中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

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

H Share Stock Code :1800

2014 INTERIM REPORT (H SHARE)

Contents

Performance Highlights

RMB million (except per share data)	For the six months ended 30 June 2014	2013	Change (%)
Revenue	**158,561**	141,037	12.4
Gross Profit	**16,636**	14,256	16.7
Operating Profit	**10,864**	8,969	21.1
Profit attributable to owners of the Company	**6,020**	5,722	5.2
Earnings per share (RMB)	**0.37**	0.35	–

RMB million	As at 30 June 2014	31 December 2013	Change (%)
Total assets	**587,945**	517,445	13.6
Total liabilities	**479,464**	412,604	16.2
Total equity	**108,481**	104,841	3.5
Capital and reserves attributable to owners of the Company	**97,011**	94,861	2.3

RMB million	For the six months ended 30 June 2014	% of total	2013	Change (%)
New Contracts	**279,631**	**100**	252,917	10.6
Infrastructure Construction Business	**235,551**	**84**	208,322	13.1
– Port Construction	**24,051**	**8**	22,636	6.3
– Road and Bridge Construction	**61,874**	**22**	78,936	-21.6
– Railway Construction	**18,988**	**7**	2,708	601.2
– Investment Projects	**30,551**	**11**	44,799	-31.8
– Overseas Projects	**55,043**	**20**	31,740	73.4
– Municipal and others	**45,044**	**16**	27,503	63.8
Infrastructure Design Business	**13,478**	**5**	12,920	4.3
Dredging Business	**12,868**	**4**	18,101	-28.9
Heavy Machinery Manufacturing Business	**15,856**	**6**	13,401	18.3
Other Businesses	**1,878**	**1**	173	985.6

RMB million	As at 30 June 2014	% of total	31 December 2013	Change (%)
Backlog	**766,906**	**100**	738,055	3.9
Infrastructure Construction Business	**680,465**	**89**	653,706	4.1
Infrastructure Design Business	**35,845**	**4**	35,545	0.8
Dredging Business	**27,999**	**4**	29,760	-5.9
Heavy Machinery Manufacturing Business	**21,959**	**3**	19,026	15.4
Other Businesses	**638**	**0**	18	3,444.4

Chairman's Statement

Dear Shareholders,

In the first half of the year, with the changes in the external market conditions in line with our expectation, the production and operation of the Company was generally positive. In the first half of the year, revenue of the Group was RMB158,561 million, representing a year-on-year increase of 12.4%; profit attributable to the owners of the Company was RMB6,020 million, representing a year-on-year increase of 5.2%; and earnings per share were RMB0.37. The value of new contracts was RMB279,631 million, representing a year-on-year increase of 10.6%. As at 30 June 2014, the backlog of the Group amounted to RMB766,906 million, representing an increase of 3.9% as compared to that as at 31 December 2013.

In the first half of the year, with effective implementation of the strategy "experts in five areas", the reform and innovation have gradually delivered return, and quality and efficiency of the Company's development have been increasingly improved, representing a firm step for building up an upgraded CCCC. In 2014, the Company ranked the 187th among Fortune Global 500, and has been rated as a Grade A enterprise in the Operating Results Assessment of State-owned Enterprises conducted by the State-owned Assets Supervision and Administration Commission of the State Council for the ninth consecutive year. The Company's achievements for the year were mainly reflected by the following facts:

Firstly, the Company's traditional business competitiveness was consolidated, and new competitive advantages have been gradually formed. In respect of traditional business competitiveness, the infrastructure construction business grew steadily; the infrastructure design business enjoyed a stable operating performance; dredging business was stagnant though; and heavy machinery manufacturing business targeted at high-end products in port machinery market, all of which further improved the market influence of the Company. For the new competitive advantages, overseas business grew rapidly and steadily; investment projects showed strong growth momentum; rail transit and railway business achieved a major breakthrough; and new progress was made in respect of the expansion of the market of offshore heavy equipment products.

Secondly, there was a radical change in the profit model, and the proportion of traditional business, overseas business and investment projects was optimized. Under such a model, overseas business and investment projects contributed more than 40% in aggregate to the Company's profit.

Thirdly, the strategic ideas were finalized and organizational restructuring started to bear fruits. The system of the mutual development of "three engines", namely, business divisions, regional headquarters and subsidiaries, was substantially formed, which has increasingly produced synergies.

In addition, the Company achieved positive results in such areas as technology innovation, financial innovation, optimizing budget evaluation system, enhancing financial management, promoting information construction and building talent groups.

Currently, CCCC has stepped into a crucial period and a breakthrough and deepening stage of reform and restructuring, and the transformation and upgrading is therefore at a critical point. It should be clearly recognized that innovative development is imperative to settle difficulties and issues encountered during the course of development, and that it is necessary to constantly improve the core competitiveness of the Company in order to ensure its sustainable and healthy development.

In the second half of the year, we will firmly focus on the objectives set at the beginning of the year. Without pressure, the Company will achieve no development. While meeting the targets horizontally and vertically, the Company will continue to reinforce its fundamentals and seek organic development quality, strengthening its confidence and overwhelming the challenges. In this regard, the Company will mainly focus on the followings:

Firstly, by consistently implementing the established development policies of deepening the reform in all respects and becoming "experts in five areas", the Company will continue to promote professional integration and regional development, and to strengthen fully the effective integration in several areas including resources, business and brand.

Chairman's Statement

Secondly, the Company will adopt an innovation-driven model to improve the development quality and efficiency. In particular, the Company will deepen organizational system innovation, endeavour to promote management innovation and continuously enhance technological innovation, as well as continue to promote business model innovation and vigorously expand financial innovation.

Thirdly, the Company will enhance the operation quality management to ensure the operation objectives established at the beginning of the year be met. In particular, it will not only strictly control the receivables and inventories and the amount of interest-bearing debts, but will also endeavour to increase its net cash flows. The Company will improve cost control by strengthening the management of projects directly managed by the Group and key projects, and enhancing the cost management of tertiary entities. In addition, the Company will strictly control investment risks and optimize investment projects portfolio.

Fourthly, the Company will attach great importance to and put all efforts on production safety by the organic combination of the development of an adaptive organisation and production and safety supervision, and consistently fulfill the corporate social responsibility by serious accountability and rigorous assessment.

Dear Shareholders, 2014 is a crucial year to achieve goals set forth in the "Twelfth Five-Year Plan" for the Company. Facing both opportunities and challenges, we will insist on the path of upgrading and developing, consistently implement the strategy of becoming "experts in five areas", improve the development of an adaptive organisation and promote the conversion to a value chain from an industrial chain, to relentlessly promote CCCC to bring about a new situation, make remarkable development and go onto a higher stage, stepping forward to the goal of becoming a world first class enterprise. May we have the continuous support from all our shareholders, all the people and friends who care about us in the long term!

Liu Qitao
Chairman

Beijing, the PRC
26 August 2014

Business Overview

In the first half of 2014, China's economy maintained operating at a reasonable level. The CPI growth was in line with expected annual target and the PPI was flat to down, so the economy was stable on an overall scale. Meanwhile, there still existed numerous unstable and uncertain factors. In the face of relatively large economic downward pressures, China has recently promulgated a series of small-scaled stimulating policies including targeted accommodative monetary policies, reinforced expenditure budget management by the financial department, accelerated payment progress, expanding the scope of small and micro enterprises that can enjoy income tax preferential policies, further tapping the supporting roles of development financing on the redevelopment of run-down areas, deepening the reform of railway investment and financing systems and accelerating railway construction, steadily proceeding the construction of all kinds of infrastructure.

In the first half of 2014, the world economy was still in slow recovery, and the international engineering contracting market maintained a momentum of steady growth. The implementation of such national strategies as the "Silk Road economic belt and Maritime Silk Road" and interoperability with neighboring countries coupled with new supportive and cooperative policies proposed by top leaders of China during their visits to Africa and Latin American countries brought more market opportunities for the Company's overseas operations. In addition, countries and regions including the United States, Brazil, Australia, Russia and Europe all have voiced the strategy of boosting national economic development by increasing infrastructure inputs, so demand for infrastructure construction will remain exuberant. Interoperability, clean energy and urban construction have become the new focal points of development, and BOT, PPP and other methods will be adopted by more and more countries. The Company will actively grasp these development opportunities, develop traditional business advantages into new competitive edges in the international arena characterized by "investment, management, technology, and integration", and explore to transform from an engineering contractor to "international experts in five areas" within shortest time possible.

In the first half of 2014, the Group's revenue was RMB158,561 million, representing an increase of 12.4% as compared with that for the corresponding period in 2013; profit attributable to owners of the Company was RMB6,020 million, representing an increase of 5.2% as compared with that for the corresponding period in 2013; and the value of new contracts amounted to RMB279,631 million, representing an increase of 10.6% as compared with that for the corresponding period in 2013. As at 30 June 2014, the backlog of the Group amounted to RMB766,906 million, representing an increase of 3.9% as compared with the backlog as at 31 December 2013.

In the first half of 2014, revenue of the Group businesses derived from overseas markets, amounted to RMB26,928 million (equivalent to approximately USD4,388 million including revenue realised from export trade of domestically manufactured industrial products and the same hereafter), representing approximately 17.0% of the Group's revenue. The value of new contracts from overseas markets amounted to RMB68,909 million (equivalent to approximately USD10,670 million), representing approximately 24.6% of the Group's new contracts value.

I. BUSINESS REVIEW AND OUTLOOK

1. Infrastructure Construction Business

In the first half of 2014, revenue from infrastructure construction projects undertaken by the Group was RMB128,854 million, representing an increase of 15.5% as compared with that for the corresponding period in the previous year. The value of new infrastructure construction contracts amounted to RMB235,551 million, representing an increase of 13.1% as compared with that for the corresponding period in the previous year. Categorised by project type, the value of new infrastructure construction contracts in terms of port construction, road and bridge projects, railway construction, investment projects, overseas infrastructure construction, municipal and other projects amounted to RMB24,051 million, RMB61,874 million, RMB18,988 million, RMB30,551 million, RMB55,043 million and RMB45,044 million, respectively, representing 10%, 26%, 8%, 13%, 24% and 19% of the total value of new infrastructure construction contracts, respectively. As at 30 June 2014, the backlog amounted to RMB680,465 million, representing an increase of 4.1% as compared with that as at 31 December 2013.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(1) Port Construction

In the first half of 2014, the value of new contracts of the Group for Mainland China port infrastructure projects amounted to RMB24,051 million, representing an increase of 6.3% as compared with that for the corresponding period in the previous year, and accounting for 10% of the infrastructure construction business.

In the first half of 2014, the decrease of coastal infrastructure investment gradually became less. Starting from May 2014, the investment data of coastal construction has turned into positive growth, indicating the waterway construction market steadily picked up. Along with the implementation of such national strategies as regional integration and development of Yangtze River economic zone, the port construction along the Yangtze River is expected to speed up, and the construction of the golden waterway along Yangtze River will boost the market. At the same time, we also noticed that after over a decade's rapid development, the demand for port construction at coastal areas was nearly finalized, thus the focus of market development are being shifted to secondary ports, a few newly planned harbor areas, and cargo wharfs with fierce market competition.

(2) Road and Bridge Construction

In the first half of 2014, the value of new contracts of the Group for Mainland China road and bridge projects reached RMB61,874 million, representing a decrease of 21.6% as compared with that for the corresponding period of last year, and accounting for 26% of the infrastructure construction business.

In the first half of 2014, the highway construction continued to operate at a high level, while the development of highway infrastructure construction business may slow down in the future compared with previous years. As transport infrastructure is still an important part of "stabilizing growth" of China, China will continue to strengthen targeted inputs into the transport infrastructure construction of the Midwest regions in the second half of the year. The Ministry of Transport has put forward several initiatives to accelerate transport infrastructure construction, with priority given to guaranteeing the completion of already initiated projects, initiating new projects, and paying adequate attention to early-stage constructions, and has sorted out a batch of projects whose construction would be accelerated. All these will become strong support for the growth of transportation infrastructure investments in the second half of 2014. Meanwhile, along with the rapid progressing of the development of Beijing-Tianjin-Hebei integration, the Beijing-Tianjin-Hebei transportation integration plan is also in full swing, which will give birth to a number of transport infrastructure construction projects and is bound to form regional hotspots.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(3) Railway Construction

In the first half of 2014, the value of new contracts of the Group for Mainland China railway construction projects reached RMB18,988 million, representing an increase of 601.2% as compared with that for the corresponding period in the previous year, and accounting for 8% of the infrastructure construction business.

In the first half of 2014, the central government decided to further increase efforts of railway construction by promoting the reform of railway investment and financing systems, absorbing social investments from various channels, appropriately expanding the scale of fixed assets investment, adjusting the mileage of new lines, and adding new projects. Hence, in the second half of the year, the railway market will further ramp up, with focus shifting to Midwest regions. 14 railways will commence construction in the second half of the year, with a total mileage of 3,712 kilometres and a total investment of RMB327.3 billion. Meanwhile, regional economic integration offers broad space for the development of intercity rail and intra-city rail projects. The Company will unswervingly follow the market and actively participate in the construction of various railway projects with a purpose of expanding market shares and bettering profitability.

(4) Investment Projects (BOT/BT and preliminary land development projects)

In the first half of 2014, the value of new contracts of the Group for Mainland China investment projects amounted to RMB30,551 million, representing a decrease of 31.8% as compared with that for the corresponding period in the previous year, and accounting for 13% of the infrastructure construction business. Categorised by project type, the value of new contracts in terms of BOT projects, BT projects and preliminary land development projects amounted to RMB19,800 million, RMB6,751 million and RMB4,000 million, respectively, representing 65%, 22% and 13% of the total value of new contracts, respectively. For the corresponding period of 2013, the value of new contracts for BOT projects, BT projects and preliminary land development projects represented 50%, 28% and 22% of the total value of new investment contracts, respectively.

As at 30 June 2014, according to statistics of the projects, the total contracted investment volume of the Group's BOT projects was estimated to be RMB168,195 million, and cumulatively RMB81,505 million having been completed with the assets with a value of RMB39,440 million have been put into operation. The total contract value of BT projects entered into by the Group amounted to RMB98,990 million and an investment amount of RMB60,550 million have been completed. Wherein, projects with an investment amount of RMB39,551 million have entered into the payback period, cumulatively recovering funds at RMB21,118 million. The total contracted investment amount of the Group's primary land development projects was estimated at RMB103,573 million, with cumulatively RMB24,000 million having been completed, while the sales amount of RMB2,932 million has been realised.

In the first half of 2014, the Company unswervingly adhered to the concept of prudent investment, so market development steadily progressed and achieved sound results. During the market development process, the Company gave due attention to the organic combination of project quality, structure optimization, industry layout, and risk prevention and control, focused on large projects that had innovative models, wide influence and good profit, and effectively implemented the strategy of becoming an urban comprehensive developer and operator. In addition, the Company configured BT and other projects with "little investments, short periods, fast returns, and high cost-effectiveness", which has made up for the lack of short-term gains to a certain extent and enhanced the rolling development capabilities of the Company's investment projects.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(4) Investment Projects (BOT/BT and preliminary land development projects) (Continued)

Meanwhile, the Company further improved its management systems for investment projects, amended seven prevailing rules and regulations, optimized financial assessment benchmark values, and formulated the Interim Regulations on the Revitalization and Disposal of Investment Assets. The Company also strengthened risk prevention and control for investment projects by strictly enacting project review and approval procedures and constantly improving the level of approval and assessment. It also carried out personalized and targeted risk prevention and control for certain investment projects and strived to select "best of best" investment projects. Also, the Company closely tracked and monitored various investment projects and implemented the project tracking and monitoring system that combines quarterly reports, onsite surveys, regular economic benefit analysis, and project after-completion assessment.

(5) Overseas Projects

In the first half of 2014, the value of the new contracts for overseas projects of the infrastructure construction business entered into by the Group amounted to RMB55,043 million (equivalent to approximately USD8,523 million), representing an increase of 73.4% as compared with that for the corresponding period of last year and accounting for 24% of the infrastructure construction business.

Categorised by project type, the value of new infrastructure construction contracts for road and bridge, port construction, airports, railway, municipal and others accounted for 55%, 37%, 3%, 1% and 4% of the value of new contracts for overseas projects, respectively.

Categorised by project location, the value of new infrastructure construction contracts for Africa, Middle East, Southeast Asia, Europe, Central Asia, Hong Kong/Macau/Taiwan, America and other regions accounted for 35%, 24%, 22%, 12%, 4%, 2% and 1% of the value of new contracts for overseas projects, respectively.

In the first half of 2014, under the guidance of overseas expansion strategies, the value of new contracts of the Company from overseas projects increased rapidly, driving the steady growth of the value of new contracts from infrastructure construction business at the same time. Giving full play to the significant advantages of the "one body with two wings" platform, the value of new contracts from the three CCCC, CHEC, and CRBC brand overseas projects recorded substantial year-on-year growth. New breakthroughs were made in the expansion of new markets, and value of new contracts from newly tapped markets, including Montenegro, Liberia, and Fiji, exceeded USD2,000 million, representing a year-on-year increase of 277%. The marketing capability for large projects was further enhanced. In the first half of 2014, 80 new engineering projects were signed in 42 countries and regions, 7 of which had a contract value over USD300 million. The total value of these contracts was USD4,428 million, taking up 52% in the value of all new contracts from overseas projects.

In the first half of 2014, the operational quality of overseas projects remained robust. As at 30 June 2014, the Company had 479 engineering contracting projects in 80 countries and regions, with a total contract value of approximately USD36,000 million. All these projects were progressing smoothly. The management and order quality of engineering projects were constantly improving, account receivables and inventories were controlled at a reasonable level, and net operating cash flow remained positive.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(6) Municipal and Other Projects

In the first half of 2014, the value of new contracts for municipal and other projects in Mainland China entered into by the Group reached RMB45,044 million, representing an increase of 63.8% as compared to that for the corresponding period of last year, and accounting for 19% of the infrastructure construction business.

In the first half of 2014, the Company made tangible results in the market development of rail transportation, municipal, and water projects, which boosted the steady growth of the its infrastructure construction business. With the accelerated pace of development of China's new urbanization and urban capacity expansion, municipal rail transport market will continue its fast development track, and investments in emerging markets such as municipal roads, bridges, tunnels, drainage pipe networks, environmental engineering (including environmental technologies, sewage and garbage disposal), low carbon buildings, and underground space development will be gradually increased. The Company has been well prepared to grasp market opportunities and actively seeking business increments.

2. Infrastructure Design Business

In the first half of 2014, revenue from the infrastructure design business of the Group was RMB7,879 million, representing an increase of 1.8% as compared to that for the corresponding period of last year. The value of new infrastructure design contracts entered into by the Group reached RMB13,478 million, representing an increase of 4.3% as compared to that for the corresponding period of last year. As at 30 June 2014, the backlog amounted to RMB35,845 million, representing an increase of 0.8% as compared with the backlog as at 31 December 2013.

Categorised by project type, the values of new contracts for survey and design, project supervision, EPC contracting and other projects amounted to RMB4,756 million, RMB539 million, RMB7,494 million and RMB689 million, respectively, representing 35%, 4%, 56% and 5% of the total value of new infrastructure design contracts, respectively, as compared with 39%, 4%, 53% and 4%, respectively recorded for the corresponding period of 2013.

In the first half of 2014, the Company's traditional port design business was in downturn. The value of new contracts from port EPC projects declined year on year, while the increase of the value of new contracts from road EPC projects slowed down year on year, hence lowering the overall level of growth of the value of new contracts from the infrastructure design business. In the second half, the Company, while developing the traditional domestic market, will continue to focus on the development of overseas markets, and strive to make breakthroughs in regional market development by capitalizing on the Company's "one body with two wings" platform.

3. Dredging Business

In the first half of 2014, revenue from the dredging business of the Group was RMB13,172 million, representing a decrease of 4.9% as compared to that for the corresponding period of last year. The value of new dredging contracts entered into by the Company reached RMB12,868 million, representing a decrease of 28.9% as compared to that for the corresponding period of last year. As at 30 June 2014, the backlog amounted to RMB27,999 million, representing a decrease of 5.9% as compared with that as at 31 December 2013.

In the first half of 2014, according to vessel purchase plan, there was no large vessels constructed with special purpose to serve in the Group's dredger fleets. As at 30 June 2014, the Group's dredging capacity amounted to approximately 720 million cubic meters under standard operating conditions.

Business Overview

I. BUSINESS REVIEW AND OUTLOOK (Continued)

3. Dredging Business (Continued)

In the first half of 2014, demands in the coastal port and channel dredging market declined significantly, and the land reclamation market was still in the downturn under the influence of macroeconomic policies. At the same time, market players became diversified, and engineering companies affiliated to port groups, large private companies, and certain construction enterprises under the central government incorporated port and channel dredging engineering companies to join the market competition. Therefore, the price of bidding projects in the sector tends decrease in the long run. Also, after the fast development of the land reclamation market during the "Eleventh Five-Year Plan", the low-end dredging market has already been in overcapacity.

Faced with changes in the market, the Company will focus on hot markets in Haixi Region as well as large cannel construction projects in Yangtze River golden waterway and other inland waterways, further strengthen synergies with the Company's investment projects, optimize the structure of operation ships, and strive to expand the contribution ratio of overseas markets, to steadily increase the scale of the business.

4. Heavy Machinery Manufacturing Business

In the first half of 2014, revenue from the heavy machinery manufacturing business of the Group was RMB10,923 million, representing an increase of 1.2% as compared to that for the corresponding period of last year. The value of new heavy machinery manufacturing contracts entered into by the Group reached RMB15,856 million, representing an increase of 18.3% as compared to that for the corresponding period of last year. As at 30 June 2014, the backlog was RMB21,959 million, representing an increase of 15.4% as compared with that as at 31 December 2013.

In the first half of 2014, the global port container machinery market remained stable, and demands for coal, ore and other dry bulk cargo machinery grew by a certain scale. ZPMC recorded steady growth from port machinery product orders. In the first quarter, ZPMC sold port machinery products to Congo (Brazzaville) and Benin for the first time, marking the presence of such products in 86 countries and regions. Automatic cargo dock machinery products, were sold to the United States for the first time, following Spain, South Korea and the Netherlands, by which the company's product influence was further enhanced.

Ever since 2010, the global offshore engineering equipment market has remained buoyant. The Company also made new breakthroughs in the market, with value of new contracts growing rapidly. ZPMC, while preserving its world-leading research power in the floating crane, pipe-laying vessel and other engineering ship sector, taps its R&D edges in respect of core parts and components for offshore engineering equipment. It has formed synergy with F&G to capitalize the design advantages of the latter, and successfully delivered one 300 feet jack-up drilling rig. This year, ZPMC has secured orders for three 400 feet jack-up drilling rig, thereby successfully grasping the opportunities arising from the shift of the offshore engineering drilling platform business to the Chinese market. In the future, ZPMC will continue to develop the high-end offshore heavy equipment products, to further expand the contribution ratio of new businesses and products.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

Some major contracts entered into by the Group in the first half of 2014 are as follows (Unit: RMB million):

(1) Infrastructure Construction Business

Port Construction

No.	Contract Name	Contract Value
1	Phase II of Container Terminal project in Gaolan Zone, Zhuhai Port, Guangdong	1,116
2	Container Terminal project of West Operating Area in Shenzhen Port, Guangdong	620
3	Xiexin Port project of Taicang Area in Suzhou Port, Jiangsu	589
4	Phase III of Coal Terminal project in Caofeidian Port, Hebei	507
5	Jiaomei Operating Area project in Haicang Zone, Xiamen Port, Fujian	471

Road and Bridge Construction

No.	Contract Name	Contract Value
1	Highway project of Dalijiashan-Xunhua Section and Xunhua-Longwuxia Section of G310 in Qinghai	7,924
2	Lot S2 and S3 of Humen Second Bridge in Guangzhou, Guangdong	2,298
3	Lot 2 of Jianli-Jiangling Highway project in Hubei	1,320
4	General Contract of Jia'ou-Libo Highway in Guizhou	898
5	Lot 3 of Phase I of diversion project of Zhangzhou Section of G319 in Fujian	878

Railway Construction

No.	Contract Name	Contract Value
1	Lot 1 of construction project of Shanghai-Nantong Railway and Shanghai-Nantong Yangtze River Bridge	3,992
2	Lot 5 of the station project of Zhangjiakou-Hohhot Railway	2,456
3	Lot 6 of the station project of Hebei Section of Beijing-Shenyang Passenger Dedicated Railway	1,880
4	Xintai Tunnel project of Jiangmen-maoming Section and the station project of Yangxi-Mata Section of Shenzhen-Maoming	896
5	Lot 3 of the station project of newly constructed Ejina-Hami Railway	782

Business Overview

I. BUSINESS REVIEW AND OUTLOOK (Continued)

(1) Infrastructure Construction Business (Continued)

Investment Projects (BOT/BT projects and preliminary land development projects, etc.)

No.	Contract Name	Contract Value
1	BOT project of Foshan Rail Transit in Guangdong	19,800
2	Urban Comprehensive development and construction project of Baiyun New Town in Songzi, Hubei	4,000
3	BT project of Phase II of Dongfeng Avenue rapid transformation in Wuhan, Hubei	2,652
4	BT project of infrastructure construction of Changde Economic Development Zone in Hunan	2,086
5	Comprehensive improvement project of Taixing Tianxingzhou in Jiangsu	1,350

Overseas Projects

No.	Contract Name	Contract Value (USD million)
1	North-South Highway project in the Republic of Montenegro	1,000
2	Port Gentil-Omboue Highway Project (93 kilometers) in Gabon	663
3	JIGCC Water Intake and Outlet project in Jazan, Saudi Arabia	512
4	North-South No.2 Highway project in Kyrgyz	400
5	Walvis Bay Container Terminal Project in Namibia	380

(2) Infrastructure Design Business

No.	Contract Name	Contract Value
1	EPC project of reconstruction project of Changling-Sitang Section of Badong-Hefeng Highway in Badong County, Hube	173
2	Survey and Design project of Dunkou Yangtze River Bridge of Forth Ring Road in Wuhan	171
3	Survey and Design project of reconstruction of Maduo-Jiegu Section of Gonghe-Yushu Highway of G214 in Qinghai	130
4	Design project of Binhai New Area Reclamation of Jinjiang, Fujian	121
5	EPC project of cofferdam upgrade of Qinglanshan region in Quanzhou, Fujian	112

I. BUSINESS REVIEW AND OUTLOOK (Continued)

(3) Dredging Business

No.	Contract Name	Contract Value
1	Lot 1 of 35,000 ton-class channel regulation of middle area of Weifang Port in Shandong	727
2	Berth and reclamation project of Niutouwan operating area of Songxia Port area in Fuzhou, Fujian	616
3	Jingujiang channel regulation project of Qinzhou Port in Guangxi	612
4	Cofferdam reclamation project of Hengda Haihua Island in Hainan	502
5	EPC project of reclamation project Beihai New Area in Yingkou, Liaoning	486

(4) Heavy Machinery Manufacturing Business

No.	Contract Name	Contract Value
1	One 5,000 ton deepwater derrick pipelay barge	approximately USD200 million
2	One JU2000E jack-up drilling rig	approximately USD200 million
3	One LTD400 feet high-tech jack-up drilling rig	approximately USD200 million
4	One JU-2000E 400 feet high-tech jack-up drilling rig	approximately USD200 million
5	8 quayside container cranes and 22 automatic rail mounted gantry cranes	approximately GBP100 million

II. BUSINESS PLAN

The goal of the value of new contracts to be entered into by the Group for 2014 is RMB600,000 million, and the goal of sales revenue is RMB380,000 million.

In the first half of 2014, according to statistics, value of new contracts entered into by the Group amounted to RMB279,631 million, accomplishing 46.6% of our basic goal, and it is in line with our expectation per our schedule. Unaudited revenue amounted to RMB158,561 million, accomplishing 41.7% of our basic goal, and it is in line with our expectation per our schedule.

Management's Discussion and Analysis

The following section should be read in conjunction with the unaudited condensed consolidated interim financial information of the Group and accompanying notes herein.

OVERVIEW

For the six months ended 30 June 2014, revenue of the Group amounted to RMB158,561 million, representing an increase of 12.4% from RMB141,037 million in the corresponding period of 2013. The value of the Group's new contracts for the six months ended 30 June 2014 was RMB279,631 million, representing an increase of 10.6% over the corresponding period of 2013. As at 30 June 2014, the backlog for the Group was RMB766,906 million, representing an increase of 3.9% as compared with 31 December 2013.

Gross profit for the six months ended 30 June 2014 amounted to RMB16,636 million, representing an increase of RMB2,380 million, or 16.7%, from RMB14,256 million in the corresponding period of 2013.

Mainly as a result of the growth in gross profit, operating profit for the six months ended 30 June 2014 amounted to RMB10,864 million, representing an increase of RMB1,895 million, or 21.1%, from RMB8,969 million in the corresponding period of 2013.

For the six months ended 30 June 2014, profit attributable to owners of the Company amounted to RMB6,020 million, representing an increase of RMB298 million, or 5.2%, from RMB5,722 million in the corresponding period of 2013. For the six months ended 30 June 2014, earnings per share of the Group was RMB0.37, compared with RMB0.35 in the corresponding period of 2013.

The following is a comparison of financial results between the six months ended 30 June 2014 and 2013.

CONSOLIDATED RESULTS OF OPERATIONS

Revenue

Revenue for the six months ended 30 June 2014 increased by 12.4% to RMB158,561 million, from RMB141,037 million in the corresponding period of 2013. The growth was attributable to the increase in the revenue from the infrastructure construction business, infrastructure design business, heavy machinery manufacturing business and other businesses, amounting to RMB17,340 million, RMB142 million, RMB126 million and RMB1,506 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 15.5%, 1.8%, 1.2% and 130.8%, respectively, over the corresponding period of 2013. Meanwhile, revenue from dredging business decreased by RMB675 million (before elimination of inter-segment transactions), or 4.9%, from the corresponding period of 2013.

Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2014 amounted to RMB141,925 million, representing an increase of RMB15,144 million, or 11.9%, from RMB126,781 million in the corresponding period of 2013. Increases in cost of sales from the infrastructure construction business, infrastructure design business and other businesses amounted to RMB15,352 million and RMB190 million and RMB1,475 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 15.1%, 3.2% and 137.0%, respectively, over the corresponding period of 2013. Meanwhile, for the six months ended 30 June 2014, cost of sales from dredging business and heavy machinery manufacturing business decreased by RMB422 million and RMB474 million (all before elimination of inter-segment transactions), or 3.6% and 4.7%, from the corresponding period of 2013.

Cost of sales consisted mainly of cost of raw materials and consumables used, subcontracting cost, employee benefits and rental. For the six months ended 30 June 2014, cost of raw materials and consumables used, subcontracting cost, employee benefits and rental increased by 2.6%, 19.9%, 12.4% and 10.8%, respectively, from the corresponding period of 2013. The increase in subcontracting cost was primarily due to the development of the infrastructure construction business.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Cost of Sales and Gross Profit (Continued)

Gross profit for the six months ended 30 June 2014 amounted to RMB16,636 million, representing an increase of RMB2,380 million, or 16.7%, from RMB14,256 million in the corresponding period of 2013. Gross profit from infrastructure construction business, heavy machinery manufacturing business and other business increased by 20.4%, 85.0% and 41.9%, respectively, from the corresponding period of 2013; while the gross profit from infrastructure design business and dredging business decreased by 2.7% and 12.9%, respectively, from the corresponding period of 2013. Gross profit margin increased to 10.5% for the six months ended 30 June 2014 from 10.1% in the corresponding period of 2013, primarily due to the increase in gross profit margin of infrastructure construction business and heavy machinery manufacturing business. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business, heavy machinery manufacturing business and other businesses were 9.1%, 22.1%, 13.0%, 12.0% and 4.0%, respectively, as compared with 8.7%, 23.1%, 14.2%, 6.5% and 6.4% in the corresponding period of 2013.

Operating Profit

Operating profit for the six months ended 30 June 2014 amounted to RMB10,864 million, representing an increase of RMB1,895 million, or 21.1%, from RMB8,969 million in the corresponding period of 2013. The increase was mainly due to the increase in gross profit.

For the six months ended 30 June 2014, operating profit from the infrastructure construction business, infrastructure design business and heavy machinery manufacturing business increased by RMB1,880 million, RMB36 million and RMB782 million (all before elimination of inter-segment transactions and unallocated costs), representing a growth rate of 31.4%, 3.5% and 268.7%, respectively, over the corresponding period of 2013; operating profit from dredging business and other business decreased by RMB714 million and RMB118 million, or 42.3% and 98.3% (all before elimination of inter-segment transactions and unallocated costs), from the corresponding period of 2013.

Operating profit margin slightly increased to 6.9% for the six months ended 30 June 2014 from 6.4% for the corresponding period of 2013.

Finance Income

Finance income for the six months ended 30 June 2014 amounted to RMB1,592 million, representing an increase of RMB520 million, or 48.5%, from RMB1,072 million in the corresponding period of 2013, which was primarily attributable to the increase of finance income from BT projects, as well as the growth of the interests arising from bank deposits.

Finance Costs, net

Net finance costs for the six months ended 30 June 2014 amounted to RMB4,819 million, representing an increase of RMB1,958 million, or 68.4%, from RMB2,861 million in the corresponding period of 2013. The increase of finance cost was primarily attributable to the increase in the volume of borrowings.

Share of Profits/(losses) of Joint ventures

Share of profits of joint ventures for the six months ended 30 June 2014 amounted to RMB6 million, compared with share of losses of joint ventures of RMB3 million in the corresponding period of 2013.

Share of Profits of Associates

Share of the profits of associates for the six months ended 30 June 2014 amounted to RMB133 million, compared with that of RMB41 million in the corresponding period of 2013.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax for the six months ended 30 June 2014 amounted to RMB7,776 million, representing an increase of RMB558 million, or 7.7%, from RMB7,218 million in the corresponding period of 2013.

Management's Discussion and Analysis

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Income Tax Expense

Income tax expense for the six months ended 30 June 2014 amounted to RMB1,745 million, representing an increase of RMB292 million, or 20.1%, from RMB1,453 million in the corresponding period of 2013. Effective tax rate for the Group for the six months ended 30 June 2014 was 22.4%, as compared with 20.1% in the corresponding period of 2013.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests for the six months ended 30 June 2014 amounted to RMB11 million, compared with the profit attributable to non-controlling interests of RMB43 million in the corresponding period of 2013.

Profit Attributable to Owners of the Company

As a result of the foregoing factors, profit attributable to owners of the Company for the six months ended 30 June 2014 amounted to RMB6,020 million, representing an increase of RMB298 million, or 5.2%, from RMB5,722 million in the corresponding period of 2013.

Profit margin with respect to profit attributable to owners of the Company was 3.8% for the six months ended 30 June 2014, as compared with 4.1% in the corresponding period of 2013.

DISCUSSION OF SEGMENT OPERATIONS

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the six months ended 30 June 2014 and 2013.

	Revenue		Gross Profit		Gross Profit Margin		Operating Profit/(loss) [1]		Operating Profit Margin	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
Business	**2014 (RMB million)**	2013 (RMB million)	**2014 (RMB million)**	2013 (RMB million)	**2014 (%)**	2013 (%)	**2014 (RMB million)**	2013 (RMB million)	**2014 (%)**	2013 (%)
Infrastructure Construction	**128,854**	111,514	**11,745**	9,757	**9.1**	8.7	**7,870**	5,990	**6.1**	5.4
% of total	**78.8**	77.0	**70.7**	68.3			**71.6**	65.7		
Infrastructure Design	**7,879**	7,737	**1,742**	1,790	**22.1**	23.1	**1,066**	1,030	**13.5**	13.3
% of total	**4.8**	5.3	**10.5**	12.5			**9.7**	11.3		
Dredging	**13,172**	13,847	**1,715**	1,968	**13.0**	14.2	**973**	1,687	**7.4**	12.2
% of total	**8.1**	9.5	**10.3**	13.8			**8.9**	18.5		
Heavy Machinery Manufacturing	**10,923**	10,797	**1,306**	706	**12.0**	6.5	**1,073**	291	**9.8**	2.7
% of total	**6.7**	7.4	**7.9**	4.9			**9.8**	3.2		
Other businesses	**2,657**	1,151	**105**	74	**4.0**	6.4	**2**	120	**0.1**	10.4
% of total	**1.6**	0.8	**0.6**	0.5			**0.0**	1.3		
Subtotal	**163,485**	145,046	**16,613**	14,295			**10,984**	9,118		
Intersegment elimination and unallocated (costs)/income	**(4,924)**	(4,009)	**23**	(39)			**(120)**	(149)		
Total	**158,561**	141,037	**16,636**	14,256	**10.5**	10.1	**10,864**	8,969	**6.9**	6.4

(1) Total operating profit/(loss) represents the total of segment profit less unallocated costs or add unallocated income.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Infrastructure Construction Business

The financial information for the infrastructure construction business presented in this section is before elimination of inter-segment transactions and unallocated income or costs.

The following table sets out the principal profit and loss information for the infrastructure construction business for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(RMB million)	(RMB million)
Revenue	**128,854**	111,514
Cost of sales	**(117,109)**	(101,757)
Gross profit	**11,745**	9,757
Selling and marketing expenses	**(59)**	(48)
Administrative expenses	**(4,189)**	(3,894)
Other income, net	**373**	175
Segment result	**7,870**	5,990
Depreciation and amortisation	**2,508**	2,236

Revenue. Revenue from the infrastructure construction business for the six months ended 30 June 2014 was RMB128,854 million, representing an increase of RMB17,340 million, or 15.5%, as compared with RMB111,514 million in the corresponding period of 2013, primarily attributable to the increase in the aggregate value of projects undertaken by the Group, driven by the increased demand for the Group's services as a result of the growth in infrastructure expenditure by the Group's domestic and overseas customers. The value of new contracts entered into for the infrastructure construction business for the six months ended 30 June 2014 was RMB235,551 million, representing an increase of RMB27,229 million, or 13.1%, compared with RMB208,322 million in the corresponding period of 2013. No single project accounted for more than 5% of the Group's total revenue for the six months ended 30 June 2014 or 2013.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business for the six months ended 30 June 2014 was RMB117,109 million, representing an increase of RMB15,352 million, or 15.1%, as compared with RMB101,757 million in the corresponding period of 2013. Cost of sales as a percentage of revenue decreased to 90.9% for the six months ended 30 June 2014 from 91.3% in the corresponding period of 2013.

Gross profit from the infrastructure construction business for the six months ended 30 June 2014 grew by RMB1,988 million, or 20.4%, to RMB11,745 million from RMB9,757 million in the corresponding period of 2013. Gross profit margin increased to 9.1% for the six months ended 30 June 2014 from 8.7% in the corresponding period of 2013, which was mainly attributable to increasing BOT/BT projects that has relatively higher gross profit margin.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business for the six months ended 30 June 2014 were RMB59 million, representing an increase of RMB11 million as compared with RMB48 million in the corresponding period of 2013.

Administrative expenses. Administrative expenses for the infrastructure construction business for the six months ended 30 June 2014 were RMB4,189 million, representing an increase of RMB295 million, or 7.6%, as compared with RMB3,894 million in the corresponding period of 2013, mainly attributable to the increase in research and development costs as well as employee benefits. The growth rate of administrative expenses was lower than that of revenue during first six months of 2014, as a result, administrative expenses as a percentage of revenue slightly decreased to 3.3% for the six months ended 30 June 2014 from 3.5% in the corresponding period of 2013.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Infrastructure Construction Business (Continued)

Other income, net. Other net income for the infrastructure construction business was RMB373 million for the six months ended 30 June 2014, as compared with other net income of RMB175 million in the corresponding period of 2013, mainly attributable to the increase in foreign exchange gains.

Segment result. As a result of the above, segment result for the infrastructure construction business for the six months ended 30 June 2014 was RMB7,870 million, representing an increase of RMB1,880 million, or 31.4%, as compared with RMB5,990 million in the corresponding period of 2013. Segment result margin increased to 6.1% for the six months ended 30 June 2014 from 5.4% in the corresponding period of 2013.

Infrastructure Design Business

The financial information for the infrastructure design business presented in this section is before elimination of inter-segment transactions and unallocated income or costs.

The following table sets out the principal profit and loss information for infrastructure design business for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(RMB million)	(RMB million)
Revenue	**7,879**	7,737
Cost of sales	**(6,137)**	(5,947)
Gross profit	**1,742**	1,790
Selling and marketing expenses	**(85)**	(80)
Administrative expenses	**(631)**	(677)
Other income/(expenses), net	**40**	(3)
Segment result	**1,066**	1,030
Depreciation and amortisation	**107**	106

Revenue. Revenue from the infrastructure design business for the six months ended 30 June 2014 was RMB7,879 million, representing an slight increase of RMB142 million, or 1.8%, as compared with RMB7,737 million in the corresponding period of 2013. The value of new contracts entered into for the infrastructure design business for the six months ended 30 June 2014 was RMB13,478 million, representing an increase of RMB558 million, or 4.3%, as compared with RMB12,920 million in the corresponding period of 2013.

Cost of sales and gross profit. Cost of sales for the infrastructure design business for the six months ended 30 June 2014 was RMB6,137 million, representing an increase of RMB190 million, or 3.2%, as compared with RMB5,947 million in the corresponding period of 2013. Cost of sales as a percentage of revenue increased to 77.9% for the six months ended 30 June 2014 from 76.9% in the corresponding period of 2013.

Gross profit from the infrastructure design business for the six months ended 30 June 2014 was RMB1,742 million, representing an slight decrease of RMB48 million, or 2.7%, as compared with RMB1,790 million in the corresponding period of 2013. Gross profit margin decreased to 22.1% for the six months ended 30 June 2014 from 23.1% in the corresponding period of 2013.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business for the six months ended 30 June 2014 were RMB85 million, representing an increase of RMB5 million as compared with RMB80 million in the corresponding period of 2013.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Infrastructure Design Business (Continued)

Administrative expenses. Administrative expenses for the infrastructure design business for the six months ended 30 June 2014 were RMB631 million, representing an decrease of RMB46 million, or 6.8%, as compared with RMB677 million in the corresponding period of 2013. Administrative expenses as a percentage of revenue decreased to 8.0% for the six months ended 30 June 2014 from 8.8% in the corresponding period of 2013.

Other income/(expenses), net. Other net income for the infrastructure design business for the six months ended 30 June 2014 was RMB40 million, as compared with other net expense of RMB3 million in the corresponding period of 2013, mainly due to the increase of foreign exchange gains.

Segment result. As a result of the above, segment result for the infrastructure design business for the six months ended 30 June 2014 was RMB1,066 million, representing an increase of RMB36 million, or 3.5%, as compared with RMB1,030 million in the corresponding period of 2013. Segment result margin slightly increased to 13.5% for the six months ended 30 June 2014 from 13.3% in the corresponding period of 2013, mainly due to better controlling of administrative expenses and other income from foreign exchange gains.

Dredging Business

The financial information for the dredging business presented in this section is before elimination of inter-segment transactions and unallocated income or costs.

The following table sets out the principal profit and loss information for the dredging business for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(RMB million)	(RMB million)
Revenue	**13,172**	13,847
Cost of sales	**(11,457)**	(11,879)
Gross profit	**1,715**	1,968
Selling and marketing expenses	**(8)**	(10)
Administrative expenses	**(845)**	(678)
Other income, net	**111**	407
Segment result	**973**	1,687
Depreciation and amortisation	**444**	808

Revenue. Revenue from the dredging business for the six months ended 30 June 2014 was RMB13,172 million, representing a decrease of RMB675 million, or 4.9%, as compared with RMB13,847 million in the corresponding period of 2013. The decline was primarily attributable to the slowed down coastal line reclamation activities. The value of new contracts entered into for the dredging business for the six months ended 30 June 2014 was RMB12,868 million, representing an decrease of RMB5,233 million, or 28.9%, as compared with RMB18,101 million in the corresponding period of 2013.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Dredging Business (Continued)

Cost of sales and gross profit. Cost of sales for the dredging business for the six months ended 30 June 2014 was RMB11,457 million, representing a decrease of RMB422 million, or 3.6%, as compared with RMB11,879 million in the corresponding period of 2013. Cost of sales as a percentage of revenue for the dredging business for the six months ended 30 June 2014 was 87.0%, as compared with 85.8% in the corresponding period of 2013.

Gross profit from the dredging business for the six months ended 30 June 2014 was RMB1,715 million, representing a decrease of RMB253 million or 12.9%, as compared with RMB1,968 million in the corresponding period of 2013. Gross profit margin for the dredging business decreased to 13.0% for the six months ended 30 June 2014 from 14.2% in the corresponding period of 2013, primarily attributable to some projects newly started in the first six months of 2014, of which less profit has been generated at this stage.

Selling and marketing expenses. Selling and marketing expenses for the dredging business for the six months ended 30 June 2014 were RMB8 million, as compared with RMB10 million in the corresponding period of 2013.

Administrative expenses. Administrative expenses for the dredging business for the six months ended 30 June 2014 were RMB845 million, representing an increase of RMB167 million, or 24.6%, as compared with RMB678 million in the corresponding period of 2013. The increment was primarily attributable to the increase of provision for impairment of trade and bills receivables. Administrative expenses as a percentage of revenue increased to 6.4% for the six months ended 30 June 2014 from 4.9% in the corresponding period of 2013.

Other income, net. Other net income for the dredging business for the six months ended 30 June 2014 was RMB111 million, representing an decrease of RMB296 million from RMB407 million in the corresponding period of 2013, mainly attributable to more gains on disposal of available-for-sale financial assets recognized in the six months ended 30 June 2013.

Segment result. As a result of the above, segment result for the dredging business for the six months ended 30 June 2014 was RMB973 million, representing an decrease of RMB714 million, or 42.3%, as compared with RMB1,687 million in the corresponding period of 2013. Segment result margin decreased to 7.4% for the six months ended 30 June 2014 from 12.2% in the corresponding period of 2013.

Heavy Machinery Manufacturing Business

The financial information for the heavy machinery manufacturing business presented in this section is before elimination of inter-segment transactions and unallocated income or costs.

The following table sets out the principal profit and loss information for the heavy machinery manufacturing business for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(RMB million)	(RMB million)
Revenue	**10,923**	10,797
Cost of sales	**(9,617)**	(10,091)
Gross profit	**1,306**	706
Selling and marketing expenses	**(47)**	(56)
Administrative expenses	**(496)**	(635)
Other income, net	**310**	276
Segment result	**1,073**	291
Depreciation and amortisation	**608**	599

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Heavy Machinery Manufacturing Business (Continued)

Revenue. Revenue from the heavy machinery manufacturing business for the six months ended 30 June 2014 was RMB10,923 million, representing an increase of RMB126 million, or 1.2%, as compared with RMB10,797 million in the corresponding period of 2013. The value of new contracts entered into for the heavy machinery manufacturing business for the six months ended 30 June 2014 was RMB15,856 million, representing an increase of RMB2,455 million, or 18.3%, compared with RMB13,401 million in the corresponding period of 2013.

Cost of sales and gross profit. Cost of sales for the heavy machinery manufacturing business for the six months ended 30 June 2014 was RMB9,617 million, representing an decrease of RMB474 million, or 4.7%, as compared with RMB10,091 million in the corresponding period of 2013, which was primarily due to shrinkage of steel structure business that recorded loss in 2013. Cost of sales as a percentage of revenue decreased to 88.0% for the six months ended 30 June 2014 from 93.5% in the corresponding period of 2013.

Gross profit from the heavy machinery manufacturing business for the six months ended 30 June 2014 was RMB1,306 million, representing an increase of RMB600 million, or 85.0%, as compared with RMB706 million in the corresponding period of 2013. Gross profit margin increased to 12.0% for the six months ended 30 June 2014 from 6.5% in the corresponding period of 2013. The increase in gross profit margin was mainly due to the improvement of profitability of ZPMC and F&G.

Selling and marketing expenses. Selling and marketing expenses for the heavy machinery manufacturing business for the six months ended 30 June 2014 were RMB47 million, representing an decrease of RMB9 million from RMB56 million in the corresponding period of 2013.

Administrative expenses. Administrative expenses for the heavy machinery manufacturing business for the six months ended 30 June 2014 were RMB496 million, representing a decrease of RMB139 million, or 21.9%, as compared with RMB635 million in the corresponding period of 2013, which was mainly due to the provision for impairment of trade and bills receivables during the first six months of 2013 and reversal of provision during the corresponding period of 2014. Administrative expenses as a percentage of revenue for the heavy machinery manufacturing business decreased to 4.5% for the six months ended 30 June 2014, from 5.9% in the corresponding period of 2013.

Other income, net. Other net income for the heavy machinery manufacturing business for the six months ended 30 June 2014 was RMB310 million, representing an increase of RMB34 million from RMB276 million in the corresponding period of 2013.

Segment result. As a result of the above, segment result for the heavy machinery manufacturing business for the six months ended 30 June 2014 was RMB1,073 million profit, as compared with operating profit of RMB291 million in the corresponding period of 2013. Segment result margin increased to 9.8% for the six months ended 30 June 2014 from 2.7% in the corresponding period of 2013.

Other Businesses

The financial information for the other businesses presented in this section is before elimination of inter-segment transactions and unallocated income or costs.

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(RMB million)	(RMB million)
Revenue	**2,657**	1,151
Cost of sales	**(2,552)**	(1,077)
Gross profit	**105**	74

Management's Discussion and Analysis

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Other Businesses (Continued)

Revenue. Revenue from the other businesses for the six months ended 30 June 2014 was RMB2,657 million, representing an increase of RMB1,506 million, or 130.8%, as compared with RMB1,151 million in the corresponding period of 2013, mainly due to the growth of trading business.

Cost of sales and gross profit. Cost of sales for the other businesses for the six months ended 30 June 2014 was RMB2,552 million, representing an increase of RMB1,475 million, or 137.0%, as compared with RMB1,077 million in the corresponding period of 2013. Cost of sales as a percentage of revenue increased to 96.0% for the six months ended 30 June 2014 from 93.6% in the corresponding period 2013.

Gross profit from the other businesses for the six months ended 30 June 2014 was RMB105 million, representing an increase of RMB31 million, or 41.9%, as compared with RMB74 million in the corresponding period of 2013. Gross profit margin decreased to 4.0% for the six months ended 30 June 2014 from 6.4% in the corresponding period of 2013, primarily attributable to the increased trading business which had relatively lower gross profit margin.

LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 30 June 2014, the Group had unutilized credit facilities in the amount of RMB415,837 million. The Group's access to financial markets of both Hong Kong and Shanghai has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Company's consolidated interim cash flow statements for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014 (RMB million)	2013 (RMB million)
Net cash used in operating activities	**(17,522)**	(10,622)
Net cash used in investing activities	**(26,000)**	(17,869)
Net cash generated from financing activities	**34,950**	20,195
Net decrease in cash and cash equivalents	**(8,572)**	(8,296)
Cash and cash equivalents at beginning of period	**81,238**	68,003
Exchange gains/(losses) on cash and cash equivalents	**85**	(154)
Cash and cash equivalents at end of period	**72,751**	59,553

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Cash Flow Data (Continued)

Cash flow from operating activities

During the six months ended 30 June 2014, net cash used in operating activities was RMB17,522 million, as compared with RMB10,622 million in the corresponding period of 2013, which was primarily attributable to changes in working capital, in particular, due to larger increase in trade and other receivables as well as smaller increase in trade and other payables, which was then partially offset by smaller increase in contract work-in-progress. During the six months ended 30 June 2014, trade and other receivables and trade and other payables increased by RMB20,053 million and RMB9,895 million, respectively, as compared with the amount of increase of RMB15,566 million and RMB18,195 million, respectively, during the corresponding period of 2013. Meanwhile, contract work-in-progress increased by RMB14,618 million during the six months ended 30 June 2014, as compared with the amount of increase of RMB19,770 million during the corresponding period of 2013. The changes in working capital reflect, to some extent, a fact that rapid growth of BT and land development projects requires more working capital than traditional infrastructure construction business.

Cash flow from investing activities

Net cash used in investing activities for the six months ended 30 June 2014 was RMB26,000 million as compared with RMB17,869 million in the corresponding period of 2013. The increase was primarily attributable to the increase in purchase of intangible assets, the increase in acquisition of subsidiaries and the increase in purchase of property, plant and equipment with amount of RMB8,274 million, RMB4,796 million and RMB1,062 million, respectively.

Cash flow from financing activities

Net cash generated from financing activities for the six months ended 30 June 2014 was RMB34,950 million, representing an increase of RMB14,755 million from RMB20,195 million in the corresponding period of 2013, primarily because that the Company's proceeds from borrowings increased by RMB38,609 million which exceeded the increment of repayments of borrowings of RMB18,941 million.

Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipment and vessels, and the building of plants. The following table set forth the Group's capital expenditure by business for the six months ended 30 June 2014 and 2013.

	Six months ended 30 June	
	2014	2013
	(RMB million)	(RMB million)
Infrastructure Construction Business	**20,285**	8,128
– BOT projects	**13,399**	5,158
Infrastructure Design Business	**137**	153
Dredging Business	**674**	190
Heavy Machinery Manufacturing Business	**2,038**	127
Other	**7**	11
Total	**23,141**	8,609

Capital expenditure for the six months ended 30 June 2014 was RMB23,141 million, compared with RMB8,609 million in the corresponding period of 2013. The increase of RMB14,532 million or 168.8% was primarily attributable to the increase of capital expenditure in BOT projects and acquisition of subsidiaries.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Working Capital

Trade and bills receivables and trade and bills payables

The following table sets forth the turnover of the Group's average trade and bills receivable and average trade and bills payable for the six months ended 30 June 2014 and the year ended 31 December 2013.

	Six months ended 30 June 2014 (Unaudited) (Number of days)	Twelve months ended 31 December 2013 (Audited) (Number of days)
Turnover of average trade and bills receivables[1]	**68**	60
Turnover of average trade and bills payables[2]	**160**	143

(1) For the six months ended 30 June 2014, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the six-month period plus trade and bills receivables net of provisions at the end of the six-month period divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 180. For the twelve months ended 31 December 2013, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.

(2) For the six months ended 30 June 2014, average trade and bills payables equals trade and bills payables at the beginning of the six-month period plus trade and bills payables at the end of the six-month period divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 180. For the twelve months ended 31 December 2013, average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

The following table sets forth an ageing analysis of trade and bills receivables as at 30 June 2014 and 31 December 2013.

	As at 30 June 2014 (Unaudited) (RMB million)	As at 31 December 2013 (Audited) (RMB million)
Less than 6 months	**46,518**	48,147
6 months to 1 year	**8,194**	5,865
1 year to 2 years	**4,922**	4,762
2 years to 3 years	**2,981**	1,603
3 years to 4 years	**1,185**	846
4 years to 5 years	**430**	265
Over 5 years	**746**	665
Total	**64,976**	62,153

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Working Capital (Continued)

Trade and bills receivables and trade and bills payables *(Continued)*

The Group's credit terms with its customers for the six months ended 30 June 2014 remained the same as that in the year ended 31 December 2013. Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 30 June 2014, the Group had a provision for impairment of RMB3,865 million, as compared with RMB3,802 million as at 31 December 2013.

The following table sets forth an ageing analysis of trade and bills payables as at 30 June 2014 and 31 December 2013.

	As at	
	30 June 2014 (Unaudited) (RMB million)	31 December 2013 (Audited) (RMB million)
Within 1 year	**116,266**	115,799
1 year to 2 years	**5,924**	8,002
2 years to 3 years	**2,703**	1,595
Over 3 years	**1,030**	1,019
Total	**125,923**	126,415

The Group's credit terms with its suppliers for the six months ended 30 June 2014 remained the same as that in the year ended 31 December 2013. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

Retentions

The following table sets forth the carrying amounts of the retentions as at 30 June 2014 and 31 December 2013.

	As at	
	30 June 2014 (Unaudited) (RMB million)	31 December 2013 (Audited) (RMB million)
Current	**17,916**	17,548
Non-current	**21,656**	19,162
Total	**39,572**	36,710

INDEBTEDNESS

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 30 June 2014 and 31 December 2013.

	As at	
	30 June 2014 (Unaudited) (RMB million)	31 December 2013 (Audited) (RMB million)
Within 1 year	**109,909**	87,818
Between 1 year and 2 years	**21,190**	13,587
Between 2 years and 5 years	**40,865**	35,847
Over 5 years	**61,687**	49,723
Total borrowings	**233,651**	186,975

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Hong Kong dollars and Japanese Yen. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 30 June 2014 and 31 December 2013.

	As at	
	30 June 2014 (Unaudited) (RMB million)	31 December 2013 (Audited) (RMB million)
Renminbi	**207,273**	167,921
U.S. dollar	**22,458**	16,108
Euro	**1,081**	806
Hong Kong dollar	**1,055**	684
Japanese Yen	**868**	698
Others	**916**	758
Total borrowings	**233,651**	186,975

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 30 June 2014 was 59.7%, compared with 50.2% as at 31 December 2013. The increase of gearing ratio was primarily due to the increase in borrowings and the decrease in cash and cash equivalent which resulted in the increase of net debt.

INDEBTEDNESS (Continued)

Contingent Liabilities

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business.

	As at 30 June 2014 (Unaudited) (RMB million)	31 December 2013 (Audited) (RMB million)
Pending lawsuits[(1)]	**554**	439
Outstanding loan guarantees[(2)]	**401**	262
Total	**955**	701

(1) The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice. No provision has been made for above pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resource is not probable. The Group does not include any pending lawsuit in the contingent liabilities disclosed if the probability of loss is remote or the claim amount is insignificant to the Group.

(2) The Group has acted as the guarantor for various external borrowings made by certain joint ventures and associates of the Group.

MARKET RISKS

The Group is exposed to various types of market risks, including changes in interest rate risks and foreign exchange risks in the normal course of business.

Marco-economy Risk

The Group's businesses are closely related to the development of macro-economy, especially for infrastructure design, infrastructure construction and heavy machinery manufacturing business, of which the industry development is subject to the effects of macroeconomic factors including investment scale of social fixed assets and the process of urbanization.

In recent years, the national economy has kept a rapid growth and the global economy has gradually come out of the shadow of financial crisis and is in the process of recovering. However, the possibility of periodic fluctuations of macro-economy cannot be eliminated. If the global macro-economy is in the down cycle or the national economic growth speed significantly slows down, there will be a gliding risk in the operation performance of the Group.

Market Risk

The Group conducts its business in over 120 countries and regions, with major overseas business in Africa, Middle East, South America and Southeast Asia. Due to various factors, the political and economic conditions in Africa and Middle East are usually subject to uncertainty. If the political and economic conditions of such countries and regions change adversely, or there are frictions or disputes in the diplomatic and economic relations among the PRC government and governments of such relevant countries and regions, the overseas business of the Group in such countries and regions would be exposed to certain risks.

MARKET RISKS (Continued)

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly due to the Group's borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. As at 30 June 2014, approximately RMB125,235 million (as at 31 December 2013: RMB110,030 million) of the Group's borrowings were at variable rates.

Foreign exchange risk

The Group's functional currency of a majority of the entities within the Group is Renminbi with most of the Group's transactions settled in Renminbi. The Group uses, however, foreign currencies to settle the Group's invoices from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers and certain expenses. In addition, the Group generates revenue from certain construction contracts denominated in foreign currencies and a significant proportion of the Group's bank borrowings are denominated in foreign currencies, particularly the U.S. dollar, the Euro and the Hong Kong dollars. Renminbi is not freely convertible into other foreign currencies and conversion of the Renminbi into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. In July 2005, the PRC government introduced a managed floating exchange rate system to allow Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of Renminbi appreciated by approximately 2% against the U.S. dollar. As at 30 June 2014, Renminbi had appreciated by over 30% against the U.S. dollar since July 2005. The PRC government may in the future make further adjustments to the exchange rate system. When Renminbi appreciates, the value of foreign currency denominated assets will decline against Renminbi.

Fluctuations in foreign exchange currency rates could adversely affect the Group by decreasing any revenues from the Group's sales on contracts which are denominated in foreign currencies and increasing the Group's borrowings which are denominated in foreign currencies.

During the six month ended 30 June 2014 and the year ended 31 December 2013, certain subsidiaries within the Group used foreign currency forward contracts for transactions with domestic and overseas registered banks, to hedge the Group's exposure to foreign currency risk on individual transactions primarily vis-à-vis U.S. dollar, the Euro, and Japanese Yen.

Unaudited Condensed Consolidated Interim Balance Sheet

	Note	**Unaudited 30 June 2014 RMB million**	Audited 31 December 2013 RMB million
ASSETS			
Non-current assets			
Property, plant and equipment	7	**59,692**	55,619
Lease prepayments		**9,063**	8,273
Investment properties		**738**	752
Intangible assets	8	**68,921**	54,592
Investments in joint ventures		**1,151**	1,019
Investments in associates		**8,103**	6,780
Deferred income tax assets		**2,841**	2,612
Available-for-sale financial assets	9	**13,345**	13,913
Trade and other receivables	10	**68,721**	55,032
Held-to-maturity financial assets		**330**	–
		232,905	198,592
Current assets			
Inventories		**44,283**	32,850
Trade and other receivables	10	**139,409**	129,870
Amounts due from customers for contract work	11	**83,957**	66,131
Other financial assets at fair value through profit or loss		**169**	191
Available-for-sale financial assets	9	**7,267**	4,203
Derivative financial instruments	12	**27**	121
Restricted bank deposits	13	**7,177**	4,249
Cash and cash equivalents		**72,751**	81,238
		355,040	318,853
Total assets		**587,945**	517,445

Unaudited Condensed Consolidated Interim Balance Sheet (Continued)

	Note	**Unaudited 30 June 2014 RMB million**	Audited 31 December 2013 RMB million
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**16,175**	16,175
Share premium		**19,656**	19,656
Other reserves	24	**61,180**	55,995
Proposed final dividend	25	**–**	3,035
		97,011	94,861
Non-controlling interests		**11,470**	9,980
Total equity		**108,481**	104,841
LIABILITIES			
Non-current liabilities			
Borrowings	14	**123,742**	99,157
Deferred income		**2,466**	1,884
Deferred income tax liabilities		**5,774**	2,893
Retirement benefit obligations		**1,867**	1,809
Trade and other payables	15	**5,543**	2,126
		139,392	107,869
Current liabilities			
Trade and other payables	15	**209,052**	198,064
Amounts due to customers for contract work	11	**18,196**	15,096
Current income tax liabilities		**2,402**	3,246
Borrowings	14	**109,909**	87,818
Derivative financial instruments	12	**41**	11
Retirement benefit obligations		**102**	144
Provisions for other liabilities and charges		**370**	356
		340,072	304,735
Total liabilities		**479,464**	412,604
Total equity and liabilities		**587,945**	517,445
Net current assets		**14,968**	14,118
Total assets less current liabilities		**247,873**	212,710

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Income Statement

	Note	Unaudited Six months ended 30 June **2014** **RMB million**	 2013 RMB million (Restated)
Revenue	6	**158,561**	141,037
Cost of sales	16	**(141,925)**	(126,781)
Gross profit		**16,636**	14,256
Other income	17	**687**	1,047
Other gains, net	18	**459**	284
Selling and marketing expenses	16	**(220)**	(207)
Administrative expenses	16	**(6,463)**	(6,055)
Other expenses	19	**(235)**	(356)
Operating profit	6	**10,864**	8,969
Finance income	20	**1,592**	1,072
Finance costs, net	21	**(4,819)**	(2,861)
Share of post-tax profits/(losses) of joint ventures		**6**	(3)
Share of post-tax profits of associates		**133**	41
Profit before income tax		**7,776**	7,218
Income tax expense	22	**(1,745)**	(1,453)
Profit for the period		**6,031**	5,765
Attributable to:			
– Owners of the Company		**6,020**	5,722
– Non-controlling interests		**11**	43
		6,031	5,765
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	23	**0.37**	0.35
– Diluted	23	**0.37**	0.35

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information. Details of the aggregate amounts of the dividends paid and proposed to owners of the Company for the six months ended 30 June 2014 and 30 June 2013 are set out in Note 25.

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited	
	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
		(Restated)
Profit for the period	**6,031**	5,765
Other comprehensive (expenses)/income		
Item that will not be reclassified subsequently to profit or loss		
Actuarial losses on retirement benefit obligations	**(76)**	–
Items that may be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets, net of deferred tax		
– Losses arising during the period	**(653)**	(938)
– Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**(195)**	(80)
– Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets	**–**	113
Currency translation differences	**52**	(58)
Other comprehensive expenses for the period, net of tax	**(872)**	(963)
Total comprehensive income for the period	**5,159**	4,802
Total comprehensive income/(expenses) attributable to:		
– Owners of the Company	**5,164**	4,723
– Non-controlling interests	**(5)**	79

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

	Unaudited						
	Attributable to owners of the Company						
	Share capital RMB million	Share premium RMB million	Other reserve RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 1 January 2014	**16,175**	**19,656**	**11,408**	**47,622**	**94,861**	**9,980**	**104,841**
Profit for the period	–	–	–	6,020	6,020	11	6,031
Other comprehensive (expenses)/income							
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	(735)	–	(735)	82	(653)
Release of investment revaluation reserve upon disposal of available-for-sale assets	–	–	(104)	–	(104)	(91)	(195)
Actuarial losses on retirement benefit obligations	–	–	(76)	–	(76)	–	(76)
Currency translation differences	–	–	59	–	59	(7)	52
Total other comprehensive expenses, net of tax	–	–	(856)	–	(856)	(16)	(872)
Total comprehensive (expenses)/income for the period ended 30 June 2014	–	–	(856)	6,020	5,164	(5)	5,159
2013 final dividend	–	–	–	(3,035)	(3,035)	–	(3,035)
Dividends paid to non-controlling interests	–	–	–	–	–	(2)	(2)
Capital contribution from non-controlling interests	–	–	–	–	–	472	472
Cash contribution from government	–	–	20	–	20	–	20
Share of other comprehensive income of a joint venture	–	–	1	–	1	–	1
Acquisition of subsidiaries	–	–	–	–	–	1,025	1,025
Transfer to safety reserve	–	–	155	(155)	–	–	–
Balance at 30 June 2014	**16,175**	**19,656**	**10,728**	**50,452**	**97,011**	**11,470**	**108,481**

Unaudited Condensed Consolidated Interim Statement of Changes in Equity (Continued)

	Unaudited						
	Attributable to owners of the Company						
	Share capital RMB million	Share premium RMB million	Other reserve RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 1 January 2013, as restated	16,175	19,656	11,538	39,290	86,659	9,454	96,113
Profit for the period, as restated	–	–	–	5,722	5,722	43	5,765
Other comprehensive (expenses)/income							
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	(975)	–	(975)	37	(938)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	–	–	(80)	–	(80)	–	(80)
Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets	–	–	113	–	113	–	113
Currency translation differences	–	–	(57)	–	(57)	(1)	(58)
Total other comprehensive (expenses)/ income, net of tax	–	–	(999)	–	(999)	36	(963)
Total comprehensive (expenses)/ income for the period ended 30 June 2013, as restated	–	–	(999)	5,722	4,723	79	4,802
2012 final dividend	–	–	–	(2,987)	(2,987)	–	(2,987)
Dividends paid to non-controlling interests	–	–	–	–	–	(3)	(3)
Capital contribution from non-controlling interests	–	–	–	–	–	36	36
Acquisition of a subsidiary	–	–	–	–	–	205	205
Disposal of a subsidiary	–	–	(60)	–	(60)	(370)	(430)
Transfer to safety reserve	–	–	221	(221)	–	–	–
Balance at 30 June 2013, as restated	16,175	19,656	10,700	41,804	88,335	9,401	97,736

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

Unaudited Condensed Consolidated Interim Statement of Cash Flows

	Note	Unaudited Six months ended 30 June 2014 RMB million	2013 RMB million (Restated)
Net cash used in operating activities	26(a)	**(17,522)**	(10,622)
Net cash used in investing activities	26(b)	**(26,000)**	(17,869)
Net cash generated from financing activities	26(c)	**34,950**	20,195
Net decrease in cash and cash equivalents		**(8,572)**	(8,296)
Cash and cash equivalents at 1 January		**81,238**	68,003
Exchange gains/(losses) on cash and cash equivalents		**85**	(154)
Cash and cash equivalents at 30 June		**72,751**	59,553

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

China Communications Construction Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 8 October 2006 as a joint stock company with limited liability under the Company Law of the PRC as part of the group reorganisation of China Communications Construction Group Ltd. ("CCCG"), the parent company and a state-owned enterprise established in the PRC. The H shares of the Company were listed on the Stock Exchange of Hong Kong Limited on 15 December 2006 and the A shares of the Company were listed on the Shanghai Stock Exchange on 9 March 2012. The address of the Company's registered office is 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC.

The Company and its subsidiaries (together, the "Group") are principally engaged in infrastructure construction, infrastructure design, dredging, manufacturing of heavy machinery and other businesses.

In July 2013, the Group completed the acquisition of a 95% equity interest in CCCC Real Estate Qingdao Chengyang Property Limited ("Qingdao Chengyang") from CCCC Real Estate Company Limited, which is a wholly-owned subsidiary of CCCG, with a consideration of RMB47.5 million. Upon completion of the acquisition, the Group held 100% equity interest in Qingdao Chengyang. As the Group and CCCC Real Estate Company Limited are controlled and ultimately owned by CCCG, accordingly, the transaction is regarded as a business combination under common control in a manner similar to pooling-of-interests. Consequently, the comparative information has been restated to as if Qingdao Chengyang has been under the control of the Group since the beginning of the earliest period presented.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated.

This condensed consolidated interim financial information for the six months ended 30 June 2014 was approved for issue by the Board of Directors on 26 August 2014.

These condensed consolidated interim financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial information for the six months ended 30 June 2014 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2013, as described in those annual consolidated financial statements.

(a) Amendments to standards and interpretation adopted by the Group

The following amended standards and interpretation have been adopted by the Group for the first time for the financial year beginning on 1 January 2014.

	Effective for accounting periods beginning on or after
Amendments to IAS 32, 'Financial instruments: Presentation' on asset and liability offsetting	1 January 2014
Amendments to IFRS 10, 12 and IAS 27 'Consolidation for investment entities'	1 January 2014
Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures	1 January 2014
Amendment to IAS 39 'Financial Instruments: Recognition and Measurement' – 'Novation of derivatives'	1 January 2014
IFRIC 21 'Levies'	1 January 2014

The adoption of the above did not have any material impact on the Group's results for the six months ended 30 June 2014 and the Group's financial position as at 30 June 2014.

(b) New and amended standards not yet adopted by the Group

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing the condensed consolidated interim financial information.

	Effective for accounting periods beginning on or after
Amendment to IAS 19 regarding defined benefit plans	1 July 2014
Annual improvements 2012, which includes changes to: IFRS 2, 3, 8, 9, IAS 16, 24, 37, 38, 39	1 July 2014
Annual improvements 2013, which includes changes to: IFRS 3, 13, IAS 40	1 July 2014
IFRS 14 'Regulatory Deferral Accounts'	1 January 2016
Amendment to IFRS 11 on accounting for acquisitions of interests in joint operation	1 January 2016
Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 27 'Separate financial statements'	1 January 2016
IFRS 15 'Revenue from Contracts with Customers'	1 January 2017
IFRS 9 'Financial Instruments'	1 January 2018

3. ACCOUNTING POLICIES (Continued)

(b) New and amended standards not yet adopted by the Group (Continued)

The Group has commenced an assessment of the related impact to the Group, and anticipates that the adoption of above new and amended standards will have no material impact on the results and financial position of the Group, except for the following set out below:

- IFRS 15, "Revenue from Contracts with Customers", establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) identify the contracts with customer; (2) identify separate performance obligations in a contract; (3) determine the transaction price; (4) allocate transaction price to performance obligations and (5) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes to an 'asset-liability' approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue and IAS 11 Construction Contracts, and the related Interpretations on revenue recognition. The standard is not effective until 1 January 2017. As the implementation of IFRS 15 is complex, the Group is yet to assess IFRS 15's full impact and will apply the new standard when it becomes effective.

- IFRS 9, "Financial instruments", replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it includes an expected credit losses model that replaces the incurred loss impairment model used today; it also includes an improved hedge accounting model to better align hedge accounting with the risk management activities. The standard is not effective until 1 January 2018. The Group is yet to assess IFRS 9's full impact and will apply the new standard when it becomes effective.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of interim financial information requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013, with the exception of changes in estimates that are required in determining depreciation on property, plant and equipment and impairment of trade and other receivables.

In order to present a fairer view of the financial position and operating results of the Group and provide more reliable and accurate accounting information, the Group revised the accounting estimates on the useful lives and residual value of property, plant and equipment, and the impairment of trade and other receivables. The change in accounting estimates have been approved in March 2014 by the Board of Directors, and adopted from 1 January 2014.

(a) Depreciation on property, plant and equipment

The depreciation period and estimated residual value of certain property, plant and equipment are revised to align with their actual useful lives and residual value.

The table below shows the details of estimated useful lives and estimated residual value of property, plant and equipment before and after 1 January 2014:

	Before 1 January 2014			After 1 January 2014		
Category of property, plant and equipment	Estimated Useful lives (years)	Estimated residual value (%)	Annual depreciation rate (%)	Estimated Useful lives (years)	Estimated residual value (%)	Annual depreciation rate (%)
Buildings	20-30 years	–	3.3-5	20-40 years	–	2.5-5
Machinery	5-10 years	–	10-20	5-20 years	–	5-20
Vessels	10-25 years	By reference to the price of scrap steel	n/a	10-25 years	5-10	3.6-9.5

These changes in accounting estimates are expected to reduce the Group's depreciation expense and then increase the Group's profit before income tax for the six months ended 30 June 2014 by approximately RMB476 million.

(b) Impairment of trade and other receivables

Based on current market and economic conditions and prior experience of impairment of trade and other receivables, the Group revised the criteria for grouping the receivables with similar credit risk characteristics. Where the impairment of trade and other receivables is provided for based on the ageing of these receivables, the group of ageing is refined and the proportion of impairment provision applied is also revised.

These changes in accounting estimates are expected to reduce the Group's impairment of trade and other receivables and then increase the Group's profit before income tax for the six months ended 30 June 2014 by approximately RMB167 million.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2013.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

(a) Liquidity risk

Liquidity risk encompasses the risk that the Group cannot meet its financial obligations in full.

The table below analyses the Group's non-derivative financial liabilities and derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates, and the amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million
As at 30 June 2014 (unaudited)				
Borrowings (excluding finance lease liabilities)	**115,806**	**27,340**	**53,749**	**95,747**
Finance lease liabilities	**810**	**565**	**1,579**	**769**
Net-settled derivative financial instruments	**1**	**–**	**17**	**–**
Gross-settled derivative financial instruments – outflows	**4,768**	**–**	**–**	**–**
Gross-settled derivative financial instruments – inflows	**(4,860)**	**–**	**–**	**–**
Trade and other payables (excluding statutory and non-financial liabilities)	**147,569**	**6,243**	**–**	**–**
Financial guarantee contracts	**–**	**–**	**137**	**264**
	264,094	**34,148**	**55,482**	**96,780**
As at 31 December 2013				
Borrowings (excluding finance lease liabilities)	93,216	18,391	46,301	73,144
Finance lease liabilities	882	645	1,333	915
Net-settled derivative financial instruments	(3)	(3)	16	1
Gross-settled derivative financial instruments – outflows	3,811	–	–	–
Gross-settled derivative financial instruments – inflows	(3,937)	–	–	–
Trade and other payables (excluding statutory and non-financial liabilities)	145,839	2,694	–	–
Financial guarantee contracts	–	–	115	147
	239,808	21,727	47,765	74,207

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

(a) Liquidity risk (Continued)

The Group entered into the guarantee contracts for bank borrowings made by certain joint ventures and associates. For issued financial guarantee contracts, the maximum amounts of guarantees are allocated to the earliest periods in which the respective guarantees could be called. The Directors of the Company are of the opinion that those guarantees are not likely to be crystallised in the foreseeable future.

Derivative financial instruments comprise forward foreign exchange contracts used by the Group to hedge the exposure to foreign currency risk.

(b) Business environment in emerging economies

The Group has business operations in a number of overseas countries, including countries in Africa, Middle East and South Asia. Management has identified some of the overseas countries that are exposed to or may expose to political and social turbulence which may lead to unexpected or accelerated changes in political, social and economic environments, and these changes may result in adverse effect on the Group's operations and assets in these countries. Any political or social turbulence or unexpected or accelerated changes in political, social and economic environments may lead to delays or suspension of construction projects and consequently outstanding construction related costs and receivables may not be fully recoverable. The bank deposits denominated in local currencies in some of these countries are not freely convertible into other foreign currencies and the remittance of such bank deposits out of those countries is controlled. The Group has contingency plans to minimise the financial impact for unexpected turbulent situations, including safeguard of assets. The Group also has policies in place to limit the amounts to be settled in local currencies of these countries and to maintain minimum level of bank deposits in financial institutions of these countries.

As at 30 June 2014, the balance of contract work-in-progress relating to existing construction projects and bank deposits in these countries in Africa and Middle East represent less than 2.0% and 1.0% (31 December 2013: less than 2.0% and 1.0%), respectively, of the respective balances on the unaudited condensed consolidated interim balance sheet. Management continuously monitors the development and changes in political, social and economic environments of these countries. Whenever there is any indication of impairment exists, management will perform impairment assessment of the outstanding assets. Based on current assessment, management does not expect any material losses of outstanding assets in these countries. Future environment may differ from management's current assessment.

5.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different level has been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2014.

	Level 1 RMB million (Unaudited)	Level 2 RMB million (Unaudited)	Level 3 RMB million (Unaudited)	Total RMB million (Unaudited)
Assets				
Financial assets at fair value through profit or loss	**169**	**–**	**–**	**169**
Derivative financial instruments				
– held for trading	**–**	**27**	**–**	**27**
Available-for-sale financial assets				
– equity securities	**11,878**	**–**	**–**	**11,878**
– other unlisted instruments (Note 9(b))	**–**	**7,267**	**–**	**7,267**
Total assets	**12,047**	**7,294**	**–**	**19,341**
Liabilities				
Derivative financial instruments				
– held for trading	**–**	**(41)**	**–**	**(41)**
Total liabilities	**–**	**(41)**	**–**	**(41)**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2013.

	Level 1 RMB million (Audited)	Level 2 RMB million (Audited)	Level 3 RMB million (Audited)	Total RMB million (Audited)
Assets				
Financial assets at fair value through profit or loss	191	–	–	191
Derivative financial instruments				
– held for trading	–	121	–	121
Available-for-sale financial assets				
– equity securities	12,471	–	–	12,471
– other unlisted instruments (Note 9(b))	–	4,203	–	4,203
Total assets	12,662	4,324	–	16,986
Liabilities				
Derivative financial instruments				
– held for trading	–	(11)	–	(11)
Total liabilities	–	(11)	–	(11)

For the six months ended 30 June 2014, there were no transfer between levels for the Group's financial assets and liabilities that are measured at fair value.

There were no other changes in valuation techniques during the period.

For the six months ended 30 June 2014, there were no reclassifications of financial assets.

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Valuation techniques used to derive Level 2 fair values

Level 2 financial instruments comprise forward foreign exchange contracts and other unlisted instruments. The fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, with the resulting value discounted back to present value. Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

6. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the President Office that are used to allocate resources to the segments and assess their performance.

The President Office considers the business from the service and product perspectives. Management assesses the performance of the following five operating segments:

(a) infrastructure construction of ports, roads, bridges, and railways (the "Construction Segment");

(b) infrastructure design of ports, roads and bridges (the "Design Segment");

(c) dredging (the "Dredging Segment");

(d) manufacturing of heavy machinery (the "Heavy Machinery Segment"); and

(e) others (the "Others Segment").

The President Office assesses the performance of the operating segments based on operating profit excluding unallocated income or costs. Other information provided to the President Office is measured in a manner consistent with that in the consolidated financial statements.

Sales between segments are carried out on terms with reference to the selling price used for sales made to third parties. The revenue from external parties reported to the President Office is measured in a manner consistent with that in the consolidated income statement.

Operating expenses of a functional unit are allocated to the relevant segment which is the predominant user of the services provided by the unit. Operating expenses of shared services which cannot be allocated to a specific segment and corporate expenses are included as unallocated costs.

Segment assets consist primarily of property, plant and equipment, lease prepayments, investment properties, intangible assets, inventories, receivables, amounts due from customers for contract work, and cash and cash equivalents. They exclude deferred taxation, investments, available-for-sale financial assets, held-to-maturity financial assets and derivative financial instruments.

Segment liabilities comprise primarily payables and amounts due to customers for contract work. They exclude taxation, borrowings, deferred income, retirement benefit obligations and derivative financial instruments.

Capital expenditure comprises mainly additions to property, plant and equipment (Note 7), lease prepayments, investment properties and intangible assets (Note 8).

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

6. SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2014 and other segment items included in the unaudited condensed consolidated interim financial information are as follows:

	For the six months ended 30 June 2014 (Unaudited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Total gross segment revenue	128,854	7,879	13,172	10,923	2,657	(4,924)	158,561
Inter-segment revenue	(2,582)	(237)	(1,652)	(84)	(369)	4,924	–
Revenue	126,272	7,642	11,520	10,839	2,288	–	158,561
Segment result	7,870	1,066	973	1,073	2	13	10,997
Unallocated cost							(133)
Operating profit							10,864
Finance income							1,592
Finance costs, net							(4,819)
Share of post-tax profits of joint ventures							6
Share of post-tax profits of associates							133
Profit before income tax							7,776
Income tax expense							(1,745)
Profit for the period							6,031
Other segment items							
Depreciation	2,301	92	432	563	14		3,402
Amortisation	207	15	12	45	22		301
Write-down of inventories	–	–	–	42	–		42
Provision for foreseeable losses on construction contracts	85	–	–	93	–		178
(Reversal of)/provision for impairment of trade and other receivables	(147)	(47)	186	(105)	–		(113)

6. SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2013 and other segment items included in the unaudited condensed consolidated interim financial information are as follows:

	For the six months ended 30 June 2013 (Unaudited) (Restated)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Total gross segment revenue	111,514	7,737	13,847	10,797	1,151	(4,009)	141,037
Inter-segment revenue	(1,534)	(365)	(1,630)	(213)	(267)	4,009	–
Revenue	109,980	7,372	12,217	10,584	884	–	141,037
Segment result	5,990	1,030	1,687	291	120	(296)	8,822
Unallocated income							147
Operating profit							8,969
Finance income							1,072
Finance costs, net							(2,861)
Share of post-tax profits of joint ventures							(3)
Share of post-tax profits of associates							41
Profit before income tax							7,218
Income tax expense							(1,453)
Profit for the period							5,765
Other segment items							
Depreciation	2,099	91	798	569	11		3,568
Amortisation	137	15	10	30	21		213
Write-down of inventories	–	–	–	127	–		127
Provision for/(reversal of) foreseeable losses on construction contracts	45	–	(4)	21	–		62
Provision for impairment of trade and other receivables	69	27	6	121	–		223
Provision for impairment of available-for-sale financial assets	150	–	–	–	–		150

6. SEGMENT INFORMATION (Continued)

The amounts provided to the President Office with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are presented based on the operating segments they are associated with.

The segment assets and liabilities at 30 June 2014 and capital expenditure for the six months then ended are as follows:

	As at 30 June 2014 (Unaudited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Segment assets	399,865	18,503	60,696	52,031	7,106	(11,222)	526,979
Investments in joint ventures							1,151
Investments in associates							8,103
Unallocated assets							51,712
Total assets							587,945
Segment liabilities	197,831	11,074	22,374	10,096	3,211	(10,851)	233,735
Unallocated liabilities							245,729
Total liabilities							479,464
Capital expenditure	20,285	137	674	2,038	7		23,141

Segment assets and liabilities at 30 June 2014 are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	526,979	233,735
Investments in joint ventures	1,151	–
Investments in associates	8,103	–
Unallocated:		
Deferred income tax assets/liabilities	2,841	5,774
Current income tax liabilities	–	2,402
Current borrowings	–	109,909
Non-current borrowings	–	123,742
Available-for-sale financial assets	20,612	–
Held-to-maturity financial assets	330	–
Other financial assets at fair value through profit or loss	169	–
Derivative financial instruments	27	41
Cash and other corporate assets/corporate liabilities	27,733	3,861
Total	587,945	479,464

6. SEGMENT INFORMATION (Continued)

The segment assets and liabilities at 31 December 2013 and capital expenditure for the year then ended are as follows:

	As at 31 December 2013 (Audited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Segment assets	336,233	15,058	61,970	46,117	4,804	(10,048)	454,134
Investments in joint ventures							1,019
Investments in associates							6,780
Unallocated assets							55,512
Total assets							517,445
Segment liabilities	185,972	10,661	23,470	5,899	2,063	(9,685)	218,380
Unallocated liabilities							194,224
Total liabilities							412,604
Capital expenditure	25,523	269	804	253	19		26,868

Segment assets and liabilities at 31 December 2013, are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	454,134	218,380
Investments in joint ventures	1,019	–
Investments in associates	6,780	–
Unallocated:		
Deferred income tax assets/liabilities	2,612	2,893
Current income tax liabilities	–	3,246
Current borrowings	–	87,818
Non-current borrowings	–	99,157
Available-for-sale financial assets	18,116	–
Other financial assets at fair value through profit or loss	191	–
Derivative financial instruments	121	11
Cash and other corporate assets/corporate liabilities	34,472	1,099
Total	517,445	412,604

6. SEGMENT INFORMATION (Continued)

Revenue from external customers in the PRC and other regions is as follows:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
PRC (excluding Hong Kong and Macau)	**131,633**	115,411
Other regions	**26,928**	25,626
	158,561	141,037

Other regions primarily include countries in Africa, Middle East and South East Asia. There are no material non-current assets attributed to other regions.

There are no differences from the last annual consolidated financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

7. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June 2014 (Unaudited)					
	Land and buildings RMB million	**Machinery RMB million**	**Vessels and vehicles RMB million**	**Other equipment RMB million**	**Construction-in-progress RMB million**	**Total RMB million**
At 1 January 2014						
Opening net book amount	**12,537**	**10,282**	**23,578**	**3,423**	**5,799**	**55,619**
Additions	**79**	**831**	**377**	**1,052**	**1,639**	**3,978**
Disposals	**(93)**	**(42)**	**(25)**	**(99)**	**–**	**(259)**
Acquisition of subsidiaries	**1,441**	**215**	**20**	**28**	**2,036**	**3,740**
Transfer	**25**	**57**	**84**	**11**	**(177)**	**–**
Transferred to investment properties	**(2)**	**–**	**–**	**–**	**–**	**(2)**
Depreciation	**(266)**	**(1,020)**	**(959)**	**(1,139)**	**–**	**(3,384)**
Closing net book amount	**13,721**	**10,323**	**23,075**	**3,276**	**9,297**	**59,692**
At 30 June 2014						
Cost	**18,353**	**20,979**	**44,341**	**10,533**	**9,297**	**103,503**
Accumulated depreciation	**(4,632)**	**(10,656)**	**(21,266)**	**(7,257)**	**–**	**(43,811)**
Net book amount	**13,721**	**10,323**	**23,075**	**3,276**	**9,297**	**59,692**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	For the six months ended 30 June 2013 (Unaudited) (Restated)					
	Land and buildings RMB million	**Machinery RMB million**	**Vessels and vehicles RMB million**	**Other equipment RMB million**	**Construction-in-progress RMB million**	**Total RMB million**
At 1 January 2013						
Opening net book amount	12,026	10,035	24,917	2,723	7,111	56,812
Additions	95	557	446	915	1,304	3,317
Disposals	(19)	(71)	(424)	(40)	–	(554)
Transfer	403	52	1,070	34	(1,559)	–
Disposal of a subsidiary	(431)	–	(69)	(12)	(9)	(521)
Transferred from investment properties	163	–	–	–	–	163
Depreciation	(317)	(914)	(1,476)	(842)	–	(3,549)
Closing net book amount	11,920	9,659	24,464	2,778	6,847	55,668
At 30 June 2013						
Cost	15,955	18,790	43,991	8,497	6,847	94,080
Accumulated depreciation	(4,035)	(9,131)	(19,527)	(5,719)	–	(38,412)
Net book amount	11,920	9,659	24,464	2,778	6,847	55,668

(a) Bank borrowings are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB359 million (31 December 2013: RMB374 million) (Note 14(a)).

(b) As at 30 June 2014, the Group is in the process of applying for registration of the ownership certificates for certain of its properties with an aggregate book carrying amount of approximately RMB1,866 million (31 December 2013: RMB2,126 million). The Directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

(c) Vessels and machinery include the following amounts where the Group is a lessee under finance leases:

	As at	
	30 June 2014 RMB million (Unaudited)	31 December 2013 RMB million (Audited)
Cost – Capitalised finance leases	**5,533**	5,309
Accumulated depreciation	**(1,455)**	(1,029)
Net book amount	**4,078**	4,280

The Group leases various vessels and machinery under non-cancellable finance lease agreements and has the option to purchase these assets at minimal prices upon the expiry of the agreements.

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

8. INTANGIBLE ASSETS

	For the six months ended 30 June 2014 (Unaudited)					
	Concession assets RMB million	Goodwill RMB million	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Others RMB million	Total RMB million
At 1 January 2014						
Opening net book amount	**53,814**	**308**	**219**	**85**	**166**	**54,592**
Additions	**13,399**	**–**	**1**	**44**	**–**	**13,444**
Acquisition of subsidiaries	**–**	**1,080**	**–**	**2**	**–**	**1,082**
Disposals	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Amortisation charge (Note 16)	**(153)**	**–**	**(11)**	**(17)**	**(15)**	**(196)**
Closing net book amount	**67,060**	**1,388**	**209**	**113**	**151**	**68,921**
At 30 June 2014						
Cost	**67,810**	**1,388**	**368**	**271**	**265**	**70,102**
Accumulated amortisation	**(750)**	**–**	**(159)**	**(158)**	**(114)**	**(1,181)**
Net book amount	**67,060**	**1,388**	**209**	**113**	**151**	**68,921**

	For the six months ended 30 June 2013 (Unaudited)					
	Concession assets RMB million	Goodwill RMB million	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Others RMB million	Total RMB million
At 1 January 2013						
Opening net book amount	35,705	308	241	75	190	36,519
Additions	5,158	–	2	9	–	5,169
Disposal of a subsidiary	–	–	–	(4)	–	(4)
Amortisation charge (Note 16)	(90)	–	(12)	(14)	(16)	(132)
Closing net book amount	40,773	308	231	66	174	41,552
At 30 June 2013						
Cost	41,261	308	367	197	254	42,387
Accumulated amortisation	(488)	–	(136)	(131)	(80)	(835)
Net book amount	40,773	308	231	66	174	41,552

(a) As at 30 June 2014, concession assets represent assets under "Build-Operate-Transfer" service concession arrangements and mainly consist of toll roads in the PRC, with cost of RMB34,629 million (31 December 2013: RMB25,403 million) generating operating income, and RMB33,181 million (31 December 2013: RMB29,008 million) under construction.

(b) As at 30 June 2014, certain bank borrowings are secured by concession assets with carrying amount of approximately RMB35,784 million (31 December 2013: RMB28,548 million) (Note 14(a)).

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	RMB million (Unaudited)
At 1 January 2014	
Balance at 1 January 2014	**18,116**
Fair value losses	**(961)**
Additions	**7,821**
Disposals	**(4,364)**
Balance at 30 June 2014	**20,612**
Less: non-current portion	**(13,345)**
Current portion	**7,267**

	RMB million (Unaudited) (Restated)
At 1 January 2013	
Balance at 1 January 2013	15,962
Fair value losses	(1,259)
Additions	7,839
Disposals	(1,754)
Balance at 30 June 2013	20,788
Less: non-current portion	(12,860)
Current portion	7,928

Available-for-sale financial assets include the following:

	As at	
	30 June 2014 RMB million (Unaudited)	31 December 2013 RMB million (Audited)
Non-current		
Listed equity securities, at fair value		
– Mainland China	**11,239**	12,403
– Hong Kong	**639**	68
Unlisted equity investments, at cost	**1,467**	1,442
	13,345	13,913
Current		
Other unlisted instruments, at fair value (b)	**7,267**	4,203
	20,612	18,116

(a) The Group reclassified available-for-sale investment gains, net of deferred tax, of RMB195 million (six months ended 30 June 2013: investment gains of RMB80 million and investment losses of RMB113 million) upon disposal from other comprehensive income into the condensed consolidated interim income statement.

(b) Other unlisted instruments represented wealth management products issued by financial institutions. Major investment targets of these products are bills issued by the People's Bank of China, debt securities issued by policy banks, debt securities issued by Chinese government in the national financial market for institutional investors, and other financial instruments. As at 30 June 2014, bank borrowings are secured by certain unlisted instruments with carrying amount of approximately RMB3,930 million (31 December 2013: RMB3,980 million) (Note 14(a)).

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2014 RMB million (Unaudited)	As at 31 December 2013 RMB million (Audited)
Trade and bills receivables (a)	**64,976**	62,153
Less: provision for impairment	**(3,865)**	(3,802)
Trade and bill receivables – net	**61,111**	58,351
Prepayments	**19,769**	14,826
Retentions	**39,572**	36,710
Deposits	**20,543**	18,766
Other receivables	**19,780**	16,976
Staff advances	**1,145**	740
Long-term receivables	**46,210**	38,533
	208,130	184,902
Less: non-current portion		
– Retentions	**(21,656)**	(19,162)
– Deposits	**(4,302)**	(3,514)
– Long-term receivables	**(41,150)**	(31,012)
– Prepayments for equipment	**(1,613)**	(1,344)
	(68,721)	(55,032)
Current portion	**139,409**	129,870

Refer to Note 30(c) for receivables due from related parties.

(a) Ageing analysis of trade and bills receivables is as follows:

	As at 30 June 2014 RMB million (Unaudited)	As at 31 December 2013 RMB million (Audited)
Within 6 months	**46,518**	48,147
6 months to 1 year	**8,194**	5,865
1 year to 2 years	**4,922**	4,762
2 years to 3 years	**2,981**	1,603
3 years to 4 years	**1,185**	846
4 years to 5 years	**430**	265
Over 5 years	**746**	665
	64,976	62,153

Majority of the Group's revenue is generated through construction, design, dredging and heavy machinery contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. For sales of products, a credit period ranging from 30 to 90 days may be granted to large or long-established customers with good repayment history. Revenues from small business or new customers are normally expected to be settled shortly after provision of services or delivery of goods.

10. TRADE AND OTHER RECEIVABLES (Continued)

(b) The fair values of trade and other receivables are as follows:

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Trade and bills receivables	**61,111**	58,351
Retentions	**39,553**	36,741
Deposits	**20,543**	18,778
Other receivables	**19,780**	16,976
Staff advance	**1,145**	740
Long-term receivables	**46,210**	38,576
	188,342	170,162

The carrying amounts of the current trade and other receivables approximate their fair value. The fair values of non-current trade and other receivables are based on projected cash flows discounted using a rate based on current market interest rates.

(c) The Group has entered into certain recourse and non-recourse factoring agreements with certain banks so as to obtain bank advances. As at 30 June 2014, relevant trade receivables, with recourse factoring clauses in the agreements, amounted to RMB2,284 million (31 December 2013: RMB1,922 million). In the opinion of Directors, such transactions did not qualify for derecognition of receivables and were accounted as secured borrowings (Note 14(a)). In addition, as at 30 June 2014, trade receivables of RMB10,768 million (31 December 2013: RMB13,293 million) had been transferred to the banks in accordance with relevant non-recourse factoring agreements. Relevant receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.

(d) During the year ended 31 December 2013, a subsidiary of the Group was involved in a product quality dispute arising from the ordinary business. In March 2014, a contractor exercised a letter of guarantee provided by the subsidiary and consequently EUR23.41 million (equivalent to approximately RMB197 million) in the subsidiary's bank account was deducted and passed to the contractor.

Having reviewed the claim and taking into account legal advice received, the subsidiary is planning to recover the amount from the contractor through legal procedures. Therefore, the amount has been recorded in "other receivables". The Directors do not consider the pending claim will give rise to any material adverse impact to the financial position of the Group.

11. CONTRACT WORK-IN-PROGRESS

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Contract costs incurred and recognised profit (less recognised losses)	**1,468,520**	1,224,864
Less: progress billings	**(1,402,759)**	(1,173,829)
Contract work-in-progress	**65,761**	51,035
Representing:		
Amounts due from customers for contract work	**83,957**	66,131
Amounts due to customers for contract work	**(18,196)**	(15,096)
	65,761	51,035

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Contract revenue recognised as revenue in the period	**142,881**	129,152

12. DERIVATIVE FINANCIAL INSTRUMENTS

	As at			
	30 June 2014		31 December 2013	
	Assets	**Liabilities**	Assets	Liabilities
	RMB million	**RMB million**	RMB million	RMB million
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Forward foreign exchange contracts				
– held for trading	**27**	**(41)**	121	(11)

The notional principal amounts of the outstanding forward foreign exchange contracts at 30 June 2014 were RMB4,894 million (31 December 2013: RMB3,957 million).

The maximum exposure to credit risk at the balance sheet date is the fair value of the derivative financial assets in the balance sheet.

13. RESTRICTED BANK DEPOSITS

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Restricted bank deposits	**7,177**	4,249

As at 30 June 2014, restricted bank deposits mainly included pledged bank deposits as securities for bank borrowings (Note 14 (a)) and deposits for issuance of bank acceptance notes, performance bonds and letters of credit to customers.

14. BORROWINGS

	Note	As at 30 June 2014 RMB million (Unaudited)	31 December 2013 RMB million (Audited)
Non-current			
Long-term bank borrowings			
– secured	(a)	**58,817**	48,296
– unsecured		**28,354**	17,625
		87,171	65,921
Other borrowings			
– secured	(a)	**1,531**	1,561
– unsecured		**1,936**	1,443
Corporate bonds	(b)	**19,841**	19,834
Medium term notes	(c)	**3,791**	3,797
Non-public debt instrument	(e)	**7,094**	4,294
Financial lease liabilities	(g)	**2,378**	2,307
Total non-current borrowings		**123,742**	99,157
Current			
Current portion of long-term bank borrowings			
– secured	(a)	**3,462**	4,893
– unsecured		**2,517**	2,630
		5,979	7,523
Short-term bank borrowings			
– secured	(a)	**16,841**	17,820
– unsecured		**64,645**	44,406
		81,486	62,226
Other borrowings			
– secured	(a)	**90**	117
– unsecured		**4,130**	2,860
Corporate bonds	(b)	**3,045**	2,509
Medium term notes	(c)	**77**	2,459
Debentures	(d)	**12,144**	7,152
Non-public debt instrument	(e)	**2,197**	2,122
Finance lease liabilities	(g)	**761**	850
Total current borrowings		**109,909**	87,818
Total borrowings		**233,651**	186,975

(a) As at 30 June 2014, these borrowings were secured by the Group's property, plant and equipment (Note 7), concession assets (Note 8), unlisted financial instruments (Note 9(b)), inventories, trade receivables (Note 10(c)), receivables to be recognised in the future according to sales and construction contracts, term deposits (Note 13), lease prepayment and guarantees provided by certain subsidiaries of the Group, the Company and third parties (31 December 2013: secured by the Group's property, plant and equipment, concession assets, unlisted financial instruments, inventories, trade receivables, receivables to be recognised in the future according to sales and construction contracts, term deposits, lease prepayment and guarantees provided by certain subsidiaries of the Group, the Company and third parties).

14. BORROWINGS (Continued)

(b) As approved by China Securities Regulatory Commission document [2009] No. 761, the Company issued domestic corporate bonds with an aggregate principal amount of RMB10 billion in August 2009. RMB2,100 million of such bonds bears interest at a rate of 4.7% per annum, with maturities through August 2014 and RMB7,900 million bears interest at a rate of 5.2% per annum, with maturities through 2019. The Company raised totally net proceeds of RMB9,910 million from the issuance. On 18 August 2014, the bonds of RMB2,100 million have been fully paid off.

As approved by China Securities Regulatory Commission document [2012] No. 998, the Company issued domestic corporate bonds with an aggregate principal amount of RMB12 billion in August 2012. RMB6 billion of such bonds bears interest at a rate of 4.4% per annum with maturities through 2017, RMB2 billion bears interest at a rate of 5.0% per annum with maturities through 2022 and RMB4 billion bears interest at a rate of 5.15% per annum with maturities through 2027. The Company raised totally net proceeds of RMB11,976 million from the issuance.

The corporate bonds are stated at amortised cost. Interest is payable once a year. Accrued interest is included in current borrowings. All corporate bonds are guaranteed by CCCG.

(c) The Group issued the following medium term notes as approved by National Association of Financial Market Institutional Investors ("NAFMII") of the PRC:

– medium term notes with a nominal value of RMB2,200 million issued in April 2009, with a maturity of five years from issuance. RMB1,800 million of such notes bears interest at a rate of 4.1% per annum, and the remaining RMB400 million bears interest at 4.0% per annum. As at 30 June 2014, these medium term notes have been fully paid off;

– medium term notes with a nominal value of RMB3,800 million issued in February 2011, with a maturity of five years from issuance, bearing interest at a rate of 5.85% per annum.

The medium term notes are stated at amortised cost. Interest is payable once a year. Accrued interest is included in current borrowings.

(d) The Group issued the following debentures:

– As approved by NAFMII, three tranches of debentures were issued in April, May and August 2013, respectively, at nominal values of RMB2,000 million, RMB2,000 million and RMB3,000 million, respectively, totalling RMB7,000 million, with maturities of 270 days from issuance. The interest rate is 3.75%, 3.85% and 4.60% per annum, respectively. As at 30 June 2014, these three tranches of debentures have been fully paid off.

– As approved by NAFMII, four tranches of debentures were issued in February, March, April, and June 2014, respectively, at nominal values of RMB3,000 million, RMB3,000 million, RMB3,000 million and RMB3,000 million, respectively, totalling RMB12,000 million, with maturities of 180 days, 270 days, 270 days and 270 days from issuance respectively. The interest rate is 5.50%, 5.20% and 5.05% and 4.80% per annum, respectively.

The debentures are stated at amortised cost.

14. BORROWINGS (Continued)

(e) As approved by NAFMII, the Group issued the following non-public instruments：

- A tranche of non-public debt instrument with a nominal value of RMB2,000 million in November 2011, with a maturity of three years from issuance, bearing interest at a rate of 6.46% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB1,500 million in October 2012, with a maturity of five years from issuance, bearing interest at a rate of 5.80% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB1,500 million in April 2013, with a maturity of five years from issuance, bearing interest at a rate of 5.10% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB800 million in April 2013, with a maturity of five years from issuance, bearing interest at a rate of 6.00% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB500 million in October 2013, with a maturity of five years from issuance, bearing interest at a rate of 6.65% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB500 million in March 2014, with a maturity of three years from issuance, bearing interest at a rate of 7.10% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB800 million in May 2014, with a maturity of three years from issuance, bearing interest at a rate of 6.35% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB800 million in June 2014, with a maturity of three years from issuance, bearing interest at a rate of 7.00% per annum.
- A tranche of non-public debt instrument with a nominal value of RMB700 million in June 2014, with a maturity of three years from issuance, bearing interest at a rate of 6.50% per annum.

The non-public debt instrument is stated at amortised cost. Interest is payable once a year. Accrued interest is included in current borrowings.

(f) A customer of the Group has obtained a long term borrowing facility from a bank. The bank borrowing is effective from 26 April 2013 to 25 April 2038. The customer, as a borrower, has pledged its self-owned asset to secure the bank borrowing. The Group has entered into the loan contract as a co-borrower to take up joint responsibility of loan repayments up to 25 April 2021. Pursuant to the terms of the borrowing contract, upon default in loan repayments by the customer, the bank is entitled to ask for early repayments of bank borrowings and the co-borrower can be liable to repay the outstanding borrowing principal together with accrued interest. Accordingly, if the customer defaults in loan repayments during joint borrowing period, it is possible for the Group to undertake the responsibility to repay the principal and interest.

During the six months period ended 30 June 2014, as there was no default in payments and the customer had pledged its asset to secure the bank borrowing, management considers that the likelihood of default in payments is not probable, and therefore no provision has been made as of 30 June 2014 (31 December 2013: nil).

14. BORROWINGS (Continued)

(g) Finance lease liabilities

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Gross finance lease liabilities – minimum lease payments		
– No later than 1 year	**810**	882
– Later than 1 year and no later than 5 years	**2,144**	1,978
– Later than 5 years	**769**	915
	3,723	3,775
Future finance charges on finance leases	**(584)**	(618)
Present value of finance lease liabilities	**3,139**	3,157
The present value of finance lease liabilities is as follows:		
– No later than 1 year	**761**	850
– Later than 1 year and no later than 5 years	**1,686**	1,673
– Later than 5 years	**692**	634
	3,139	3,157

(h) Movement in borrowings is analysed as follows:

	RMB million (Unaudited)
Six months ended 30 June 2014	
Opening amount as at 1 January 2014	**186,975**
Proceeds from borrowings	**100,119**
Acquisition of subsidiaries	**3,015**
Finance lease liabilities	**401**
Repayments of borrowings, interests and finance lease liabilities	**(58,078)**
Net foreign exchange losses on borrowings (Note 21)	**175**
Accrued interest on borrowings	**1,044**
Closing amount as at 30 June 2014	**233,651**

	RMB million (Unaudited) (Restated)
Six months ended 30 June 2013	
Opening amount as at 1 January 2013	144,245
Proceeds from borrowings	61,510
Finance lease liabilities	293
Repayments of borrowings, interests and finance lease liabilities	(38,915)
Disposal of a subsidiary	(194)
Net foreign exchange gains on borrowings (Note 21)	(300)
Accrued interest on borrowings	937
Closing amount as at 30 June 2013	167,576

14. BORROWINGS (Continued)

(i) The carrying amounts of current portion of long-term borrowings and short-term borrowings approximate their fair values.

The carrying amounts and fair values of the non-current borrowings are as follows:

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Carrying amount		
– Bank borrowings	**87,171**	65,921
– Others	**36,571**	33,236
	123,742	99,157
Fair value		
– Bank borrowings	**86,686**	65,224
– Others	**36,016**	32,643
	122,702	97,867

The Group has the following undrawn borrowing facilities:

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Floating rate:		
– Expiring within one year	**119,830**	115,608
– Expiring beyond one year	**296,007**	294,741
	415,837	410,349

Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

15. TRADE AND OTHER PAYABLES

	As at 30 June 2014 RMB million (Unaudited)	As at 31 December 2013 RMB million (Audited)
Trade and bills payables (a)	**125,923**	126,415
Advance from customers	**51,477**	43,127
Deposits from suppliers	**18,955**	15,308
Other taxes	**7,559**	6,854
Dividend payables	**2,768**	–
Social security	**1,069**	984
Accrued payroll	**439**	480
Accrued expenses	**257**	228
Others	**6,148**	6,794
	214,595	200,190
Less: non-current portion		
– Deposits from suppliers	**(5,543)**	(2,126)
Current portion	**209,052**	198,064

Refer to Note 30(c) for payables due to related parties.

(a) The ageing analysis of trade and bills payables (including amounts due to related parties of trading nature) is as follows:

	As at 30 June 2014 RMB million (Unaudited)	As at 31 December 2013 RMB million (Audited)
Within 1 year	**116,266**	115,799
1 year to 2 years	**5,924**	8,002
2 years to 3 years	**2,703**	1,595
Over 3 years	**1,030**	1,019
	125,923	126,415

16. EXPENSES BY NATURE

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(Restated)
Raw materials and consumables used	**47,112**	45,926
Subcontracting costs	**51,033**	42,561
Employee benefits expenses	**15,170**	13,492
Rentals	**6,923**	6,247
Business tax and other transaction taxes	**3,870**	3,607
Depreciation of property, plant and equipment and investment properties	**3,402**	3,568
Fuel	**2,993**	3,224
Cost of goods sold	**2,315**	1,768
Research and development costs	**1,017**	575
Repair and maintenance expenses	**900**	816
Utilities	**583**	642
Transportation costs	**557**	560
Insurance	**529**	117
Amortisation of intangible assets (Note 8)	**196**	132
Provision for foreseeable losses on construction contracts	**178**	62
Amortisation of lease prepayments	**105**	81
Write-down of inventories	**42**	127
(Reversal of)/provision for impairment of trade and other receivables	**(113)**	223
Others	**11,796**	9,315
Total cost of sales, selling and marketing expenses and administrative expenses	**148,608**	133,043

17. OTHER INCOME

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Rental income	**152**	164
Dividend income on available-for-sale financial assets		
– Listed equity securities	**44**	436
– Unlisted equity investments	**87**	27
Government grants	**79**	62
Others	**325**	358
	687	1,047

18. OTHER GAINS, NET

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Gains on disposal of available-for-sale financial assets	**255**	175
Gains on disposal of property, plant and equipment	**71**	61
Gains on disposal of lease prepayments	**–**	75
Gains on disposal of a subsidiary	**–**	148
Gains on disposal of associates	**6**	–
(Losses)/gains on derivative financial instruments:		
– Foreign exchange forward contracts	**(102)**	44
Net foreign exchange gains/(losses)	**233**	(218)
Others	**(4)**	(1)
	459	284

19. OTHER EXPENSES

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Depreciation and other costs relating to assets being leased out	**63**	94
Provision for impairment of available-for-sale financial assets	**–**	150
Others	**172**	112
	235	356

20. FINANCE INCOME

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Interest income:		
– Bank deposits	**458**	280
– Unwinding of discount of long-term receivables	**994**	739
Others	**140**	53
	1,592	1,072

21. FINANCE COSTS, NET

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Interest expense incurred	**5,584**	3,832
Less: capitalised interest expense	**(1,357)**	(1,058)
Net interest expense	**4,227**	2,774
Representing:		
– Bank borrowings	**2,895**	1,663
– Other borrowings	**213**	95
– Corporate bonds	**565**	550
– Medium term notes	**77**	156
– Non-public debt instrument	**183**	123
– Finance lease liabilities	**116**	79
– Debentures	**178**	108
	4,227	2,774
Net foreign exchange losses/(gains) on borrowings (Note 14)	**175**	(300)
Others	**417**	387
	4,819	2,861

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. Borrowing costs of RMB1,357 million (six months ended 30 June 2013: RMB1,058 million) were capitalised in the six months period ended 30 June 2014, of which approximately RMB673 million was charged to contract work-in-progress, approximately RMB597 million was included in cost of concession assets, and approximately RMB87 million was included in cost of construction-in-progress (six months ended 30 June 2013: RMB340 million was charged to contract work-in-progress, RMB598 million was included in cost of concession assets, RMB116 million was included in cost of construction-in-progress, and RMB4 million was included in cost of property, plant and equipment). A general capitalisation rate of 4.37% per annum (six months ended 30 June 2013: 4.80%) was used, representing the costs of the borrowings used to finance the qualifying assets.

22. TAXATION

Most of companies of the Group are subject to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% (2013: 25%) of the assessable income of each of these companies for the period as determined in accordance with the relevant PRC income tax rules and regulations, except for a few subsidiaries of the Company, which were exempted from tax or taxed at preferential rates of 15% (2013: 15%).

Certain of the companies of the Group are subject to Hong Kong profits tax, which has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

Taxation of other companies of the Group has been calculated on the estimated assessable profit for six months ended 30 June at the appropriate rates of taxation prevailing in the countries in which these companies operate.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit.

The amount of income tax expense charged to the unaudited condensed consolidated interim income statement represents:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Current income tax		
– PRC enterprise income tax	**1,585**	1,512
– Others	**95**	51
	1,680	1,563
Deferred income tax	**65**	(110)
Income tax expense	**1,745**	1,453

23. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
		(Restated)
Profit attributable to owners of the Company (RMB million)	**6,020**	5,722
Weighted average number of ordinary shares in issue (millions)	**16,175**	16,175
Basic earnings per share (RMB per share)	**0.37**	0.35

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2014 and 2013.

24. OTHER RESERVES

	Capital reserve RMB million (Unaudited)	Statutory surplus reserve RMB million (Unaudited)	Remeasurement reserve RMB million (Unaudited)	Investment revaluation reserve RMB million (Unaudited)	Safety reserve RMB million (Unaudited)	Exchange reserve RMB million (Unaudited)	Total RMB million (Unaudited)
Balance at 1 January 2014	**464**	**2,516**	**8**	**7,015**	**1,448**	**(43)**	**11,408**
Changes in fair value of available-for-sale financial assets, net of deferred tax	**–**	**–**	**–**	**(735)**	**–**	**–**	**(735)**
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**–**	**–**	**–**	**(104)**	**–**	**–**	**(104)**
Actuarial losses on retirement benefit obligations	**–**	**–**	**(76)**	**–**	**–**	**–**	**(76)**
Currency translation differences	**–**	**–**	**–**	**–**	**–**	**59**	**59**
Cash contribution from government	**20**	**–**	**–**	**–**	**–**	**–**	**20**
Share of other comprehensive income of a joint venture	**1**	**–**	**–**	**–**	**–**	**–**	**1**
Transfer to safety reserve	**–**	**–**	**–**	**–**	**155**	**–**	**155**
Balance at 30 June 2014	**485**	**2,516**	**(68)**	**6,176**	**1,603**	**16**	**10,728**

	Capital reserve RMB million (Unaudited)	Statutory surplus reserve RMB million (Unaudited)	Remeasurement reserve RMB million (Unaudited)	Investment revaluation reserve RMB million (Unaudited)	Safety reserve RMB million (Unaudited)	Exchange reserve RMB million (Unaudited)	Total RMB million (Unaudited)
Balance at 1 January 2013	917	1,409	(124)	7,938	1,308	90	11,538
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	–	(975)	–	–	(975)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	–	–	–	(80)	–	–	(80)
Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets	–	–	–	113	–	–	113
Currency translation differences	–	–	–	–	–	(57)	(57)
Disposal of a subsidiary	(60)	–	–	–	–	–	(60)
Transfer to safety reserve	–	–	–	–	221	–	221
Balance at 30 June 2013	857	1,409	(124)	6,996	1,529	33	10,700

25. DIVIDENDS

A dividend in respect of the year ended 31 December 2013 of RMB0.18762 per ordinary share, totalling RMB3,035 million was approved by the Company's shareholders in the Annual General Meeting on 18 June 2014. As at 30 June 2014, 2013 final dividend was yet to be fully paid off.

No interim dividend for the six months ended 30 June 2014 was declared by the Board of Directors (six months ended 30 June 2013: nil).

26. SUPPLEMENTARY INFORMATION TO UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(a) Cash flows from operating activities:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(Restated)
Cash used in operations	**(14,593)**	(7,949)
Income tax paid	**(2,929)**	(2,673)
Net cash used in operating activities	**(17,522)**	(10,622)

(b) Cash flows from investing activities:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Purchases of property, plant and equipment	**(3,966)**	(2,904)
Increase in lease prepayments	**(356)**	(123)
Purchases of intangible assets	**(12,845)**	(4,571)
Proceeds from disposal of property, plant and equipment	**330**	567
Proceeds from disposal of lease prepayments	**–**	77
Proceeds from disposal of intangible assets	**1**	–
Purchases of available-for-sale financial assets	**(7,821)**	(7,848)
Proceeds from disposal of a subsidiary	**–**	206
Investment in CCCC Finance Company Limited ("CCCC Finance")	**–**	(3,325)
Acquisition of subsidiaries	**(5,721)**	(925)
Additional investments in associates	**(1,224)**	(1,036)
Additional investments in joint ventures	**(139)**	(63)
Proceeds from disposal of available-for-sale financial assets	**4,384**	1,322
Proceeds from disposal of joint ventures	**3**	–
Proceeds from disposal of associates	**8**	–
Interest received	**573**	328
Proceeds from disposal of other financial assets at fair value through profit or loss	**18**	9
Proceeds from government grants related to assets	**633**	–
Dividends received	**122**	417
Net cash used in investing activities	**(26,000)**	(17,869)

26. SUPPLEMENTARY INFORMATION TO UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (Continued)

(c) Cash flows from financing activities:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
		(Restated)
Proceeds from borrowings	**100,119**	61,510
Repayments of borrowings	**(57,458)**	(38,517)
Interest paid	**(5,001)**	(3,280)
Changes in restricted bank deposits	**(2,895)**	456
Dividends paid to the Company's shareholders	**(267)**	–
Additional investments from minority shareholders of subsidiaries	**472**	36
Others	**(20)**	(10)
Net cash generated from financing activities	**34,950**	20,195

27. CONTINGENCIES

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Pending lawsuits (a)	**554**	439
Outstanding loan guarantees (b)	**401**	262
	955	701

(a) The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice. No provision has been made for above pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable. The Group does not include any pending lawsuit in the contingent liabilities disclosed if the probability of loss is remote or the claim amount is insignificant to the Group.

(b) The Group has acted as the guarantors for various external borrowings made by certain joint ventures and associates of the Group (refer to details in Note 30(d)).

28. CAPITAL COMMITMENTS

Capital expenditure approved but not contracted for at the balance sheet date is as follows:

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Property, plant and equipment	**247**	1,857

Capital expenditure contracted for but not yet incurred at the balance sheet date is as follows:

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Property, plant and equipment	**4,331**	5,006
Intangible assets – concession assets	**84,585**	88,829
	88,916	93,835

29. BUSINESS COMBINATIONS

The Group acquired 45% equity interest in Sanya Phoenix Island International Cruise Terminal Development Co., Ltd. ("Phoenix Island Cruise Terminal") from Sanya Phoenix Island Investment Group Co., Ltd., a third party of the Group, for a total consideration of RMB1,000 million in cash. In addition, Sanya YuSheng Investment Co., Ltd. ("Sanya Yusheng"), a third party of the Group, who holds 10% equity interest in Phoenix Island Cruise Terminal, entrusts the Group to exercise the voting rights of 10% held by Sanya Yusheng. The acquisition was completed on 28 March 2014.

The Group holds 45% equity interest in Phoenix Island Cruise Terminal and the voting rights of 10% equity interest held by Sanya Yusheng, therefore the Group will hold the voting right of 55% in total and consolidate Phoenix Island Cruise Terminal upon the completion of the acquisition.

Upon the completion of the above acquisition, Phoenix Island Cruise Terminal acquired from Zhejiang Guodu Holding Co., Ltd. and Hainan Dayang Infrastructure Investment Co., Ltd., third parties of the Group, their 100% equity interests in Sanya Phoenix Island Development Co., Ltd. ("Phoenix Island Development") and Sanya Phoenix Island Real Estate Co., Ltd. ("Phoenix Island Real Estate") for a total consideration of RMB2,999 million and RMB962 million in cash, respectively. The acquisitions were completed on 9 April 2014 and 15 April 2014, respectively.

Phoenix Island Cruise Terminal, Phoenix Island Development and Phoenix Island Real Estate are together referred as "Phoenix entities". The Phoenix entities are incorporated in Hainan province, PRC, and are primarily engaged in the infrastructure development in Phoenix island in Hainan province.

At respective acquisition dates, the fair value of the net assets and liabilities in Phoenix Island Cruise Terminal, Phoenix Island Development and Phoenix Island Real Estate amounted to RMB1,681 million, RMB2,762 million and RMB363 million, respectively. The goodwill amounting to RMB244 million, RMB237 million and RMB599 million arising from the above acquisitions respectively are generated from the expected economic effects resulting from exploiting the platform of infrastructure developments in phoenix island in Hainan province.

The following tables summarise the consideration paid for Phoenix Island Cruise Terminal, Phoenix Island Development and Phoenix Island Real Estate and the amounts of the assets acquired, liabilities assumed and the non-controlling interests recognised at the acquisition dates.

29. BUSINESS COMBINATIONS (Continued)

(a) Acquisition of Phoenix Island Cruise Terminal

	At 28 March 2014 RMB million
Purchase consideration – cash paid	**1,000**

Amounts of identifiable assets acquired, liabilities assumed and non-controlling interests recognised:

Property, plant and equipment	**2,124**
Lease prepayments	**236**
Trade and other receivables	**24**
Trade and other payables	**(161)**
Deferred income tax liabilities	**(542)**
Total identifiable net assets	**1,681**
Non-controlling interest	**(925)**
Goodwill (Note 8)	**244**
	1,000

The fair value of trade and other receivables is RMB24 million and includes trade receivables with a fair value of RMB5 million. The gross contractual amount for trade receivables due is RMB5 million, none of the receivables is expected to be uncollectible.

The Group has chosen to recognise the non-controlling interest at the proportion of net assets acquired shared by the non-controlling interests.

(b) Acquisition of Phoenix Island Development

	At 9 April 2014 RMB million
Purchase consideration – cash paid	**2,999**

Amounts of identifiable assets acquired and liabilities assumed:

Cash and cash equivalents	**167**
Inventories	**6,342**
Trade and other receivables	**1,405**
Deferred income tax assets	**156**
Borrowings	**(2,055)**
Trade and other payables	**(898)**
Current income tax liabilities	**(407)**
Deferred income tax liabilities	**(1,948)**
Total identifiable net assets	**2,762**
Goodwill (Note 8)	**237**
	2,999

The fair value of trade and other receivables is RMB1,405 million and includes trade receivables with a fair value of RMB116 million. The gross contractual amount for trade receivables due is RMB116 million, none of the receivables is expected to be uncollectible.

29. BUSINESS COMBINATIONS (Continued)

(c) Acquisition of Phoenix Island Real Estate

	At 15 April 2014 RMB million
Purchase consideration	
– cash paid	**962**

Amounts of identifiable assets acquired and liabilities assumed:

Inventories	**997**
Trade and other receivables	**4**
Trade and other payables	**(39)**
Deferred income tax liabilities	**(599)**
Total identifiable net assets	**363**
Goodwill (Note 8)	**599**
	962

The fair value of trade and other receivables is RMB4 million and no trade receivables included.

The total acquisition-related costs for Phoenix Island Cruise Terminal, Phoenix Island Development and Phoenix Island Real Estate are RMB7 million, which have been included in administrative expenses in the condensed consolidated interim income statement for the period ended 30 June 2014.

Net cash outflow in respect of the acquisition of the Phoenix entities is analysed as follows:

Purchase consideration	
– cash paid	**4,961**
Less: Cash and cash equivalents in acquired subsidiaries	**(167)**
Net cash outflow on acquisition	**4,794**

The acquired businesses contributed revenue of RMB3 million and net losses of RMB73 million to the Group for the period from acquisition dates to 30 June 2014. If the acquisition had occurred on 1 January 2014, consolidated revenue and consolidated losses for the six months period ended 30 June 2014 would have been RMB364 million and RMB391 million respectively.

30. RELATED-PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Company is controlled by CCCG, the parent company and a state-owned enterprise established in the PRC. CCCG is subject to the control of the PRC Government which also controls a significant portion of the productive assets and entities in the PRC (collectively referred as the "government-related entities"). In accordance with IAS 24 "Related Party Disclosures", government-related entities and their subsidiaries, directly or indirectly controlled, jointly controlled or significantly influenced by the PRC Government are regarded as related parties of the Group. On that basis, related parties include CCCG, other government-related entities and their subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence, and key management personnel of the Company and CCCG as well as their close family members. For the purpose of the related party transaction disclosures, management believes that meaningful information relating to related party transactions has been adequately disclosed.

In addition to the related party information disclosed elsewhere in the unaudited condensed interim consolidated financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties, including other government-related entities, during the six months ended 30 June 2014 and balances arising from related party transactions as at 30 June 2014.

(a) Related party transactions

The following transactions were carried out with related parties other than government-related entities:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Transactions with CCCG		
– Rental expenses	**25**	25
– Property maintenance expenses	**26**	26
– Deposits placed with CCCC Finance and interest income	**1**	–
Transactions with fellow subsidiaries		
– Revenue from provision of construction services	**406**	480
– Deposits placed with CCCC Finance and interest income	**453**	–
– Other costs	**1**	3
Transactions with joint ventures and associates		
– Revenue from provision of construction services	**1,850**	1,260
– Subcontracting fee charges	**506**	452
– Purchase of materials	**56**	61
– Services charges	**5**	60
– Other costs	**4**	–
– Revenue from rental income	**2**	–
– Sales of machinery	**–**	4
– Disposal of property, plant and equipment	**–**	381

These transactions are carried out on terms agreed with the counter parties in the ordinary course of business.

30. RELATED-PARTY TRANSACTIONS (Continued)

(b) Key management compensation

	Six months ended 30 June	
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Basic salaries, housing allowances and other allowances	**3,614**	3,283
Contributions to pension plans	**263**	228
Others	**444**	273
	4,321	3,784

(c) Balances with related parties

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Trade and other receivables		
Trade receivables due from		
– Fellow subsidiaries	**447**	346
– Joint ventures and associates	**642**	813
Long-term receivables due from		
– Joint ventures and associates	**122**	89
Prepayments to		
– Joint ventures and associates	**9**	64
Other receivables due from		
– Joint ventures and associates	**809**	570
	2,029	1,882
Trade and other payables		
Trade and bills payables due to		
– Fellow subsidiaries	**2**	1
– Joint ventures and associates	**563**	683
Advanced from customers with		
– Joint ventures and associates	**1,091**	972
Dividend payables due to		
– CCCG	**1,937**	–
Other payables due to		
– CCCG	**941**	943
– Fellow subsidiaries	**254**	652
– Joint ventures and associates	**38**	49
	4,826	3,300
Amounts due from customers for contract work with		
– Joint ventures and associates	**568**	253
Amounts due to customers for contract work with		
– Joint ventures and associates	**85**	117

30. RELATED-PARTY TRANSACTIONS (Continued)

(d) Guarantees

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Outstanding loan guarantees provided by the Group to		
– Joint ventures	**167**	143
– Associates	**234**	119
Outstanding bond guarantees provided by CCCG to the Company	**22,885**	22,343

(e) Transactions and Period-end Balances with Other Government-Related Entities

The Group's major customers are PRC Government agencies and other government-related entities. A significant portion of revenue from provision of construction, design, dredging and other services, and sales of heavy machinery is conducted with other government-related entities. The Group also incurred some portion of subcontracting costs, rentals and purchases of materials and services from other government-related entities. These transactions are carried out on terms agreed with the counter parties in the ordinary course of business. As a result, a major portion of the Group's trade and other receivables and payables, as well as amount due from/due to customers for contract work, is with other government-related entities.

In addition, the Group has the following significant transactions and balances with other government-related entities:

	Six months ended 30 June	
	2014	2013
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Transactions with other government-related entities		
– Interest from bank deposits	**223**	248
– Interest on bank borrowings	**3,858**	2,491

	As at	
	30 June 2014	31 December 2013
	RMB million	RMB million
	(Unaudited)	(Audited)
Balances with other government-related entities		
– Restricted bank deposits	**5,231**	3,559
– Cash and cash equivalents	**56,946**	53,309
	62,177	56,868
– Borrowings	**168,182**	131,606

31. SUBSEQUENT EVENTS

As approved by NAFMII, a tranche of debentures was issued on 8 August 2014, at a nominal value of RMB3,000 million, with maturity of 270 days from issuance. The interest rate is 4.68% per annum.

Other Information

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period from 1 January 2014 to 30 June 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

INTERESTS OR SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2014, none of the Directors, Supervisors or chief executive of the Company had any interest or short positions in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at 30 June 2014, the Company had not granted its Directors, Supervisors or chief executive, or their respective spouses or children below the age of 18, any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them had ever exercised any such right to subscribe for shares or debentures.

MATERIAL INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2014, based on the disclosure information filed with the Hong Kong Stock Exchange on its website in accordance with the requirement of the Securities and Futures Commission of Hong Kong, the interests or short positions of every person (other than Directors, Supervisors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed by the Company as recorded in the register required to be maintained under Section 336 of the SFO were as follows:

Name	Number of shares held	Class of shares	Percentage of the respective class of shares (%)	Percentage of the total number of shares in issue (%)	Capacity in which the shares are held
CCCG	10,324,907,306	A shares	87.89	63.83	Beneficial Owner
Merrill Lynch (Asia Pacific) Limited	525,000,000	H shares	13.64	3.25	Corporate Interest
	528,912,000 (short position)	H shares	13.74	3.27	Corporate Interest
Merrill Lynch Far East Limited	525,000,000	H shares	13.64	3.25	Corporate Interest
	528,912,000 (short position)	H shares	13.74	3.27	Corporate Interest

MATERIAL INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

Name	Number of shares held	Class of shares	Percentage of the respective class of shares (%)	Percentage of the total number of shares in issue (%)	Capacity in which the shares are held
Merrill Lynch International Holdings Inc.	525,000,000	H shares	13.64	3.25	Corporate Interest
	528,912,000 (short position)	H shares	13.74	3.27	Corporate Interest
Merrill Lynch International Incorporated	525,000,000	H shares	13.64	3.25	Corporate Interest
	528,912,000 (short position)	H shares	13.74	3.27	Corporate Interest
JPMorgan Chase & Co.	304,954,747	H shares	6.89	1.89	Beneficial Owner/ Investment Manager/ Custodian Corporation/ Approved Lending Agent
	11,880,804 (short position)	H shares	0.27	0.07	Beneficial Owner
	275,650,187 (lending pool)	H shares	6.23	1.70	Custodian Corporation/ Approved Lending Agent
Blackrock, Inc	317,129,836	H shares	7.16	1.96	Interest of Controlled Corporation
	302,000 (short position)	H shares	0.01	0.00	Interest of Controlled Corporation

Save as stated above, as at 30 June 2014, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of the Company that would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO.

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2014, with the exception of Code Provisions A.2.1 and A.5.1 before 22 April 2014 and the exception of Code Provisions A.5.6.

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. On 26 April 2013, Mr LIU Qitao, an executive Director and the President of the Company, was elected as the Chairman of the Board with effect from the same day. On 22 April 2014, Mr. LIU Qitao resigned as President and Mr. CHEN Fenjian was elected as President with effect from the same day, thus the Company complied with Code Provision A.2.1 from that day on.

Code provision A.5.1 provides that a nomination committee should, among others, comprise a majority of independent non-executive directors. The Nomination Committee of the Board comprised six Directors, of whom two were executive Directors, one was non-executive Director and three were independent non-executive Directors before 22 April 2014. On 22 April 2014, the members of Nomination Committee of the Board were changed to five Directors, of whom two were executive Directors and three were independent non-executive Directors, thus the Company complied with Code Provision A.5.1 from that day on.

Code provision A.5.6 provides that the nomination committee should have a policy concerning diversity of board members. The Company had yet adopted relevant policy as at 30 June 2014 because the Company plans to adopt such diversity policy in the second half of 2014.

As a commitment to retain high level of corporate governance and continuous efforts to comply with the Listing Rules, the Company will endeavor to find eligible candidates to meet the requirements set out in the code provisions.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules to govern securities transactions by Directors and Supervisors. Having made specific enquiries to all Directors and Supervisors of the Company, the Company confirms that the Directors and Supervisors complied with the Model Code throughout the period from 1 January 2014 to 30 June 2014.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

The Company is not aware of any other changes since the date of the 2013 annual report of the Company that is discloseable under rule 13.51B(1) of the Listing Rules as at the date of this report.

EMPLOYEES

As at 30 June 2013, the Company had 102,041 employees that had signed labor contracts with the Company.

In accordance with applicable regulations, the Group makes contributions to the employees' pension plan, medical insurance plan, unemployment insurance plan, maternity insurance plan and personal injury insurance plan. The amount of contributions is based on the specified percentages of employees' aggregate salaries as provided for by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group also provides other benefits to current employees and retired employees. Current employees of the Group are also entitled to performance-based annual bonus.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee of the Board currently comprises LIU Zhangmin, LEUNG Chong and HUANG Long, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2014. The Audit Committee has also discussed matters such as the accounting policies and practices adopted by the Company and internal control with the senior management of the Company.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2014.

Terms & Glossaries

"A Shares"	domestic shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"Board of Directors"	the board of directors of the Company
"BOT"	build, operate and transfer
"BT"	build and transfer
"Company" or "CCCC"	China Communications Construction Company Limited, a joint stock limited company with limited liability incorporated under the laws of the PRC on 8 October 2006, and except where the context requires otherwise, all of its subsidiaries
"CCCG"	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 63.83% equity interest in the Company
"CHEC"	China Harbour Engineering Company Ltd., a wholly-owned subsidiary of the Company
"CRBC"	China Road & Bridge Corporation, a wholly-owned subsidiary of the Company
"Director(s)"	The director(s) of the Company
"experts in five areas"	the strategy of being is the optimisation and re-building of the Company based on our existing businesses, markets and resources. That is, to build the Company to be a world-famous engineering contractor, an urban complex developer and operator, a distinctive real estate developer, an integrated infrastructure investor and a general contractor of offshore heavy equipment and port machinery manufacturing and system integration
"EPC"	Engineering-Procurement-Construction
"F&G"	Friede Goldman United, Ltd.
"Group"	the Company itself and all of its subsidiaries
"Hong Kong dollars" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards promulgated by the International Accounting Standard Board ("IASB"). IFRS includes International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations

Terms & Glossaries

"PRC" or "China" or "Mainland China"	the People's Republic of China excluding, for the purpose of this annual report only, Hong Kong, Macau and Taiwan
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Future Ordinance
"Shareholders"	the shareholders of the Company
"State Council"	the State Council of the PRC
"terminal"	an assigned area in which containers and cargo are prepared for loading onto a vessel, train, truck or plane or are stacked immediately after discharge from the vessel, train, truck or plane
"U.S."	United States of America
"U.S. dollars" or "USD"	United States dollars, the lawful currency of the U.S.
"ZPMC"	Shanghai Zhenhua Heavy Industry Co., Ltd, a company incorporated on 14 February 1992 in the PRC and listed on the Shanghai Stock Exchange, which the Company owns, directly and indirectly, a controlling equity interest of approximately 46.2%

Note: Any discrepancies between the amounts herein and the amounts set out in the tables herein are due to rounding.

Corporate Information

I. CORPORATE INFORMATION

Legal name of the Company in Chinese: 中國交通建設股份有限公司
Legal Chinese abbreviation of the Company: 中國交建
Legal name of the Company in English: China Communications Construction Company Limited
Legal English abbreviation of the Company: CCCC
Legal representative of the Company: LIU Qitao

II. CONTACT PERSON AND CONTACT DETAILS

Secretary to the Board of the Company: LIU Wensheng
Address: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Tel: 8610-82016562
Fax: 8610-82016524
E-mail: ir@ccccltd.cn

III. BASIC INFORMATION

Registered address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Postal code: 100088

Office address of the Company:
85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Postal code: 100088

Company website: http://www.ccccltd.cn
E-mail: ir@ccccltd.cn

IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

Newspapers designated by the Company for disclosure of information (A Shares):
China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily
Website designated by China Securities Regulatory Commission for publishing interim reports of A Shares:
www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publishing interim reports of H Shares:
www.hkexnews.hk

Place available for inspection of the Company's interim reports of A Shares:
19th Floor, 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Place available for inspection of the Company's interim reports of H Shares:
Room 2805, 28th Floor, Convention Plaza Office Tower, 1 Harbour Road, Wanchai, Hong Kong, China

Corporate Information

V. BASIC INFORMATION ON SHARES OF THE COMPANY

Listing place of A Shares: Shanghai Stock Exchange
Abbreviation of A Shares: 中國交建
Stock code of A Shares: 601800

Listing place of H Shares: The Stock Exchange of Hong Kong Limited
Abbreviation of H Shares: CHINA COMM CONS
Stock code of H Shares: 01800

VI. OTHER INFORMATION OF THE COMPANY

Domestic Auditors:
PricewaterhouseCoopers Zhong Tian LLP
11th Floor PricewaterhouseCoopers Centre, Building 2, Corporate Avenue,
202 Hu Bin Road, Huangpu District, Shanghai, China
Signing auditors: WANG Lei and SU Ling

International Auditors: PricewaterhouseCoopers
22nd Floor, Prince's Building, Central, Hong Kong

Sponsor performing continuous supervisory duty during the reporting period:
BOC International (China) Limited
200 Yincheng Zhong Rd.(M), Pudong District, Shanghai, China
Signing representative of sponsor: TIAN Jin and WANG Ding
Period of continuous supervision: 9 March 2012 to 31 December 2014

Sponsor performing continuous supervisory duty during the reporting period:
Guotai Junan Securities Co., Ltd.
618 Shangcheng Road, Pudong District, Shanghai, China
Signing representative of sponsor: LIU Xin and YE Ke
Period of continuous supervision: 9 March 2012 to 31 December 2014

Hong Kong legal advisors: Freshfields Bruckhaus Deringer
11th Floor, Two Exchange Square, Hong Kong

PRC legal advisors: Jia Yuan Law Firm
F407, Ocean Plaza, 158 Fu Xing Men Nei Avenue, Beijing, China

Authorised representatives of H Shares: FU Junyuan, LIU Wensheng

H Share registrar:
Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

中國交通建設股份有限公司
CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

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