、大門及部分地下車庫))	1.02	Hebei
Industrial building	General Contracting of Design, Procurement and Construction of Changjiang District High-standard Intelligent Factory Construction Project (昌江區高標準智能化廠房建設項目設計採購施工總承包)	1.34	Jiangxi
Transportation infrastructure construction	National Highway G205 Yanshan County Round-town Section Renovation Project (國道G205鹽山縣繞城段改建工程)	2.90	Hebei
Municipal infrastructure construction	Beiqiao Area Road Traffic and Environment Improvement Project (北橋片區道路交通和環境提升工程)	1.05	Guangdong

[illegible]: [illegible] A [illegible] A [illegible]

In the first half of 2023, the Company achieved remarkable results in various aspects of technology innovation, including implementation of technology research and development projects, construction and operation of technology platform and application and licensing of intellectual property.

1. Provincial science and technology projects: 11 of our projects were admitted by the Hebei Provincial Department of Housing and Urban-Rural Development as construction technology projects, 3 of our projects were admitted as technology demonstration projects, 32 of our projects were admitted as new technology application demonstration projects, and 13 of our projects were admitted by Hebei Building Industry Association as technology projects in 2023.

2. Enterprise level science and technology projects: in 2022, we incurred research and development expenses of RMB237 million for 326 enterprise level science and technology projects. In the first half of 2023, we initiated 201 enterprise level research and development projects and carried out research and development activities in an orderly manner.

3. Technology progress and awards: 2 of our projects (namely the "Research on Mechanism of Microscopic Damage of Concrete and Key Technologies for Detection and Repair" and the "Research on Frost Heaving Characteristics and Key Technologies for Frost Damage Prevention in Cold Area Transportation Tunnels") received the 2022 Scientific and Technological Progress Awards from the Provincial Government, and 34 of our projects received the Scientific and Technological Progress Awards for Construction Industry in Hebei Province. 19 new technology application demonstration projects, eight green construction technology demonstration projects and 17 technology research and development plan projects passed the acceptance inspection by the Hebei Provincial Department of Housing and Urban-Rural Development, and 30 achievements were assessed to be at an advanced level in China. We submitted 62 new patent applications and obtained 49 new patents (including 2 invention patents).

4. Construction and operation of technology platform: we carried out platform construction and operation with increased efforts, completed the re-assessment for national enterprise technology center, completed the assessment for national prefabricated construction industrial base, completed the acceptance report for construction of academician workstation and passed the expert acceptance inspection organized by the municipal science and technology bureau, and the assessment for admission and graduation of the postdoctoral workstations were carried out in an orderly manner.

5. Intellectual property: we patented our key technologies in a timely manner. As of the end of June 2023, we obtained 49 new patents (including 2 invention patents), and submitted 62 patent applications (including 13 applications for invention patents).

In the first half of 2023, the Group's businesses remained steady and well-organized, and its market development efforts continued in a favourable trend by securing various large-scale and high-quality projects with great regional presence, and the branches in various cities, districts and counties in the key areas of the Beijing-Tianjin-Hebei region continued to grow.

In the second half of the year, the Company will continue to adhere to the general keynote of maintaining stable operation while seeking progress, focus on each business line and implement effective measures to expand income sources, reduce costs and enhance quality and efficiency.

Firstly, we will focus on the key factors of market development. We will continue to strengthen regional market organization, consolidate the market in Baoding headquarters while putting efforts in expanding business in other cities and counties in Hebei Province, with great emphasis on market expansion in Xiong'an New Area. The branches and subsidiaries outside Hebei Province will adhere to the strategy of rooting in the provincial capital and radiating to the surrounding area to achieve orderly development.

Secondly, we will strive to ensure great performance in the main business of construction. We will require all levels of organization and all employees to maintain a constant focus on safety and always put the principle of "life as the top priority" into practice. By upholding the spirit of craftsmanship, we will provide high-quality products and services, and accelerate our transformation from a traditional contractor to a leading integrated service provider for construction projects and a leading municipal service provider.

Thirdly, we will put great efforts in refined operational management. We will persist in dynamic analysis of projects and hold monthly economic analysis meetings for all projects. We will capitalize on various types of high-quality projects such as special government bond projects to ensure fruitful outputs and returns. We will also continue to promote centralized procurement to facilitate cost reduction and efficiency enhancement, and consistently publish the purchase prices of comparable raw materials on a regular basis.

Fourthly, We will build a sustainable source of power to drive talent development. Young cadres are the backbone of the Company's long-term development. Benefiting from our comprehensive talent selection and nurturing mechanisms, we have been able to identify and develop a steady stream of young cadres who bring fresh ideas and energy to the Company for sustainable development. Moving forward, we will continue to maintain a young workforce by boldly selecting and appointing young talent, proactively provide opportunities and support to outstanding young cadres, place great importance on the selection and development of reserve cadres, and continuously build a scientifically structured talent pool.

In the second half of the year, the Company will continue to unite all staff to seek development with concerted efforts, facilitate future growth with hard work and diligence, and strive to serve the society, reward our Shareholders and benefit our employees with outstanding performance.

(2) The revenue from infrastructure construction business increased by RMB566 million as compared to the same period of last year, which was mainly due to the addition of a number of large-scale infrastructure construction projects in the current period, such as the design and construction general contracting of the backstreet and alleys pipeline network (sewage and rainwater) renovation and upgrading project in Lianchi District, Baoding City, and the design and construction general contracting of the second bidding section of the renovation project of the pipeline network and ancillary facilities for the urban-rural integration in Jingxiu District, Baoding City;

(3) In the first half of 2023, the revenue from specialized and other construction business decreased by RMB42 million as compared to the same period of last year. Such business mainly includes mechanical and electrical installation and steel structure, which has a shorter construction period. The number of new projects of specialized and other construction business secured during the Reporting Period was lower than that of the first half of 2022, resulting in lower revenue as compared to the same period of last year. Meanwhile, certain projects with high gross profit were completed in the current period, resulting in a decrease in gross profit.

The selling and distribution expenses for January to June 2023 amounted to RMB0.49 million, representing a slight decrease as compared to the same period of last year due to the decrease in travel expense.

In the first half of 2023, the Group's general and administrative expenses amounted to RMB280 million, representing a decrease of RMB3 million as compared to the same period in 2022, which was mainly attributable to the slight decrease in office expenses in the current period.

The research and development expenses of the Group for the first half of 2023 amounted to RMB69 million, representing an increase of RMB47 million as compared to the corresponding period of 2022. The research and development expenses are mainly the costs incurred for research of special projects or production process by the Group, including the cost of materials utilised and salary of senior engineers involved in research and development. The increase in research and development costs was mainly due to the implementation of a number of new construction technology research and development projects during the Reporting Period.

Impairment losses of credit losses for January to June 2023 amounted to RMB87 million, representing an increase of RMB53 million as compared to the same period of 2022, which was mainly due to the increase in the aging of certain receivables, resulting in an increase in the bad debt provision of the portfolio.

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The reversal of impairment losses on assets for January to June 2023 amounted to RMB9.7 million, as compared to impairment losses on assets of RMB135 million incurred in the same period of 2022, which was mainly due to the decrease in newly defaulted customers in the current period as compared to the same period of last year, as well as the gradual settlement of contract assets in previous years, resulting in a decrease in the accrued bad debt provision of contract assets.

The investment losses for January to June 2023 amounted to RMB8.4 million, representing a decrease of RMB33.5 million as compared to the investment income of the same period of 2022, which was mainly due to the decrease in dividends declared by the investees as compared to the same period of last year.

The income tax expenses for January to June 2023 amounted to RMB46 million, representing a decrease of RMB16 million as compared to the same period of last year, which was mainly due to the decrease in profit before tax in the current period as compared to the same period of last year.

Based on the above factors, net profit for the first half of 2023 was RMB111 million, representing a decrease of approximately RMB43 million as compared with the same period of last year.

The Group finances operations primarily through cash generated from operating activities and interest-bearing borrowings. As at 30 June 2023 and 31 December 2022, the Group had cash and cash equivalents of approximately RMB7,342 million and approximately RMB8,488 million, respectively. For the liquidity and capital structure of the funds of the Group, please refer to the financial ratios below.

As at 30 June 2023, the currency funds of the Group were RMB7,926 million, representing a decrease of RMB1,197 million as compared with that at the end of 2022, which was mainly due to the net cash outflows resulted from operating activities.

The Group regularly monitors cash flow and cash balances. Furthermore, it is dedicated to maintaining the optimal liquidity level required for working capital and keeping its business and multiple growth strategies at a stable and healthy level during the Reporting Period. In the future, the Group intends to finance operations through cash generated from operating activities and interest-bearing borrowings.

As at 30 June 2023, the long-term equity investment was RMB506 million, representing a decrease of RMB10 million as compared with that at the end of 2022, which was mainly due to the change in profit or loss of investments under equity method.

As at 30 June 2023, the net value of accounts receivable was RMB7,423 million, representing a decrease of RMB392 million as compared with that at the end of 2022, and the overall change was insignificant.

The balance of long-term receivables (including the portion due within one year) was RMB210 million, representing a decrease of RMB3 million as compared with that at the end of 2022, and the overall change was insignificant.

As at 30 June 2023, the balance of other receivables of the Group was RMB2,328 million, representing a decrease of approximately RMB32 million as compared to that at the end of last year, which was mainly due to the fact that some projects have been completed and related deposits have been recovered.

The net value of contract assets as at 30 June 2023 was RMB38,937 million, representing a decrease of approximately RMB3,980 million as compared with that at the end of 2022, which was mainly due to the decrease in revenue during the Reporting Period. Contract liabilities as at 30 June 2023 were RMB6,425 million, representing a decrease of approximately RMB515 million as compared with that at the end of 2022, which was mainly due to the recognition of revenue from the completion of normal construction work volumes in the current period in respect of certain construction projects with receipt in advance undertaken in the previous year.

The carrying value of other equity instrument investments as at 30 June 2023 was RMB714 million, representing a decrease of approximately RMB30 million as compared with that at the end of 2022, which was mainly due to the decrease in the fair value of other equity instrument investments held as a result of the impact of the market situation.

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

As at 30 June 2023, the Group's interest-bearing borrowings were approximately RMB6,291 million (31 December 2022: approximately RMB5,989 million).

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The balance of accounts payable as at 30 June 2023 was RMB30,585 million, representing a decrease of RMB6,002 million as compared with that at the end of 2022. Such change was mainly due to the decrease in business volume which led to a corresponding decrease in procurement amount during the Reporting Period; in addition, affected by the economic downturn, downstream suppliers were under financial pressure and the proportion of cash paid for major materials and subcontracting increased. The balance of bills payable increased by RMB189 million compared with that at the end of the previous year, which was mainly due to the increase in the proportion of bill payment by the Group.

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Capital expenditures in the first half of 2023 were approximately RMB34 million, representing a decrease of RMB25 million as compared to the same period of 2022, which was mainly due to no significant capital expenditure for procurement of fixed assets during the Reporting Period.

As at 30 June 2023, the Group did not have any material capital commitment.

	30 u 2023	31 December 2022
Current ratio (times) [(1)]	**1.0**	1.0
Quick ratio (times) [(2)]	**1.0**	1.0
Gearing ratio [(3)]	**100.3%**	97.1%
Return on assets [(4)] (not annualized)	**0.2%**	0.5%
Return on equity [(5)] (not annualized)	**1.8%**	5.2%

Notes:

(1) Current ratio (times) represents total current assets divided by total current liabilities as at the relevant date.

(2) Quick ratio (times) represents total current assets minus inventory divided by total current liabilities as at the relevant date.

(3) Gearing ratio represents total interest-bearing liabilities divided by equity as at the relevant date and multiplied by 100%.

(4) Return on assets represents profit for the period divided by the average of total assets at the beginning and end of the period and multiplied by 100%.

(5) Return on equity represents profit for the period divided by the average of total equity at the beginning and end of the period and multiplied by 100%.

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During the Reporting Period, the Group did not have any significant acquisition or disposal.

As at 30 June 2023, the banking facilities granted to third parties subject to guarantees given to the banks by the Group were utilised to the extent of approximately RMB698 million, and contingent liabilities arising from pending litigation or arbitration amounted to RMB22 million.

Most of the Group's businesses and all bank loans have been traded in RMB so there is no significant

The members of the Audit Committee of the Company are Ms. Shen Lifeng (Chairwoman of the committee), Mr. Li Baoyuan, Ms. Chen Xin and Mr. Chan Ngai Sang Kenny. The Audit Committee of the Company has reviewed and confirmed the Group's interim results announcement for the six months ended 30 June 2023 and the unaudited interim financial statements for the six months ended 30 June 2023 prepared in accordance with CASBE.

30 June 2023

RMB'000

	Note	**30 June 2023**	31 December 2022
		(Unaudited)	
Current assets			
Cash and cash equivalents		**7,926,308**	9,123,019
Held-for-trading financial assets		**4,263**	3,118
Accounts receivable	*2*	**7,423,103**	7,815,567
Receivables at fair value through other comprehensive income		**282,809**	349,485
Prepayments		**690,337**	733,145
Other receivables		**2,328,118**	2,360,433
Inventories		**168,434**	182,032
Contract assets		**35,920,100**	40,014,033
Current portion of non-current assets		**45,660**	43,128
Other current assets		**547,200**	501,931
Total current assets		**55,336,332**	61,125,891
Non-current assets			
Long-term receivables	*2*	**164,783**	170,123
Long-term equity investments		**505,788**	515,706
Contract assets		**3,016,485**	2,903,035
Other equity instrument investments		**714,266**	744,459
Investment property		**101,400**	99,200
Fixed assets		**968,056**	981,409
Construction in progress		**169,676**	155,975
Right-of-use assets		**23,218**	17,969
Intangible assets		**95,229**	96,332
Deferred tax assets		**854,553**	821,751
Total non-current assets		**6,613,454**	6,505,959
Total assets		**61,949,786**	67,631,850

[illegible]	*Note*	**30 [illegible] 2023**	31 December 2022
		([illegible])	
Current liabilities			
Short-term borrowings		**2,845,903**	2,415,411
Bills payable		**1,016,392**	827,662
Accounts payable	*3*	**30,584,875**	36,587,127
Contract liabilities		**6,424,717**	6,939,618
Employee benefits payable		**205,828**	202,120
Taxes payable		**788,972**	773,370
Other payables		**6,611,402**	6,173,379
Current portion of non-current liabilities		**699,983**	896,633
Other current liabilities		**3,730,297**	3,943,783
Total current liabilities		**[illegible]**	58,770,320
Non-current liabilities			
Long-term borrowingnt liabilities			

[illegible] A [illegible] A [illegible] (A [illegible])

For the period from 1 January 2023 to 30 June 2023

RMB'000

	Note	**1 [illegible] 2023 30 [illegible] 2023 ([illegible])**	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Revenue	*4*	**14,948,567**	16,589,225
Less: Cost of sales		**14,145,504**	15,712,887
Taxes and surcharges		**35,480**	39,488
Selling and distribution expenses		**488**	743
General and administrative expenses		**279,616**	282,746
Research and development expenses		**69,325**	22,222
Finance costs		**180,874**	172,103
Including: Interest expenses		**197,852**	188,018
Interest income		**15,659**	13,480
Add: Other income		**3,078**	1,271
Investment (losses)/income		**(8,382)**	25,167
Including: Share of losses of joint ventures and associates		**(7,583)**	(63)
Losses on derecognition of financial assets at amortised cost		**(2,154)**	(8,567)
Gains on fair value changes		**2,365**	384
Impairment losses of credit losses		**(87,044)**	(34,206)
Impairment gains/(losses) on assets		**9,672**	(134,562)
Gains from disposal of assets		**102**	–
Operating profit		**157,071**	217,090
Add: Non-operating income		**1,072**	3,276
Less: Non-operating expenses		**1,167**	4,629
Total profit		**156,976**	215,737
Less: Income tax expenses	*5*	**45,785**	61,626
Net profit		**111,191**	154,111

	Note	[illegible] 1 [illegible] 2023 [illegible] 30 [illegible] 2023 ([illegible])	For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Classified by the continuity of operation			
Net profit from continuing operations		**111,191**	154,111

RMB'000

1. A A A A A A A A A A

The financial statements were prepared in accordance with the Accounting Standards for Business Enterprises No. 32 – Interim Financial Report by the Ministry of Finance and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange. The financial statements do not include all the information and disclosures required for the annual financial statements and therefore need to be read together with the 2022 annual financial statements.

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

2. A A A A A A A A A

The accounts receivable of the Group are mainly receivables for construction contracting business. The credit period of accounts receivable is generally one to three months. All accounts receivable are non-interest-bearing.

An ageing analysis of accounts receivable is as follows:

	30 u 2023	31 December 2022
	(u)	
Within 1 year	**5,723,555**	6,342,449
1 to 2 years	**1,544,477**	1,472,920
2 to 3 years	**643,552**	452,479
Over 3 years	**713,256**	667,174
	8,624,840	8,935,022
Less: Impairment allowance	**1,201,737**	1,119,455
	7,423,103	7,815,567

Except for project quality deposits receivable, the ageing of accounts receivable was calculated since the invoice date. The ageing of the project quality deposits receivable is calculated from the later of the invoice date and the expiry of the warranty period.

The Group's long-term receivables are mainly receivables for the provision of build-operate-transfer water supply services, which will be settled in installments during a period from 1 to 25 years.

	30 u 2023	31 December 2022
	(u)	
Long-term concession project receivables	**210,443**	213,251
Less: Long-term receivables due within one year	**45,660**	43,128
	164,783	170,123

The ageing of long-term receivables shall be calculated since the completion of concession project. The management of the Group considers that long-term receivables have no bad debt provision for lifetime expected credit losses as of 30 June 2023 (31 December 2022: nil).

3. A A A

Accounts payable are non-interest bearing and are generally settled within an agreed period.

The ageing analysis of accounts payable is as follows:

	30 2023	31 December 2022
	( )	
Within 1 year	**19,212,728**	24,767,196
1 to 2 years	**8,092,356**	7,595,664
2 to 3 years	**2,065,019**	2,799,728
Over 3 years	**1,214,772**	1,424,539
	30,584,875	36,587,127

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

4.

	1 2023 30 2023	For the period from 1 January 2022 to 30 June 2022
	( )	(Unaudited)
Revenue from major business	**14,702,101**	16,066,045
Revenue from other business	**246,466**	523,180
	14,948,567	16,589,225

The operating revenue is as follows:

	1 2023 30 2023	For the period from 1 January 2022 to 30 June 2022
	( )	(Unaudited)
Revenue from contracts with customers	**14,937,119**	16,572,864
Rental income	**11,448**	16,361
	14,948,567	16,589,225

RMB'000

Revenue from contracts with customers is set out as follows:

	1 [illegible] 2023	**30 [illegible] 2023 ([illegible])**

For the period from 1 January 2022 to 30 June 2022 (Unaudited)

[illegible]	[illegible]	[illegible]	[illegible]
Major operating regions			
Mainland China			
(excluding Hong Kong, Macau and Taiwan)	15,905,128	553,812	16,458,940
Other countries and regions	113,924	–	113,924
	16,019,052	553,812	16,572,864
Major products			
Building construction	11,318,081	–	11,318,081
Infrastructure construction	3,099,100	444,035	3,543,135
Specialized and other construction	1,204,829	–	1,204,829
Sales of goods and others	397,042	90,522	487,564
Sewage and reclaimed water treatment	–	19,255	19,255
	16,019,052	553,812	16,572,864
Timing of revenue recognition			
At a point of time			
Sales of goods and others	397,042	90,522	487,564
Within a period of time			
Building construction	11,318,081	–	11,318,081
Infrastructure construction	3,099,100	444,035	3,543,135
Specialized and other construction	1,204,829	–	1,204,829
Sewage and reclaimed water treatment	–	19,255	19,255
	16,019,052	553,812	16,572,864

The information related to performance obligations of the Group is as follows:

The performance obligation is fulfilled within the time when the service is provided, and the contract price is usually settled within 90 days after the project payment is invoiced. Generally, the customer retains a certain percentage as the warranty money. The warranty money is usually settled after the warranty period expires, because according to the contract, the Group's right to receive the final payment depends on the customer's satisfaction with the service quality over a period of time.

The performance obligation is fulfilled when the goods is delivered to the customer. For old customers, the contract price is usually settled within 90 days of delivery; for new customers, advance payment is usually required.

The performance obligation is fulfilled within the period of provision of relevant services. The contract period for sewage and reclaimed water treatment is 25 years. The contract sum is normally paid within 90 days after settlement.

5. **A**

		For the period from 1 January 2022 to 30 June 2022 (Unaudited)
Current income tax expenses	**71,214**	101,597
Deferred income tax expenses	**(25,429)**	(39,971)
	45,785	61,626

Note:

6. **A** **A**

		For the period from 1 January 2022 to 30 June 2022
	1 2023 30 2023	
	RMB per share	*RMB per share*
	( )	(Unaudited)
Basic earnings per share		
Continuing operations	**0.07**	0.09

Basic earnings earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue. The number of newly issued ordinary shares is determined according to the specific terms of the issue contract and calculated from the date of consideration receivable (normally the stock issue date).

The calculation of the basic earnings per share and diluted earnings per share is as follows:

		For the period from 1 January 2022 to 30 June 2022
	1 2023 30 2023	
	( )	(Unaudited)
	'000	*RMB'000*
Earnings		
Net profit for the period attributable to ordinary shareholders of the Company		
Continuing operations	**116,796**	159,234
Shares		
Weighted average number of ordinary shares in issue of the Company	**1,761,383,500**	1,761,383,500

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

7.

No interim dividend was proposed for the six months ended 30 June 2023.

"Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"Board of Supervisors"	the board of Supervisors of the Company
"CASBE"	Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, as amended, supplemented or otherwise modified from time to time
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Company"	Hebei Construction Group Corporation Limited, a joint stock company incorporated in the PRC with limited liability on 7 April 2017, whose H Shares were listed on the Main Board of the Hong Kong Stock Exchange on 15 December 2017 (Stock Code: 1727). Unless the context otherwise requires, it shall include its predecessor, Hebei Construction Group Co., Ltd. (河北建設集團有限公司) (a limited liability company established under the laws of the PRC on 29 September 1997)
"Corporate Governance Code"	Corporate Governance Code as set out in the Appendix 14 the Listing Rules, as amended, supplemented or otherwise modified from time to time
"Director(s)"	the director(s) of the Company
"Group" or "we" or "us" or "our"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require), or (as the context may require) in respect of the period before the Company becomes the holding company of its present subsidiaries, such subsidiaries as if they were the Company's subsidiaries at that time
"H Share(s)"	overseas listed foreign Shares in the ordinary Shares of the Company with a nominal value of RMB1.00 each, which are traded in HK dollars and are to be listed on the Hong Kong Stock Exchange
"HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Reporting Period"	the period of six months commencing on 1 January 2023 and ending on 30 June 2023
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each
"Shareholders(s)"	holder(s) of the Share(s) of the Company
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules, unless the context requires otherwise
"Supervisor(s)"	supervisors of the Company