



中国铁建

中國鐵建股份有限公司
China Railway Construction Corporation Limited

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

Stock Code : 1186



2015 INTERIM REPORT

Important Notice

- I. The Board and the Supervisory Committee and the directors, supervisors and members of the senior management of the Company warrant the truthfulness, accuracy and completeness of the contents herein and confirm that there is no misrepresentation or misleading statements contained in or material omissions from this interim report, and accept joint and several responsibilities.
- II. All the directors of the Company attended the Board meeting.
- III. The 2015 interim financial report of the Company is prepared under the PRC accounting standards. Ernst & Young Hua Ming LLP has reviewed and issued the report which was not unaudited. Unless specifically indicated, Renminbi is the reporting currency in this interim report.
- IV. The Audit and Risk Management Committee under the Board of the Company has reviewed the interim financial statements of the Group for the six months ended 30 June 2015, which have been reviewed by Ernst & Young Hua Ming LLP, and has also discussed issues such as the accounting policies and practices and internal control of the Company with its management.
- V. MENG Fengchao, Chairman of the Company, WANG Xiuming, CFO, and CAO Xirui, Head of the Finance Department (person in charge of accounting), confirm that the financial report in this interim report is true, accurate and complete.
- VI. The profit distribution plan or reserves-to-equity transfer plan during the Reporting Period as considered by the Board meeting:
Nil.
- VII. Disclaimer of forward-looking statements:
Forward-looking statements, including future plan and development strategy, contained in this report do not constitute substantive commitments to investors by the Company. Investors should be reminded of such investment risks.
- VIII. Whether the controlling shareholder of the Company or its associates has misappropriated the Company's funds for purposes other than for business?
No
- IX. Whether the Company has provided external guarantees in violation of any prescribed decision-making procedures?
No
- X. The contents of this annual report are in compliance with all the requirements in relation to information to be disclosed in interim report under the Shanghai Listing Rules and the Hong Kong Listing Rules. In addition, this interim report will be simultaneously published in Mainland China and Hong Kong. Should there be any discrepancies between the Chinese and English versions, the Chinese version shall prevail.
- XI. Others

To obtain 80% equity interests of Chongqing Tiefa Suiyu Highway Co., Ltd. (重慶鐵發遂渝高速公路有限公司) ("Chongqing Tiefa Suiyu"), the Company entered into the equity transfer agreement and the supplemental agreement with China Railway Construction Corporation, the controlling shareholder, for acquisition of 80% equity interests in Chongqing Tiefa Suiyu on 11 February 2015 and 30 March 2015, respectively, at a cash consideration of RMB3,098,226,000. As Chongqing Tiefa Suiyu was a subsidiary of China Railway Construction Corporation, both parties of the combination were controlled by China Railway Construction Corporation and such control was not temporary before and after combination, the combination was a business merger involving entities under same control. On 25 May 2015, Chongqing Tiefa Suiyu completed the registration procedures for changes in equity upon the change in shareholder. On 2 June 2015, the Company paid the consideration of RMB3,098,226,000 in accordance with the equity transfer agreement. As at the date hereof, the Company completed the combination of Chongqing Tiefa Suiyu through a business merger involving entities under same control and 2 June 2015 was determined as the combination date.



Contents

Section I	Definitions	2
Section II	Basic Corporate Information	3
Section III	Highlights of Accounting Data and Financial Indicators	5
Section IV	Report of Directors	7
Section V	Significant Events	38
Section VI	Changes in Shares and Particulars of Shareholders	52
Section VII	Particulars of Preference Shares	57
Section VIII	Directors, Supervisors and Senior Management	58
Section IX	Financial Report	60
Section X	Documents for Inspection	220

Definitions

Unless otherwise stated in context, the following terms should have the following meanings in this report:

DEFINITION OF FREQUENTLY USED TERMS

“Company” or “CRCC”	China Railway Construction Corporation Limited (中國鐵建股份有限公司)
“Group”	China Railway Construction Corporation Limited and its wholly-owned and non-wholly-owned subsidiaries
“Controlling Shareholder” or “CRCCG”	China Railway Construction Corporation (中國鐵道建築總公司)
“General Meeting”	a general meeting of China Railway Construction Corporation Limited
“Board”	the board of directors of China Railway Construction Corporation Limited
“Supervisory Committee”	the supervisory committee of China Railway Construction Corporation Limited
“Reporting Period”	the period from January to June 2015
“end of the Reporting Period”	30 June 2015
“corresponding period last year”	the period from January to June 2014
“end of last year”	31 December 2014
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Shanghai Listing Rules”	the Rules Governing the Listing of Stocks on Shanghai Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“CSRC”	China Securities Regulatory Commission
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China which, for the purposes of this report, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council
“Articles of Association”	the Articles of Association of China Railway Construction Corporation Limited

Basic Corporate Information

I. CORPORATE INFORMATION

Chinese name of the Company	中國鐵建股份有限公司
Chinese abbreviation	中國鐵建
Foreign name of the Company	China Railway Construction Corporation Limited
Foreign abbreviation	CRCC
Legal representative of the Company	MENG Fengchao

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the Board	Joint Company Secretaries
Name	YU Xingxi	YU Xingxi, LAW Chun Biu
Correspondence address	East, No. 40 Fuxing Road, Haidian District, Beijing	East, No. 40 Fuxing Road, Haidian District, Beijing
Telephone	010-52688600	010-52688600
Fax	010-52688302	010-52688302
E-mail	ir@crcc.cn	ir@crcc.cn

III. CHANGES IN BASIC INFORMATION

Registered office of the Company	East, No. 40 Fuxing Road, Haidian District, Beijing
Postal code of registered office of the Company	100855
Principal place of business in the PRC	East, No. 40 Fuxing Road, Haidian District, Beijing
Postal code of principal place of business in the PRC	100855
Principal place of business in Hong Kong	23/F, Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong
Website of the Company	www.crcc.cn
E-mail	ir@crcc.cn
Index to changes during the Reporting Period	During the Reporting Period, there was no change in basic corporate information of the Company.

IV. CHANGES IN INFORMATION DISCLOSURE AND PLACE OF INSPECTION

Newspapers selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times
Website designated by CSRC for publishing the interim report	www.sse.com.cn
Website designated by the Hong Kong Stock Exchange for publishing the interim report	www.hkex.com.hk
Place of inspection of the interim report of the Company	Secretariat of the Board of CRCC, East, No.40 Fuxing Road, Haidian District, Beijing
Index to changes during the Reporting Period	During the Reporting Period, there was no change in information disclosure and place of inspection of the Company.

V. BASIC INFORMATION OF THE SHARES OF THE COMPANY

Class of share	Place of listing	Stock abbreviation	Stock Code
A share	Shanghai Stock Exchange	China Rail Cons	601186
H share	Hong Kong Stock Exchange	China Rail Cons	1186

Basic Corporate Information (continued)

VI. CHANGES IN REGISTRATION OF THE COMPANY DURING THE REPORTING PERIOD

There was no change in registration of the Company during the Reporting Period.

VII. OTHER INFORMATION

1. Auditors appointed by the Company

Name	Ernst & Young Hua Ming LLP
Office address	Level 16, Ernst & Young Tower, Oriental Plaza, No. 1, East Chang An Ave., Dongcheng District, Beijing

2. Legal advisers appointed by the Company

As to Hong Kong law	Name	Baker & McKenzie
	Office address	14th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong
As to the PRC law	Name	Beijing Deheng Law Office
	Office address	12/F, Tower B, Focus Place, No. 19 Finance Street, Beijing

3. Share registrar of H shares of the Company

Name	Computershare Hong Kong Investor Services Limited
Office address	Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

Highlights of Accounting Data and Financial Indicators

I. MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Major accounting data

Unit: thousand yuan Currency: RMB

Major accounting data	Reporting Period (from January to June)	Corresponding period last year		Change as compared to the corresponding period last year (%)
		Adjusted	Before adjustment	
Revenue	262,894,264	262,186,875	261,693,635	0.27
Net profit attributable to shareholders of the Company	5,330,703	5,155,974	4,982,941	3.39
Net profit excluding non-recurring profit or loss attributable to shareholders of the Company	4,783,203	4,662,403	4,645,754	2.59
Net cash flows from operating activities	6,889,144	-11,941,774	-12,033,063	N/A
	As at the end of the Reporting Period	As at the end of last year		Change as compared with the end of last year (%)
		Adjusted	Before adjustment	
Net assets attributable to shareholders of the Company	94,802,802	92,768,453	90,935,729	2.19
Total assets	648,229,246	623,565,997	617,004,015	3.96

(II) Major financial indicators

Major financial indicators	Reporting Period (from January to June)	Corresponding period last year		Change as compared to the corresponding period last year (%)
		Adjusted	Before adjustment	
Basic earnings per share (<i>yuan per share</i>)	0.43	0.42	0.40	2.38
Diluted earnings per share (<i>yuan per share</i>)	N/A	N/A	N/A	N/A
Basic earnings per share after deduction of non-recurring profit or loss (<i>yuan per share</i>)	0.39	0.38	0.38	2.63
Weighted average return on net assets (%)	5.59	6.05	5.97	Decreased by 0.46 percentage point
Weighted average return on net assets after deduction of non-recurring profit or loss (%)	5.01	5.47	5.57	Decreased by 0.46 percentage point

Explanation on the major accounting data and financial indicators of the Company

The retrospective adjustment was made to reflect the Company's acquisition of 80% equity interests in Chongqing Tiefsa Suiyu held by its Controlling Shareholder during the Reporting Period, representing a "business combination involving entities under common control". Please refer to VI. Changes in consolidation scope in Notes to Financial Statements of the Report.

Highlights of Accounting Data and Financial Indicators (continued)

II. ACCOUNTING INFORMATION DIFFERENCES BETWEEN DOMESTIC AND OVERSEAS ACCOUNTING STANDARDS

Applicable Not applicable

III. NON-RECURRING PROFIT OR LOSS ITEMS AND AMOUNTS

Applicable Not applicable

Unit: thousand yuan Currency: RMB

Non-recurring profit or loss items	Amount
Gains/(losses) from disposal of non-current assets	19,579
Government grants recognized through profit or loss (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or quantity according to certain standards)	167,985
Gains/(losses) from debt restructuring	5,026
Net gains/(losses) of subsidiaries from the beginning of the period to the consolidation date arising from business combination involving entities under common control	210,120
Gains/(losses) on changes in fair value of held-for-trading financial assets and trading financial liabilities, and investment gains from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, other than effective hedging activities related to normal business operations of the Company	135,451
Reversal of impairment for accounts receivable that had impairment test separately	175,446
Other non-operating income and expenses other than the above items	43,908
Investment income from disposal of long-term equity investment	8,555
Impact on minority interests	-27,052
Impact on income tax	-191,518
Total	547,500

Report of Directors

I. DISCUSSION AND ANALYSIS OF THE BOARD ON THE OPERATION OF THE COMPANY DURING THE REPORTING PERIOD

In the first half of 2015, with a focus on improving quality and increasing efficiency, the Group insisted on making progress in stability, adhered to reform and innovation, and did a lot of work on stabilizing growth of economic indicators, deepening enterprise reform, adjusting industrial structure, preventing and resolving risks, so as to achieve smooth and positive development of the Company.

(I) Discussion and analysis of the overall operations during the Reporting Period

1. Newly-signed contracts

During the Reporting Period, the value of new contracts signed by the Group amounted to RMB317,938 million, accounting for 38.79% of the annual plan and representing a decrease of 18.44% as compared to the corresponding period last year. Among which, new contracts for overseas business amounted to RMB61,825.4 million, accounting for 19.45% of the total value of the new contracts; new contracts for domestic business amounted to RMB256,112.6 million in total, accounting for 80.55% of the total value of the new contracts. As at 30 June 2015, outstanding contracts for the Group amounted to RMB1,760,692.1 million, of which the value of outstanding overseas contracts amounted to RMB395,352 million, accounting for 22.45% of the total value of outstanding contracts. The major indicators are as follows:

Unit: '00 million

Category	Value of new contracts			Value of outstanding contracts		
	Reporting Period	Corresponding period last year	Growth (%)	End of Reporting Period	End of last year	Growth (%)
Construction operations	2,540.773	3,220.648	-21.11	15,806.964	16,079.547	-1.70
Survey, design and consultancy operations	59.114	45.507	29.90	37.150	41.445	-10.36
Manufacturing operations	95.139	69.141	37.60	82.695	54.394	52.03
Logistics and materials trading operations	333.249	453.017	-26.44	1,374.268	1,240.040	10.82
Real estate development operations	142.816	103.218	38.36	287.449	200.033	43.70
Other businesses	8.289	6.704	23.64	18.395	14.321	28.45
Total	3,179.380	3,898.235	-18.44	17,606.921	17,629.780	-0.13

Report of Directors (continued)

During the Reporting Period, the value of new contracts for construction operations amounted to RMB254,077.3 million, accounting for 79.91% of the total value of new contracts and representing a period-on-period decrease of 21.11%. Among this, the value of new contracts for railway construction amounted to RMB80,620.9 million, accounting for 31.73% of the value of new contracts in the construction operations segment and representing a period-on-period decrease of 37.59%; the value of new contracts for road projects amounted to RMB66,374 million, accounting for 26.12% of the value of new contracts in the construction operations segment and representing a period-on-period increase of 57.16%; the value of new contracts for urban rail transit amounted to RMB17,248.6 million, accounting for 6.79% of the value of new contracts in the construction operations segment and representing a period-on-period decrease of 43.32%; the value of new contracts for housing construction amounted to RMB58,910.8 million, accounting for 23.19% of the value of new contracts in the construction operations segment and representing a period-on-period decrease of 18.43%; the value of new contracts for municipal engineering amounted to RMB11,450.4 million, accounting for 4.51% of the value of new contract in the construction operations segment and representing a period-on-period decrease of 55.97%; the value of new contracts for hydraulic and electric engineering amounted to RMB7,562.5 million, accounting for 2.98% of the value of new contracts in the construction operations segment and representing a period-on-period increase of 42.45%; the value of new contracts for airport terminals amounted to RMB2,531.4 million, accounting for 1.00% of the value of the new contracts in the construction operations segment and representing a period-on-period increase of 41.11%. The substantial decrease in the value of new contracts for railway construction was mainly due to significant individual value of contract for undertaking railway construction project in Nigeria last year, leading to a large period-on-period decrease in the value of new contracts. The significant volatility in the value of new contracts for road projects, urban rail transit and municipal engineering was mainly influenced by the changes in domestic investment scale of relevant industries. The great volatility in the value of new contracts for hydraulic and electric engineering and airport terminals was normal due to their small scale.

During the Reporting Period, the value of new contracts for non-construction operations segments of the Group amounted to RMB63,860.7 million, accounting for 20.09% of the total value of new contracts and representing a period-on-period decrease of 5.75%. Among which, the value of new contracts for survey, design and consultancy operations amounted to RMB5,911.4 million, representing a period-on-period increase of 29.90%; the value of new contracts for manufacturing operations amounted to RMB9,513.9 million, representing a period-on-period increase of 37.60%; the value of new contracts for logistics and materials trading operations amounted to RMB33,324.9 million, representing a period-on-period decrease of 26.44%; and the value of new contracts for real estate development operations amounted to RMB14,281.6 million, representing a period-on-period increase of 38.36%. The significant increase in the value of new contracts for manufacturing operations was mainly due to an increasingly enhanced competitiveness of products of the Company in relevant industries, which facilitated the growth in sales volume. The large increase in the value of new contracts for real estate development operations was mainly due to the recovery of sales results for the first half of the year with the Company's conforming to market situation, taking the initial to launch new houses, seizing customer resources and speeding up sell-through of projects, benefited from market environment improvement upon relevant policies promulgated by the central and local governments.

Report of Directors (continued)

2. Major financial indicators and period-on-period changes

During the Reporting Period, the Group achieved a revenue of RMB262,894.3 million, representing a period-on-period increase of 0.27%, and a net profit of RMB5,594.1 million, representing a period-on-period increase of 6.32%.

Unit: '000

Item	Reporting Period	Corresponding period last year		Change as compared to the corresponding period last year
		Adjusted	Before adjustment	
Revenue	262,894,264	262,186,875	261,693,635	0.27%
Operating costs	234,091,391	235,373,412	235,175,637	-0.54%
Operating profit	6,753,551	6,499,087	6,239,130	3.92%
Operating margin	2.57%	2.48%	2.38%	Increased by 0.09 percentage point
Net profit	5,594,097	5,261,554	5,045,261	6.32%

3. Analysis on industry development trends

2015 is a key year for comprehensive in-depth reform, an opening year to carry out ruling the country by law in an all-round way, and an ending year to complete the “Twelfth Five-year” Plan in its entirety, representing great significance for the development of the Company. On the whole, as the domestic economic development has entered a “new normal”, the slowdown of economic development has brought some difficulties to development of enterprise, but there are also many opportunities and favorable factors. First, the world economy will continue to recover and stabilize. Since the second half of last year, sustained recovery in developed economies and strong US economic growth predicted an improvement of the growth rate of global economy. Second, the effect of domestic policy for ensuring growth gradually released. To cope with the economic downturn pressure, the central government issued a series of directional control policies and measures last year, covering targeted RRR cuts, structural tax cuts, shantytown renovation, railway construction in central and west regions, foreign trade stability, as well as the overall interest rate cuts implemented recently and the introduction of a number of PPP projects in infrastructure field to encourage social capital's participation. Effects of these policies are gradually released. Third, the fundamentals of China's economic development are generally favorable. As the central government proposed three strategies, i.e. “One Belt and One Road” (一帶一路), “Synergetic Development of Beijing-Tianjin-Hebei Region” and “Yangtze River Economic Zone”, and unswervingly pushed forward the development of four segments, i.e. development of Western China, invigoration of Northeast China, rise of Central China, and leading of Eastern China, there will be more investment opportunities in infrastructure and real estate. The construction progress for projects under construction and large projects for which construction has not commenced in the “Twelfth Five-Year” Plan would be expedited, which would stimulate investment growth. Fourth, the State vigorously supports Chinese enterprises to “going-out”. The State strongly advocated “Shanghai-Hong Kong Stock Connect” and “One Belt and One Road”, strongly pushed forward “High Speed Rail Going Out”, and contributed to establish the Silk Road Fund, Asian Infrastructure Investment Bank, New Development Bank, and Development Bank of the Shanghai Co-operation Organisation. The State also increased financial support, provided long-term foreign exchange funds support for “going out” enterprises, which supplied the Company with a rare historical opportunity for the development strategy of overseas expansion.

Report of Directors (continued)

4. Problems and difficulties ahead of operations and countermeasures for the second half of the year

The Company encounters the following major challenges in its operations: first, there are many risk and uncertain factors in world economy. The overall growth rate of the global economy is not optimistic; international trade protectionism continues to rise; the integrated cost of land and labor keep increasing, geopolitical effect is increasingly great; and turmoil of international financial market is aggravated. Second, China's economy is still facing many difficulties and challenges with intensified pains arising from structural adjustment, which increases difficulties for production and operation of enterprises. Third, the domestic and international competition in the field of infrastructure is fierce, which requires increasingly stronger corporate financial position, technologies and management. In the international market, high speed rail competition is intensified.

In the second half of the year, the Company will adopt pertinent measures to tackle such problems, mainly including focusing on railway market, endeavoring to exploration of market outside of railway, strengthening operation and collaboration, increasing efforts on operation and improving level of operation results.

(II) Analysis of main businesses

1. Analysis of changes of relevant items in the financial statements

Unit: '000 Currency: RMB

Item	Amount for the Period	Amount for the corresponding period last year (After retrospective adjustment)	Amount for the corresponding period last year (Before retrospective adjustment)	Change (%)
Revenue	262,894,264	262,186,875	261,693,635	0.27
Operating costs	234,091,391	235,373,412	235,175,637	-0.54
Selling and distribution expenses	1,528,736	1,278,562	1,271,021	19.57
General and administrative expenses	9,977,443	8,780,103	8,766,903	13.64
Finance costs	2,612,510	2,411,239	2,374,832	8.35
Net cash flow generated from operating activities	6,889,144	-11,941,774	-12,033,063	N/A
Net cash flow generated from investment activities	-8,011,456	-7,325,331	-6,745,393	N/A
Net cash flow generated from financing activities	3,682,261	19,597,653	19,149,744	-81.21
R&D expenditures	3,715,764	3,015,289	3,015,289	23.23

The Group's revenue and operating costs for the Period amounted to RMB262,894,264,000 and RMB234,091,391,000, respectively, which was substantially the same as compared to the corresponding period last year, representing a stable production and operation of the Company.

Report of Directors (continued)

The change in selling and distribution expenses was mainly due to the increase in efforts on contracting operations business by the Company.

The change in general and administrative expenses was mainly due to the increase in R&D expenditures of the Company for the Period.

The change in finance costs was mainly due to the increase in the size of interests-bearing liabilities of the Company for the Period as compared to the corresponding period last year.

The change in net cash flow generated from operating activities was mainly due to the increasing efforts on clearing and collecting receivables by the Company and deposits taken by the Finance Company, a subsidiary of the Company.

The change in net cash flow generated from investing activities was mainly due to the increase in expenditure on intangible assets for the Period.

The change in net cash flow generated from financing activities was mainly due to the decrease in the size of newly-added borrowings of the Company for the Period as compared to the corresponding period last year and the additional expenditure on acquisition of 80% equity interest in Tiefa Suiyu.

2. Others

(1) *Particulars of material changes in profit composition or source*

Not applicable.

(2) *Analysis and description of implementation progress of various financing activities and major assets reorganization at previous occasions*

① The issuance of ultra short-term financing bonds by the Company and its subsidiaries

The 2011 annual general meeting held by the Company on 12 June 2012 considered and approved the proposal in relation to the issuance of ultra short-term financing bonds by the Company, approving the Company to register and issue ultra short-term financing bonds with an aggregate balance of principal amount of not more than RMB30 billion. Taking into account the capital position, demand for financing and sources of capital of the Company, as well as the condition of the domestic bond market, the Company issued the first tranche of ultra short-term financing bonds of RMB3 billion for the year 2015 with a term of 270 days on 24 April 2015.

Chongqing Tiefa Suiyu Highway Co., Ltd. issued the first tranche of ultra short-term financing bonds of RMB500 million for the year 2015 with a term of 270 days on 18 May 2015, which has not been consolidated into the Company at the time of the issuance.

For details, please see the announcements dated 13 June 2012 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

As at 30 June 2015, the balance of the principal amount of above ultra short-term financing bonds issued by the Company and its subsidiaries was RMB3.5 billion.

Report of Directors (continued)

② The issuance of short-term financing bonds by the Company and its subsidiaries

The 2012 Second Extraordinary General Meeting held on 28 December 2012 considered and approved the Proposal in Relation to the Increase in Amounts for Registration and Issuance of Medium-term Notes and Short-term Financing Bonds of the Company, approving the Company to register and issue short-term financing bonds with an aggregate balance of principal amount of not more than 40% of the net assets as stated in the audited financial report of the Company for each Reporting Period with the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會). Taking into account the capital position, demand for financing and sources of capital of the Company, as well as the condition of the domestic bond market, the Company issued the first tranche of short-term financing bonds of RMB3.5 billion for the year of 2014 with a term of 365 days on 28 March 2014. The short-term financing bonds were repaid in full on the due date of 28 March 2015.

For details, please see the announcements dated 29 December 2012 and 29 March 2014 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

As at 30 June 2015, the balance of principal amount of the aforesaid short-term financing bonds issued by the Company and its subsidiaries was nil.

③ The issuance of medium-term notes by the Company and its subsidiaries

The general meetings held on 13 January 2009 and 31 May 2011 respectively by the Company considered and approved the proposal in relation to the issuance of medium-term notes by the Company. The 2012 Second Extraordinary General Meeting held on 28 December 2012 considered and approved the proposal in relation to the increase in amounts for registration and issuance of medium-term notes and short-term notes of the Company, approving the Company to register and issue medium-term notes with an aggregate balance of principal amount of not more than 40% of the net assets as stated in the audited financial report of the Company for each Reporting Period with the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會). On 27 August 2010, the Company issued the first tranche of medium-term notes of RMB5 billion for the year of 2010 with a term of 5 years. On 14 October 2011, the Company issued the first tranche of medium-term notes of RMB7.5 billion for the year of 2011 with a term of 7 years. On 20 June 2013, the Company issued the first tranche of medium-term notes of RMB10 billion for the year of 2013 with a term of 7 years.

Chongqing Tiefa Suiyu Highway Co., Ltd. issued the first tranche of medium-term notes of RMB300 million for the year 2013 with a term of three years on 16 July 2013. Chongqing Tiefa Suiyu Highway Co., Ltd. issued the first tranche of medium-term notes of RMB470 million for the year 2014 with a term of three years on 23 April 2014. Chongqing Tiefa Suiyu Highway Co., Ltd. had not been consolidated into the Company at the time of the issuance.

Report of Directors (continued)

For details, please see the announcements dated 14 January 2009, 2 September 2010, 1 June 2011, 19 October 2011, 29 December 2012 and 21 June 2013 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

As at 30 June 2015, the balance of principal amount of the medium-term notes issued by the Company and its subsidiaries was RMB23.27 billion.

④ The issuance of overseas bonds by the Company and its subsidiaries

The 2011 Annual General Meeting held by the Company on 12 June 2012 considered and approved the proposal in relation to the issuance of overseas bonds by the Company, approving the Company to issue overseas bonds with a balance of principal amount equivalent to not more than RMB5 billion. The 2012 Annual General Meeting of the Company convened on 6 June 2013 considered and approved the proposal in relation to the increased of the issuance size of overseas bonds of the Company, authorizing the additional issuance of overseas bonds of an amount equivalent to no more than RMB10 billion in Hong Kong or other overseas bond markets by the Company or a wholly-owned subsidiary of the Company. On 16 May 2013, the Company and CRCC Yuxiang Limited, a subsidiary of the Company entered into a Trust Deed with The Hongkong and Shanghai Banking Corporation Limited, the trustee of the notes, in respect of the US\$800 million 3.5% guaranteed notes due 2023 issued by CRCC Yuxiang Limited.

On 1 August 2014, the Company and CRCC Yupeng Limited, a subsidiary of the Company entered into the Trust Deed with The Hong Kong and Shanghai Banking Corporation Limited, the trustee of the notes, in relation to the issuance of US\$800 million senior guaranteed perpetual securities with a coupon rate of 3.95% by CRCC Yupeng Limited. Such perpetual securities were presented as equity instrument in the consolidated financial statements.

For details, please see the announcements dated 13 June 2012, 17 May 2013, 7 June 2013 and 2 August 2014 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

Report of Directors (continued)

⑤ The progress of non-public issuance of A shares by the Company

The resolution in relation to the non-public issuance of A shares by the Company was considered and approved at the 2015 First Extraordinary General Meeting, the 2015 First A Shareholders' Class Meeting and the 2015 First H Shareholders' Class Meeting held by the Company on 5 February 2015 and the resolutions in relation to the relevant reports and undertakings on the real estate development business of the Company issued by CRCCG (the controlling shareholder of the Company), the Directors and senior management of the Company and the Company were considered and approved at the 2014 annual general meeting held by the Company on 2 June 2015. On 10 June 2015, the Issue Review Committee of China Securities Regulatory Commission (中國證券監督管理委員會發行審核委員會) reviewed the Company's application for the non-public issuance of A shares. On 29 June 2015, the Company received the "Approval in Relation to the Non-Public Issuance of Shares by China Railway Construction Corporation Limited" from CSRC, pursuant to which the Company was approved to issue no more than 1,409,361,702 A shares under the non-public issuance by China Securities Regulatory Commission. On 7 July 2015, bookkeeping for the non-public issuance of A shares of the Company was completed with final determination of issue price at RMB8.00 per share, number of shares at 1,242,000,000 shares, and total proceeds at RMB9,936 million. The fifteenth meeting of the third session of the Board held on 29 July 2015 considered and approved the Company's replacement of self-raised funds pre-invested in the funded projects with proceeds of RMB1,166 million and temporary replenishment of working capital with not more than RMB2,500 million of idled proceeds. For details, please see the announcements dated 6 February 2015, 13 May 2015, 3 June 2015, 11 June 2015, 25 June 2015, 30 June 2015, 18 July 2015 and 30 July 2015 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

Report of Directors (continued)

⑥ The issuance of non-public debt financing instruments by the Company's subsidiaries

As at 30 June 2015, the balance of principal amount of the non-public debt financing instruments issued by the Company's wholly-owned subsidiaries was RMB6.8 billion, and the details of the issuance are shown in the following table.

Unit: '00 million

Type of bond	Name of company	Date of issue	Maturity	Amount issued
Private placement notes	China Railway 25 th Bureau Group Co., Ltd.	2012/8/6	Three years	4
Private placement notes	China Railway 14 th Bureau Group Co., Ltd.	2012/8/27	Five years	4
Private placement notes	China Railway 15 th Bureau Group Co., Ltd.	2012/11/23	Three years	4
Private placement notes	China Railway 17 th Bureau Group Co., Ltd.	2013/3/21	Three years	5
Private placement notes	China Railway 15 th Bureau Group Co., Ltd.	2013/3/28	Three years	4
Private placement notes	China Railway 24 th Bureau Group Co., Ltd.	2013/4/11	Three years	6
Private placement notes	China Railway 23 rd Bureau Group Co., Ltd.	2014/3/14	Two years	1.5
Private placement notes	CRCC Harbour & Channel Engineering Bureau Group Co., Ltd	2014/4/30	Three years	2
Private placement notes	China Railway 17 th Bureau Group Co., Ltd.	2014/6/25	Three years	5
Private placement notes	Chongqing Tiefa Suiyu Highway Co., Ltd.	2014/7/31	Three years	2
Private placement notes	China Railway 15 th Bureau Group Co., Ltd.	2014/9/4	Three years	3
Private placement notes	Chongqing Tiefa Suiyu Highway Co., Ltd.	2014/10/1	Three years	0.5
Private placement notes	China Railway 19 th Bureau Group Co., Ltd.	2014/10/24	One year	10
Private placement notes	China Railway 25 th Bureau Group Co., Ltd.	2014/10/28	Three years	4
Private placement notes	Chongqing Tiefa Suiyu Highway Co., Ltd.	2014/10/31	Three years	3
Private placement notes	Chongqing Tiefa Suiyu Highway Co., Ltd.	2014/12/18	Three years	2
Private placement notes	China Railway 25 th Bureau Group Co., Ltd.	2015/1/30	Three years	4
Private placement notes	Chongqing Tiefa Suiyu Highway Co., Ltd.	2015/2/11	Three years	2
Private placement notes	China Railway 23 rd Bureau Group Co., Ltd.	2015/2/11	Three years	1
Private placement notes	China Railway 23 rd Bureau Group Co., Ltd.	2015/2/12	Three years	1
Total	-	-	-	68

For specific details, please refer to "29. Current portion of non-current liabilities", "30. Other current liabilities and "32. Bonds payable" in the Notes to Financial Statements of this report.

(3) Progress for business plans

① Completion of business plans

The value of new contracts for the Group in the first half of the year was RMB317,938 million, representing 38.79% of the target set for the year of RMB819.7 billion. The revenue amounted to RMB262,894.3 million, representing 43.10% of the target set for the year of RMB610.02 billion. In the first half of the year, as the state government vigorously promoted the PPP model, many projects subject to invitation of tenders were adjusted to adapt to the new scenario, the schedule of which was postponed, resulting in the completion of the new contracts falling behind the target of progress, but the overall scale maintained at a reasonable level to meet the Group's production and development needs, and the requirements in terms of progress were met as a result. The Company believes that with the launch of projects being sped up in the second half of the year, the progress of completion will be improved soon and the annual target will be finally completed.

Report of Directors (continued)

② Fulfillment of profit forecasts

During the Reporting Period, the Company had no profit forecasts.

③ Revised business plans for the second half of the year by the Board of the Company
Nil.

(III) Analysis of the operations in different business segments and regions

The Group's main businesses include: construction operations, survey, design and consultancy, manufacturing operations, real estate development, logistics and materials trading, and other operations.

1. Performance of main businesses by segment

Unit: thousand yuan Currency: RMB

By segment	Main businesses by segment									
	Revenue for the Reporting Period	Revenue for the corresponding period last year (Restated)	Operating costs for the Reporting Period	Operating costs for the corresponding period last year (Restated)	Gross profit margin for the Period (%)	Gross profit margin for the corresponding period last year (Restated) (%)	Increase/decrease in revenue as compared to last year (%)	Increase/decrease in operating costs as compared to last year (%)	Increase/decrease in gross profit margin as compared to last year (%)	
Construction operations	231,311,698	225,627,539	208,777,849	205,050,064	9.74	9.12	2.52	1.82	Increased by 0.62 percentage point	
Survey, design and consultancy operations	4,117,525	3,609,542	2,862,415	2,466,291	30.48	31.67	14.07	16.06	Decreased by 1.19 percentage points	
Manufacturing operations	6,475,017	5,885,424	4,989,688	4,609,061	22.94	21.69	10.02	8.26	Increased by 1.25 percentage points	
Real estate development operations	5,924,448	6,646,623	4,453,212	4,822,420	24.83	27.45	-10.87	-7.66	Decreased by 2.62 percentage points	
Logistics and materials trading and others operations	23,767,376	28,299,925	21,708,182	26,194,286	8.66	7.44	-16.02	-17.13	Increased by 1.22 percentage points	
Inter-segment elimination	-8,701,800	-7,882,178	-8,699,955	-7,768,710	/	/	/	/	/	
Total	262,894,264	262,186,875	234,091,391	235,373,412	10.96	10.23	0.27	-0.54	Increased by 0.73 percentage point	

Note: Pursuant to requirements of Standards on the Contents and Formats of Information Disclosure by Companies Publicly Offering Securities No. 3 – Contents and Formats of Interim Reports (Revised in 2014) issued by the China Securities Regulatory Commission, companies shall analyze their operations based on the industry and products. However, the Company carried out the analysis by segment based on the characteristics of the Company's businesses.

Report of Directors (continued)

Explanation on the main businesses by segment and product

(1) Construction operations

As the core and traditional business segment of the Group, the construction operations covered various fields, such as railways, highways, buildings, urban utilities, urban rail transit, water conservancy and hydroelectricity, bridges, tunnels and airports. The Group provided services to 31 provinces, cities and autonomous regions in the PRC as well as in Hong Kong and Macau and took part in infrastructure construction projects in foreign countries and regions such as Africa, Asia, the Middle East and Europe. During the Reporting Period, the Group's revenue from construction operations amounted to RMB231.3117 million, representing an increase of 2.52% as compared to the corresponding period last year, while the gross profit increased by 9.51% as compared with the corresponding period last year.

Construction operations (before elimination of inter-segment transactions)

Unit: RMB'000

Item	Reporting Period	Corresponding period last year (Restated)	Growth rate
Revenue	231,311,698	225,627,539	2.52%
Cost of sales	208,777,849	205,050,064	1.82%
Gross profit	22,533,849	20,577,475	9.51%
Gross profit margin	9.74%	9.12%	Increased by 0.62 percentage point
Selling and distribution expenses	529,195	347,485	52.29%
General and administrative expenses	8,338,505	7,248,084	15.04%
Total profit	4,727,202	3,855,809	22.60%

Selling and distribution expenses of construction operations increased by 52.29% as compared to the corresponding period last year, mainly due to the increase in efforts in its contracting operations by the Company.

Report of Directors (continued)

(2) *Survey, design and consultancy operations*

The survey, design and consultancy operations are another major contributor to the revenue of the Group, the scope of which covers the provision of survey, design and consultancy services relating to civil engineering and transportation infrastructure construction including railways, highways, urban rail transit, water conservancy and hydroelectricity facilities, airports, docks, industrial and civil buildings and municipal utilities. During the Reporting Period, the Group's revenue from the survey, design and consultancy operations reached RMB4,117.5 million, representing an increase of 14.07% as compared to the corresponding period last year, while the gross profit increased by 9.78% as compared to the corresponding period last year.

**Survey, design and consultancy operations
(before elimination of inter-segment transactions)**

Unit: RMB'000

Item	Reporting Period	Corresponding period last year (Restated)	Growth rate
Revenue	4,117,525	3,609,542	14.07%
Cost of sales	2,862,415	2,466,291	16.06%
Gross profit	1,255,110	1,143,251	9.78%
Gross profit margin	30.48%	31.67%	Decreased by 1.19 percentage points
Selling and distribution expenses	310,026	294,753	5.18%
General and administrative expenses	448,722	438,374	2.36%
Total profit	521,452	436,806	19.38%

Report of Directors (continued)

(3) Manufacturing operations

The Group is Asia's largest and the world's second largest road maintenance machinery and equipment manufacturer, and also the shield manufacturer that has the largest production capacity, most complete equipment and most advanced technology in the PRC. It also produces engineering equipment such as various machinery and equipment for railway construction, large mining dump trucks and impact rollers, concrete injection trolley and chain-type diaphragm-wall trenching machine, as well as railway system products such as high-speed railway switch and elastic rod rail fastening, high-speed railway contact network, and components and parts for electrified railway. During the Reporting Period, the Group's revenue from manufacturing operations amounted to RMB6,475 million, representing an increase of 10.02% as compared to the corresponding period last year, while the gross profit increased by 16.37% as compared with the corresponding period last year.

Manufacturing operations (before elimination of inter-segment transactions)

Unit: RMB'000

Item	Reporting Period	Corresponding period last year (Restated)	Growth rate
Revenue	6,475,017	5,885,424	10.02%
Cost of sales	4,989,688	4,609,061	8.26%
Gross profit	1,485,329	1,276,363	16.37%
Gross profit margin	22.94%	21.69%	Increased by 1.25 percentage points
Selling and distribution expenses	140,339	129,847	8.08%
General and administrative expenses	487,716	444,750	9.66%
Total profit	762,897	609,805	25.11%

Report of Directors (continued)

(4) Real estate development operations

The real estate business is a principal business of the Company as approved by SASAC. During the Reporting Period, the Group's revenue from real estate segment amounted to RMB5,924.4 million, representing a decrease of 10.87% as compared to the corresponding period last year, while the gross profit decreased by 19.35% as compared to the corresponding period last year. As at 30 June 2015, the Group launched its real estate development business in 48 domestic cities and other regions, with total land area for construction of 12,470,000 m² and a gross floor area of approximately 38,590,000 m².

Real estate development operations (before elimination of inter-segment transactions)

Unit: RMB'000

Item	Reporting Period	Corresponding period last year (Restated)	Growth rate
Revenue	5,924,448	6,646,623	-10.87%
Cost of sales	4,453,212	4,822,420	-7.66%
Gross profit	1,471,236	1,824,203	-19.35%
Gross profit margin	24.83%	27.45%	Decreased by 2.62 percentage points
Selling and distribution expenses	246,971	242,389	1.89%
General and administrative expenses	199,064	194,858	2.16%
Total profit	557,233	905,599	-38.47%

Total profit from real estate development operations decreased by 38.47% as compared to the corresponding period last year, mainly due to the decrease in projects satisfied the recognizing conditions and the reduction of gross profit margin.

Report of Directors (continued)

(5) *Logistics and materials trading and other businesses*

As the largest project logistics system service provider and the second largest railway goods and materials provider in China, the Group has over 70 regional business outlets, 1,330,000 square meters logistics space, and more than 40,000 linear meters of railway siding and 32,550 stere meters refined oil storage capacity covering all the major cities and logistic nodes in the country. The Group provides integrated circulation services through well-improved and efficient information-oriented, regional and marketized logistics service system. In recent years, the Group promoted transformation and upgrading logistics business, and extended engineering commodities supply chain upstream and downstream market, through which, the material trade, processing and manufacturing, international business, the agency business for central purchasing, e-commerce and other emerging areas had been opened up. The China Railway Goods and Material Co., Ltd. under the Group was ranked second among the Top 50 Logistic Enterprises in China by China Federation of Logistics & Purchasing in 2014. During the Reporting Period, the Group's revenue from logistics and materials trading and other businesses amounted to RMB23,767.4 million, representing a decrease of 16.02% as compared to the corresponding period last year, while the gross profit decreased by 2.21% as compared with the corresponding period last year.

**Logistics and materials trading and other businesses
(before elimination of inter-segment transactions)**

Unit: RMB'000

Item	Reporting Period	Corresponding period last year (Restated)	Growth rate
Revenue	23,767,376	28,299,925	-16.02%
Cost of sales	21,708,182	26,194,286	-17.13%
Gross profit	2,059,194	2,105,639	-2.21%
Gross profit margin	8.66%	7.44%	Increased by 1.22 percentage points
Selling and distribution expenses	302,205	264,088	14.43%
General and administrative expenses	503,436	454,037	10.88%
Total profit	431,260	1,064,377	-59.48%

Total profit from logistics and materials trading and other businesses decreased by 59.48% as compared to the corresponding period last year, mainly due to the decline in operation scale of logistics and materials trading and other businesses.

Report of Directors (continued)

2. Principal operations by region

Unit: thousand yuan Currency: RMB

Region	Revenue for the Reporting Period	Revenue for the corresponding period last year (Restated)	Increase/decrease in revenue as compared to last year (%)
Domestic	250,641,639	250,705,929	-0.03
Overseas	12,252,625	11,480,946	6.72
Total	262,894,264	262,186,875	0.27

Explanation on main businesses by region

During the Reporting Period, the Group's revenue from overseas operations amounted to RMB12,252.6 million, representing an increase of 6.72% as compared with the corresponding period last year. As at 30 June 2015, the Group had overseas operating business distributed in 83 countries all over the world as well as in Hong Kong, Macao and other regions, and had 520 projects under construction in total. The overseas operations recorded stable growth.

(IV) Liquidity and capital resources

1. Cash flow of the Group

Unit: RMB'000

Item	Reporting Period	Corresponding period last year (restated)	Amount of changes during the Reporting Period as compared to the corresponding period last year
Net cash flow from operating activities	6,889,144	-11,941,774	18,830,918
Net cash flow from investment activities	-8,011,456	-7,325,331	-686,125
Net cash flow from financing activities	3,682,261	19,597,653	-15,915,392

For the six months ended 30 June 2015, net cash flows from operating activities amounted to RMB6,889,144,000, representing an increase of RMB18,830,918,000 as compared to the net cash outflow of RMB11,941,774,000 (restated) in the same period last year retrospectively, mainly due to the increased efforts in recovering all the accounts receivable and collecting all the debts by the Company and the increase in deposits from customers taken by the finance company, a subsidiary of the Company, during the period.

For the six months ended 30 June 2015, net cash flows from investing activities amounted to RMB-8,011,456,000, representing an increase of RMB686,125,000 as compared to that in the same period last year (restated), mainly due to the increase in the expenditure on intangible assets for the Period.

Report of Directors (continued)

For the six months ended 30 June 2015, net cash flows from financing activities amounted to RMB3,682,261,000, representing a decrease of RMB15,915,392,000 as compared to that in the same period last year (restated), mainly due to the decrease in the size of newly-added borrowings of the Company for the Period as compared to the corresponding period last year and the additional expenditure on acquisition of 80% equity interests in Tiefa Suiyu.

2. Capital expenditures

The Group incurred capital expenditures mainly for the construction, expansion and technology upgrade of facilities, purchase of equipment used for construction projects and construction of BOT projects. The Group's capital expenditures were RMB8,473.6 million and RMB10,490.6 million for the six months period ended 30 June 2014 and for the six months period ended 30 June 2015, respectively. Such increase was mainly due to the construction investment of BOT projects representing a period-on-period increase.

Unit: RMB'000

Category	For the six months ended 30 June 2015	For the six months ended 30 June 2014 (restated)
Construction operations	5,067,163	4,970,724
Survey, design and consultancy operations	166,495	108,349
Manufacturing operations	123,368	5,810
Real estate development operations	20,495	27,947
Other businesses	5,113,070	3,360,734
Total	10,490,591	8,473,564

3. Working capital

(1) Construction contracts in progress

The following table sets forth the Group's construction contracts in progress as at the balance sheet dates indicated:

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Contract costs incurred to date	2,908,697,378	2,729,304,919
Total recognized gross profits less recognized losses, net	218,183,730	199,293,332
Less: provision for foreseeable contract losses	-276,043	-254,986
Less: progress billings	-3,038,889,173	-2,846,213,971
Total	87,715,892	82,129,294

Report of Directors (continued)

Construction contracts as at the end of the period/year:

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Gross amount due from contract customers	106,103,649	97,582,207
Less: gross amount due to contract customers	-18,387,757	-15,452,913
Total	87,715,892	82,129,294

The Group's construction contracts in progress increased to RMB87,715.9 million as at 30 June 2015 from RMB82,129.3 million as at 31 December 2014.

(2) *Accounts receivable, long-term receivables and accounts payable*

The following table sets forth the turnover days of the Group's accounts receivable and accounts payable as at the balance sheet dates indicated:

	30 June 2015	31 December 2014 (restated)
Turnover days of accounts receivable	78	63
Turnover days of accounts payable	155	132

- ① The number of turnover days of accounts receivable is derived by dividing the arithmetic mean of the opening and closing balances of accounts receivable for the six months period ended 30 June 2015 by revenue multiplying 180 days (calculated by multiplying 365 days for the year ended 31 December 2014).
- ② The number of turnover days of accounts payable is derived by dividing the arithmetic mean of the opening and closing balances of accounts payable for the six months period ended 30 June 2015 by cost of sales multiplying 180 days (calculated by multiplying 365 days for the year ended 31 December 2014).

Report of Directors (continued)

The following table sets forth an aging analysis of the accounts receivable as at the balance sheet dates indicated:

Unit: RMB'000

Accounts receivable	30 June 2015	31 December 2014 (restated)
Within 1 year	101,872,054	106,248,756
1 to 2 years	9,687,568	7,655,257
2 to 3 years	2,247,293	2,031,216
Over 3 years	1,447,096	1,190,068
Total	115,254,011	117,125,297
Less: provision for bad debts	-1,849,384	-1,596,792
Total	113,404,627	115,528,505

The directors of the Company are of the opinion that the provision for bad debts of the Group is adequate.

The following table sets forth an aging analysis of accounts payable as at the balance sheet dates indicated:

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Within 1 year	193,151,596	201,250,257
1 to 2 years	2,360,177	3,428,273
2 to 3 years	764,757	402,012
Over 3 years	372,438	450,254
Total	196,648,968	205,530,796

As at 30 June 2015, the Group's accounts payable decreased to RMB196,649 million from RMB205,530.8 million as at 31 December 2014.

4. Prepayments and other receivables

The Group's prepayments and other receivables increased to RMB66,586 million as at 30 June 2015 from RMB62,311.8 million as at 31 December 2014.

Report of Directors (continued)

5. Other payables and accruals

Other payables and accruals included advance from customers, other payables, employee benefits payables (including long-term employee benefits payable), taxes payable and deferred income (including current portion of deferred income). As at 31 December 2014 and 30 June 2015, the Group had other payables and accruals of RMB123,217.9 million and RMB133,864.2 million, respectively.

6. Indebtedness

(1) Loans

The short-term loans of the Group as at 31 December 2014 and 30 June 2015 were as follows:

	30 June 2015	31 December 2014 (restated)
Pledged loans	3,659,264	2,288,412
Mortgaged loans	40,500	32,500
Guaranteed loans	7,972,460	5,937,810
Credit loans	38,746,511	37,332,317
Total	50,418,735	45,591,039

Other current liabilities of the Group as at 31 December 2014 and 30 June 2015 were as follows:

	30 June 2015	31 December 2014 (restated)
Other current liabilities	4,597,635	5,741,517

Report of Directors (continued)

The long-term loans of the Group due within one year as of 31 December 2014 and 30 June 2015 were as follows:

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Pledged loans	116,780	141,780
Mortgaged loans	2,178,557	2,942,951
Guaranteed loans	5,993,812	3,700,667
Credit loans	14,989,436	13,374,141
Total	23,278,585	20,159,539

The long-term loans of the Group as at 31 December 2014 and 30 June 2015 were as follows:

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Pledged loans	3,032,131	1,447,630
Mortgaged loans	10,675,430	10,076,507
Guaranteed loans	7,692,007	10,101,332
Credit loans	35,131,476	32,161,260
Total	56,531,044	53,786,729

The bonds payable of the Group as at 31 December 2014 and 30 June 2015 were as follows:

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Bonds payable	26,372,413	27,212,667
Bonds payable due within one year	7,448,136	5,793,958
Total	33,820,549	33,006,625

Report of Directors (continued)

On 31 December 2014 and 30 June 2015, the Group's gearing ratio was 76.14% and 75.65%, respectively. Gearing ratio is calculated by dividing net liabilities by the sum of total equity plus net liabilities. Net liabilities includes the sum of short-term loans, long-term loans, due to customers, interbank borrowings, bills payable, accounts payable, interests payable, dividends payable, other payables, non-current liabilities due within one year (excluding employee benefit payable within one year), other current liabilities (excluding deferred revenue and others), bonds payable and long-term payables, less cash and bank balances. Total equity comprises equity attributable to shareholders of the parent company and minority interests.

(2) Commitments

Unit: RMB'000

	30 June 2015	31 December 2014 (restated)
Capital commitments		
Contracted, but not provided for	454,616	492,832
Authorized by the Board but not contracted	213,950	–
Total	668,566	492,832
Investment commitments		
Contracted, but not fulfilled	–	615,000
Other commitments		
Contracted, but not provided for	2,780,000	2,780,000
Total	3,448,566	3,887,832

Please refer to “Commitments” and “Contingency” in *Note XI* of the financial statements of this report for further details.

(3) Contingent liabilities

During the Reporting Period, the Group had no material contingent liabilities.

Report of Directors (continued)

7. Pledge of assets

Unit: RMB'000

Item	30 June 2015	31 December 2014 (restated)
Cash and bank balances	4,190,702	4,522,538
Accounts receivable	5,483,248	4,353,629
Inventories	38,598,564	40,437,760
Fixed assets	23,604	30,722
Intangible assets	2,914,425	2,783,252
Total	51,210,543	52,127,901

Please refer to Item 59 (notes 1–5) under Note V of the financial statements of this report for further details.

8. Foreign exchange risks and exchange gains or losses

Since the Group's business is mainly carried out in the PRC, the incomes, expenditures and over 90% of the financial assets and financial liabilities of the Group are denominated in Renminbi. Therefore, the foreign currency transaction risks of the Group are insignificant. As at 30 June 2015, the Group did not use foreign currency contracts to hedge foreign exchange risks.

(V) Analysis of core competitiveness

1. Outstanding and unique corporate culture

Having inherited the fine tradition and style of the railway corps, the Group entails high degree of normalization and executive force, has the courage to accept challenge and constantly brings forth new ideas and carries forward the spirit of "being fearless of danger and difficulties, being bold to scale new heights, staying ahead in the industry and building a good reputation both at home and abroad" to create good brand advantages in the industry.

2. Experienced management team

The Group's management team has extensive industry management experience in respect of enterprise operation, financial management, capital operation and the development of corporate culture, and is able to control complicated and volatile situation.

3. Skilled workforce with solid professional knowledge

The Group has strong professional teams consisting of a number of Chinese Academy of Engineering academicians, national survey and design masters, experts enjoying special allowance of the State Council and engineering specialists.

4. Abundant engineering construction resources

The Group has numerous engineering and technical equipment, professional, complete and high-level engineering construction qualifications and professional institutions of various types, as well as a complete industrial chain, enabling it to provide complete one-stop engineering construction services for customers.

Report of Directors (continued)

5. Strong market development capability

The Group has established a complete business network. Operating team of the Group and its subsidiaries has covered various provinces, autonomous regions and municipalities directly under the central government in China, which have become an important force for maintaining the growth of Group's operating scale. At organization level, it provides an important security for the sustainable development of its operations.

(VI) Analysis of investment

1. Overall analysis of investment in external equities

As at 30 June 2015, the carrying balance of the Group's long term equity investment was RMB3,424.7 million, down RMB84.9 million as compared to RMB3,509.6 million at the beginning of the year, representing an decrease of 2.42%. In particular, the impairment provision for long term equity investment was RMB10.6 million, leveling off that at the beginning of the year.

(1) Investment in securities

Applicable Not applicable

No	Type of securities	Stock code	Abbreviated stock name	Amount of initial investment (yuan)	Number of securities held (Share)	Carrying value at the end of the period (yuan)	Percentage over total securities investment at the end of the period (%)	Profit/loss during the Reporting Period (yuan)
1	Stock	HK1258	ChiNF Mining	64,862,865	36,363,000	62,434,689	47.44	1,156,198
2	Open-ended Fund	000652	Bosera-Yulong Hybrid	17,369,836	17,369,836	34,114,358	25.92	12,176,255
3	Stock	601618	MCC	59,265,109	10,600,000	28,170,726	21.41	6,604,909
4	Open-ended Fund	519606	Guotai Jinxin	3,908,303	3,908,303	6,116,494	4.65	1,563,321
5	Stock	600028	Sinopec	533,250	135,000	759,964	0.58	0
	Other investment in securities held at the end of the period			-	/	-	-	-
	Investment profit or loss from disposal of securities during the Reporting Period			/	/	/	/	-
Total				145,939,363	/	131,596,231	100%	21,500,683

Report of Directors (continued)

(2) Shareholdings in other listed companies

Applicable Not applicable

Unit: RMB'000

Stock code	Abbreviated stock name	Amount of initial investment	Percentage of shareholding at the beginning of the period	Percentage of shareholding at the end of the period	Carrying value at the end of the period	Profit/loss during the Reporting Period	Changes in equity of owners during the Reporting Period	Accounting item	Source of shares
			(%)	(%)					
601328	Bank of Communications	49,892	0.07	0.07	358,292	7,464	62,615	Available-for-sale financial assets	Original issue stock
HK3898	CSR Times Electric	9,800	0.90	0.90	291,859	-	64,464	Available-for-sale financial assets	Original issue stock
002159	Sante Cableway	3,000	0.99	0.99	26,721	-	2,733	Available-for-sale financial assets	Original issue stock
600885	Hongfa Electroacoustic	1,440	0.71	0.71	34,223	-	13,824	Available-for-sale financial assets	Original issue stock
600809	Shanxi Fenjiu	708	0.05	0.05	11,296	-	2,140	Available-for-sale financial assets	Original issue stock
000759	Wuhan Zhongbai	1,058	0.14	0.14	11,470	-	2,932	Available-for-sale financial assets	Original issue stock
601169	Bank of Beijing	2	-	-	1,546	-	277	Available-for-sale financial assets	Original issue stock
600322	Tianjin Reality Development	160	0.03	0.03	820	-	370	Available-for-sale financial assets	Original issue stock
601211	Guotai Jun'an	7,604	0.16	0.10	260,134	-	252,530	Available-for-sale financial assets	Original issue stock
600061	Sinotex Investment	268,452	2.09	1.66	2,324,523	113,846	1,942,224	Available-for-sale financial assets	Original issue stock
Total		342,116	/	/	3,320,884	121,310	2,344,109	/	/

Explanation on shareholdings in other listed companies

Guotai Jun'an Securities Co., Ltd. ("Guotai Jun'an") was successfully listed on the Shanghai Stock Exchange on 26 June 2015, and the Group's shareholding remained unchanged. The Group will incorporate the available-for-sale financial assets at fair value. As at 30 June 2015, fair value increased by RMB252,530,000.

The Group held 2.09% equity interests in Essence Securities Limited ("Essence Securities") with an original investment cost of RMB268,452,000, which was replaced by equity interests of Sinotex Investment & Development (A-share listed company) on 16 February 2015 with equity premium of RMB113,846,000. The Group will incorporate the available-for-sale financial assets at fair value. As at 30 June 2015, fair value increased by RMB1,942,224,000.

Report of Directors (continued)

(3) Shareholdings in non-listed financial enterprises

Applicable Not applicable

Name of investees	Amount of initial investment (yuan)	Percentage of shareholding	Percentage of shareholding	Carrying value at the end of the period (yuan)	Profit/loss during the Reporting Period (yuan)	Changes in equity of owners	Accounting item	Source of shares
		at the beginning of the period (%)	at the end of the period (%)			during the Reporting Period (yuan)		
Guotai Jun'an Investment Management Co., Ltd.	55,860	0.004	0.004	55,860	-	-	Available-for-sale financial assets	Initiator
Total	55,860	/	/	55,860	-	- /		/

2. Entrusted financial management and derivatives investment of non-financial companies

(1) Entrusted wealth management

Applicable Not applicable

(2) Entrusted Loan

Applicable Not applicable

(3) Other investment and wealth management and derivatives investment

Applicable Not applicable

3. Use of proceeds

(1) Overall use of proceeds

Applicable Not applicable

(2) Projects funded by raised proceeds

Applicable Not applicable

(3) Changes in projects funded by raised proceeds

Applicable Not applicable

Report of Directors (continued)

4. Analysis of major subsidiaries and companies in which the Company invested

(1) Major subsidiaries

During the Reporting Period, the major subsidiaries of the Group are as follows:

Unit: RMB'000

Name of the Company	Registered capital	Major financial indicators as at 30 June 2015			Principal operations	Industry
		Total assets	Net assets	Net profits		
China Civil Engineering Construction Corporation	1,210,000	16,098,075	2,111,241	51,327	Construction	Construction
China Railway 11 th Bureau Group Co., Ltd.	1,031,850	39,134,874	9,425,307	366,787	Construction	Construction
China Railway 12 th Bureau Group Co., Ltd.	1,060,677	39,752,497	5,686,483	401,102	Construction	Construction
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	2,000,000	27,733,033	3,618,213	88,933	Construction	Construction
China Railway 14 th Bureau Group Co., Ltd.	1,110,000	29,975,837	3,402,612	272,374	Construction	Construction
China Railway 15 th Bureau Group Co., Ltd.	1,117,210	23,159,132	2,088,620	38,643	Construction	Construction
China Railway 16 th Bureau Group Co., Ltd.	1,268,300	27,453,540	3,205,949	233,351	Construction	Construction
China Railway 17 th Bureau Group Co., Ltd.	1,105,470	29,139,697	3,653,757	164,351	Construction	Construction
China Railway 18 th Bureau Group Co., Ltd.	1,130,000	29,639,687	3,889,136	225,063	Construction	Construction
China Railway 19 th Bureau Group Co., Ltd. ^(note 1)	1,095,469	31,434,904	5,866,201	204,960	Construction	Construction
China Railway 20 th Bureau Group Co., Ltd.	1,130,850	28,425,179	2,692,086	178,334	Construction	Construction
China Railway 21 st Bureau Group Co., Ltd.	1,150,000	20,398,940	2,245,487	153,257	Construction	Construction
China Railway 22 nd Bureau Group Co., Ltd.	1,057,000	19,141,318	3,935,292	177,719	Construction	Construction
China Railway 23 rd Bureau Group Co., Ltd.	1,185,000	16,965,334	1,869,502	7,207	Construction	Construction
China Railway 24 th Bureau Group Co., Ltd.	1,050,000	14,245,161	1,924,769	130,293	Construction	Construction
China Railway 25 th Bureau Group Co., Ltd.	910,720	11,980,160	1,216,762	25,401	Construction	Construction
China Railway Construction Group Ltd.	2,500,000	37,684,538	5,037,759	262,522	Construction	Construction
China Railway Construction Electrification Bureau Group Co., Ltd.	710,000	16,931,697	3,417,716	409,866	Construction	Construction
China Railway Real Estate Group Co., Ltd.	7,000,000	84,275,731	14,889,290	462,537	Real estate development and operations	Real estate
China Railway Goods and Materials Co., Ltd.	2,000,000	21,917,659	2,498,746	-509,013	Purchase and sales of goods and materials	Logistics

Report of Directors (continued)

Name of the Company	Registered capital	Major financial indicators as at 30 June 2015			Principal operations	Industry
		Total assets	Net assets	Net profits		
CRCC High New Equipment Company Limited* <small>(Note 2)</small>	987,984	4,220,791	3,105,004	213,875	Industrial manufacturing	Industry
China Railway Construction Investment Co., Ltd.	10,000,000	42,643,448	12,243,466	319,467	Project investment	Investment
CRCC Finance Company Limited	6,000,000	47,109,286	6,892,274	333,236	Financial agency operation	Finance
CRCC Urban Construction Group Corporation	2,000,000	9,198,823	2,088,279	57,913	Construction	Construction

Note 1: The Company increased its capital contribution to China Railway 19th Bureau Group Co., Ltd. by RMB2,500,000,000. The Relevant change procedures with the industry and commerce administration were completed on 6 July 2015.

Note 2: As considered and approved at the twelfth meeting of the third session of the Board of the Company, Kunming China Railway Large Maintenance Machinery Co., Ltd.* was transformed into a joint stock limited company as at the benchmark date of 31 March 2015 and renamed as China Railway High New Equipment Company Limited. The Relevant change procedures with the industry and commerce administration were completed on 24 June 2015.

During the Reporting Period, the Group had no subsidiary with operating results representing over 10% of consolidated operating results of the Group.

(2) *Major companies in which the Company invested*

There was no important company invested by the Company. For detailed information, please see "Note V. 10. Investment in jointly-controlled entities and associates" in the Notes to Financial Statements of this report.

Report of Directors

5. Projects not funded by raised proceeds

Applicable Not applicable

Unit: 0'000 Currency: RMB

Project name	Project amount	Progress of projects	Amount invested during the year	Actual amount invested in aggregates	Revenue of projects
BOT Project for Ziyuan-Xing'an Expressway in Guangxi	930,800	Commenced construction on 21 January 2014. The working progress is normal with completion of main part of the project reaching 40%.	48,355	230,642	No revenue during construction period.
BOT Project for Ji'nan-Leling Highway	754,189	The project was completed at the end of 2014, satisfying condition for opening of traffic. It commenced trial operation on 1 January 2015.	0	793,852	No revenue during the trial operation period.
BOT Project for Jianyang-Pujiang Expressway in Sichuan	1,567,850	The construction period of the project was three years, commenced from 1 October 2014. The working progress is normal with completion of main part of the project reaching 31%.	215,980	440,675	No revenue during construction period.
BT Project for Urban Rail Transit Works in Blue Silicon Valley in Qingdao	1,678,226	The working progress is normal with completion of main part of the project reaching 22%.	47,343	218,378	The revenue remains uncertain as the project has not been completed yet.
BT Project for Chongqing Rail Transit (Huannan Section)	700,000	The project was at the resettlement stage. The controlled construction started working.	32,089	140,369	The revenue remains uncertain as the project has not been completed yet.
Project for Level-1 land development of Phase 1 of the project (A Area) in the Western City Centre of Zhuhai	765,400	Development in phases and at the stage of pre-task preparation. Land requisition is being carried out for the initiating zone of A Area.	2,594	27,454	The revenue remains uncertain as the project has not been completed yet.
Project for Level-1 land development of Phase 1 of the project (B Area) in the Western City Centre of Zhuhai	984,800	Development in phases and the initial three parcels of land in the initiating zone of B Area have basically satisfied the conditions of land requisition.	0	65,666	The revenue remains uncertain as the project has not been completed yet.
Project for Level-1 land development in Cuijia Datan, Lanzhou	1,000,000	Development in phases and payment collection for the initial developed land are gradually progressed.	0	188,754	The revenue remains uncertain as the project has not been completed yet.
Renovation Project of Dongtiying Shanty Town, Fengtai District, Beijing	860,560	The project was at planning and adjusting stage. The land for resettle property and its indicators have been approved by government. The properties on the land are being vacated and acquired.	0	157,432	The revenue remains uncertain as the project has not been completed yet.
Total	9,241,825 /		346,361	2,263,222 /	

Report of Directors (continued)

II. PROFIT DISTRIBUTION PLAN OR RESERVE-TO-EQUITY TRANSFER PLAN

(I) Details of the implementation or adjustment of the profit distribution plan during the Reporting Period

It was resolved at the 10th meeting of the third session of the Board convened by the Company from 29 to 30 March 2015 that a cash dividend for the year 2014 of RMB0.15 (tax inclusive) per share based on the total share capital of 12,337,541,500 shares as at 31 December 2014 was declared, totaling RMB1,850,631,225.00. The profit distribution plan had been considered and passed at the 2014 Annual general meeting convened on 2 June 2015. As at 8 July 2015, the distribution of the above cash dividend was completed.

(II) The proposed profit distribution plan or reserves-to-equity transfer plan for the half year

Whether distribute profit or transfer reserves or not No

III. OTHER DISCLOSURE

(I) Profit warning and explanation of anticipated loss on the cumulative net profits from the beginning of the year to the end of the next reporting period or significant changes over corresponding period last year

Applicable Not applicable

(II) Explanation from the Board and the Supervisory Committee on the "Modified Audit Report" from accounting firm

Applicable Not applicable

(III) Status of and remuneration and trainings for the Company's staff

During the Reporting Period, there were no substantial changes to the number and composition of the Group's staff as well as their remuneration and trainings since the disclosure of 2014 annual report.

Report of Directors (continued)

(IV) Other disclosure

Progress of the overseas listing of Kunming China Railway Large Maintenance Machinery Co., Ltd. (Restructured and established CRCC High-Tech Equipment Corporation Limited on 24 June 2015), a wholly-owned subsidiary of the Company.

On 5 February 2015, the 2015 first extraordinary general meeting of the Company was convened to consider and approve relevant resolutions in relation to the overseas listing of Kunming China Railway Large Maintenance Machinery Co., Ltd. ("KCRC"), a wholly-owned subsidiary of the Company. On 2 June 2015, the 2014 annual general meeting, the 2015 second A shareholders' class meeting and the 2015 second H shareholders' class meeting of the Company were convened. The proposal in relation to the provision of assured entitlement to H shareholders of the Company regarding the spin-off and listing on the Hong Kong Stock Exchange of Kunming China Railway Large Maintenance Machinery Co., Ltd.*, was passed by more than 2/3 of total shares with valid rights of voting at the 2014 annual general meeting and the 2015 second H shareholders' class meeting, but was not passed by more than 2/3 of total shares with valid rights of voting at the 2015 second A shareholders' class meeting, the Company will not provide assured entitlement in respect of the spin-off and listing of KCRC to any shareholders (including A Shareholders and H Shareholders) of the Company. On 7 May 2015, KCRC transformed to a joint stock limited company as at the benchmark date of 31 March 2015 and renamed as CRCC High-Tech Equipment Corporation Limited were considered and approved at the twelfth meeting of the third session of the board of directors of the Company. On 24 June 2015, CRCC High-Tech Equipment Corporation Limited ("CRCCE") convened an inaugural meeting and completed the change of business registration.

Details please refer to the announcements published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn) dated 6 February 2015, 8 May 2015, 3 June 2015 and 25 June 2015, respectively.

CRCCE has lodged a listing application form (Form A1) to the Hong Kong Stock Exchange to apply for listing of its H shares on the Main Board of the Hong Kong Stock Exchange. Details please refer to the announcement published on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn) dated 7 August 2015.

Significant Events

I. MATERIAL LITIGATION, ARBITRATION AND MATTERS GENERALLY QUESTIONED BY THE MEDIA

Applicable Not applicable

II. EVENTS REGARDING BANKRUPTCY AND RESTRUCTURING

Applicable Not applicable

III. TRANSACTION OF ASSETS AND MERGER OF BUSINESS

Applicable Not applicable

(I) Acquisition and disposal of asset and combination of business by the Company which had been disclosed in the temporary announcements and had no change in the subsequent implementation process

Not applicable.

(II) Matters undisclosed in temporary announcements or those with subsequent progress

Applicable Not applicable

1. Acquisition of assets

Unit: '000 Currency: RMB

Counterparty or the ultimate controlling party	The acquired assets	Date of acquisition	Price of asset acquisition	end of reporting period	Net profit attributable to the Company from beginning of year to end of this period (Applicable to merger under the same control)	Whether it is a connected transaction (If yes, describe pricing principles)	Pricing principle for asset acquisition	Whether the title to the assets has been transferred in full	Whether the liabilities and debts involved have been transferred in full	Percentage of the net profit of such assets in the total profit of the Company (%)	Connected Relationship
China Railway Construction Corporation	80% equity interest in Chongqing Tiesha Suiyu Highway Co., Ltd.	2 June 2015	3,098,226	40,523	250,643	Yes	The transaction price is proposed to be determined based on the net asset value audited and appraised by the accounting firm(s) and asset valuer(s) which have securities practitioner qualifications and are recognized by both parties.	Yes	Yes	3.58	Controlling shareholder

Significant Events (continued)

Description of acquisition of assets

On 11 February 2015, the Company entered into “Equity Transfer Agreement between China Railway Construction Corporation (中國鐵道建築總公司) and China Railway Construction Corporation Limited (中國鐵建股份有限公司) in relation to Chongqing Tiefa Suiyu Highway Company Limited” with the controlling shareholder of the Company (CRCCG), pursuant to which the Company agreed to acquire 80% equity interest in Chongqing Tiefa Suiyu Highway Company Limited (hereinafter referred to as “Chongqing Tiefa Suiyu”) held by the controlling shareholder by way of cash. The transaction price is proposed to be determined based on the net asset value audited and appraised by the accounting firm(s) and asset valuer(s) which have securities practitioner qualifications and are recognized by both parties. On 30 March 2015, the Company entered into “Supplementary Agreement of Equity Transfer Agreement between China Railway Construction Corporation (中國鐵道建築總公司) and China Railway Construction Corporation Limited (中國鐵建股份有限公司) in relation to Chongqing Tiefa Suiyu Highway Company Limited” with the controlling shareholder of the Company (CRCCG) to confirm the transfer price. The price of the equity transfer of the subject matter is 80% of the net assets which amounted to RMB3,872.7828 million, i.e. RMB3,098.2262 million. Relevant resolutions were considered and approved at the tenth meeting of the third session of the board of directors convened on 29 to 30 March 2015. Mr. MENG Fengchao, Mr. QI Xiaofei and Mr. ZHANG Zongyan, as the connected directors of the Company, abstained from voting. For details, please refer to the relevant announcements published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company’s website (www.crcc.cn) dated 12 February 2015 and 31 March 2015, respectively.

On 25 May 2015, Chongqing Tiefa Suiyu completed registration procedures for change in shareholders. On 2 June 2015, the Company paid the consideration for equity transfer as RMB3,098.226 million pursuant to the equity transfer agreement. Until then, the Company has completed the combination of Chongqing Tiefa Suiyu through a business merger involving entities under same control and 2 June 2015 was determined as the combination date.

2. Disposal of assets

Not applicable.

3. Asset swap

Not applicable.

4. Business combination

Not applicable.

IV. SHARE INCENTIVE PLAN OF THE COMPANY AND IMPACTS THEREOF

Applicable Not applicable

V. MATERIAL RELATED PARTY TRANSACTIONS

Applicable Not applicable

During the Reporting Period, the related party transactions did not impose significant impacts on the production and operation of the Group.

Significant Events (continued)

(I) *The related party transactions relating to ordinary operations*

1. **Events disclosed in the temporary announcement and with no progress or change in subsequent implementation**

Summary of events

Index for queries

According to the requirements of “No. 3 Guidelines for the Content and Format of Information Disclosure by Companies with Public Issue of Securities – Content and Format of Interim Report” (as revised in 2014) by the CSRC, the Listing Rules of the Shanghai Stock Exchange and the Guidelines for the Implementation of Related Transactions of Listed Companies in Shanghai Stock Exchange, the related parties involved in related transactions of the Group mainly include CRCCG, the Controlling shareholder, and subsidiaries controlled by it.

The Company convened the seventeenth meeting of the second session of the Board on 28 December 2012, during which it considered and approved the Proposal of Renewing the Transaction Cap of Continuing Connected Transaction and Relevant Framework Agreement from 2013 to 2015 《關於2013–2015年持續關連交易上限和相關框架協議續簽的議案》); agreed to enter into the Provision of Services Framework Agreement 《(服務提供框架協議)》 and the Supplemental Agreement of Property Leasing Framework Agreement 《(〈房屋租賃框架協議〉之補充協議)》 and set up the annual transaction cap for each of the years from 2013 to 2015 under the agreements. Prior to submitting to the Board meeting of the Company for consideration, the proposal had already obtained approval from the independent non-executive directors of the Company. As the Board was considering relevant proposals, the independent non-executive directors of the Company issued their independent opinions which indicated their approval to the proposal: the voting procedures complied with the requirements of regulatory legal documents such as laws and regulations and the Articles of Association; the pricing methods of each of the transactions were objective and fair; and the arrangement of transaction procedures complied with requirements of regulatory legal documents such as laws and regulations and was fair and reasonable. The transactions are favorable to the development of the Group and no harm has been made to the interest of the Group and its shareholders, especially the minority.

For details of disclosures, please refer to the relevant announcement dated 29 December 2012 as published on China Securities Journal, Shanghai Securities News, Securities Daily and Securities Times, as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of The Hong Kong Stock Exchange (www.hkex.com.hk) and our corporate website (www.crcc.cn).

Significant Events (continued)

Major related party transactions related to ordinary operations of the Group during the first half of 2015 are as follows:

Unit: RMB'000

Related party	Related party transactions type	Related party transactions content	Related party transaction pricing principle	Related party transactions price	Related party transactions amount	Proportion in the same category of transactions	Related party transaction settlement method	Market price	Reason for the significant difference between transaction price and market price
11 units including Shaanxi Railway Engineering Investigation Co., Ltd	Expenditure for labor service	Survey and design consultation	Agreement pricing	-	205,216	0.09%	Cash	-	-
Controlling shareholder	Property leasing expense	Property Leasing	Agreement pricing	-	15,500	-	Cash	-	-

2. Events disclosed in the temporary announcement and with progress or change in subsequent implementation

Not applicable.

3. Events undisclosed in the temporary announcement

Applicable Not applicable

(II) Related party transactions from asset acquisition and sales

1. Events disclosed in the temporary announcement and with no progress or change in subsequent implementation

Not applicable.

2. Events disclosed in the temporary announcement and with progress or change in subsequent implementation

To obtain 80% equity interests of Chongqing Tiefa Suiyu Highway Co., Ltd. ("Chongqing Tiefa Suiyu"), the Company entered into the equity transfer agreement and the supplemental agreement with the controlling shareholder for acquisition of 80% equity interests in Chongqing Tiefa Suiyu on 11 February 2015 and 30 March 2015, respectively, at a transaction consideration of RMB3,098,226,000. For details, please refer to the relevant announcements dated 12 February 2015, 31 March 2015 published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

On 25 May 2015, Chongqing Tiefa Suiyu completed the registration procedures for changes in shareholders. On 2 June 2015, the Company paid the consideration of RMB3,098,226,000 in accordance with the equity transfer agreement. As at the date hereof, the Company completed the combination of Chongqing Tiefa Suiyu through a business merger involving entities under same control and 2 June 2015 was determined as the combination date.

Significant Events (continued)

3. Events undisclosed in the temporary announcement

Applicable Not applicable

(III) Significant related party transactions on the joint external investment

During the Reporting Period, the Group did not have any significant related party transaction on the joint external investment.

(IV) Claims and liabilities between related parties

According to the requirements of “No. 3 Guidelines for the Content and Format of Information Disclosure by Companies with Public Offering of Securities – Content and Format of Interim Report” (as revised in 2014) by the CSRC, the Listing Rules of the Shanghai Stock Exchange and the Guidelines for the Implementation of Related Party Transactions of Listed Companies in Shanghai Stock Exchange, the connected persons involved in related party transactions of the Group mainly include CRCCG, the Controlling Shareholder, and subsidiaries controlled by it.

1. Events that were disclosed in the temporary announcements and had no progress or change in the subsequent implementation process

Not applicable.

2. Events that were disclosed in the temporary announcements but had progress or change in the subsequent implementation process

Unit: RMB'000

Related party	Related party relationship	Provision of funds to related party by the Company			Provision of funds to the Company by related party		
		Beginning balance	Amount incurred	Closing balance	Beginning balance	Amount incurred	Closing balance
CRCCG ^{Note 1}	Controlling shareholder	-	-	-	771,770	0	771,770
CRCCG ^{Note 2}	Controlling shareholder	12,741	-11,771	970	56,240	199,133	255,373
CRCCG ^{Note 2}	Controlling shareholder	827	1,565	2,392	-	-	-
CRCCG ^{Note 3}	Controlling shareholder	-	-	-	579,415	3,222,913	3,802,328
Jinli Asset Management Center ^{Note 3}	Wholly-owned subsidiary of the controlling shareholder	-	-	-	174,115	-87,622	86,493
Xi'an Tianchang Real Estate Co., Ltd. ^{Note 2}	Wholly-owned subsidiary of the controlling shareholder	584	0	584	-	-	-
Beijing Tongda Jingcheng Highway Co., Ltd. ^{Note 3}	Holding subsidiary of the controlling shareholder	-	-	-	52,235	-18,180	34,055
Railway Construction Technology Magazine ^{Note 3}	Wholly-owned subsidiary of the controlling shareholder	-	-	-	2,199	492	2,691
Total		14,152	-10,206	3,946	1,635,974	3,316,736	4,952,710

Significant Events (continued)

During the Reporting Period, the amount of funds to CRCCG and its subsidiaries by the Company (RMB'000)	0
Cause to claims and liabilities between related parties	Claims and liabilities between the Company and related parties were claims and liabilities resulted from operations.
Settlement of claims and liabilities between related parties	Settlement by normal progress.
Commitments related to claims and liabilities between related parties	None.
Impact of such claims and liabilities on the Company's operating result and financial position	No significant impact.

Note 1: The fund provided by related parties to the Company was primarily the allocation from the Ministry of Finance to the controlling shareholder. In 2013, according to "The Ministry of Finance's notification of 2013 central state capital budget about China Railway Construction Corporation", the Ministry of Finance appropriated RMB500,000,000 to CRCCG. In 2012, according to "The Ministry of Finance's notification of 2012 central state capital budget about the special funds of safety production", the Ministry of Finance allocated RMB82,110,000 to CRCCG. According to "Strengthening Corporation Financial Information Management Interim Provisions", CRCCG transferred the fund to the Company by entrusted loans.

Note 2: The funds provided to related parties by the Company incurred from continuing connected transactions between the Company and its controlling shareholder together with its subsidiaries in previous years. The funds provided to the Company by related parties were mainly payables of CRCC International Group Co., Ltd. owed to the controlling shareholder.

Note 3: The fund provided to the Company by related parties represents the deposits of the Controlling Shareholder and its subsidiaries, which are deposited in CRCC Finance Company Limited as a subsidiary of the Group.

3. Issues not disclosed in temporary announcements

Applicable Not applicable

(V) Other significant related party transactions

During the Reporting Period, the Group did not have any other significant related party transactions.

Significant Events (continued)

VI. MAJOR CONTRACTS AND PERFORMANCE

(I) Trusteeship, contracting and leasing matters

Applicable Not applicable

(II) Guarantees

Applicable Not applicable

1. During the Reporting Period, the external guarantees granted by the Company were as follows:

Unit: RMB'000

External guarantees by the Company (exclusive of such guarantees to its subsidiaries)

Guarantor	Relationship with the listed company	Party guaranteed	Guarantee amount	Date of occurrence (date of signing agreement)	Commencing date of the guarantee	Expiry date of the guarantee	Guarantee type	Performance completed or not	Overdue or not	Overdue amount under the guarantee	Counter guaranteed or not	Guarantee by related party or not	Connected relationship
The Company	Within the Company	Sichuan Naxu Railway Co., Ltd.	67,200	28 December 2006	28 December 2006	28 December 2026	General guarantee	No	No		No	No	
The Company	Within the Company	Sichuan Naxu Railway Co., Ltd.	50,400	16 April 2008	16 April 2008	16 April	General guarantee	No	No		No	No	
The Company	Within the Company	CRCC-Tongguan Investment Co., Ltd.	264,108	20 May 2015	20 May 2015	20 November 2023	General guarantee	No	No		No	Yes	Associate
The Company	Within the Company	CRCC-Tongguan Investment Co., Ltd.	183,408	17 March 2014	17 March 2014	30 December 2023	General guarantee	No	No		No	Yes	Associate

Significant Events (continued)

Total amount of guarantees during the Reporting Period (exclusive of the guarantees to subsidiaries)	91,390
Closing balance of guarantees as at the end of the Reporting Period (A) (exclusive of the guarantees to subsidiaries)	565,116

Guarantees provided for its subsidiaries by the Company

Total amount of guarantees provided for subsidiaries during the Reporting Period	1,560,381
Closing balance of guarantees provided for subsidiaries as at the end of the Reporting Period (B)	14,782,569

Total guarantees by the Company (inclusive of such guarantees provided for its subsidiaries)

Total guarantees (A+B)	15,347,685
The proportion of total guarantees in net assets of the Company (%)	13.84
Of which:	
The amount of guarantees provided for the Company's shareholders, actual controllers and their related parties (C)	0
Debt guarantees direct or indirect to guaranteed objects with the asset-liability ratio higher than 70% (D)	14,781,246
Of total guarantees, the portion in excess of 50% net assets of the Company (E)	0
Total of the above three categories of guarantees (C+D+E)	14,781,246
Explanation on the potential joint liability arising from the immature guarantees	N/A
Explanation on the guarantees	Nil

2. The Company's decision-making procedures of guarantees

(1) Decision-making procedures of guarantees provided for wholly-owned subsidiaries

It was considered at the 10th meeting of the third session of the Board held on 15 June 2015 and the 2014 annual general meeting of the Company that the total cap for internal guarantees of the Company in 2015 was determined to be RMB45 billion. During the Reporting Period, guarantee provided for wholly-owned subsidiaries by the Company was in strict compliance with the set guarantee cap. As at 30 June 2015, the total amount of outstanding guarantee was RMB14.7826 billion and did not exceed the approved amount.

Significant Events (continued)

(2) Decision-making procedures of external guarantees

As at 30 June 2015, the total amount of outstanding external guarantees by the Company was of RMB510.2 million, including the following two guarantees:

- ① In 2006, CRCCG had provided RMB400 million of loans and RMB67.2 million of guarantee, representing 16.8% of capital contribution, to Sichuan Naxu Railway Co., Ltd.. Due to the reform of the Company in December 2007, it entered into a tripartite agreement with China Railway Construction Corporation Limited and the Luzhou branch of China Construction Bank, and to revise the subject of the contract to China Railway Construction Corporation Limited. The proposal in relation to the provision of guarantee for Naxu Company for loans had been considered and approved in the tenth meeting of the first session of the Board in October 2008. In proportion to the capital contribution of 16.8%, RMB50.4 million of guarantee for RMB300 million of loans were agreed to be provided to Sichuan Naxu Railway Co., Ltd., the joint-stock company. As at 30 June 2015, balance of actual guarantee of the Company amounted to RMB117.6 million.
- ② The resolution in relation to the investment for the development and construction of Mirador Copper Mine Project in Ecuador was considered and approved at the fourteenth meeting of the second session of the Board in August 2012, pursuant to which the Company was agreed to provide guarantee amounting to US\$387 million, in proportion to its capital contribution, for the loan applied by CRCC-Tongguan Investment Co., Ltd. As of 30 June 2015, the balance of actual guarantee provided was US\$30.0 million. The resolution in relation to the provision of guarantee for the loan advanced to CRCC-Tongguan Investment Co., Ltd. by The Export-Import Bank of China had been considered and approved in the 32nd meeting of the second session of the Board of the Company on 29 April 2014, pursuant to which it was agreed that a guarantee amounting to US\$43.2 million in proportion to 30% of the shareholding would be provided to CRCC-Tongguan Investment Co., Ltd.. As at 30 June 2015, the balance of actual guarantee provided by the Company was US\$73.2 million or RMB447.5 million in equivalence.

(III) Other major contracts or transactions

1. Domestic business contract

Unit: RMB'00 million

Contract time	Project name	Contract amount	The Company's contracting entity	Time limit of performance	Remark
19 June 2015	EPC 01 Bidding Project of Phase I of Urban Rail Transit No. 3 Line in Nanning (Keyuan Avenue - Pingle Avenue) (南寧市軌道交通3號線一期工程(科園大道-平樂大道)施工總承包01標項目)	57,4558	China Railway Construction Corporation Limited	1,365 days	-

Significant Events (continued)

2. Overseas business contract

Unit: US\$'00 million

Contract time	Project name	Contract amount	The Company's contracting entity	Time limit of performance	Remark
18 January 2015	Al Haj Hassan Gouled Aptidon International Airport Project (吉布提機場項目)	59,900.00	China Civil Engineering Construction Corporation	To be confirmed	The government of Djibouti is carrying out the matters in relation to the loan for the project, and the project will be launched officially after the implementation of the loan. Therefore, the project was not included into the range of calculation for newly-signed contracts in the first half of the year.
30 January 2015	Remaining 36 Land Parcels of the Third Group of the Fifth Stage of the Construction for the Project for Development of Security Premises of Ministry of Interior of Saudi Arabia (沙特內政部安全總部發展項目－第五期工程第三包剩餘36個地塊)	62,081.208	China Railway Construction Corporation Limited	47 months	-
12 April 2015	Cooperative Framework Agreement for Railway Upgrading of Egyptian Railway Network (埃及國家鐵路網軌道更新項目合作框架協議)	60,000.00	China Civil Engineering Construction Corporation	To be confirmed	As both parties will further discuss the details of the framework agreement and enter into a specific implementation agreement, thus the project was not included into the range of calculation for newly-signed contracts in the first half of the year.
27 April 2015	Nigeria Ogun State Intercity Rail Mass Transit Project (尼日利亞奧貢州城際鐵路項目)	350,619.84	CRCC China-Africa Construction Limited	56 months	-
27 April 2015	Magamba 2015 Housing Project in Zimbabwe (津巴布韋2015英雄住房工程項目)	192,900.00	CRCC China-Africa Construction Limited	To be confirmed	After signed the commercial contract for the project, the owner will carry out the matters in relation to the loan for the project. Both parties will enter into separate construction contracts by stages according to the progress of financing for the project. Therefore, the project was not included into the range of calculation for newly-signed contracts in the first half of the year.

Significant Events (continued)

VII. THE PERFORMANCE OF UNDERTAKINGS

Applicable Not applicable

(I) **Undertakings during or carried forward to the Reporting Period by the Company, shareholders holding 5% or more equity, Controlling Shareholder and actual controller**

Background of undertakings	Category of undertakings	Party providing undertakings	Contents of undertaking	Time and term of undertaking	Whether there is a term for performance	Whether fulfilled timely and strictly	Specify reasons in case of failure of timely fulfilment	Specify next step plan in case of failure of timely fulfilment
Undertakings associated with the share reform								
Undertakings in acquisition report or report on changes in equity								
Undertakings associated with major asset reorganisation								
Undertakings associated with IPO								
Undertakings associated with refinancing								
Undertakings associated with share incentive								
Other undertakings	Resolving property ownership defects to lands, etc.	CRCCG	Acquiring land certificate and property ownership certificate, covering the costs of acquiring the aforesaid certificates and losses caused thereby.	Long-term	No	Yes	N/A	N/A

Note: For details, please refer to relevant announcements dated 29 March and 19 June 2014 respectively published on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times, as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn).

VIII. APPOINTMENT AND REMOVAL OF AUDITORS

Applicable Not applicable

Explanation on appointment and removal of auditors

During the year, the Company continued to engage Ernst & Young Hua Ming LLP as its external auditors to audit the 2015 annual financial statements of the Company and review the 2015 interim financial statements of the Company. The Company has appointed Ernst & Young Hua Ming LLP to provide auditing services for nine consecutive years. The relevant audit fees are under negotiation.

Explanation on change in its auditor during the auditing period

Not applicable.

Significant Events (continued)

IX. PUNISHMENTS AND RECTIFICATIONS INVOLVED BY LISTED COMPANY, ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, SHAREHOLDERS HOLDING 5% OR MORE EQUITY, ACTUAL CONTROLLER OR BUYER

Applicable Not applicable

X. CONVERTIBLE CORPORATE BONDS

Applicable Not applicable

XI. CORPORATE GOVERNANCE

(I) *Basic information of corporate governance of the Company*

During the Reporting Period, in strict compliance with the regulatory provisions and listing rules of the places where the Company's shares are listed, the Company standardized corporate operations, introduced investor relations management proactively, improved the communications with investors, standardized and refined the procedures for information disclosure, and enhanced its level of corporate governance. During the Reporting Period, the Company convened one annual general meeting, one extraordinary general meeting, two A shareholders' class meetings, two H shareholders' class meetings and ten Board meetings.

During the Reporting Period, the overall operations of the Company were up to the standard. The actual situation of its corporate governance was in compliance with the relevant requirements stipulated under regulatory documents regarding governance of listed companies issued by China Securities Regulatory Commission. The Company will continuously explore and innovate new corporate governance initiatives whilst uplifting its governance standards, with a view to improving its corporate governance regime and further standardizing its operation continuously for the sustainable, sound and coordinated development of the Company.

(II) *Compliance with Code on Corporate Governance*

The Company had complied with the code provisions under the Corporate Governance Code in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period.

XII. EXPLANATION OF OTHER SIGNIFICANT EVENTS

(I) *Analysis and Explanation from the Board on the Reasons and Impact of the Change of Accounting Policies, Accounting Estimates or Calculation Methods*

Applicable Not applicable

(II) *Analysis and Explanation from the Board on the Reasons and Impact of the Clarification on Material Preliminary Errors*

Applicable Not applicable

Significant Events (continued)

XIII. SUBSEQUENT EVENTS

(I) Changes in directors, supervisors and senior management of the Company

On 6 July 2015, the board of directors of the Company received the letter of resignation from Mr. ZHANG Zongyan (“Mr. ZHANG”), an executive director and the president of the Company, pursuant to which Mr. ZHANG resigned from the positions of the executive director and the president of the Company due to other work arrangement and will not hold the position of the chairman of the Strategy and Investment Committee of the Board of the Company. The resignation of Mr. ZHANG shall become effective upon the delivery of the letter of resignation to the Board on 6 July 2015 pursuant to the requirements of the Company Law of the PRC and the Articles of Association of China Railway Construction Corporation Limited. Upon the resignation of Mr. ZHANG, Mr. ZHUANG Shangbiao, an executive director, a vice president and the chief legal counsel of the Company, will be in charge of the work of the management of the Company.

On 21 July 2015, the Company convened the first joint conference of the sixth meeting of the first session of the labor union. Mr. ZHANG Liangcai was elected as the employee representative supervisor of the third session of the Company’s supervisory committee. His term of office commenced from the day of election to the expiry of the term of office of the third session of the supervisory committee.

For details, please refer to relevant announcements published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company’s website (www.crcc.cn) dated 7 July 2015 and 22 July 2015, respectively.

(II) Increase in shareholding in the company by the controlling shareholder

On 8 July 2015, CRCCG, the controlling shareholder of the Company, increased its shareholding by purchasing 1,150,000 shares of the Company through secondary market, at an average price of RMB15.867, representing 0.00932% of the total share capital of the Company. Prior to the increase in shareholding, CRCCG held 7,566,245,500 shares of the Company, representing approximately 61.33% of the total share capital of the Company. Upon the increase in shareholding, CRCCG holds 7,567,395,500 shares of the Company, representing approximately 61.34% of the total share capital of the Company. For details please refer to the announcement published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company’s website (www.crcc.cn) dated 9 July 2015.

Significant Events (continued)

(III) Non-public issuance of a shares of the Company

On 5 February 2015, the resolution in relation to the non-public Issuance of A shares by the Company was considered and approved at the 2015 first extraordinary general meeting, the 2015 first A shareholders' class meeting and the 2015 first H shareholders' class meeting. On 2 June 2015, the Company convened the 2014 annual general meeting, at which the resolution in relation to the relevant reports and undertakings on the real estate development business of the Company issued by CRCCG (the controlling shareholder of the Company), the Directors and senior management of the Company and the Company were considered and approved of the Company. On 10 June 2015, the Issue Review Committee of CSRC reviewed and approved the Company's application for the non-public issuance of A shares. On 29 June 2015, the Company received the "Approval in Relation to the Non-Public Issuance of Shares by China Railway Construction Corporation Limited" from CSRC, pursuant to which the Company was approved by CSRC to issue no more than 1,409,361,702 A shares under the non-public issuance of the Company. On 7 July 2015, the bookkeeping of the non-public issuance of A shares by the Company was completed with the final issue price determined at RMB8.00/share. The number of issuance was 1,242,000,000 shares and the total proceeds were RMB9.936 billion. After deducting relevant issuance expenses for RMB113.057 million, the net proceeds were RMB9,822.943 million, in which the additional registered capital was RMB1,242.000 million, whereas the additional capital reserve was RMB8,580.943 million. Such non-public issuance of RMB ordinary shares did not result in the change of control of the Company. On 16 July 2015, the procedures for registration and depository in relation to such issuance of new shares with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司上海分公司) were completed. On 29 July 2015, the Company was approved to replace the self-raised fund which was pre-invested in the proceeds-funded projects by the proceeds of RMB1,166 million, and to use no more than RMB2,500 million of idled proceeds for temporarily replenishing liquidity at the fifteenth meeting of the third session of the board of directors of the Company.

For details, please refer to the announcements published in China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times as well as on the website of Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the Company's website (www.crcc.cn) dated 6 February 2015, 13 May 2015, 3 June 2015, 11 June 2015, 25 June 2015, 30 June 2015, 18 July 2015 and 30 July 2015, respectively.

Changes in Shares and Particulars of Shareholders

I. CHANGES IN SHARE CAPITAL

(I) *Table of changes in shares*

1. **Table of changes in Shares**

The Company's total shares and share capital structure had no change during the Reporting Period.

2. **Particulars of changes in shareholding**

Not applicable.

3. **Effect to financial indicators such as earnings per share and net assets per share within the period from the Reporting Period to the disclosure date of the interim report after changes in shareholding**

On 10 June 2015, the Issue Review Committee of CSRC reviewed and approved the Company's application for the non-public issuance of A shares. On 26 June 2015, the Company was approved by CSRC to issue no more than 1,409,361,702 A shares under the non-public issuance of the Company. On 7 July 2015, the bookkeeping of the non-public issuance of A shares by the Company was completed with the final issue price determined at RMB8.00/share. The number of the issuance was 1,242,000,000 shares and the total proceeds were RMB9.936 billion. On 16 July 2015, the procedures for registration and depository in relation to such issuance of new shares with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司上海分公司) were completed.

The non-public issuance facilitated the Company in broadening capital base, replenishing capital strength, optimizing financial structure, reinforcing overall risk-resistance capability and improving overall financial condition. The proceeds from the non-public issuance is planned to be used for special projects and replenishing the liquidity of the Company. As the operational efficiencies of the investment projects funded by the raised proceeds will be fully released after a period of time upon completion of the implementation of the projects, the increase in net assets per share, the decrease in earnings per share and financial indicators of the Company may be affected to some extent in the near future. However, upon completion of construction of the projects and reaching of production target, the profitability and operating results of the Company are expected to further improve in the future. The non-public issuance will benefit the Company in capturing market opportunities, increasing market presence and further solidifying the leading position in the market, hence enhancing the level of profitability and maximizing shareholders' returns.

4. **Other contents that the Company deemed necessary to or required by security regulatory institutes to disclose**

Nil.

(II) *Changes in shares subject to trading moratorium*

Applicable Not applicable

(III) *Repurchase, sales on redemption of securities of the Company*

During the Reporting Period, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any securities of the Company.

Changes in Shares and Particulars of Shareholders (continued)

II. PARTICULARS OF SHAREHOLDERS

(I) Structure of share capital

As at 30 June 2015, share capital structure of the Company is set out as follows:

Shareholder	Class of shares	Number of shares (share)	Approximate percentage of the issued share capital (%)
CRCCG	A share	7,566,245,500	61.33
Public holders of A shares	A share	2,695,000,000	21.84
Public holders of H shares	H share ^{Note}	2,076,296,000	16.83
Total	–	12,337,541,500	100

Note: Including the H shares held by National Council for Social Security Fund.

(II) Total number of shareholders

Total number of shareholders as at the end of the Reporting Period (<i>households</i>)	518,124
Number of shareholders of preference shares with restored voting rights as at the end of the Reporting Period (<i>households</i>)	N/A

As at 30 June 2015, the total number of shareholders of the Company was 518,124, of which 499,516 were holders of A shares and 18,608 were holders of H shares.

Changes in Shares and Particulars of Shareholders (continued)

(III) Particulars of shareholdings of the top ten shareholders and the top ten tradable shareholders (or shareholders not subject to trading moratorium) as at the end of the Reporting Period

Unit: Share

Particulars of shareholdings of the top ten shareholders

Name of shareholder (full name)	Change of shareholding during the Reporting Period	Number of Shares held as at the end of the Period	Percentage (%)	Number of shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
					Condition of shares	Number	
China Railway Construction Corporation	0	7,566,245,500	61.33	0	Nil	0	State-owned
HKSCC NOMINEES LIMITED	3,642,500	2,059,679,381	16.69	0	Unknown		Overseas legal person
Computershare Hong Kong Investor Services Limited	7,939,566	26,494,434	0.21	0	Nil	0	Overseas legal person
China Merchant Bank Co., Ltd. – Penghua Zhongzheng Highway Industry Index Classified Securities Investment Fund (招商銀行股份有限公司—騰華中證高鐵產業指數分級證券投資基金)	25,240,661	25,240,661	0.20	0	Nil	0	Others
Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund (中國工商銀行—上證50交易型開放式指數證券投資基金)	24,914,927	24,914,927	0.20	0	Nil	0	Others
Urumqi Runnong Jangyuan Agricultural Technology Co., Ltd. (烏魯木齊潤農江源農業科技有限公司)	4,501,299	21,835,500	0.18	0	Nil	0	Others
National Social Security Fund 502 Portfolio (全國社保基金五零二組合)	17,300,000	17,300,000	0.14	0	Nil	0	Others
Lu Yongjun (陸勇軍)	2,368,895	16,543,828	0.13	0	Nil	0	Domestic natural person
Huaxia Life Insurance Co., Ltd. – Universal life insurance product (華夏人壽保險股份有限公司—萬能保險產品)	15,949,269	15,949,269	0.13	0	Nil	0	Others
China Baolan Group Finance and Investment Co., Ltd. (中國寶安集團金融投資有限公司)	13,569,500	13,569,500	0.11	0	Nil	0	Others

Changes in Shares and Particulars of Shareholders (continued)

Particulars of shareholdings of the top ten shareholders not subject to trading moratorium

Name of shareholder	Number of shares held not subject to trading moratorium	Class and number of shares	
		Class	Number
China Railway Construction Corporation HKSCC NOMINEES LIMITED	7,566,245,500	RMB ordinary shares Overseas listed	7,566,245,500
Computershare Hong Kong Investor Services Limited	2,059,679,381	foreign shares	2,059,679,381
China Merchant Bank Co., Ltd. – Penghua Zhongzheng Highway Industry Index Classified Securities Investment Fund (招商銀行股份有 限公司– 騰華中證高鐵路產業指數分級證券投資基金)	26,494,434	RMB ordinary shares	26,494,434
Industrial & Commercial Bank of China – Shanghai Index 50 Trading Open-end Index Securities Investment Fund (中國工商銀行– 上證50 交易型開放式指數證券投資基金)	25,240,661	RMB ordinary shares	25,240,661
Urumqi Runnong Jiangyuan Agricultural Technology Co., Ltd. (烏魯木齊 潤農江源農業科技有限公司)	24,914,927	RMB ordinary shares	24,914,927
National Social Security Fund 502 Portfolio (全國社保基金五零二組合)	21,835,500	RMB ordinary shares	21,835,500
Lu Yongjun (陸勇軍)	17,300,000	RMB ordinary shares	17,300,000
Huaxia Life Insurance Co., Ltd. – Universal life insurance product (華夏 人壽保險股份有限公司– 萬能保險產品)	16,543,828	RMB ordinary shares	16,543,828
中國寶安集團金融投資有限公司	15,949,269	RMB ordinary shares	15,949,269
	13,569,500	RMB ordinary shares	13,569,500

Explanations of the connected relationship or concerted action among the above shareholders

The Company has no information on whether there is any connected relationship among the above shareholders or whether such shareholders are parties acting in concert.

Explanation of shareholders of preference shares with restored voting rights and number of shares they held

Not applicable.

Number of shares held by the top ten shareholders subject to trading moratorium and particulars of such trading moratorium

As at the end of the Reporting Period, there were no restricted shares of the Company.

Changes in Shares and Particulars of Shareholders (continued)

(IV) Top ten shareholders from strategic investors or general legal persons participating in the placing of the new shares

Applicable Not applicable

(V) Particulars of shareholdings of substantial shareholders disclosed in accordance with the SFO

So far as the directors of the Company are aware, as at 30 June 2015, the persons other than directors, supervisors or chief executive of the Company who had interests and short positions in the shares or underlying shares of the Company which are recorded in the register of the Company required to be kept under Section 336 of Part XV of the SFO were as follows:

Name of substantial shareholder	Class of shares	Capacity	Number of shares held ^{Note 1}	Percentage of issued share capital of the relevant class of shares	Percentage of total issued share capital
CRCCG	A shares	Beneficial owner	7,566,245,500	73.74%	61.33%
National Council for Social Security Fund	H shares	Beneficial owner	188,754,500(L)	9.09%	1.53%
BlackRock, Inc. ^{Note 2}	H shares	Interest of corporation controlled by the substantial shareholder	148,161,422(L)	7.14%	1.20%
JPMorgan Chase & Co. ^{Note 3}	H shares	Beneficial owner, investment manager, and custodian-corporation/ approved lending agent	104,019,965(L)	5.00%	0.84%
		Beneficial owner	9,722,881(S)	0.46%	0.07%
		Custodian-corporation/ approved lending agent	68,889,134(P)	3.31%	0.55%

Note 1: L – long position; S – short position; P – lending pool

Note 2: As at 30 June 2015, BlackRock, Inc. held long positions in 148,161,422 H shares of the Company through certain corporations under its control.

Note 3: As at 30 June 2015, JPMorgan Chase & Co., including through certain corporations under its control, held long positions in 104,019,965 H shares and short positions in 9,722,881 H shares of the Company.

III. CHANGES IN CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

Applicable Not applicable

Particulars of Preference Shares

Applicable

Not applicable

Directors, Supervisors and Senior Management

I. CHANGES IN SHAREHOLDING

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

Applicable Not applicable

(II) Share incentives granted to the directors, supervisors and senior management during the Reporting Period

Applicable Not applicable

(III) Directors', supervisors' and senior management's interests in the securities of the Company

As at the end of the Reporting Period, none of the directors, supervisors or members of senior management held any shares of the Company, nor were they granted any share options or restricted shares of the Company.

As at the end of the Reporting Period, none of the directors, supervisors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are (a) required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or (b) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Appendix X of the Listing Rules.

II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Applicable Not applicable

Name	Position	Change	Reason for the change
QI Xiaofei	Secretary of the Party Committee, Vice Chairman, Executive Director	Election	Work engagement
	Vice Secretary of the Party Committee, Secretary of Committee for Discipline Inspection	Resignation	Work engagement
ZHUANG Shangbiao	Executive Director, Vice President (in charge of management), chief legal counsel	Appointment	Work engagement due to the leave of former President
ZHANG Liangcai	Employee Representative Supervisor	Election	Election in the employee representatives' general meeting
ZHANG Zongyan	Executive Director, President, Vice Secretary of the Party Committee	Resignation	Other work engagements
PENG Shugui	Vice Chairman, Executive Director, Vice Secretary of the Party Committee	Resignation	Retirement

Directors, Supervisors and Senior Management (continued)

On 19 January 2015, the fifth meeting of the third session of the Board considered and passed the “Proposal in Relation to the Candidates for the Executive Director of the CRCC” (《關於中國鐵建股份有限公司執行董事人選的議案》)。Due to his age, Mr. PENG Shugui would no longer serve as the vice president or executive director of the Company, nor would he hold any other position with the Board. Mr. QI Xiaofei was nominated by the Nomination Committee of the Board as a candidate for executive director of the Company. On 5 February 2015, the 2015 first extraordinary general meeting of the Company considered and approved the appointment of Mr. QI Xiaofei as an executive director of the Company; On 5 February, the seventh meeting of the third session of the Board elected Mr. QI Xiaofei as the vice president of the Company and a member of the Nomination Committee for a term of office the same as that of the directors of the third session of the Board.

On 6 July 2015, the board of directors of the Company received the letter of resignation from Mr. ZHANG Zongyan, an executive director and the president of the Company, pursuant to which Mr. ZHANG resigned from the positions of the executive director and the president of the Company due to other work arrangement and will not hold the position of the chairman of the Strategy and Investment Committee of the Board of the Company. The resignation of Mr. ZHANG became effective upon the delivery of the letter of resignation to the Board on 6 July 2015 pursuant to the requirements of the Company Law of the PRC and the Articles of Association of Association of China Railway Construction Corporation Limited. Upon the resignation of Mr. ZHANG Zongyan, Mr. ZHUANG Shangbiao, an executive director, a vice president and the chief legal counsel of the Company, will be in charge of the work of the management of the Company.

On 21 July 2015, the Company convened the first joint conference of the sixth meeting of the first session of the labor union. Mr. ZHANG Liangcai was elected as the employee representative supervisor of the third session of the Company’s supervisory committee. His term of office commenced from the day of election to the expiry of the term of office of the third session of the supervisory committee.

For details, please refer to relevant announcements dated 20 January 2015, 6 February 2015, 7 July 2015 and 22 July 2015 respectively, as published by the Company on China Securities Journal, Shanghai Securities News, Securities Daily, Securities Times and the website of the Shanghai Stock Exchange (www.sse.com.cn), the website of the Hong Kong Stock Exchange (www.hkex.com.hk) and the website of the Company (www.crcc.cn).

As confirmed by the directors of the third session of the Board and the supervisors of the third session of the Supervisory Committee of the Company, save as disclosed above, there was no change in other directors, supervisors and senior management of the Company and their biographies since the disclosure in the 2014 annual report of the Company.

III. CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted a code of conduct regarding securities transactions by the directors, supervisors and relevant employees (the “Required Standard”) on terms no less exacting than the required standard for dealing in securities transactions by the directors, supervisors and relevant employees set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules. After specific enquiries with all directors and supervisors of the Company, the Company confirmed that the Required Standard had been complied with during the Reporting Period.

Report on Review of Interim Financial Statements

Ernst & Young Hua Ming (2015) Zhuan Zi No. 60618770_A06

To the shareholders of China Railway Construction Corporation Limited

We have reviewed the accompanying financial statements of China Railway Construction Corporation Limited (the "Company"), which comprise the consolidated and the Company's balance sheets as at 30 June 2015, and the consolidated and the Company's statement of profit or loss and other comprehensive income, statements of changes in equity and cash flow statements for the six months then ended, and notes to the financial statements (hereinafter collectively referred to as the "Interim Financial Statements"). The Interim Financial Statements were prepared in accordance with the requirements of Accounting Standards for Business Enterprises No. 32 Interim Financial Reporting ("ASBE 32") issued by the Ministry of Finance of the People's Republic of China, and the preparation of the Interim Financial Statements is the responsibility of the Company's management. Our responsibility is to express a conclusion on these Interim Financial Statements based on our review.

We conducted our review in accordance with China Standard on Review No. 2101 *Engagements to Review Financial Statements*. This Standard requires us to plan and perform the review to obtain limited assurance about whether the Interim Financial Statements are free from material misstatement. A review is limited primarily to inquiries of the company personnel and analytical review procedures applied to the financial information and thus provides less assurance than an audit. We have not performed an audit, and therefore we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements are not prepared in accordance with the requirements of ASBE 32, and cannot present fairly, in all material respects, the consolidated and the Company's financial position, operating performance and cash flows.

Ernst & Young Hua Ming LLP

Yang Shujuan

Chinese Certified Public Accountant

Shen Yan

Chinese Certified Public Accountant

Beijing, the People's Republic of China
28 August 2015

Consolidated Balance Sheet

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

ASSETS	<i>Note V</i>	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Current assets			
Cash and bank balances	1	98,033,451	98,406,968
Financial assets at fair value through profit or loss	2	131,596	110,204
Bills receivable	3	2,116,756	2,898,212
Accounts receivable	4	113,404,627	115,528,505
Advances to suppliers	5	30,034,519	27,726,384
Interest receivables		384,640	306,839
Dividends receivable		23,205	23,205
Other receivables	6	36,551,455	34,585,435
Inventories	7	240,648,536	227,929,619
Current portion of non-current assets	9	13,258,072	12,657,740
Other current assets		1,650,654	1,134,204
Total current assets		536,237,511	521,307,315
Non-current assets			
Available-for-sale financial assets	8	7,902,160	4,580,184
Held-to-maturity investments		1,245	1,269
Long-term receivables	9	26,924,161	24,753,390
Long-term equity investments	11	3,414,107	3,499,022
Fixed assets	12	41,098,275	41,631,924
Construction in progress	13	2,764,804	2,817,806
Intangible assets	14	27,217,126	22,377,774
Goodwill	15	103,293	103,293
Long-term prepayments		284,944	263,478
Deferred tax assets	16	2,253,608	2,202,222
Other non-current assets		28,012	28,320
Total non-current assets		111,991,735	102,258,682
TOTAL ASSETS		648,229,246	623,565,997

Consolidated Balance Sheet (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

LIABILITIES AND EQUITY	<i>Note V</i>	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Current liabilities			
Short-term loans	18	50,418,735	45,591,039
Due to customers	19	3,925,267	807,664
Due to banks	20	1,300,000	–
Bills payable	21	23,776,404	21,556,148
Accounts payable	22	196,648,968	205,530,796
Advances from customers	23	75,531,258	63,815,413
Employee benefits payable	24	7,270,899	7,410,212
Taxes payable	25	7,871,135	9,781,931
Interest payables	26	1,008,823	857,728
Dividends payable	27	473,139	409,471
Other payables	28	41,093,986	40,079,753
Current portion of non-current liabilities	29	32,926,171	28,621,425
Other current liabilities	30	4,597,635	5,741,517
Total current liabilities		446,842,420	430,203,097
Non-current liabilities			
Long-term loans	31	56,531,044	53,786,729
Bonds payable	32	26,372,413	27,212,667
Long-term payables	33	4,013,207	4,580,391
Long-term employee benefits payable	34	1,833,316	1,897,381
Special payables	35	827,536	417,436
Provision	36	3,970	3,977
Deferred income	37	235,510	205,106
Deferred tax liabilities	16	656,752	75,867
Total non-current liabilities		90,473,748	88,179,554
Total liabilities		537,316,168	518,382,651
Shareholders' equity			
Share capital	38	12,337,542	12,337,542
Capital reserve	39	31,346,077	34,444,833
Other comprehensive income	40	1,902,654	249,621
Surplus reserve	42	1,794,862	1,794,862
Retained earnings	43	47,421,667	43,941,595
Equity attributable to:			
Owners of the Company		94,802,802	92,768,453
Non-controlling interests		16,110,276	12,414,893
Total shareholders' equity		110,913,078	105,183,346
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		648,229,246	623,565,997

The financial statements have been signed by:

Legal Representative:
Meng Fengchao

CFO:
Wang Xiuming

Finance Controller:
Cao Xirui

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note V	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Restated) (Unaudited)
Revenue	44	262,894,264	262,186,875
Less: Cost of sales	44	234,091,391	235,373,412
Taxes and surcharges	45	7,572,211	7,666,643
Selling and distribution expenses	46	1,528,736	1,278,562
General and administrative expenses	47	9,977,443	8,780,103
Finance costs	48	2,612,510	2,411,239
Losses from impairment of assets	49	649,513	199,607
Add: Gains/(losses) on fair value changes	50	21,501	(11,266)
Investment income	51	269,590	33,044
Including: Share of gains/(losses) of associates and jointly-controlled entities		95,963	(23,268)
Operating profit		6,753,551	6,499,087
Add: Non-operating income	52	353,315	386,428
Including: Profit on disposal of non-current assets		53,599	74,801
Less: Non-operating expenses	53	108,667	126,587
Including: Loss on disposal of non-current assets		34,020	60,200
Profit before tax	54	6,998,199	6,758,928
Less: Income tax expenses	55	1,404,102	1,497,374
Net profit		5,594,097	5,261,554
Including: Net profit of the combined party before business combinations under common control		210,120	216,293
Attributable to:			
Owners of the Company		5,330,703	5,155,974
Non-controlling interests		263,394	105,580

Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note V	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Restated) (Unaudited)
Other comprehensive income, net of tax			
Other comprehensive income by Owners of the Company, net of tax	40	1,653,033	(135,745)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Remeasurement of defined benefit obligation, net of tax		(22,063)	(42,417)
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Share of other comprehensive income of associates		(110,545)	973
Gains from changes in fair value of available-for-sale financial assets, net of tax		1,766,659	6,203
Exchange differences on translation of foreign operations		18,982	(100,504)
Other comprehensive income, net of tax		1,653,033	(135,745)
Total comprehensive income		7,247,130	5,125,809
Attributable to			
Owners of the Company		6,983,736	5,020,229
Non-controlling interests		263,394	105,580
Earnings per share:			
Basic earnings per share (RMB/share)	56	0.43	0.42
Diluted earnings per share (RMB/share)	56	N/A	N/A

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	For the six months ended 30 June 2015 (Unaudited)								
	Equity attributable to owners of the Company								
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
1. As at 31 December 2014	12,337,542	33,884,833	249,621	-	1,794,862	42,668,871	90,935,729	11,955,511	102,891,240
Business combinations involving entities under common control (Note 1)	-	560,000	-	-	-	1,272,724	1,832,724	459,382	2,292,106
2. As at 1 January 2015	12,337,542	34,444,833	249,621	-	1,794,862	43,941,595	92,768,453	12,414,893	105,183,346
3. Increase/(decrease) during period									
(a) Total comprehensive income	-	-	1,653,033	-	-	5,330,703	6,983,736	263,394	7,247,130
(b) Capital contributions and withdrawals by shareholders									
(1) Business combinations involving entities under common control (Note 1)	-	(3,098,226)	-	-	-	-	(3,098,226)	-	(3,098,226)
(2) Capital contributions	-	-	-	-	-	-	-	3,576,502	3,576,502
(3) Acquisition of non-controlling interests	-	(1,814)	-	-	-	-	(1,814)	(13,786)	(15,600)
(c) Profit appropriation and distribution									
(1) Distribution to owners (Note 2)	-	-	-	-	-	(1,850,631)	(1,850,631)	(130,727)	(1,981,358)
(d) Special reserve (Note V.41)									
(1) Appropriated in current period	-	-	-	2,818,657	-	-	2,818,657	-	2,818,657
(2) Used in current period	-	-	-	(2,818,657)	-	-	(2,818,657)	-	(2,818,657)
(e) Others									
(1) Others	-	1,284	-	-	-	-	1,284	-	1,284
4. As at 30 June 2015	12,337,542	31,346,077	1,902,654	-	1,794,862	47,421,667	94,802,802	16,110,276	110,913,078

Note 1: On 2 June 2015, the Company completed the business combination under the common control of Chongqing Tiefa Suiyu Highway Co., Ltd. ("Chongqing Tiefa Suiyu") Refer to Note VI.1.

Note 2: In accordance with the resolution at the 2014 annual general meeting of shareholders on 2 June 2015, the Company declared a final cash dividend for the year ended 31 December 2014 of RMB0.15 per share (cash dividend declared in 2014 for the year of 2013: RMB0.13 per share), which amounted to RMB1,850,631,000 (cash dividend declared in 2014 for the year of 2013: RMB1,603,880,000) based on 12,337,541,500 ordinary shares in issue.

Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	For the six months ended 30 June 2014 (Restated) (Unaudited)								
	Equity attributable to owners of the Company								
	Share capital	Capital reserve	Other comprehensive income/(losses)	Special reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total equity
1. As at 31 December 2013	12,337,542	33,881,269	43,735	-	1,491,897	33,232,451	80,986,894	2,837,822	83,824,716
Business combinations involving entities under common control	-	560,000	-	-	-	1,158,829	1,718,829	431,706	2,150,535
2. As at 1 January 2014	12,337,542	34,441,269	43,735	-	1,491,897	34,391,280	82,705,723	3,269,528	85,975,251
3. Increase/(decrease) during the period									
(a) Total comprehensive income	-	-	(135,745)	-	-	5,155,974	5,020,229	105,580	5,125,809
(b) Capital contributions and withdrawals by shareholders									
(1) Capital contributions	-	-	-	-	-	-	-	1,322,865	1,322,865
(c) Profit appropriation and distribution									
(1) Distribution to owners	-	-	-	-	-	(1,603,880)	(1,603,880)	(126,354)	(1,730,234)
(d) Special reserve (Note V.41)									
(1) Appropriated in current period	-	-	-	2,897,668	-	-	2,897,668	-	2,897,668
(2) Used in current period	-	-	-	(2,897,668)	-	-	(2,897,668)	-	(2,897,668)
(e) Others									
(1) Others	-	3,012	-	-	-	-	3,012	-	3,012
4. As at 30 June 2014	12,337,542	34,444,281	(92,010)	-	1,491,897	37,943,374	86,125,084	4,571,619	90,696,703

Consolidated Statement of Cash Flows

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note V	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Restated) (Unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or rendering of services		276,957,437	256,201,055
Refunds of tax		214,827	72,739
Net decrease in balances with the central bank		665,059	–
Net increase in due to banks and amounts due to customers		4,417,603	–
Cash received from other operating activities	57	1,814,946	1,209,242
Subtotal of cash inflows from operating activities		284,069,872	257,483,036
Cash paid for goods and services		(244,032,022)	(239,490,292)
Net decrease in due to banks and amounts due to customers		–	(57,605)
Net increase in balances with the central bank		–	(905,027)
Cash paid to and on behalf of employees		(19,424,900)	(16,039,167)
Cash paid for all taxes		(11,573,663)	(10,742,719)
Cash paid for other operating activities	57	(2,150,143)	(2,190,000)
Subtotal of cash outflows from operating activities		(277,180,728)	(269,424,810)
Net cash flows from/(used in) operating activities	58	6,889,144	(11,941,774)
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from disposal of investments		80,249	22,009
Cash received from investment income		117,916	52,287
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		726,008	665,724
Decrease in pledged time deposits and other restricted cash		2,191,888	1,136,814
Cash received from other investing activities		1,456,724	1,673,895
Subtotal of cash inflows from investing activities		4,572,785	3,550,729
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(11,243,736)	(9,200,479)
Cash paid for acquisition of investments		(1,140,505)	(750,069)
Cash paid for other investing activities		(200,000)	(925,512)
Subtotal of cash outflows from investing activities		(12,584,241)	(10,876,060)
Net cash flows used in investing activities		(18,011,456)	(7,325,331)

Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note V	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Restated) (Unaudited)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received as capital contributions		3,576,502	1,322,865
Including: Cash received from non-controlling shareholders of subsidiaries		3,576,502	1,322,865
Cash received from issuing bonds		4,300,000	5,820,000
Cash received from borrowings		52,757,254	64,384,603
Subtotal of cash inflows from financing activities		60,633,756	71,527,468
Cash repayments for borrowings		(46,779,362)	(47,490,377)
Cash paid for distribution of dividends or profits and for interest expenses		(7,073,907)	(4,436,373)
Including: Cash paid to non-controlling shareholders for distribution of dividends by subsidiaries		(130,727)	(77,393)
Cash paid for acquisition under common control		(3,098,226)	–
Cash paid for other investing activities		–	(3,065)
Subtotal of cash outflows from financing activities		(56,951,495)	(51,929,815)
Net cash flows from financing activities		3,682,261	19,597,653
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(76,519)	12,012
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	58	2,483,430	342,560
Add: Cash and cash equivalents at beginning of the period		84,757,505	80,134,922
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	58	87,240,935	80,477,482

Balance Sheet

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

ASSETS	<i>Note XIV</i>	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Current assets			
Cash and bank balances		9,866,712	9,701,230
Financial assets at fair value through profit or loss		40,230	26,490
Accounts receivable	1	254,922	494,555
Advances to suppliers		809,970	467,020
Dividends receivable		249,103	–
Other receivables	2	38,705,895	41,940,289
Inventories		2,939,915	2,959,994
Total current assets		52,916,747	55,589,578
Non-current assets			
Available-for-sale financial assets		469,105	180,239
Long-term receivables		907,256	1,014,164
Long-term equity investments	3	73,003,746	68,534,117
Fixed assets		36,217	29,941
Construction in progress		21,529	25,620
Intangible assets		13,713	6,816
Deferred tax assets		6,030	6,030
Total non-current assets		74,457,596	69,796,927
TOTAL ASSETS		127,374,343	125,386,505

Balance Sheet (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

LIABILITIES AND EQUITY	<i>Note XIV</i>	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Current liabilities:			
Short-term loans		–	367,140
Accounts payable		1,609,414	1,546,394
Advances from customers		3,293,946	3,600,961
Employee benefits payable		60,258	50,455
Taxes payable		115,717	97,221
Interest payables		509,864	471,069
Dividends payable		311,444	–
Other payables		18,084,632	17,867,265
Current portion of non-current liabilities		10,102,952	5,091,222
Other current liabilities		3,022,189	3,641,793
Total current liabilities		37,110,416	32,733,520
Non-current liabilities:			
Long-term loans		10,115,340	13,196,447
Bonds payable		17,402,250	17,390,440
Long-term payables		1,397,500	1,478,750
Long-term employee benefits payable		20,260	20,260
Deferred income		89,986	14,335
Total non-current liabilities		29,025,336	32,100,232
Total liabilities		66,135,752	64,833,752
Shareholders' equity			
Share capital		12,337,542	12,337,542
Capital reserve		37,931,797	39,009,051
Other comprehensive income		244,572	27,923
Surplus reserve		1,794,862	1,794,862
Retained earnings		8,929,818	7,383,375
Total shareholders' equity		61,238,591	60,552,753
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		127,374,343	125,386,505

Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note XIV	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Unaudited)
Revenue	4	2,252,753	1,194,393
Less: Cost of sales		2,129,927	1,158,171
Taxes and surcharges		2,504	1,438
Selling and distribution expenses		3,263	1,712
General and administrative expenses		137,443	127,058
Finance income		12,168	302,838
Add: Gains/(losses) on fair value changes		13,740	(6,732)
Investment income	5	3,399,373	3,151,500
Including: Share of profits of jointly-controlled entities		3,414	4,480
Operating profit		3,380,561	2,747,944
Add: Non-operating income		20,371	118,009
Less: Non-operating expenses		423	66
Including: Losses on disposal of non-current assets		116	66
Profit before tax		3,400,509	2,865,887
Less: Income tax expenses/(profit)		3,435	(338)
Net profit		3,397,074	2,866,225
Other comprehensive income, net of tax			
Other comprehensive income to be reclassified to profit or loss in subsequent periods			
Gains/(losses) from changes in fair value of available-for-sale financial assets, net of tax		216,649	757
Total comprehensive income		3,613,723	2,866,982

Legal Representative:
Meng Fengchao

CFO:
Wang Xiuming

Finance Controller:
Cao Xirui

Statement of Changes in Equity

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	For the six months ended 30 June 2015 (Unaudited)					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
1. As at 1 January 2015	12,337,542	39,009,051	27,923	1,794,862	7,383,375	60,552,753
2. Increase/(decrease) during the period						
(a) Total comprehensive income	–	–	216,649	–	3,397,074	3,613,723
(b) Capital contributions						
(1) Business combinations involving entities under common control	–	(1,096,442)	–	–	–	(1,096,442)
(2) Others	–	19,188	–	–	–	19,188
(c) Profit appropriation and distribution						
(1) Distribution to owners (Note)	–	–	–	–	(1,850,631)	(1,850,631)
3. As at 30 June 2015	12,337,542	37,931,797	244,572	1,794,862	8,929,818	61,238,591

Note: Please reference to notes on consolidated statement of changes in equity

	For the six months ended 30 June 2014 (Unaudited)					
	Share capital	Capital reserve	Other comprehensive income/(losses)	Surplus reserve	Retained earnings	Total equity
1. As at 1 January 2014	12,337,542	39,009,051	(27,150)	1,491,897	6,260,571	59,071,911
2. Increase/(decrease) during the period						
(a) Total comprehensive income	–	–	757	–	2,866,225	2,866,982
(b) Profit appropriation and distribution						
(1) Distribution to owners (Note)	–	–	–	–	(1,603,880)	(1,603,880)
3. As at 30 June 2014	12,337,542	39,009,051	(26,393)	1,491,897	7,522,916	60,335,013

Note: Please reference to notes on consolidated statement of changes in equity

Statement of Cash Flows

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note XIV	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Unaudited)
1. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from the sale of goods or rendering of services		2,536,290	1,184,380
Cash received from other operating activities		3,472,812	1,744,172
Subtotal of cash inflows from operating activities		6,009,102	2,928,552
Cash paid for goods and services		(2,685,666)	(778,570)
Cash paid to and on behalf of employees		(84,627)	(69,512)
Cash paid for all types of taxes		(29,679)	(11,592)
Cash paid for other operating activities		(91,414)	(552,561)
Subtotal of cash outflows from operating activities		(2,891,386)	(1,412,235)
Net cash flows from operating activities	6	3,117,716	1,516,317
2. CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received from disposal of investments		54,185	11,820
Cash received from investment income		3,147,429	2,249,580
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,561	118
Cash received from other investing activities		1,256,216	1,852,766
Subtotal of cash inflows from investing activities		4,462,391	4,114,284
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(14,941)	(13,452)
Cash paid for acquisition of investments		(5,598,226)	(800,000)
Increase in non-pledged time deposits with original maturity of three months or more when acquired		(800,099)	–
Cash paid for other investing activities		(60,000)	(1,115,000)
Subtotal of cash outflows from investing activities		(6,473,266)	(1,928,452)
Net cash flows (used in)/from investing activities		(2,010,875)	2,185,832

Statement of Cash Flows (continued)

For the six months ended 30 June 2015
(All amounts in RMB'000 unless otherwise stated)

	Note XIV	For the six months ended 30 June	
		2015 (Unaudited)	2014 (Unaudited)
3. CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from borrowings		2,000,000	8,321,498
Cash received from issuing bonds		3,000,000	3,500,000
Subtotal of cash inflows from financing activities		5,000,000	11,821,498
Cash repayments for borrowings		(3,915,341)	(11,058,793)
Cash paid for distribution of dividends or profits and for interest expenses		(2,825,961)	(1,030,540)
Subtotal of cash outflows from financing activities		(6,741,302)	(12,089,333)
Net cash flows used in financing activities		(1,741,302)	(267,835)
4. EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(156)	29,531
5. NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(634,617)	3,463,845
Add: Cash and cash equivalents at beginning of the period		9,689,230	5,123,065
6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6	9,054,613	8,586,910

Legal Representative:
Meng Fengchao

CFO:
Wang Xiuming

Finance Controller:
Cao Xirui

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

I. CORPORATE INFORMATION

China Railway Construction Corporation Limited (the "Company") is a joint stock limited company with limited liability registered in Beijing in the People's Republic of China (the "PRC" or "Mainland China"), which was established on 5 November 2007. The Company's shares have been listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange. The registered office of the Company's head office is located at East, No. 40 Fuxing Road, Haidian District, Beijing, PRC. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") mainly consist of the construction of infrastructure, the provision of survey, design and consultancy services, the provision of logistics services, industrial manufacturing and real estate development.

The Company's business scope is: construction of railways, highways, metropolitan railways, airports, ports, tunnels, bridges, water conservancy and hydropower facilities, post and telecommunication facilities, mining facilities; lumbering; industrial and civil construction for municipal projects, provision of survey, design and consultancy services for installation of circuitry, pipelines and equipment and general construction contracting of the installation; overseas and domestic construction contracting; construction contracting of prevention and control of geologic disasters; provision of construction project management services, manufacture and installation of industrial equipment; real estate development; wholesale and retail sales of automobiles, ferrous metal, timber, cement, fuel, construction materials, chemical products, mechanical and electrical products, armored concrete products and special railway equipment; provision of storage services; provision of rental services of machinery and construction equipment; provision of renovation and interior decoration services; import and export; and provision of consulting and technical services related to the above businesses.

The Group's parent and ultimate holding company is China Railway Construction Corporation ("CRCCG"), a company registered in the PRC.

These financial statements were approved and authorized for issue by the board of directors of the Company on 28 August 2015.

The scope of consolidated financial statements shall be determined on the basis of control. The change of the scope for the six months ended 30 June 2015 refer to *Note VI.1*

II. BASIS OF PREPARATION OF FINANCE STATEMENTS

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

The Interim Financial Statements have been prepared in accordance with the *Accounting Standard for Business Enterprises No. 32 Interim Financial Reporting* issued by the Ministry of Finance, and do not include all the information and disclosures required in the annual financial statements. Therefore, the Interim Financial Statements should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

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

The financial statements have been presented under the historical cost convention, except for certain financial assets, which have been measured at fair value. If the assets are impaired, the corresponding provisions for impairment shall be made according to relevant requirements.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements present fairly and fully the financial position of the Group and the Company as at 30 June 2015 and the financial performance and the cash flows for the year then ended in accordance with *Accounting Standards for Business Enterprises*.

2. Accounting period

The accounting year of the Group is from 1 January to 31 December of each calendar year. Only the interim financial statements are prepared for the six months ended 30 June 2015.

3. Functional currency

The Group's reporting and presentation currency is Renminbi ("RMB"). Unless otherwise stated, the unit of the currency is RMB thousand yuan.

The overseas subsidiaries, jointly-controlled entities and associates of the Group may determine their own functional currencies based on their specific economic environments. In preparation of financial statements, their functional currencies shall be translated into RMB.

4. Business combinations

A business combination is a transaction or event that brings together two or more separate entities into one reporting entity. Business combinations are classified into business combinations involving entities under common control and business combinations involving entities not under common control.

Business combinations involving entities under common control

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

Assets (including the goodwill recognized by the ultimate controlling party in acquisition of the party being acquired) and liabilities that are obtained by the acquirer in a business combination shall be measured at their carrying amounts at the combination date as recorded by the ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of the shares issued as consideration) is adjusted to share premium under capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations involving entities not under common control

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

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

Goodwill is measured at cost being the excess of the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree over the acquirer's interest in the fair value of the acquiree's net identifiable assets. If the aggregate of the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree is lower than the acquirer's interest in the fair value of the acquiree's net identifiable assets, the difference is, after reassessment of the fair value of each identifiable asset, liability and contingent liability acquired from the acquiree and the fair value of the consideration transferred (or the fair value of the equity securities issued) and any fair value of the acquirer's previously held equity interest in the acquiree, recognized in profit or loss.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

5. Consolidated financial statements

The consolidation scope of the consolidated financial statements is determined on the basis of control, including the financial statements of the Company and its subsidiaries for the six-months period ended 30 June 2015. A subsidiary is an entity that is controlled by the Company (including an enterprise, a divided part of an investee and a structured entity that is controlled by the Company).

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All assets, liabilities, equity, sales, expenses and cash flow resulting from intra-group are eliminated on consolidation in full.

Where the amount of loss of a subsidiary attributable to the non-controlling shareholders exceeds their share of the opening balance of the owner's equity of the subsidiary, the excess shall be allocated against non-controlling interests.

For subsidiaries acquired through business combinations involving entities not under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements, from the date on which the Group gains control, until the Group ceases the control of it. While preparing the consolidated financial statements, the acquirer shall adjust the subsidiary's financial statements, on the basis of the fair values of the identifiable assets, liabilities and contingent liabilities recognized on the acquisition date.

For subsidiaries acquired through business combinations involving entities under common control, the operating results and cash flows of the acquiree shall be included in the consolidated financial statements from the beginning of the period in which the combination occurs. While preparing the prior period financial statements, adjustments are made to related items in the financial statements for the prior period as if the reporting entity established through combination had existed since the ultimate controlling party begins to exercise control.

The Group shall reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of elements of control.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are treated as equity transactions.

6. Joint arrangement and joint operations

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

A joint operator shall recognise in relation to its interest in a joint operation: (a) its assets, including its share of any assets held jointly; (b) its liabilities, including its share of any liabilities incurred jointly; (c) its revenue from the sale of its share of the output arising from the joint operation; (d) its share of the revenue from the sale of the output by the joint operation; and (e) its expenses, including its share of any expenses incurred jointly.

7. Cash and cash equivalents

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

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

8. Foreign currency transactions and foreign currency translations

The Group translates the amounts of foreign currency transactions into its functional currency.

Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currencies at the rates of exchange ruling at the balance sheet date. All differences are taken into the statement of profit or loss, except those arising from the principals and interest on foreign currency borrowings specifically for the purpose of acquisition, construction or production of qualifying assets. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated into functional currencies using the foreign exchange rate at the transaction dates. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the foreign exchange rate at the date the fair value is determined; the exchange differences are recognized in other comprehensive income.

For foreign operations, the Group translates functional currencies of overseas businesses into Renminbi when preparing financial statements. All assets and liabilities are translated at the rates of exchange ruling at the balance sheet date; the shareholders' equity, with the exception of retained earnings, is translated at the rates of exchange ruling at the transaction dates; all income and expense items in the statement of profit or loss are translated at the average rates of exchange during the period. Exchange fluctuations arising from the translation mentioned above are recognized as other comprehensive income. When an overseas business is disposed of, the exchange fluctuation reserve of the overseas business will be transferred to the statement of profit or loss in the same period. In the case of a partial disposal, only the proportionate share of the related exchange fluctuation reserve is transferred to the statement of profit or loss.

Foreign currency cash flows and cash flows of overseas subsidiaries are translated into RMB at the rates of exchange ruling at the dates of the cash flows. The effect of changes in rates of exchange on cash and cash equivalents is presented separately in the statement of cash flows.

9. Financial instruments

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

Recognition and derecognition of financial instruments

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

The Group derecognizes a financial asset (or part of a financial asset, or part of a group of similar financial assets) when the following conditions are met:

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

A financial liability is derecognized when the underlying obligation of the financial liability has been discharged or cancelled or has expired. If an existing financial liability is replaced by the same creditor with a new financial liability that has substantially different terms, or if the terms of an existing financial liability are substantially revised, such replacement or revision is accounted for as the derecognition of the original liability and the recognition of a new liability, and the resulting difference is recognized in profit or loss for the current period.

Regular way purchases or sales of financial assets are recognized and derecognized on the trade date. Regular way purchases or sales of financial assets refer to that the financial assets are delivered to or by the Group under the terms of a contract within a period as specified by regulation or convention in the market place. The trade date is the date that the Group commits to purchase or sell the asset.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial instruments (continued)

Classification and measurement of financial assets

Financial assets are, on initial recognition, classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. A financial asset is recognized initially at fair value. In the case of financial assets at fair value through profit or loss, relevant transaction costs are directly charged to profit or loss for the current period; transaction costs relating to financial assets of other categories are included in the value initially recognized.

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are designated upon initial recognition as financial assets at fair value through profit or loss. A financial asset held for trading is the financial asset that meets one of the following conditions: 1) the financial asset is acquired for the purpose of sale in a short term; 2) the financial asset is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; or 3) the financial asset is a derivative, except for a derivative that is designated as an effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured. These kinds of financial assets are subsequently measured at fair value. All the realized or unrealized gains or losses on these financial assets are recognized in profit or loss for the current period. Dividend income or interest income related to financial assets at fair value through profit or loss is charged to profit or loss for the current period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. These kinds of financial assets are subsequently measured at amortized cost using the effective interest rate method. Gains or losses arising from amortization or impairment and derecognition are recognized in profit or loss for the current period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These kinds of financial assets are subsequently measured at amortized cost using the effective interest rate method. Gains or losses arising from amortization or impairment are recognized in profit or loss for the current period.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss. After initial recognition, available-for-sale financial assets are measured at fair value. The premium or discount is amortized using the effective interest rate method and recognized as interest income or expense. A gain or loss arising from a change in the fair value of an available-for-sale financial asset is recognized as other comprehensive income, except for impairment losses and foreign exchange gains or losses resulted from monetary financial assets, until the financial asset is derecognized or determined to be impaired, at which time the accumulated gain or loss previously recognized is transferred to profit or loss for the current period. Interest and dividends relating to an available-for-sale financial asset are recognized in profit or loss for the current period.

Investments in equity instruments, which do not have quoted prices in an active market and whose fair values cannot be reliably measured, are measured at cost.

Classification and measurement of financial liabilities

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

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial instruments (continued)

Classification and measurement of financial assets (continued)

The subsequent measurement of financial liabilities is determined by their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss is the financial liability that meets one of the following conditions: 1) the financial liability is assumed for the purpose of repurchasing in a short term; 2) the financial liability is a part of a portfolio of identifiable financial instruments that are collectively managed, and there is objective evidence indicating that the enterprise recently manages this portfolio for the purpose of short-term profits; or 3) the financial liability is a derivative, except for a derivative that is designated as an effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an equity instrument without a quoted price in an active market, and whose fair value cannot be reliably measured. These kinds of financial liabilities are subsequently measured at fair value. All the realized or unrealized gains or losses on these financial liabilities are recognized in profit or loss for the current period.

Other financial liabilities

After initial recognition, these kinds of financial liabilities are measured at amortized cost by using the effective interest rate method.

Offsetting financial assets and financial liabilities

A financial asset and a financial liability shall be offset and the net amount presented in the balance sheet when, and only when, an entity currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to settle a debt or assume a liability to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are measured, on initial recognition, at fair value. For financial guarantee contracts that are not designated as at fair value through profit or loss, they are, after initial recognition, subsequently measured at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the balance sheet date; and (ii) the amount initially recognized less the accumulated amortization determined according to the principles of revenue recognition.

Impairment of financial assets

The Group assesses at the balance sheet date the carrying amount of every financial asset. If there is objective evidence indicating a financial asset may be impaired, a provision is made for the impairment. Objective evidence that a financial asset is impaired is one or more events that occur after the initial recognition of the asset and have an impact (which can be reliably estimated) on the estimated future cash flows of the financial asset. Objective evidence that a financial asset or group of assets is impaired includes: 1) significant financial difficulty of the issuer or obligor; 2) a breach of contract, such as a default or delinquency in interest or principal payments; 3) a higher probability that the borrower will enter bankruptcy or other financial reorganisation; and 4) observable data indicating that there is a measurable decrease in the estimated future cash flows.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial instruments (continued)

Impairment of financial assets (continued)

Financial assets carried at amortized cost

If an impairment loss on a financial asset has incurred, the carrying amount of the asset is reduced through an allowance amount to the present value of estimated future cash flows (excluding future credit losses that have not been incurred). Impairment is recognised in profit or loss for the current period. The present value of estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., effective interest rate computed on initial recognition) and includes the value of any related collateral. Subsequent to the Group's recognition of impairment loss on a financial asset carried at amortized cost, the interest income is measured by applying the discounting rate in the future cash flows estimation when measuring the impairment loss. For loans and receivables, if no collectable future cash flows are expected and all related collateral is sold or transferred in to the Group, then loans and receivables with related allowances are written off.

For a financial asset that is individually significant, the asset is individually assessed for impairment, and the amount of impairment is recognized in profit or loss if there is objective evidence of impairment. For a financial asset that is not individually significant, the asset is also individually assessed for impairment. If no objective evidence of impairment incurs for an individually assessed financial asset (whether the financial asset is individually significant or not individually significant), it is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets for which an impairment loss is individually recognized are not included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment.

Subsequent to the Group's recognition of impairment loss on a financial asset carried at amortized cost, if there is objective evidence of a recovery in value of the financial assets and the recovery can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed and recognized in profit or loss. However, the reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment loss not been recognized at the date the impairment is reversed.

Available-for-sale financial assets

If there is objective evidence that such an asset is impaired, the accumulated loss arising from decline in fair value previously recognized in other comprehensive income is removed and recognized in profit or loss. The accumulated loss removed from other comprehensive income is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on the financial asset previously recognized in profit or loss.

The objective evidence showing the impairment of an equity instrument held-for-sale includes the severe decline and the other-than-temporary decline of its fair value. There should be a method to distinguish the "severe" decline and the "other-than-temporary" one. The gap between the fair value and the cost decides how severe the impairment is. The persistence of the difference between the fair value and the cost decides whether it is "other-than-temporary". With the existence of objective evidence showing the impairment, the amount of the cumulative loss that is reclassified from equity to profit or loss shall be the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment loss of an equity instrument held for sale cannot be reversed through profit or loss, and any increase in fair value that occurs after the impairment is recognised directly in other comprehensive income.

Judgmental decisions are made to distinguish the "severe" decline and the "other-than-temporary" one. The Group included the difference between the acquisition cost and the current fair value, terms of the equity instrument held for sale, and other factors into consideration.

For an available-for-sale debt instrument, the impairment loss is measured as impairment of a financial asset carried at amortized cost. However, the amount of the cumulative loss that is reclassified from equity to profit or loss shall be the difference between the amortized cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Subsequent to the Group's recognition of impairment loss on a financial asset carried at amortized cost, the interest income is measured by applying the discounting rate in the future cash flows estimation when measuring the impairment loss.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

9. Financial instruments (continued)

Impairment of financial assets (continued)

If, after an impairment loss has been recognized on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed with the amount of the reversal recognized in profit or loss.

Financial assets carried at cost

If there is objective evidence that such an asset is impaired, the difference between its carrying amount and the present value of estimated future cash flows which are discounted at the current market interest rate is recognized as an impairment loss in profit or loss. Once an impairment loss is recognized, it is not reversed.

Transfers of financial assets

If the Group transfers substantially all the risks and rewards of ownership of a financial asset, the Group derecognizes the financial asset; if the Group retains substantially all the risks and rewards of ownership of a financial asset, the Group does not derecognize a financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it accounts for the transactions as follows: (i) if the Group has not retained control, it derecognizes the financial asset and recognizes any resulting assets or liabilities; and (ii) if the Group has retained control, it continues to recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability.

When the entity's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the entity's continuing involvement is the lower of (i) the amount of the asset and (ii) the maximum amount of the consideration received that the entity could be required to repay (the "guarantee amount").

10. Receivables

The Group's receivables comprise accounts receivable, long-term accounts receivable and other receivables. The Group assesses the carrying amount of receivables at the balance sheet date. If there is objective evidence that impairment loss has been incurred, a provision, which is the difference between the carrying amount and the present value of the estimated future cash flows, is recognized as impairment loss.

(1) Receivables individually significant for which provision for impairment is assessed separately

A receivable with an amount greater than RMB10,000,000 is considered to be individually significant and is separately assessed for provision. If there is objective evidence that a receivable is impaired (such as the debtor in serious financial difficulties or entering bankruptcy, or breach of contracts), the amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows, and shall be recognized in profit or loss for the current period.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

10. Receivables (continued)

(2) Receivables for which provision for impairment is assessed collectively in a group

Receivables that are not individually significant and receivables that are not impaired through the individual assessment are included in a group of receivables with similar credit risk characteristics and tested collectively for impairment. The Group estimated the future cash flows of the receivables based on its experiences and applied the ageing analysis method for the recognition of provision for impairment for the receivables. The provision rates were as follows:

	Provision rate for Accounts receivable %	Provision rate for Accounts receivable %
Within 6 months	-	-
6 months to 1 year (inclusive)	0.5	0.5
1 to 2 years (inclusive)	5	5
2 to 3 years (inclusive)	10	10
3 to 5 years (inclusive)	30	30
Over 5 years	80	80

In addition, retention money receivables are overdue if they have not been released by the customers after the maintenance (warranty) period according to the relevant contract terms, and impairment losses for the overdue retentions are assessed based on the above provision rate, with ageing counted from the due date.

(3) Other individually insignificant receivables but separately tested for impairment

Receivables, that are individually insignificant and could not be grouped by the similar or related risk characteristics, are individually assessed for provision. If there is objective evidence that a receivable is impaired (such as the debtor encountering serious financial difficulties or bankruptcy, or breach of contracts), the amount of the impairment loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows and shall be recognized in profit or loss for the current period.

11. Inventories

Inventories include raw materials, work in progress, finished goods, turnover materials, properties under development, completed properties held for sale and gross amount due from contract customers. Costs of properties under development and completed properties held for sale mainly consist of the acquisition cost of land use rights, advance expenditures of land development, construction costs, infrastructure costs, supporting facilities costs and other relevant costs.

Inventories are initially carried at the actual cost. Cost of inventories comprises all costs of purchase, costs of conversion and other costs. The actual cost of inventories transferred out is determined by using the weighted average method. Turnover materials include low value consumables and packing materials. Low value consumables and packing materials are charged to the statement of profit or loss when issued, and other turnover materials are amortized based on the number of times that they are estimated to be used.

Inventories are accounted for using the perpetual inventory system.

At each balance sheet date, inventories shall be measured at the lower of cost and net realizable value. If the cost is in excess of amounts expected to be realized from their sale or use, provision for inventories is recognized in the statement of profit or loss. When the circumstances that previously caused inventories to be written down below cost no longer exist and the net realizable value is higher than the carrying amount, the original amount of the write-down is reversed and charged to the statement of profit or loss.

Net realizable value is the estimated selling price under the normal business term deducted by the estimated costs to completion, the estimated selling expenses and related taxes. Provision is considered on category a basis for inventories in large quantity and with relatively low unit prices and on an individual basis for all other inventories.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

12. Construction contracts

The balances of construction contracts represent the net amount of construction costs incurred to date and recognized profits (less recognized losses), less progress billings and provision for foreseeable contract losses.

Construction contract costs are valued at actual cost, and comprise direct materials, direct labor costs, construction machinery costs, other direct costs and construction overheads. For an individual contract whose costs incurred to date plus recognized profits (less recognized losses) exceeds progress billings, the gross amount due from customers for contract work in inventory is presented as a current asset. For an individual contract whose progress billings exceed costs incurred to date plus recognized profits (less recognized losses), the gross amount due to customers for contract work in advance from customers is presented as a current liability.

The Group estimates total contract costs based on actual circumstances for each contract. Provision for foreseeable contract losses will be recognized in profit or loss where total estimated contract costs exceed total contract revenue.

13. Long-term equity investments

Long-term equity investments include investments in subsidiaries, jointly controlled entities and associates.

Long-term equity investment shall be recognized at initial investment cost upon acquisition. For a long-term equity investment acquired through a business combination involving entities under common control, the initial investment cost of the long-term equity investment is the acquirer's share of the carrying value of owner's equity of the party being absorbed at the combination date; for a long-term equity investment through a business combination involving entities not under common control, the initial investment cost of the long-term equity investment is the cost of combination (for a business combination not involving entities under common control achieved in stages that involves multiple exchange transactions, the initial investment cost is carried at the aggregate of the carrying amount of the acquirer's previously held equity interest in the acquiree and the new investment cost incurred on the acquisition date). The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquire. Other comprehensive income that consists of the initial investment cost before the date of acquisition should be reclassified to investment income when the long-term equity investments are being disposed of. For a long-term equity investment acquired otherwise than through a business combination, the initial investment cost is determined as follows: for a long-term equity investment acquired by cash, the initial investment cost is the actual purchase price paid and direct costs, taxes and other necessary expenditures directly attributable to the acquisition of the long-term equity investment; for a long-term equity investment acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued; for a long-term equity investment acquired through exchange of non-monetary assets, the initial investment cost is determined in accordance with Accounting Standard for Business Enterprise No. 7 – *Exchange of Non-monetary Assets*; for a long-term equity investment acquired through debt restructuring, the initial investment cost is determined in accordance with Accounting Standard for Business Enterprise No. 2 – *Debt Restructuring*.

The cost method is applied for long-term equity investments in the financial statements of the Company when the investee is controlled by the Company. Control refers to the right to make decision on the financial and operating policies of a company and to obtain profit from the operating activities of the company.

Under the cost method, long-term equity investment is recorded at initial investment cost. Profits or cash dividends declared to be distributed by the investee should be recognized as investment income in the current period.

The equity method is applied for long-term equity investments when the investee are jointly controlled or significantly influenced by the Group. Joint control is the agreed sharing of control over an arrangement, and exists only when the corresponding activity in relation to the arrangement requires the unanimous consent of the parties sharing control (the ventures). Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

13. Long-term equity investments (continued)

When the equity method is adopted, the initial cost of investment in excess of the share of the investee's fair value on identifiable net assets remains unchanged; the initial cost of the investment that falls short of the share of the investee's fair value on identifiable net assets shall be adjusted, by which the difference had been charged to the statement of profit or loss.

When the equity method is adopted, the investor recognises its investment income and adjusts the carrying amount of the investment based on the post-acquisition change in the investor's share of net profit or loss and other comprehensive income, respectively, of the investee. The recognition of the investee's results should base on the fair values of the identifiable assets of the investee according to the Group's accounting policies and accounting period. The gains and losses resulting from intercompany transactions with the investee should be eliminated to the extent of the amount attributable to the investor according to the interests the investor enjoys (but if the gains and losses belong to asset impairment losses, it should be entirely recognized). The recognition should base on the adjusted statement of profit or loss of the investee except that the assets invested or disposed of constitute a business. With respect to the long-term equity investments in associates and jointly-controlled entities acquired before the first time adoption date, the remaining equity investment difference arising from the amortization using the straight line method (if exists) should be recognized as investment income or loss. The investor's share of profits distribution or cash dividends declared by the investee is deducted from the carrying amount of the investment. The Group recognizes net losses incurred by the investee to the extent that the carrying amount of the investment and other substantially treated as equity interests to the investee is reduced to zero, except for which the investor has extra obligation to assume loss of it. For the changes in equity in the investee other than net income, other comprehensive income and distribution of profits, the investor adjusts the carrying amount of the investment to shareholders' equity.

When long-term equity investments are being disposed of, the difference between the carrying amount and the actual proceeds received should be charged to the statement of profit or loss. For long-term equity investments under the equity method, when the investment is no longer accounted for under the equity method, the other comprehensive income measured originally under the equity method adopt the same accounting basis as the assets or liabilities disposed of by the investee directly. The equity recognized based on the changes in the investee's equity except the net profit or loss, other comprehensive income and profit appropriation shall be transferred to profit or loss of the current period in a full amount. When the investment continues to be accounted for under the equity method, the other comprehensive income measured originally under the equity method adopt the same accounting basis as the assets or liabilities disposed of by the investee directly and shall be transferred to profit or loss of the current period on a proportional basis. The equity recognized based on the changes in the investee's equity except the net profit or loss, other comprehensive income and profit appropriation shall be transferred to profit or loss of the current period on a proportional basis.

If the disposal of the equity investment in a subsidiary is realized through several transactions until loss of control and is a package deal, the accounting treatment of these transactions should be dealt as one transaction of disposal of the subsidiary until loss of control. However, prior to the loss of control, the difference between the proceeds from the disposal of the long-term equity investment and the carrying amount of the corresponding long-term equity investment under each transaction is recognized into other comprehensive income in the individual financial statements which shall be transferred in aggregated amount to the profit or loss of the period upon the loss of control. If the disposal of the equity investment of a subsidiary is realized through several transactions until loss of control but is not a package deal, each transaction should be dealt individually. For the transactions that lead to loss of control, the remaining equity should be recognized as long-term equity investment or other related financial assets at book value (the remaining equity which has joint control of or has significant influence in the original subsidiary should be dealt with relative rules of converting cost method to equity method.)

14. Fixed assets

A fixed asset is recognized only when the economic benefits associated with the asset will probably flow to the Group and the cost of the asset can be measured reliably. Subsequent expenditure incurred for a fixed asset that meets the recognition criteria shall be included in the cost of the fixed asset, and the carrying amount of the component of the fixed asset that is replaced shall be derecognized. Otherwise, such expenditure shall be recognized in profit or loss for the period in which it is incurred.

Fixed assets are initially measured at cost, and the effect of any estimated costs of abandoning the asset is considered. The purchase cost of a fixed asset comprises its purchase price, related taxes and any directly attributable expenditure for bringing the asset to its working condition for its intended use, such as transportation costs and installation expenses. If the payment for a purchased fixed asset is deferred beyond the normal credit terms, cost of the fixed asset shall be determined based on the present value of the instalment. The difference between the actual payment and the present value of the purchase price is recognized in profit or loss over the credit period, except for such difference that is capitalized according to *Accounting Standard for Business Enterprises No. 17 Borrowing Costs*.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

14. Fixed assets (continued)

Except for the fixed assets generated from using safety production expenses, depreciation is calculated using the straight-line method. The estimated useful lives, estimated residual value rates and annual depreciation rates of fixed assets by category are as follows:

Category	Estimated residual value rate	Useful life	Annual depreciation rate
Buildings	5%	35 years	2.71%
Machinery	5%	10 years	9.50%
Vehicles	5%	5 years	19.00%
Production equipment	5%	10 years	9.50%
Measuring and testing equipment	5%	5 years	19.00%
Others	5%	5 years	19.00%

Where the individual component parts of an item of fixed asset have different useful lives or provide benefits to the enterprise in different patterns, different depreciation rates are applied.

Fixed assets that are held under finance leases shall be depreciated by applying the same policy as that for the fixed assets owned by the Group. If it can be reasonably determined that the ownership of the leased asset can be obtained at the end of the lease period, the leased asset is depreciated over its useful life; otherwise, the leased asset is depreciated over the shorter of the lease term and its useful life.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least at each financial year end, and adjustments are made when necessary.

15. Construction in progress

Construction in progress is recognized based on the actual construction expenditures incurred. It consists of all types of expenditures necessarily to be incurred, capitalized borrowing costs on related borrowed funds before the asset is ready for its intended use, and other related expenditures during the period of construction.

Construction in progress is transferred to fixed assets, intangible assets or completed properties held for sale when the asset is ready for its intended use.

16. Borrowing costs

Borrowing costs are interest and other costs arising from the Group's borrowings. Borrowing costs include interest, amortization of discounts or premiums, ancillary expenses and exchange differences arising from foreign currency borrowings.

All the borrowing costs directly attributable to the construction or production of all qualifying assets are capitalized and other borrowing costs are recognized as an expense. A qualifying asset is defined as a fixed asset, investment property or inventory that necessarily takes a substantial period of time to get ready for its intended use or sale.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

16. *Borrowing costs (continued)*

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

- (1) expenditures for the asset are being incurred;
- (2) borrowing costs are being incurred; and
- (3) activities relating to the acquisition, construction or production of the asset that are necessary to bring the asset to get ready for its intended use or sale have commenced.

Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Any borrowing costs subsequently incurred are recognized as expenses in the period in which they incurred.

During the capitalization period, the amount of interest to be capitalized for each accounting period shall be determined as follows:

- (1) for specific borrowings, the borrowing costs eligible for capitalization are the actual borrowing costs incurred during the current period deducted by any temporary interest or investment income; and
- (2) for general borrowings, the borrowing costs eligible for capitalization are determined by applying a capitalization rate to the capital expenditure that accumulated capital expenditures exceed the specific borrowings.

Capitalization of borrowing costs is suspended during extended periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than three months, until the acquisition or construction is resumed. Borrowing costs incurred during the suspended periods are recognized as expenses until the acquisition or construction of a fixed asset is resumed.

17. *Intangible assets*

The Group's intangible assets include land use rights, concession assets, and mining rights.

An intangible asset shall be recognized only when it is probable that the related economic benefits will flow to the Group and the costs of which can be measured reliably. Intangible assets are measured initially at cost. However, intangible assets acquired in a business combination with a fair value that can be measured reliably are recognized separately as intangible assets and measured at the fair value at the date of acquisition.

The useful lives of intangible assets are assessed based on estimated economic benefit periods. Those intangible assets without foreseeable economic benefit periods are classified as intangible assets with indefinite useful lives.

Intangible assets with finite useful lives are amortised over the useful lives on the straight-line basis. The Group reviews the useful lives and the amortisation method of intangible assets with finite useful lives, and adjusts if appropriate, at least at each balance sheet date.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

17. Intangible assets (continued)

Land use rights

Land use rights represent costs incurred for a certain lease period.

The Group accounts for its land use rights as intangible assets. The land use rights are measured as intangible assets that are separate from internally generated buildings measured as fixed assets. With respect to the land use rights purchased together with buildings, the acquisition cost is allocated between the two parts proportionately, or otherwise, is wholly accounted for as fixed assets.

Land use rights of the Group are amortized on the straight-line basis according to the useful lives approved in the obtained land use certificates.

Concession assets

The Group engages in certain service concession arrangements in which the Group carries out construction work (such as turnpike highways and bridges) for the granting authority and receives in exchange a right to operate the assets concerned in accordance with the pre-established conditions set by the granting authority. The assets under the concession arrangements may be classified as intangible assets or receivables from the granting authority. The Group recognizes revenue and a financial asset to the extent that it has an unconditional contractual right to receive a specified or determinable amount of cash or another financial asset from the granting authority, or to receive the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts. If the Group receives a right to charge users of public service, with an undeterminable amount, the assets are classified as intangible assets and the Group recognizes revenue at the same time. The Group classifies the non-current assets linked to the long-term investment in these concession arrangements as "concession assets" within intangible assets on the balance sheet if the intangible asset model is adopted. Once the underlying infrastructure of the concession arrangements has been completed, the concession assets will be amortized over the term of the concession on the straight-line basis under the intangible asset model.

Mining rights

Mining rights are stated at cost incurred to obtain the mining license. Amortization is calculated based on the units of production method based only on proved mining reserves.

Development expenditure

The Group classifies the expenditure in an internal research and development project into expenditure in the research phase and expenditure in the development phase. Expenditure in the research phase is recognized in profit or loss for the period in which it is incurred. Expenditure in the development phase is capitalized when the Group can demonstrate all of the following: (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the intention to complete the intangible asset and use or sell it; (iii) how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (iv) the availability of adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset; and (v) the expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure in the development phase that does not meet the above criteria is recognized in profit or loss for the period in which it is incurred.

18. Long-term prepayments

Long-term prepayments represent expenditures incurred but should be recognized as expenses over more than one year in the current and subsequent periods including costs of improvements to fixed assets under operating leases. Long-term prepayments are amortized on the straight-line basis over the estimated beneficial period. Expenditure incurred during the pre-operating period should be recognized in profit or loss immediately as incurred.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

19. Provisions

Except for contingent consideration transferred and contingent liability assumed in business combinations, the Group recognizes an obligation related to a contingency as a provision when all of the following conditions are satisfied:

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

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation, with a comprehensive consideration of factors such as the risks, uncertainty and time value of money relating to a contingency. The carrying amount of a provision is reviewed at the balance sheet date. If there is clear evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted to the best estimate.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognized in accordance with the general guidance for provisions above; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the principle of revenue recognition.

20. Revenue

Revenue is recognized only when it is probable that the associated economic benefits will flow to the Group and when the revenue can be measured reliably, as well as all the following conditions are satisfied:

Revenue from construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognized using the percentage of completion method at the balance sheet date. Depending on the type of the construction contract, the percentage of completion of a contract is determined in the following ways: (1) the proportion of contract costs incurred to date to estimated total contract costs; (2) the proportion of completed contract work that has been confirmed by the supervision party to the estimated total contract work; or (3) surveys of the work performed.

The outcome of a construction contract is considered to be reliably estimated when all the following conditions are satisfied:

- (1) the total contract revenue can be measured reliably;
- (2) it is probable that the economic benefits associated with the contract will flow to the Group;
- (3) both the contract costs to complete the contract and the stage of contract completion on the balance sheet date can be measured reliably; and
- (4) the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Revenue (continued)

Revenue from construction contracts (continued)

When the outcome of a construction contract cannot be estimated reliably, revenue shall be recognized only to the extent of contract costs incurred that it probably will be recoverable, and contract costs shall be recognized as an expense in the period in which they are incurred. Contract costs that are not probable of being recovered are recognized as an expense immediately when incurred and no contract revenue shall be recognized. When it is probable that total contract costs will exceed total contract revenue, the estimated loss shall be recognized as an expense immediately.

Total contract revenue comprises the initial amount of revenue agreed in the contract and amounts resulting from variations in contract work, claims and incentive payments.

Revenue from the rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction is recognized using the percentage of completion method. Based on the nature of the transaction, the percentage of completion is determined in the following ways: (1) the proportion of costs incurred to date to the estimated total costs; (2) surveys of work performed; or (3) the proportion of services performed to date to the total services to be performed. Concession revenue is recognized when it is probable that the economic benefits will flow to the Group and the amount of the revenue can be measured reliably.

The outcome of rendering services can be estimated reliably when the following conditions are satisfied:

- (1) the amount of revenue can be measured reliably;
- (2) it is probable that the associated economic benefits will flow to the Group;
- (3) both the service costs to be incurred for the transaction and the stage of transaction completion on the balance sheet date can be measured reliably; and
- (4) the actual costs incurred can be clearly identified and measured reliably, so as to compare with prior estimates.

The total service revenue is determined in accordance with the consideration received or receivable from the recipient of services under contract or agreement, except where the consideration received or receivable under contract or agreement is not at fair value.

When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognized only to the extent of costs incurred that estimated as probable of being recovered, and costs shall be recognized as an expense in the period in which they are incurred. When it is probable that total service costs will exceed total revenue, the estimated loss shall be recognized as an expense immediately.

When the Group has entered into a contract or agreement with other enterprises on both the sales of goods and the rendering of services, if the portion of the sales of goods and the rendering of services can be separately identified and measured, they are accounted for separately; if the portion of sales of goods and the rendering of services cannot be separately identified, or can be separately identified but cannot be separately measured, the contract is treated as the sales of goods.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

20. Revenue (continued)

Revenue from the sales of goods

Revenue from the sale of goods is recognized when the significant risks and rewards in relation to the ownership of goods have been transferred to the buyer, the Group retains neither continuing management nor effective control over the goods sold; and the relevant amounts of costs can be measured reliably. The amount of revenue arising from the sales of goods is determined by the amount of consideration received or receivable from the buyer under the contract or agreement, except where the consideration received or receivable stipulated in the contract or agreement is not fair. Where the consideration receivable under the contract or agreement is deferred so that the arrangement is in substance of a financing nature, the amount of revenue arising on the sales of goods is measured at the fair value of the consideration receivable.

Interest income

Interest income is recognized based on the time horizon of the use of the Group's fund by others and the effective interest rate.

Royalty income

Royalty income is recognized according to charge period and charge rate as stipulated in the relevant contract or agreement.

Lease income

Lease income from operating leases is recognized over the lease term on the straight-line basis. Contingent lease income is recognized in profit or loss in the period when it is incurred.

21. Government grants

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

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets pursuant to government provisions. When government provisions are not stated clearly, subsidiary conditions restricting the fundamental conditions of acquiring the grant may also be attached. Grants related to income are government grants other than those related to assets.

A government grant related to income is accounted for as follows: (a) if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized; and (b) if the grant is a compensation for related expenses or losses already incurred, it is recognized immediately in profit or loss for the current period. A government grant related to an asset shall be recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset. However, a government grant measured at a nominal amount is recognized immediately in profit or loss for the current period.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

21. Government grants (continued)

Relocation compensation received due to public interests

The Group receives relocation compensation from the government for the benefit of public interests such as urban overall planning, reservoir construction, and transformation of squatter settlements and settling area control. The relocation compensation is paid out of financial budgets by governments and is recognized as special payables when received. Compensation granted for losses of fixed assets and intangible assets, expenses incurred, losses from suspension of projects, and assets to be constructed after the relocation, should be transferred to deferred income, and recognized as government grants relating to assets or expenses accordingly. Excess of the relocation compensation over the amount transferred to deferred income should be recorded in capital reserve.

22. Income tax

Income tax comprises current and deferred tax. Income tax is recognized as income or expense in the statement of profit or loss, except for the tax arising from adjustment of goodwill arising from a business combination, or recognized directly in shareholders' equity if it arises from a transaction or event which is recognized directly in shareholders' equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid according to the taxation laws and regulations.

Based on the differences between the carrying amount of an asset or liability on the balance sheet and its tax base; and the differences between the carrying amount of some items that have a tax base but are not recognized as assets and liabilities and their tax base, the Group adopts the liability method for the provision of deferred tax.

A deferred tax liability is recognized for all taxable temporary differences, except:

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

A deferred tax asset is recognized for deductible temporary differences, carryforward of unused deductible tax losses and tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of deductible tax losses and tax credits can be utilized, except:

- (1) where the deferred tax asset arises from a transaction that is not a business combination and, at the time of the transaction, neither affects the accounting profit nor taxable profit or loss; or
- (2) deductible temporary differences associated with investments in subsidiaries, associates and jointly-controlled entities, a deferred tax asset is only recognized to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized in the future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates that are estimated to apply to the period when the asset is realized or the liability is settled, according to the requirements of tax laws. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover the assets or settle the liabilities.

The carrying amount of deferred tax assets is reviewed at the balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future periods to allow the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the balance sheet date and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

23. Leases

A finance lease is a lease that transfers in substance all the risks and rewards of ownership of an asset. All the other leases are treated as operating leases.

As lessee of an operating lease

Lease payments under an operating lease are recognized by a lessee on the straight-line basis over the lease terms, and either included in the cost of the related asset or charged to profit or loss for the current period. Contingent rents are charged to profit or loss when incurred.

As lessor of an operating lease

Rental income under an operating lease is recognized by a lessor on the straight-line basis over the lease terms through profit or loss. Contingent rents are charged to profit or loss in the period in which they actually arise.

As lessee of a finance lease

An asset held under a finance lease is recognized at the lease commencement date at the lower of its fair value at the lease commencement date and the present value of the minimum lease payments, and the minimum lease payment is recorded as the carrying amount of the long-term payables; and the difference between the recorded amount of the leased asset and the recorded amount of the payable is accounted for as unrecognized finance charge, which is amortized using the effective interest rate method over each period during the lease term. Contingent rents are charged to profit or loss in the period in which they actually arise.

24. Impairment of assets

The Group determines the impairment of assets, other than the impairment of inventories, construction contracts, deferred income taxes, financial assets and long-term equity investment, using the following methods:

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

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

When the recoverable amount of an asset or an asset group is less than its carrying amount, the carrying amount is reduced to the recoverable amount. The reduction in carrying amount is treated as impairment loss and recognized in profit or loss for the current period. A provision for impairment loss of the asset is recognized accordingly.

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

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

24. Impairment of assets (continued)

In testing an asset group or a set of asset groups to which goodwill has been allocated for impairment, if there is any indication of impairment, the Group first tests the asset group or set of asset groups excluding the amount of goodwill allocated for impairment, i.e., it determines and compares the recoverable amount with the related carrying amount and recognize any impairment loss. After that, the Group tests the asset group or set of asset groups including goodwill for impairment, the carrying amount (including the portion of the carrying amount of goodwill allocated) of the related asset group or set of asset groups is compared to its recoverable amount. If the carrying amount of the asset group or set of asset groups is higher than its recoverable amount, the amount of the impairment loss first reduced by the carrying amount of the goodwill allocated to the asset group or set of asset groups, and then the carrying amount of other assets (other than the goodwill) within the asset group or set of asset groups, pro rata based on the carrying amount of each asset.

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

25. Employee benefits

Employee benefits are all forms of considerations given by an entity in exchange for services rendered by employees or for the termination of employment. Employee benefits include short-term benefits, post-employment benefits, termination benefits and other long-term employee benefits. The benefits the Group provided to employees' spouse, children, dependent, and families of deceased employees also belong to employee benefits.

Short-term benefits

In the period of employee services, short-term benefits are actually recognized as liabilities and charged to profit or loss or the related costs of assets for the current period.

Post-employment benefits (defined contribution plans)

Employees of the Group participate in the endowment insurance plans managed by local governments, the relevant costs incurred are recorded in the relevant capital costs and expenses by the Group.

Post-employment benefits (defined benefit plans)

The Group provides benefit plans for long-term post-leaving personnel, which are considered as defined benefit plans. The Group does not put any funds in the plans; the costs of the defined benefit plans are measured by the projected cumulative unit credit method.

Any remeasurement caused by the defined benefit plans, including actuarial gains or losses, is recognized in the balance sheet immediately and recorded in equity as other comprehensive income in the accounting period the re-measurement occurred. Those losses and gains should not be recognized in profit or loss in the subsequent accounting periods.

The past service costs should be recognized as current expenses at the earlier of the following dates: a) when the Group modifies the defined benefit plans; and b) when the Group recognizes relevant restructuring costs and termination benefits.

Net interest equals to the net defined benefit liability multiply by the discount rate. The Group recognized changes in the net defined benefit obligation as management expenses in the statement of profit or loss. Those changes include service costs, including current service costs, past service costs and gains and losses on settlement, and net interest, which are the interest expenses of the plan.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

25. Employee benefits (continued)

Termination benefits

The Group recognizes a liability and expenses for termination benefits at the earlier of the following dates: a) when the Group can no longer withdraw the offer of those benefits; and b) when the entity recognizes costs for restructuring and involves the payment of termination costs.

Housing funds

All full-time employees of the Group in Mainland China are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Bonus entitlements

The estimated cost of bonus payments is recognized as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonuses are estimated to be settled within twelve months and are measured at the amounts estimated to be paid when they are settled.

26. Distribution of profit

The cash dividend of the Company is recognized as a liability upon approval in the annual shareholders' meeting.

27. Perpetual securities

If the perpetual securities are non-redeemable (or only be redeemable by the issuer's choice) and any interest and dividends distributed are discretionary, then the securities are classified as equity. Distributions of interest and dividends from perpetual securities in the equity are recognized into distribution of equity.

28. Production safety expenses

The Group accrues for production safety expenses pursuant to the *Circular on Printing and Issuing the Management Measures on the Enterprise Production Safety Expenses Appropriation and Utilization* <CaiQi [2012]No.16> and the *Management Measures on the Enterprises Production Safety Expenses Appropriation and Utilization*, issued by the Ministry of Finance and the State Administration of Work Safety.

Production safety expenses accrued based on the aforesaid regulations shall be recorded in the costs of related products or expenses in profit or loss for the current period, and provided as a fund in the special reserve. When the expenditures are utilized as expenses, they should be recognized in the statement of profit or loss and offset against the special reserve; when the expenditures incurred relate to fixed assets, they shall be recognized in the cost of fixed assets, which will be recognized when it is ready for use. The same amount as the expenditure will be offset against the special reserve and recorded as accumulated depreciation equivalent at the same time.

29. Fair value measurement

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

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

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

29. Fair value measurement (continued)

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly; Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

30. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that will affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the balance sheet date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

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

Impairment of available-for-sale financial assets

The Group determines if available-for-sale financial assets are not temporarily impaired in accordance with the requirements of Accounting Standard for Business Enterprises No. 22 Recognition and Measurement of Financial Instruments. The determination requires significant judgment. In making this judgment, the Group evaluates various factors, including the duration and the extent to which the fair value of an investment is less than its cost. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health and short-term business prospects of the investee, including industry and sector performance, changes in technology, and operating and financing cash flows, etc.

Contingent liabilities arising from litigation and claims

The Group is involved in a number of litigation and claims in respect of certain construction work performed at present and in the past. Contingent liabilities arising from these litigation and claims have been assessed by management with reference to legal advice. Provisions on the possible obligations have been made based on management's best estimates and judgments.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future accounting periods, are discussed below.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

30. Significant accounting judgments and estimates (continued)

Estimation uncertainty (continued)

Useful lives and residual values of fixed assets

The useful lives of fixed assets are estimated based on historical experience of the Group with similar assets used in a similar way. If useful lives of the fixed assets are estimated to be shorter than previously estimated, the Group will increase the depreciation rates accordingly, or dispose of those assets that are idle or technically obsolete.

In determining the useful lives and residual values of items of fixed assets, the Group periodically reviews the changes in market conditions, estimated physical wear and tear, and the maintenance of an asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. The depreciation amount will be adjusted if the estimated useful lives and/or the residual values of items of fixed assets are different from previous estimation. Useful lives and residual values are reviewed, at the end of each reporting period, based on changes in circumstances.

Income tax and deferred tax assets

The Company and its subsidiaries are subject to income taxes in numerous jurisdictions in domestic provinces and certain overseas countries. In order to reliably estimate and judge, the income tax provision is required to be determined based on existing tax laws, regulations and practices, if the relevant affairs of income tax have not yet been confirmed by relevant tax authorities. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current period income tax provisions in the periods in which the differences arise.

Deferred tax assets relating to certain temporary differences and tax losses are recognized as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The realization of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less than estimated, a material reversal of deferred tax assets may arise, which will be recognized in the statement of profit or loss in the period in which such a reversal takes place.

Percentage of completion of construction work

The Group recognizes revenue according to the percentage of completion of individual contracts of construction work, which requires estimation to be made by management. The stage of completion is estimated by reference to the actual costs incurred over the total budgeted costs, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than estimated or actual contract costs are more than estimated, a foreseeable loss may arise.

Impairment of accounts receivable

The Group maintains an allowance for the estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers will deteriorate such that the actual impairment loss might be higher than estimated, the Group would be required to revise the basis for making the allowance and its future results would be affected.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

III. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

30. Significant accounting judgments and estimates (continued)

Estimation uncertainty (continued)

Provision for properties under development

The Group makes a provision for properties under development when the net realizable values of the properties under development are lower than the carrying amounts at the balance sheet date. The principal assumptions for the Group's estimation of the net realizable values of the properties under development include those related to current market prices for similar properties in the same location and condition, estimated costs to be incurred to completion of the properties and discount rates.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the present value of the future expected cash flows from the asset groups or set of asset groups to which the goodwill is allocated. Estimating the present value requires the Group to make an estimate of the expected future cash flows from the asset groups or set of asset groups and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Long-term post-leaving benefits

The Group recognized the benefits paid to certain long-term post-leaving personnel as liability. The amounts of employee benefit expenses and liabilities are determined using various assumptions, estimated by the rates of return on assets, pension benefit inflation rates, medical benefit inflation rates, and other factors. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Actual results that differ from the assumptions are recognized immediately and therefore affect recognized other comprehensive income in the period in which such differences arise. While management believes that its assumptions are appropriate, differences in actual experience or changes in assumptions may affect the other comprehensive income and balance of liabilities related to the long-term post-leaving benefit obligations.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES

1. Major categories of taxes and respective tax rates

Value-added tax ("VAT")	–	For the Company and certain subsidiaries which are recognized as general VAT payers, VAT payable is imposed on the taxable sales amount multiplied by the tax rate of 6% or 17% (output-VAT) less deductible input-VAT of the current period. VAT of other subsidiaries recognized as small scale taxpayers is levied at the rate of 3%.
Business tax ("BT")	–	The Company and its subsidiaries are subject to BT for the income generated from the provision of construction services and other services at a rate of 3% and 5%, respectively.
City maintenance and construction tax ("CCT")	–	The Company and its subsidiaries are subject to CCT on the total payment of BT and VAT at a rate of 7%, 5% or 1% depending on the location of the taxpayers.
Education surcharge	–	The Company and its subsidiaries are subject to the education surcharge at a rate of 3% on the total payment of BT and VAT.
Corporate income tax ("CIT")	–	Except for certain preferential treatments available to the Company's domestic subsidiaries and overseas subsidiaries which are required to accrue CIT based on tax laws and regulations of foreign jurisdictions, the corporations within the Group are subject to CIT at a rate of 25%. The Company and its subsidiaries each calculates and pays CIT as a legal entity at the location where it is registered. Overseas subsidiaries (including those located in the Hong Kong and Macao Special Administrative Regions of the People's Republic of China) are taxed according to the prevailing tax laws and regulations in the relevant countries/jurisdictions.
Real estate tax	–	Real estate tax is levied by means of ad valorem at a rate of 1.2% based on 70%, 75% or 80% of the original cost of the properties. For those levied on prices, 12% of rental income is the basis. Real estate tax is filed and paid by the Company and its subsidiaries accordingly.
Individual income tax ("IIT")		According to the relevant tax laws and regulations, the Company and its subsidiaries have obligations to withhold IIT for their employees' salary income.
land value increment tax		The land value increment tax is levied at the ultra-progressive tax rate based on the appreciation value.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES (CONTINUED)

2. Tax preferential treatments

Super deduction of research and development (R&D) expenditures

Pursuant to Chapter IV, Item 1 of Article 30 of the PRC Corporate Income Tax Law (the "New CIT Law") and the Circular on Printing and Issuing the Administrative Measures for the Pre-tax Deduction of Enterprises' Expenditures for Research and Development (for Trial Implementation) of the State Administration of Taxation (Guo Shui Fa [2008]No.116), subsidiaries of the Group complying with the relevant provisions can make a super deduction on their research and development expenditures when calculating the taxable income.

Preferential tax treatment for the Western Region Development

Pursuant to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies of the State Administration of Taxation, the Ministry of Finance and General Administration of Customs (Cai Shui [2011] No.58), the tax preferential treatments for the Western Region Development are valid until 2020. According to the Circular, "from 1 January 2011 to 31 December 2020, corporate income tax may be levied at a reduced tax rate of 15% for enterprises established in the western region and engaged in encouraged industries. The above-mentioned industries shall refer to enterprises whose principal businesses are the industrial projects prescribed in the Catalogue of Encouraged Industries in the Western Region, the income of which accounts for more than 70% of the total income of such enterprises. The Catalogue of Encouraged Industries in the Western Region shall be issued separately."

At present, the Catalogue of Encouraged industries in the Western Region has been approved by the State Council, and shall be implemented as of 1 October 2014. Certain subsidiaries of the Group, including China Railway 11th Bureau Group 5th Engineering Co., Ltd. (中鐵十一局集團第五工程有限公司), China Railway 12th Bureau Group 1st Engineering Co., Ltd. (中鐵十二局集團第一工程有限公司), China Railway 12th Bureau Group 4th Engineering Co., Ltd. (中鐵十二局集團第四工程有限公司), Railway Maintenance Engineering Co., Ltd. of 12th Bureau Group of China Railway (中鐵十二局集團鐵路養護工程有限公司), China Railway Construction Bridge Engineering Bureau Group 5th Engineering Co., Ltd. (中鐵建大橋工程局集團第五工程有限公司), China Railway 17th Bureau Group 2nd Engineering Co., Ltd. (中鐵十七局集團第二工程有限公司), China Railway 17th Bureau Group 4th Engineering Co., Ltd. (中鐵十七局集團第四工程有限公司), China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司), China Railway 20th Bureau Group 2nd Engineering Co., Ltd. (中鐵二十局集團第二工程有限公司), China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司), China Railway 20th Bureau Group 5th Engineering Co., Ltd. (中鐵二十局集團第五工程有限公司), China Railway 20th Bureau Group 6th Engineering Co., Ltd. (中鐵二十局集團第六工程有限公司), China Railway 20th Bureau Group Electrical Engineering Co., Ltd. (中鐵二十局集團有限公司電氣化工程有限公司), China Railway 21st Bureau Group Co., Ltd. (中鐵二十一局集團有限公司), China Railway 21st Bureau Group 1st Engineering Co., Ltd. (中鐵二十一局集團第一工程有限公司), China Railway 21st Bureau Group 2nd Engineering Co., Ltd. (中鐵二十一局集團第二工程有限公司), China Railway 21st Bureau Group 3rd Engineering Co., Ltd. (中鐵二十一局集團第三工程有限公司), China Railway 21st Bureau Group 4th Engineering Co., Ltd. (中鐵二十一局集團第四工程有限公司), China Railway 21st Bureau Group 5th Engineering Co., Ltd. (中鐵二十一局集團第五工程有限公司), China Railway 21st Bureau Group Electrical Engineering Co., Ltd. (中鐵二十一局集團電務電化工程有限公司), China Railway 21st Bureau Group Road & Bridge Engineering Co., Ltd. (中鐵二十一局集團路橋工程有限公司), China Railway 22nd Bureau Group 5th Engineering Co., Ltd. (中鐵二十二局集團第五工程有限公司), China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司), China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司), China Railway 23rd Bureau Group 4th Engineering Co., Ltd. (中鐵二十三局集團第四工程有限公司), China Railway 23rd Bureau Group 6th Engineering Co., Ltd. (中鐵二十三局集團第六工程有限公司), China Railway 23rd Bureau Group 8th Engineering Co., Ltd. (中鐵二十三局集團第八工程有限公司), China Railway First Survey and Design Institute Group Ltd. (中鐵第一勘察設計院集團有限公司), Gansu Runtong Electric Engineering Co., Ltd. (甘肅潤通電氣化工程有限公司), Gansu Runtong Telecom Engineering Co., Ltd. (甘肅潤通電信與自動化控制工程有限公司), Chengdu China Railway Project Management Co., Ltd. (成都中鐵建項目建設管理有限公司), Kunming Autongda Railway Engineering Machinery Co., Ltd. (昆明奧通達鐵路機械有限公司), Kunming Guangweitong Engineering Machinery Co., Ltd. (昆明廣維通機械設備有限公司) and CRCC High-Tech Equipment Corporation Limited (中國鐵建高新裝備股份有限公司) were assumed to have enjoyed the corporate income tax preferential treatment for the Western Region Development after confirmation by the local tax authorities.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES (CONTINUED)

2. Tax preferential treatments (continued)

Other preferential tax treatments for the Company's subsidiaries

China Railway 11th Bureau Group Co., Ltd. (中鐵十一局集團有限公司) and its subsidiaries

China Railway 11th Bureau Group Bridge Co., Ltd. (中鐵十一局集團橋樑有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Jiangxi Province, Jiangxi Provincial Department of Finance, Jiangxi State Administration of Taxation and the Jiangxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 11th Bureau Group City Orbit Co., Ltd. (中鐵十一局集團城市軌道工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Hubei Province, Hubei Provincial Department of Finance, Hubei State Administration of Taxation and the Hubei Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 12th Bureau Group Co., Ltd. (中鐵十二局集團有限公司) and its subsidiaries

China Railway 12th Bureau Group Construction and Installation Engineering Co., Ltd. (中鐵十二局集團建築安裝工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance, Shanxi State Administration of Taxation and the Shanxi Local Taxation Bureau since 2014, and was entitled to enjoy a preferential Corporate Income Tax rate at a rate of 15% from 1 January 2014 to 31 December 2016.

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) and its subsidiaries

China Railway Construction Bridge Engineering Bureau Group Co., Ltd. (中國鐵建大橋工程局集團有限公司) has been recognized as a High-New Technology Enterprise by the Tianjin Municipal Science and Technology Department, Tianjin Department of Finance, Tianjin State Administration of Taxation and the Tianjin Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway Construction Bridge Engineering Bureau Group 4th Engineering Co., Ltd. (中鐵建大橋工程局集團第四工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Heilongjiang Province, Heilongjiang Provincial Department of Finance, Heilongjiang State Administration of Taxation and the Heilongjiang Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES (CONTINUED)

2. Tax preferential treatments (continued)

Other preferential tax treatments for the Company's subsidiaries (continued)

China Railway Construction Bridge Engineering Bureau Group 6th Engineering Co., Ltd. (中鐵建大橋工程局集團第六工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Jilin Province, Jilin Provincial Department of Finance, Jilin State Administration of Taxation and the Jilin Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 13th Bureau Group Electrical Engineering Co., Ltd. (中鐵十三局集團電務工程有限公司) has been recognized as a High-New Technology Enterprise by the Tianjin Municipal Science and Technology Commission, Tianjin Municipal Bureau of Finance, Tianjin Municipal Office of the State Administration of Taxation and the Tianjin Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway Modern Survey and Design Co., Ltd. (中鐵現代勘察設計院有限公司) has been recognized as a High-New Technology Enterprise by the Jilin Municipal Science and Technology Commission, Jilin Finance Department, Jilin Municipal Office of the State Administration of Taxation and the Jilin Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 15th Bureau Group Co., Ltd. (中鐵十五局集團有限公司) and its subsidiaries

China Railway 15th Bureau Group 1st Engineering Co., Ltd. (中鐵十五局集團第一工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shaanxi Province, Shaanxi Provincial Department of Finance, Shaanxi State Administration of Taxation and the Shaanxi Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 16th Bureau Group Co., Ltd. (中鐵十六局集團有限公司) and its subsidiaries

China Railway 16th Bureau Group 1st Engineering Co., Ltd. (中鐵十六局集團第一工程有限公司) has been recognized as a High-New Technology Enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and the Beijing Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 16th Bureau Group Beijing Metro Engineering Construction Co., Ltd. (中鐵十六局集團北京軌道交通建設工程有限公司) has been recognized as a High-New Technology Enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and the Beijing Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES (CONTINUED)

2. Tax preferential treatments (continued)

Other preferential tax treatments for the Company's subsidiaries (continued)

China Railway 16th Bureau Group 4th Engineering Co., Ltd. (中鐵十六局集團第四工程有限公司) has been recognized as a High-New Technology Enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and the Beijing Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 16th Bureau Group 3rd Engineering Co., Ltd. (中鐵十六局集團第三工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Zhejiang Province, Zhejiang Provincial Department of Finance, Zhejiang State Administration of Taxation and the Zhejiang Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 17th Bureau Group Co., Ltd. (中鐵十七局集團有限公司) and its subsidiaries

China Railway 17th Bureau Group Electrical Engineering Co., Ltd. (中鐵十七局集團電氣化工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance, Shanxi State Administration of Taxation and the Shanxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 17th Bureau Group Construction Co., Ltd. (中鐵十七局集團建築工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance, Shanxi State Administration of Taxation and the Shanxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 17th Bureau Group 1st Engineering Co., Ltd. (中鐵十七局集團第一工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shaanxi Province, Shaanxi Provincial Department of Finance, Shaanxi State Administration of Taxation and the Shaanxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 17th Bureau Group 3rd Engineering Co., Ltd. (中鐵十七局集團第三工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance, Shanxi State Administration of Taxation and the Shanxi Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 17th Bureau Group 5th Engineering Co., Ltd. (中鐵十七局集團第五工程有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Shanxi Province, Shanxi Provincial Department of Finance, Shanxi State Administration of Taxation and the Shanxi Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司)

China Railway 18th Bureau Group Co., Ltd. (中鐵十八局集團有限公司) has been recognized as a High-New Technology Enterprise by the Tianjin Municipal Science and Technology Commission, Tianjin Municipal Bureau of Finance, Tianjin Municipal Office of the State Administration of Taxation and the Tianjin Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司) and its subsidiaries

China Railway 19th Bureau Group Co., Ltd. (中鐵十九局集團有限公司) has been recognized as a High-New Technology Enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and the Beijing Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES (CONTINUED)

2. Tax preferential treatments (continued)

Other preferential tax treatments for the Company's subsidiaries (continued)

China Railway 20th Bureau Group Co., Ltd. (中鐵二十局集團有限公司) and its subsidiaries

China Railway 20th Bureau Group Xi'an Engineering Co., Ltd. (中鐵二十局集團西安工程機械有限公司) has been recognized as a High-New Technology Enterprise by the Shaanxi Municipal Science and Technology Commission, Shaanxi Finance Department, Shaanxi Municipal Office of the State Administration of Taxation and the Shaanxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 20th Bureau Group 4th Engineering Co., Ltd. (中鐵二十局集團第四工程有限公司有限公司) has been recognized as a High-New Technology Enterprise by the Qingdao Municipal Science and Technology Commission, Qingdao Finance Department, Qingdao Municipal Office of the State Administration of Taxation and the Qingdao Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway 20th Bureau Group 3rd Engineering Co., Ltd. (中鐵二十局集團第三工程有限公司有限公司) has been recognized as a High-New Technology Enterprise by the Chongqing Municipal Science and Technology Commission, Chongqing Finance Department, Chongqing Municipal Office of the State Administration of Taxation and the Chongqing Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 23rd Bureau Group Co., Ltd. (中鐵二十三局集團有限公司) and its subsidiaries

China Railway 23rd Bureau Group 3rd Engineering Co., Ltd. (中鐵二十三局集團第三工程有限公司) has been recognized as a High-New Technology Enterprise by the Beijing Municipal Science and Technology Commission, Beijing Municipal Bureau of Finance, Beijing Municipal Office of the State Administration of Taxation and the Beijing Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 23rd Bureau Group Metro Engineering Co., Ltd. (中鐵二十三局集團軌道交通工程有限公司) has been recognized as a High-New Technology Enterprise by the Shanghai Municipal Science and Technology Commission, Shanghai Municipal Bureau of Finance, Shanghai Municipal Office of the State Administration of Taxation and the Shanghai Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司)

China Railway 24th Bureau Group Co., Ltd. (中鐵二十四局集團有限公司) has been recognized as a High-New Technology Enterprise by Shanghai Municipal Science and Technology Commission, Shanghai Municipal Bureau of Finance, Shanghai Municipal Office of the State Administration of Taxation and the Shanghai Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway Construction Heavy Industry Group Co., Ltd. (中國鐵建重工集團有限公司) and its subsidiaries

China Railway Construction Heavy Industry Group Co., Ltd. (中國鐵建重工集團有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Hunan Province, Hunan Provincial Department of Finance, Hunan State Administration of Taxation and the Hunan Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IV. TAXES (CONTINUED)

2. Tax preferential treatments (continued)

Other preferential tax treatments for the Company's subsidiaries (continued)

China Railway Longchang Railway Audio Supplies Co., Ltd. (中鐵隆昌鐵路器材有限公司) has been recognized as a High-New Technology Enterprise by the Science and Technology Department of Sichuan Province, Sichuan Provincial Department of Finance, Sichuan State Administration of Taxation and the Sichuan Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

China Railway Construction Electrification Bureau (Group) Co., Ltd. (中國鐵建電氣化局集團有限公司) and its subsidiaries

China Railway Construction Electrification Bureau (Group) 2nd Engineering Co., Ltd. (中國鐵建電氣化局集團第二工程有限公司) has been recognized as a High-New Technology Enterprise by the Shanxi Provincial Science and Technology Department, Shanxi Provincial Department of Finance, Shanxi State Administration of Taxation and the Shanxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway Construction Electrification Bureau (Group) 3rd Engineering Co., Ltd. (中鐵建電氣化局集團第三工程有限公司) has been recognized as a High-New Technology Enterprise by the Hebei Provincial Science and Technology Department, Hebei Provincial Department of Finance, Hebei State Administration of Taxation and the Hebei Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway Construction Electrification Bureau (Group) 5th Engineering Co., Ltd. (中國鐵建電氣化局集團第五工程有限公司) has been recognized as a High-New Technology Enterprise by the Guangxi Provincial Science and Technology Department, Guangxi Provincial Department of Finance, Guangxi State Administration of Taxation and the Guangxi Local Taxation Bureau since 2013, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2013 to 31 December 2015.

China Railway Construction Electrification Bureau (Group) Kang Yuan New Materials Co., Ltd. (中鐵建電氣化局集團康遠新材料有限公司) has been recognized as a High-New Technology Enterprise by the Jiangsu Provincial Science and Technology Department, Jiangsu Provincial Department of Finance, Jiangsu State Administration of Taxation and the Jiangsu Local Taxation Bureau since 2014, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2014 to 31 December 2016.

CRCC High-Tech Equipment Co., Ltd. (中國鐵建高新裝備股份有限公司) and its subsidiaries

Kunming Aotongda Railway Machinery Co., Ltd. (昆明奧通達鐵路機械有限公司) has been recognized as a High-New Technology Enterprise by the Yunnan Municipal Science and Technology Commission, Yunnan Finance Department, Yunnan Municipal Office of the State Administration of Taxation and the Yunnan Local Taxation Bureau since 2015, and is entitled to enjoy a preferential Corporate Income Tax rate of 15% from 1 January 2015 to 31 December 2017.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Cash	169,321	141,757
Cash at banks	90,289,687	89,751,614
Others	4,305,374	4,579,469
Mandatory reserves placed by CRCC Finance Company Limited with the central bank	3,269,069	3,934,128
	98,033,451	98,406,968

Cash and bank balances with title restrictions were stated in *Note V.59*.

As at 30 June 2015, the Group held the foreign cash and bank balances amounted to RMB5,421,785,000 (31 December 2014: RMB5,294,597,000), and held the restricted deposits amounted to nil (31 December 2014: RMB10,056,000).

Cash deposited in the current account earns interest at floating interest rates. Terms of short-term time deposits are from one day to three months depending on the cash flow demand of the Group. These deposits earn interest at the respective bank deposit rates.

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Cash and bank balances at year end	98,033,451	98,406,968
Less: mandatory reserves with the central bank	(3,269,069)	(3,934,128)
Less: non-pledged time deposits with original maturity of three months or more when acquired	(3,332,745)	(5,192,797)
Less: other restricted cash and bank balances	(4,190,702)	(4,522,538)
Cash and cash equivalents at year end	87,240,935	84,757,505
Less: cash and cash equivalents at beginning of the year	(84,757,505)	(80,134,922)
Net increase in cash and cash equivalents	2,483,430	4,622,583

2. Financial assets at fair value through profit or loss

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Equity instruments held for trading	131,596	110,204

Management considered that there were no material restrictions on the recovery of the financial assets held for trading.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Bills receivable

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Commercial acceptance bills	1,008,501	1,453,333
Bank acceptance bills	1,108,255	1,444,879
	2,116,756	2,898,212

As at 30 June 2015 and 31 December 2014, there were no bills receivable pledged.

As at 30 June 2015, the Group had derecognized the following bank acceptance bills which were not matured but had been endorsed to other parties:

	30 June 2015 (Unaudited)		31 December 2014 (Restated) (Audited)	
	Derecognized	Not derecognized	Derecognized	Not derecognized
Bank acceptance bills	384,764	—	697,391	—

Bills receivable transferred to accounts receivable due to non-compliance of drawer of a bill were as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Commercial acceptance bills	—	72,590

As at 30 June 2015, the Group's bills receivable were neither past due nor impaired (31 December 2014: nil).

4. Accounts receivable

The majority of the Group's revenues is generated through construction projects and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. For the sale of products, a credit period ranging from 30 to 90 days may be granted to the customers. For retention money receivables in respect of construction work carried out by the Group, the due dates usually range from one to six years after the completion of the construction work. The retention money whose maturity is more than one year is recognized as long-term receivables. Accounts receivable are non-interest-bearing.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (continued)

An ageing analysis of accounts receivable is presented as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Within 1 year	101,872,054	106,248,756
1 to 2 years	9,687,568	7,655,257
2 to 3 years	2,247,293	2,031,216
Over 3 years	1,447,096	1,190,068
	115,254,011	117,125,297
Less: provision for bad debts	(1,849,384)	(1,596,792)
	113,404,627	115,528,505

Movements in the provision for bad debts are as follows:

	For the six months ended 30 June 2015 (Unaudited)	2014 (Restated) (Audited)
Opening balance	1,596,792	889,813
Provision	392,617	916,894
Reversal	(113,990)	(187,739)
Write-off	(26,035)	(22,176)
Closing balance	1,849,384	1,596,792

Accounts receivable and provision for bad debts by category are presented as follows:

	30 June 2015 (Unaudited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Individually significant and subject to separate provision for bad debts	98,886,082	85.80	(1,164,788)	1.18
Subject to provision by risk characteristics group	13,258,822	11.50	(175,628)	1.32
Individually not significant but subject to separate provision for bad debts	3,109,107	2.70	(508,968)	16.37
	115,254,011	100.00	(1,849,384)	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (continued)

	31 December 2014 (Restated) (Audited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Individually significant and subject to separate provision for bad debts	100,600,704	85.89	(883,998)	0.88
Subject to provision by risk characteristics group	13,569,786	11.59	(152,119)	1.12
Individually not significant but subject to separate provision for bad debts	2,954,807	2.52	(560,675)	18.98
	117,125,297	100.00	(1,596,792)	

As at 30 June 2015, accounts receivable which are individually significant and subject to separate provision for bad debts were as follows (Unaudited):

Due from	Gross carrying amount	Provision for bad debts	Percentage (%)	Reason
Company 1	118,820	(97,364)	81.94	Note
Company 2	97,952	(77,887)	79.52	Note
Company 3	49,261	(39,409)	80.00	Note
Company 4	42,128	(33,702)	80.00	Note
Company 5	35,971	(28,777)	80.00	Note
Others	18,694,616	(887,649)		
	19,038,748	(1,164,788)		

As at 31 December 2014, accounts receivable which are individually significant and subject to separate provision for bad debts were as follows (Restated) (Audited):

Due from	Gross carrying amount	Provision for bad debts	Percentage (%)	Reason
Company 1	118,820	(81,459)	68.56	Note
Company 2	97,952	(77,887)	79.52	Note
Company 3	49,261	(39,409)	80.00	Note
Company 4	35,971	(28,777)	80.00	Note
Company 5	31,118	(24,895)	80.00	Note
Others	15,814,901	(631,571)		
	16,148,023	(883,998)		

Note: According to the aged analysis and operation of the companies, the Group recorded all or a proportion of provision for doubtful debts.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (continued)

Accounts receivable which are subject to provision by group were as follows:

	30 June 2015 (Unaudited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
- Within 6 months	12,438,951	93.82	-	-
- 6 months to 1 year	149,670	1.13	(748)	0.50
- 1 to 2 years	262,388	1.98	(13,119)	5.00
- 2 to 3 years	143,523	1.08	(14,352)	10.00
- Over 3 years	264,290	1.99	(147,409)	55.78
	13,258,822	100.00	(175,628)	

	31 December 2014 (Restated) (Audited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
- Within 6 months	12,714,740	93.71	-	-
- 6 months to 1 year	120,643	0.89	(603)	0.50
- 1 to 2 years	362,857	2.67	(18,143)	5.00
- 2 to 3 years	159,427	1.17	(15,943)	10.00
- Over 3 years	212,119	1.56	(117,430)	55.36
	13,569,786	100.00	(152,119)	

As at 30 June 2015, the five largest accounts receivable were as follows (Unaudited):

	Relationship with the Group	Amount	Ageing	Percentage of total accounts receivable (%)
Company 1	Third party	1,496,933	Within 1 year	1.30
Company 2	Third party	1,064,737	Within 1 year	0.92
Company 3	Third party	784,529	Within 1 year	0.68
Company 4	Third party	757,442	Within 1 year	0.66
Company 5	Third party	644,629	Within 1 year	0.56
		4,748,270		4.12

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (continued)

As at 31 December 2014, the five largest accounts receivable were as follows (Restated) (Audited):

	Relationship with the Group	Amount	Ageing	Percentage of total accounts receivable (%)
Company 1	Third party	1,942,002	Within 1 year	1.66
Company 2	Third party	1,442,269	Within 1 year	1.23
Company 3	Third party	1,328,840	Within 1 year	1.13
Company 4	Third party	812,852	Within 1 year	0.69
Company 5	Third party	811,595	Within 1 year	0.69
		6,337,558		5.40

As at 30 June 2015, the Group's accounts receivable that were neither past due nor impaired amounted to RMB91,466,415,000 (31 December 2014: RMB95,803,970,000).

As at 30 June 2015, the write-off of accounts receivable amounted to RMB26,035,000 (30 June 2014: RMB22,176,000).

The restricted accounts receivable in the Group are stated in Note V.59.

5. Advances to suppliers

An ageing analysis of the advances to suppliers was as follows:

	30 June 2015 (Unaudited)		31 December 2014 (Restated) (Audited)	
	Gross carrying amount	Percentage (%)	Gross carrying amount	Percentage (%)
Within 1 year	28,918,857	96.29	26,666,826	96.17
1 to 2 years	744,602	2.48	827,971	2.99
2 to 3 years	352,504	1.17	212,420	0.77
Over 3 years	18,556	0.06	19,167	0.07
	30,034,519	100.00	27,726,384	100.00

As at 30 June 2015 and 31 December 2014, significant advances to suppliers aged over one year were as follows:

	30 June 2015 (Unaudited)	Nature
Company 1	184,514	Prepayment for materials
Company 2	116,046	Prepayment for materials
Company 3	104,056	Prepayment for materials
Company 4	95,475	Prepayment for materials
Company 5	83,790	Prepayment for materials
	583,881	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Advances to suppliers (continued)

	31 December 2014 (Restated) (Audited)	Nature
Company 1	250,412	Prepayment for materials
Company 2	138,003	Prepayment for materials
Company 3	101,455	Prepayment for materials
Company 4	87,728	Prepayment for materials
Company 5	55,346	Prepayment for materials
	632,944	

Significant outstanding advances to suppliers aged over one year are mainly due to related construction projects which have not been completed or materials or equipment which have not been received.

As at 30 June 2015, the five largest advances to suppliers were as follows (Unaudited):

	Relationship with the Group	Amount	Ageing	Percentage (%)
Company 1	Third party	326,946	Within 1 year	1.09
Company 2	Third party	260,676	Within 1 year	0.87
Company 3	Third party	217,360	Within 1 year	0.72
Company 4	Third party	215,505	Within 1 year	0.72
Company 5	Third party	184,514	Within 2 years	0.61
		1,205,001		4.01

As at 31 December 2014, the five largest advances to suppliers were as follows (Restated) (Audited):

	Relationship with the Group	Amount	Ageing	Percentage (%)
Company 1	Third party	290,495	Within 1 year	1.05
Company 2	Third party	263,592	Within 2 years	0.95
Company 3	Third party	261,476	Within 1 year	0.94
Company 4	Third party	244,078	Within 1 year	0.88
Company 5	Third party	228,800	Within 1 year	0.83
		1,288,441		4.65

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables

An ageing analysis of other receivables was as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Within 1 year	33,909,343	30,942,409
1 to 2 years	2,695,238	3,776,011
2 to 3 years	668,211	509,044
Over 3 years	679,107	531,748
	37,951,899	35,759,212
Less: provision for bad debts	(1,400,444)	(1,173,777)
	36,551,455	34,585,435

Movements in the provision for bad debts were as follows:

	For the six months ended 30 June 2015 (Unaudited)	2014 (Restated) (Audited)
Opening balance	1,173,777	765,762
Provision	186,991	507,814
Other increase	97,476	–
Reversal	(49,136)	(36,095)
Write-off	(8,664)	(63,704)
Closing balance	1,400,444	1,173,777

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (continued)

Other receivables by category were presented as follows:

	30 June 2015 (Unaudited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Individually significant and subject to separate provision for bad debts	20,693,996	54.53	(821,508)	3.97
Subject to provision by risk characteristics group	11,686,734	30.79	(73,970)	0.63
Individually not significant but subject to separate provision for bad debts	5,571,169	14.68	(504,966)	9.06
	37,951,899	100.00	(1,400,444)	

	31 December 2014 (Restated) (Audited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
Individually significant and subject to separate provision for bad debts	19,852,926	55.52	(693,269)	3.49
Subject to provision by risk characteristics group	10,138,013	28.35	(63,154)	0.62
Individually not significant but subject to separate provision for bad debts	5,768,273	16.13	(417,354)	7.24
	35,759,212	100.00	(1,173,777)	

Other receivables by group were presented as follows:

	30 June 2015 (Unaudited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
- Within 6 months	11,264,803	96.39	-	-
- 6 months to 1 year	77,984	0.67	(389)	0.50
- 1 to 2 years	104,205	0.89	(5,210)	5.00
- 2 to 3 years	140,826	1.21	(14,068)	10.00
- Over 3 years	98,916	0.84	(54,303)	54.90
	11,686,734	100.00	(73,970)	

	31 December 2014 (Restated) (Audited)			
	Gross carrying amount Amount	Percentage (%)	Provision for bad debts Amount	Percentage (%)
- Within 6 months	9,741,537	96.09	-	-
- 6 months to 1 year	127,873	1.26	(639)	0.50
- 1 to 2 years	127,906	1.26	(6,395)	5.00
- 2 to 3 years	80,626	0.80	(8,063)	10.00
- Over 3 years	60,071	0.59	(48,057)	80.00
	10,138,013	100.00	(63,154)	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (continued)

As at 30 June 2015, other receivables which were individually significant and subject to separate provision for bad debts were as follows (Unaudited):

	Gross carrying amount	Provision for bad debts	Percentage of provision (%)	Reason
Company 1	605,407	(141,771)	23.42	Note
Company 2	168,000	(168,000)	100.00	Note
Company 3	95,777	(76,622)	80.00	Note
Company 4	60,555	(60,555)	100.00	Note
Company 5	51,997	(51,997)	100.00	Note
Others	1,493,320	(322,563)		
	2,475,056	(821,508)		

As at 31 December 2014, other receivables which were individually significant and subject to separate provision for bad debts were as follows (Restated) (Audited):

	Gross carrying amount	Provision for bad debts	Percentage of provision (%)	Reason
Company 1	168,000	(168,000)	100.00	Note
Company 2	68,039	(68,039)	100.00	Note
Company 3	46,634	(46,634)	100.00	Note
Company 4	45,372	(45,372)	100.00	Note
Company 5	43,714	(43,714)	100.00	Note
Others	685,121	(321,510)		
	1,056,880	(693,269)		

Note: According to the aged analysis and operation of the companies, the Group recorded all or a proportion of provision for doubtful debts.

As at 30 June 2015, the Group's other receivables that were neither past due nor impaired amounted to RMB29,483,743,000 (31 December 2014: RMB28,569,301,000).

As at 30 June 2015, the Group's other receivables that were written off amounted to RMB8,664,000 (31 December 2014: RMB63,704,000).

A nature analysis of other receivables was as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Guarantees and deposits	26,458,736	26,376,810
Advance payment	3,576,410	3,537,333
Others	7,916,753	5,845,069
	37,951,899	35,759,212

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (continued)

As at 30 June 2015, the five largest other receivables were as follows (Unaudited):

	Amount	Percentage of total other receivables (%)	Nature	Ageing	Bad debts
Company 1	1,619,388	4.27	Inter company funds to the related party	Within 1 year	—
Company 2	1,096,820	2.89	Performance bond	Within 1 year	—
Company 3	646,200	1.70	Performance bond	Within 1 year	—
Company 4	571,411	1.51	Performance bond	1 to 2 years	—
Company 5	559,196	1.47	Performance bond	Within 1 year	—
	4,493,015	11.84			—

As at 31 December 2014, the five largest other receivables were as follows (Restated) (Audited):

	Amount	Percentage of total other receivables (%)	Nature	Ageing	Bad debts
Company 1	1,052,422	2.95	Bid bond	Within 1 year	—
Company 2	769,020	2.15	Performance bond	1 to 2 years	—
Company 3	697,639	1.95	Performance bond	Within 1 year	—
Company 4	665,523	1.86	Performance bond	Within 1 year	—
Company 5	561,132	1.57	Performance bond	1 to 2 years	—
	3,745,736	10.48			—

As at 30 June 2015, government grants receivable were as follows (Unaudited):

Grant project	Amount	Ageing	Estimated receipt date	Documents
Panjin land compensation fee	5,681	Over 3 years	December 2015	Panjin municipal committee publication [2010] No.16

As at 31 December 2014, Government grants receivable were as follows (Restated) (Audited):

Grant project	Amount	Ageing	Estimated receipt date	Documents
Panjin land compensation fee	6,379	2 to 3 years	June 2015	Panjin municipal committee publication [2010] No.16

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

	As at 30 June 2015 (Unaudited)		
	Gross carrying amount	Provision	Carrying amount
Raw materials	26,168,808	(15,937)	26,152,871
Work in progress	1,059,640	–	1,059,640
Finished goods	5,030,267	(14,841)	5,015,426
Turnover materials	7,189,267	–	7,189,267
Properties under development (1)	83,299,559	–	83,299,559
Completed properties held for sale (2)	11,900,459	(72,335)	11,828,124
Gross amount due from contract customers (3)	106,379,692	(276,043)	106,103,649
	241,027,692	(379,156)	240,648,536

	31 December 2014 (Restated) (Audited)		
	Gross carrying amount	Provision	Carrying amount
Raw materials	26,627,573	(13,927)	26,613,646
Work in progress	1,045,600	–	1,045,600
Finished goods	4,837,208	(8,178)	4,829,030
Turnover materials	7,030,040	–	7,030,040
Properties under development (1)	79,567,591	–	79,567,591
Completed properties held for sale (2)	11,333,840	(72,335)	11,261,505
Gross amount due from contract customers (3)	97,837,193	(254,986)	97,582,207
	228,279,045	(349,426)	227,929,619

Movements in the provision for decline in value of the inventories were as follows:

30 June 2015

	Opening balance	Provision	Write-off/reversal	Closing balance
	(Restated) (Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Raw materials	13,927	2,010	–	15,937
Finished goods	8,178	7,435	(772)	14,841
Completed properties held for sale	72,335	–	–	72,335
Provision for foreseeable contract losses	254,986	35,542	(14,485)	276,043
	349,426	44,987	(15,257)	379,156

2014 (Restated) (Audited)

	Opening balance	Provision	Write-off/reversal	Closing balance
Raw materials	4,163	9,764	–	13,927
Finished goods	12,970	3,224	(8,016)	8,178
Completed properties held for sale	69,222	3,113	–	72,335
Provision for foreseeable contract losses	112,834	179,541	(37,389)	254,986
	199,189	195,642	(45,405)	349,426

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (continued)

(1) Details of the properties under development were as follows:

Project name	Construction commencement date	Estimated completion date	Estimated investment amount	As at 30	As at 31
				June 2015 (Unaudited)	December 2014 (Restated) (Audited)
Tongjing International City Project	May 2005	October 2015	7,426,000	1,945,077	1,871,378
Guiyang CRCC International City Project	September 2007	September 2016	8,104,880	2,965,051	2,580,101
Hefei CRCC International City Project	May 2009	December 2017	7,400,000	1,468,478	1,278,847
Hangzhou CRCC International City Project	March 2011	June 2016	5,190,030	2,071,674	2,799,372
Wuhan 1818 Center Project	July 2011	August 2015	2,062,610	1,256,181	1,092,189
Xipai International Project	August 2011	March 2016	4,017,170	1,184,133	1,867,819
Xi'an CRCC International City Project	August 2011	May 2018	9,773,964	3,439,462	3,464,902
Jinan CRCC International City Project	August 2011	December 2015	3,003,640	819,612	808,615
CRCC Beijing Shanyu City Project	September 2011	December 2015	3,609,140	1,135,018	1,100,283
Tianjin CRCC International City Project	November 2011	April 2018	9,734,970	4,375,250	3,968,651
Fangshan Shengshui Jiaming Project	May 2012	December 2015	3,671,840	1,016,780	1,655,554
Puhe Xinyuan Project	November 2012	November 2015	1,090,939	900,911	861,864
Wuhan Donghu High-tech Zone (Guanggu) Project	December 2012	December 2017	2,348,290	1,085,900	949,230
Changsha Meixi Lake Project	May 2013	December 2019	3,537,990	1,064,168	1,017,298
CRCC Yao Center Project	June 2013	September 2015	1,831,910	1,037,237	1,012,525
Beihu Xinqu Project	August 2013	September 2018	4,820,000	2,920,272	2,770,718
CRCC Hangzhou Qingxiucheng Project	September 2013	October 2015	1,732,950	1,417,862	1,255,932
CRCC Taiyuan International City Project	October 2013	June 2020	8,500,850	1,250,613	561,421
Xipai Lan'an Project	November 2013	December 2018	5,300,000	2,973,526	2,780,719
Guangxi Jiangwan Shanyu City Project	December 2013	December 2017	2,190,270	941,535	722,673
Chengdu International Garden Project	January 2014	March 2017	2,059,000	1,412,398	1,336,198
CRCC Guobinyuan Project	March 2014	November 2017	3,003,886	1,699,882	1,637,372
Qingxiu Lanwan Project	March 2014	December 2016	3,490,000	2,276,264	2,110,722
CRCC Hefei Qingxiucheng Project	March 2014	September 2018	4,050,568	1,431,797	766,860
Shanghai Qingxiucheng 2 Project	April 2014	December 2016	1,884,211	1,440,427	1,331,293
Jiangxi Jingcheng Qingxiu City Project	May 2014	June 2017	2,367,100	925,223	857,822
Nanjing Qingxiucheng Project	June 2014	September 2018	6,473,850	4,134,134	3,875,650
Shunxin Jiayuan Project	June 2014	December 2015	1,895,070	1,386,102	1,211,515
Yanfang Pianqu Project	July 2014	December 2015	1,979,230	1,156,339	956,721
Qingxiu Shangcheng Project	July 2014	August 2016	1,806,060	1,250,565	1,116,656
Foshan International Gongguan Project	August 2014	December 2016	4,224,000	2,286,170	2,179,293
Jiucheng Yihao Project	September 2014	December 2017	2,146,890	1,179,268	1,062,272
Haidian Environmental Protection Science Park Project	October 2014	December 2015	2,482,310	1,996,772	1,904,176
Guangzhou Zengcheng International Garden Project	December 2014	September 2017	2,236,060	1,010,953	839,025
Tongrui Xingsheng Nanyuan Huayu Project	December 2014	August 2016	4,300,660	2,004,421	1,744,745
Jingzhao International City Project	December 2014	December 2017	4,435,050	2,477,575	1,603,897
CRCC Yangchun Hupan	December 2014	December 2019	2,855,090	1,233,961	803,830
Others			111,809,607	18,728,568	19,809,453
Total			258,846,085	83,299,559	79,567,591

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (continued)

(1) Details of the properties under development were as follows: (continued)

As at 30 June 2015, the aggregate carrying amount of borrowing costs capitalized in properties under development was RMB5,075,706,000 (31 December 2014: RMB3,841,013,000). Borrowing costs capitalized during the six months ended 30 June 2015 amounted to RMB1,550,473,000 (for the six months ended 30 June 2014 amounted to RMB1,255,485,000). The capitalization rates of borrowing costs ranged from 4.0% to 7.0% during the six months ended 30 June 2015 (for the six months ended 30 June 2014: 5.5% to 8.2%).

(2) Details of the completed properties held for sale were as follows:

Project name	Completion date	As at 30 June 2015			
		Opening balance (Restated) (Audited)	Additions (Unaudited)	Deductions (Unaudited)	Closing balance (Unaudited)
Xuzhou Rencai Jianyuan Project	November 2011	152,175	5	(76,433)	75,747
CRCC Lingxiu City Project	April 2012	96,249	–	(62,678)	33,571
CRCC Qingxiu Yayuan Project	September 2012	91,357	4,920	–	96,277
Changsha Shanyu City Project	November 2012	368,541	–	(140,610)	227,931
CRCC Chengdu International City II Project	December 2012	219,056	1,779	(70,533)	150,302
CRCC Fengling Shanyu City Project	August 2013	73,263	2,186	(35,639)	39,810
Hefei CRCC International City Project	September 2013	698,588	42	(113,804)	584,826
Beijing Wutong Yuan Project	September 2013	130,776	377	(49,886)	81,267
CRCC Guiyang International City Project	October 2013	549,110	60	(356,006)	193,164
Beijing CRCC International City Project	November 2013	946,969	14,934	(440,862)	521,041
CRCC Bei Cheng Hua Fu Project	November 2013	238,181	–	(87,720)	150,461
CRCC Hangzhou International City Project	November 2013	492,074	819,318	(170,631)	1,140,761
CRCC Liwan International City Project	December 2013	606,107	–	(433,355)	172,752
CRCC Jing Nan Yipin Project	December 2013	186,708	–	(121,325)	65,383
CRCC International Garden I Project	December 2013	147,082	–	(39,248)	107,834
Chongqing Beibei Shanyu City Project	February 2014	466,192	–	–	466,192
Jinan CRCC International City Project	June 2014	255,403	186,969	(247,014)	195,358
CRCC Linyi Donglai Shangcheng Project	October 2014	196,119	–	(19,116)	177,003
CRCC Xiangdi Meijun Project	October 2014	308,887	–	(74,366)	234,521
Changyang International Garden Project	December 2014	476,787	240	(270,752)	206,275
Hangzhou Jingfa International Garden Project	December 2014	462,349	–	(263,120)	199,229
Changsha Meixi Lake Project	December 2014	583,174	–	(307,158)	276,016
Xipai International Project	June 2015	244,910	1,011,557	(131,426)	1,125,041
Fangshan Shengshui Jiaming Project	June 2015	366,917	917,993	(633,422)	646,488
Others		2,976,866	1,987,129	(230,786)	4,733,209
		11,333,840	4,947,509	(4,380,890)	11,900,459

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (continued)

(2) Details of the completed properties held for sale were as follows: (continued)

Project name	Completion date	2014 (Restated) (Audited)			Closing balance
		Opening balance	Additions	Deductions	
Beijing C-park Flat Project	December 2009	101,409	380	(5,392)	96,397
Xuzhou Rencai Jiayuan Project	November 2011	168,046	4	(15,875)	152,175
CRCC Lingxiu City Project	April 2012	425,152	3,147	(332,050)	96,249
CRCC Qingxiu Yayuan Project	September 2012	100,512	-	(9,155)	91,357
Changsha Shanyu City Project	November 2012	672,182	26,904	(330,545)	368,541
CRCC Chengdu International City II Project	December 2012	447,523	-	(228,467)	219,056
CRCC Fengling Shanyu City Project	August 2013	152,375	-	(79,112)	73,263
Hefei CRCC International City Project	September 2013	1,049,839	70,032	(421,283)	698,588
Beijing Wutong Yuan Project	September 2013	114,350	11,459	4,967	130,776
CRCC Guiyang International City Project	October 2013	1,214,175	8,405	(673,470)	549,110
Beijing CRCC International City Project	November 2013	576,112	2,500,851	(2,129,994)	946,969
CRCC Bei Cheng Hua Fu Project	November 2013	455,134	43,144	(260,097)	238,181
CRCC Hangzhou International City Project	November 2013	502,671	1,062,583	(1,073,180)	492,074
CRCC Liwan International City Project	December 2013	352,603	1,523,554	(1,270,050)	606,107
CRCC Jing Nan Yipin Project	December 2013	401,310	87,312	(301,914)	186,708
CRCC Ruiyuan Project	December 2013	212,772	148,421	(171,463)	189,730
CRCC International Garden I Project	December 2013	195,031	13,252	(61,201)	147,082
Chongqing Beibei Shanyu City Project	February 2014	180,397	528,103	(242,308)	466,192
Xipai International Project	April 2014	-	1,160,592	(915,682)	244,910
Jinan CRCC International City Project	June 2014	54,790	1,077,860	(877,247)	255,403
CRCC Linyi Donglai Shangcheng Project	October 2014	210,396	92,981	(107,258)	196,119
CRCC Xiangdi Meijun Project	October 2014	-	458,074	(149,187)	308,887
Hunan Zhongsheng Jiaye International City Project	November 2014	73,835	527,745	(356,275)	245,305
Chengdu Longquanyi Project	December 2014	518,016	751,758	(582,100)	687,674
Changyang International Garden Project	December 2014	-	1,668,805	(1,192,018)	476,787
Hangzhou Jingfa International Garden Project	December 2014	-	760,760	(298,411)	462,349
Changsha Meixi Lake Project	December 2014	-	828,951	(245,777)	583,174
Shanghai Qingxiucheng Project	December 2014	-	800,303	(391,295)	409,008
Others		969,783	4,668,211	(3,922,325)	1,715,669
		9,148,413	18,823,591	(16,638,164)	11,333,840

Inventories with title restriction are stated in Note V.59.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (continued)

(3) Construction contracts

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Contract costs incurred to date	2,908,697,378	2,729,304,919
Recognized profit	218,183,730	199,293,332
Less: provision for foreseeable contract losses	(276,043)	(254,986)
Less: progress billings	(3,038,889,173)	(2,846,213,971)
	87,715,892	82,129,294

At end of the period/year:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Gross amount due from contract customers	106,103,649	97,582,207
Gross amount due to contract customers (Note V.23)	(18,387,757)	(15,452,913)
	87,715,892	82,129,294

8. Available-for-sale financial assets

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Available-for-sale equity instruments		
Investments in listed companies	3,320,884	586,872
– Hong Kong	291,858	227,395
– Other areas	3,029,026	359,477
Investments in unlisted companies	3,528,276	3,227,312
Others	1,053,000	766,000
	7,902,160	4,580,184

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Available-for-sale financial assets (continued)

	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Gross carrying amount	Provision	Carrying amount	Gross carrying amount	Provision	Carrying amount
Available-for-sale equity instruments						
Measured at fair value	3,320,884	–	3,320,884	586,872	–	586,872
Measured at book value	3,542,143	(13,867)	3,528,276	3,241,652	(14,340)	3,227,312
Others (Note a)	1,053,000	–	1,053,000	766,000	–	766,000
	7,916,027	(13,867)	7,902,160	4,594,524	(14,340)	4,580,184

Note a: The others are mostly financial products issued by other financial organizations. This sort of financial products mainly invest in trust products and are disclosed at fair value at financial period ends.

Available-for-sale financial assets measured at fair value :

	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Available-for-sale equity instruments	Other	Total	Available-for-sale equity instruments	Other	Total
Cost	479,413	1,053,000	1,532,413	89,510	766,000	855,510
Total fair value gain or loss in other comprehensive income	2,841,471	–	2,841,471	497,362	–	497,362
Fair value	3,320,884	1,053,000	4,373,884	586,872	766,000	1,352,872

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Available-for-sale financial assets (continued)

Available-for-sale financial assets measured at cost:

For the six months ended 30 June 2015

	Gross carrying amount			Provision for impairment			Closing Balance (Unaudited)	Percentage of ownership in equity (%)	Cash dividend
	Opening Balance (Restated)	Increase	Decrease	Opening Balance (Restated)	Increase	Decrease			
	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)			
Hubei Yangtse River Road Bridge Co., Ltd.	–	21,500	–	21,500	–	–	–	21.50	–
Jinan Tiechuang Hongrun Investment Partnership (Limited Partnership)	–	60,000	–	60,000	–	–	–	19.99	–
Vossloh Fastening Systems (China) Co., Ltd.	56,969	–	–	56,969	–	–	–	16.20	–
Zhuhai Baiyi Science and Technology-Yunnan Huaxing Resource Development Company	10,000	–	–	10,000	(7,215)	–	(7,215)	16.00	–
Railtech Zhuzhou Bridge Railway Fastening (Wuhan) Co., Ltd.	3,085	–	–	3,085	–	–	–	15.00	–
Wuhan Johnson Pearl Plaza	60,000	–	–	60,000	–	–	–	12.00	–
Hubei Shishou Yangtse River Road Bridge Yangtse River Road Bridge	11,500	–	–	11,500	–	–	–	11.50	–
Head Falcon Electric Appliance Co., Ltd.	1,600	–	–	1,600	–	–	–	10.00	–
Djibouti Paid Port & Doraleh Port -Galle Railway Project	355,254	–	–	355,254	–	–	–	10.00	–
Beijing Railway Hotel Company Limited	15,000	–	–	15,000	–	–	–	8.10	–
Beijing-Guangzhou Passenger Railway Henan Company Limited	2,000,000	500,000	–	2,500,000	–	–	–	6.21	–
Shanghai Zhouji Development Co., Ltd.	3,123	–	–	3,123	(3,123)	–	(3,123)	7.00	–
Wuhu CRCC Keifu Railway Railway	11,000	–	–	11,000	–	–	–	5.00	–
Shijiazhuang-Taiyuan Passenger Railway Co., Ltd.	200,000	–	–	200,000	–	–	–	3.65	–
Essence Securities Co., Ltd. (Note a)	268,452	–	(268,452)	–	–	–	–	2.09	–
Inner Mongolia Jitong Railway Co., Ltd.	13,082	–	–	13,082	–	–	–	0.43	–
China Resources Land (Beijing) Co., Ltd.	5,485	–	–	5,485	–	–	–	0.24	–
Guotai Jun'an Securities Corporation Limited (Note b)	7,660	–	(7,660)	–	–	–	–	0.10	–
Others	219,442	11,535	(16,432)	214,545	(4,002)	(3)	476	(3,529)	832
Total	3,241,652	593,035	(292,544)	3,542,143	(14,340)	(3)	476	(13,867)	832

Note a: On 16 February 2015, 2.09% of the equity interest of Essences Securities Co., Ltd. ("Essences Securities") with original investment cost of RMB268,452,000 owned by the Group was exchanged for the equity interest of Zhong Fang Investment Development Co., Ltd.. The share premium was RMB113,846,000. The investment was classified as available-for-sale financial assets at fair value during the current period. The fair value increased by RMB1,942,224,000 as at 30 June 2015.

Note b: Guotai Junan Securities Co., Ltd. ("Guotai Junan") was successfully listed at Shanghai Stock Exchange on 26 June 2015. The equity interest owned by the Group remains unchanged. The investment is classified as available-for-sale financial assets at fair value during the current period. The fair value increased by RMB252,530,000 as at 30 June 2015.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Available-for-sale financial assets (continued)

Year 2014 (Restated) (Audited):

	Gross carrying amount			Provision for impairment			Percentage of ownership in equity (%)	Cash dividend	
	Opening Balance	Increase	Decrease	Closing Balance	Opening Balance	Increase			Closing Balance
Vossloh Fastening Systems (China) Co., Ltd.	56,969	-	-	56,969	-	-	-	16.20	31,982
Zhuhai Baiji Science and Technology-Yunnan Huaxing Resource Development Company	10,000	-	-	10,000	(6,771)	(444)	(7,215)	16.00	-
Railtech Zhuzhou Bridge Railway Fastening (Wuhan) Co., Ltd.	3,085	-	-	3,085	-	-	-	15.00	-
Wuhan Johnson Pearl Plaza	60,000	-	-	60,000	-	-	-	12.00	-
Head Falcon Electric Appliance Co., Ltd.	1,600	-	-	1,600	-	-	-	10.00	-
Djibouti Paid Port & Doraleh Port -Galle Railway Project	-	355,254	-	355,254	-	-	-	10.00	-
Beijing Railway Hotel Company Limited	15,000	-	-	15,000	-	-	-	8.10	-
Shanghai Zhouji Development Co., Ltd.	3,123	-	-	3,123	(3,123)	-	(3,123)	7.00	-
Beijing-Guangzhou Passenger Railway Henan Company Limited	2,000,000	-	-	2,000,000	-	-	-	5.00	-
Shijiazhuang-Taiyuan Passenger Railway Co., Ltd.	200,000	-	-	200,000	-	-	-	3.65	-
Essence Securities Co., Ltd.	268,452	-	-	268,452	-	-	-	2.09	-
Inner Mongolia Jitong Railway Co., Ltd.	13,082	-	-	13,082	-	-	-	0.43	-
China Resources Land (Beijing) Co., Ltd.	5,485	-	-	5,485	-	-	-	0.24	-
Guotai Jun'an Securities Corporation Limited	7,660	-	-	7,660	-	-	-	0.16	380
Others	195,758	59,500	(13,316)	241,942	(2,092)	(1,910)	(4,002)	-	2,965
Total	2,840,214	414,754	(13,316)	3,241,652	(11,986)	(2,354)	(14,340)	-	35,327

Provision for impairment of available-for-sale financial assets:

	30 June 2015 (Unaudited) Available-for-sale equity instruments	2014 (Restated) (Audited) Available-for-sale equity instruments
Opening balance	14,340	11,986
Provision	3	2,354
Decrease	(476)	-
Closing balance	13,867	14,340

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Long-term receivables

	30 June 2015 (Unaudited)		
	Gross carrying amount	Provision for impairment	Carrying amount
Retention money receivables	4,367,584	(104,591)	4,262,993
"Build-Transfer" project receivables	30,290,713	(555,650)	29,735,063
A-land development	5,138,459	–	5,138,459
Others	1,045,749	(31)	1,045,718
	40,842,505	(660,272)	40,182,233
Less: Current portion of non-current assets:			
Retention money receivables	3,158,142	(8,154)	3,149,988
"Build-Transfer" project receivables	9,457,591	–	9,457,591
A-land development	650,000	–	650,000
Others	493	–	493
	13,266,226	(8,154)	13,258,072
Long-term receivables	27,576,279	(652,118)	26,924,161

	31 December 2014 (Restated) (Audited)		
	Gross carrying amount	Provision for impairment	Carrying amount
Retention money receivables	4,926,516	(82,974)	4,843,542
"Build-Transfer" project receivables	27,882,034	(556,529)	27,325,505
A-land development	4,696,067	–	4,696,067
Others	546,016	–	546,016
	38,050,633	(639,503)	37,411,130
Less: Current portion of non-current assets:			
Retention money receivables	4,528,347	(3,644)	4,524,703
"Build-Transfer" project receivables	8,001,776	(880)	8,000,896
Others	132,141	–	132,141
	12,662,264	(4,524)	12,657,740
Long-term receivables	25,388,369	(634,979)	24,753,390

For the six months ended 30 June 2015, long-term receivables are presented in accordance with the net amount after discount, the discount rate is between 3.00% and 6.00% (2014: between 3.00% and 6.15%).

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Long-term receivables (continued)

An ageing analysis of long-term receivables was as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Within 1 year	29,501,063	27,413,269
1 to 2 years	7,564,221	7,020,829
2 to 3 years	2,121,688	2,530,277
Over 3 years	1,655,533	1,086,258
	40,842,505	38,050,633
Less: Provision for bad debts	(660,272)	(639,503)
	40,182,233	37,411,130
Less: Current portion of non-current assets	(13,258,072)	(12,657,740)
	26,924,161	24,753,390

Movements in the provision for impairment of long-term receivables are as follows:

	For the six months ended 30 June 2015 (Unaudited)	2014 (Restated) (Audited)
Opening balance	639,503	674,414
Provision for bad debts	20,769	169,024
Reversal	–	(203,935)
Closing balance	660,272	639,503

The Group assesses long-term receivables for impairment provision separately that are individually significant. When there is objective evidence (such as the debtor being in serious financial difficulties, entering bankruptcy, breach of contract or default or there being no payment and no transactions for a long time) that an impairment loss has been incurred, and the amount will be partially recovered, impairment losses will be recognized through profit or loss. As at 30 June 2015, the above provision was made for individually tested impaired long-term receivables of RMB660,272,000 (31 December 2014: RMB639,503,000) with a carrying amount before provision for impairment of RMB2,723,061,000 (31 December 2014: RMB2,106,826,000).

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Long-term receivables (continued)

An ageing analysis of the Group's long-term receivables that are neither past due nor impaired, and past due but not impaired is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Neither past due nor impaired	37,649,802	35,587,530
Past due but not impaired		
– Within 3 months	6,102	73,881
– 3 to 6 months	388,743	–
– More than 6 months	74,797	282,396
	38,119,444	35,943,807

Long-term receivables that were past due but not impaired are due from various customers with good repayment records in the past. The Company's management believes that these customers had no significant change in credit quality, and the balances are considered fully recoverable. Therefore, no provision for impairment has been made for these long-term receivables.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Investments in jointly-controlled entities and associates

	Principal place of business	Place of registration	Business scope	Registered capital	Percentage of ownership in equity (%)		Accounting treatment
					Direct	Indirect	
Jointly-controlled entities							
Chongqing Zhongyou Tieda Suiyu Co., Ltd. (Note a)	Chongqing	Chongqing	Petroleum marketing	24,000	49.00	-	Equity method
China-Africa Lekkil Investment Co., Ltd. (Note b)	Beijing	Beijing	Investment holding	200,000	74.47	-	Equity method
China Railway Communications International Engineering and Technology Co., Ltd. (Note c)	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction and design	150,000	51.30	-	Equity method
Associates							
Beijing China Railway Jianxie Engineering and Technology Consultation Co., Ltd.	Beijing	Beijing	Technology consultancy	5,000	49.00	-	Equity method
Shekou Xinghua Enterprise Co., Ltd.	Shekou, Guangdong	Shekou, Guangdong	Real estate development	46,377	32.90	-	Equity method
Chongqing Yurong Highway Co., Ltd.	Chongqing	Chongqing	Construction	979,750	40.00	-	Equity method
Hubei Jiaotou Ziyun Railway Co., Ltd.	Zhijiang, Hubei	Zhijiang, Hubei	Railway operation	500,000	20.00	-	Equity method
Nanchang Xinlong Real Estate Co., Ltd.	Nanchang, Jiangxi	Nanchang, Jiangxi	Property management, renting and real estate development	283,350	37.50	-	Equity method
Chongqing Monorail Transit Engineering Co., Ltd.	Chongqing	Chongqing	Construction	100,000	37.50	-	Equity method
CRCC-Tongguan Investment Co., Ltd.	Tongling, Anhui	Tongling, Anhui	Mining	2,000,000	30.00	-	Equity method
Inner Mongolia Boyuan Energy Co., Ltd.	Inner Mongolia	Inner Mongolia	Construction	200,000	30.00	-	Equity method
Ningxia China Railway Ningdong Road & Bridge Investment & Development Co., Ltd.	Yongning, Ningxia	Yongning, Ningxia	Transportation, hydrotechnics, infrastructure construction	130,000	49.00	-	Equity method
Hunan Maglev Transportation Development Co., Ltd.	Hunan Changsha	Hunan Changsha	Maglev Transportation program	1,280,000	22.18	-	Equity method

Note a: According to the articles of association of Chongqing Zhongyou Tieda Suiyu Co., Ltd. ("Chongqing Zhongyou Tieda Suiyu"), ordinary resolutions of the shareholders' board shall be subject to more than 80% voting rights of shareholders and special resolutions shall be subject to the agreement of all the shareholders. The Group holds 49.00% of shares of Chongqing Zhongyou Tieda Suiyu, thus can jointly control the corporation with other shareholders but not control it. Therefore, it is considered as a jointly controlled entity of the Group.

Note b: According to the articles of association of China-Africa Lekkil Investment Co., Ltd. ("China-Africa Lekkil"), the major decisions of the shareholders' board shall be subject to more than three-quarters of voting rights of shareholders. As the Group holds 74.47% shares in China-Africa Lekkil, it can jointly control the corporation with other shareholders but not control it. Therefore, it is considered as a jointly controlled entity of the Group.

Note c: According to the articles of association of China Railway Communications International Engineering and Technology Co., Ltd. ("CRC International"), the major decisions of the shareholders' board shall be subject to more than two-thirds of voting rights of shareholders. As the Group holds 51.30% shares in CRC International, it can jointly control the corporation with other shareholders but not control it. Therefore, it is considered as a jointly controlled entity of the Group.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO KEY ITEMS OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Investments in jointly-controlled entities and associates (continued)

The aggregate financial information of the individually insignificant jointly-controlled entities' is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
The share of jointly-controlled entities' net profit	9,091	26,371
The share of jointly-controlled entities' other comprehensive income	9,091	26,371
The aggregate carrying value of long-term equity investments	1,067,846	1,114,840

The aggregate financial information of the individually insignificant associates is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
The share of associates' net profit/(loss)	86,872	(29,199)
The share of associates' other comprehensive loss	(110,545)	(92,799)
The share of associates' comprehensive loss	(23,673)	(121,998)
The aggregate carrying value of long-term equity investments	2,356,839	2,394,760

11. Long-term equity investments

		30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Investments in unlisted companies			
Equity method			
Jointly-controlled entities:	(1)	1,067,846	1,114,840
Associates:	(2)	2,356,839	2,394,760
Less: Provision for impairment	(3)	(10,578)	(10,578)
		3,414,107	3,499,022

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (continued)

(1) Investments in jointly-controlled entities

For the six months ended 30 June 2015

Company name	Investment cost	Increase/(decrease) during the period				Closing balance	Provision for impairment
		Opening balance (Restated) (Audited)	Decrease in investment (Unaudited)	Share of (losses)/profits (Unaudited)	Distribution of dividends (Unaudited)		
PetroChina-CRCC Petroleum Marketing Co., Ltd.	50,000	55,207	(55,207)	-	-	-	-
China-Africa Lekkil Investment Co., Ltd.	851,410	857,016	-	4,437	(746)	860,707	-
China Railway Communications International Engineering and Technology Co., Ltd.	77,000	66,733	-	-	-	66,733	(10,578)
Chongqing Zhongyou Tiefa Suiyu Co., Ltd.	11,760	25,109	-	5,156	-	30,265	-
Others		110,775	(7)	(502)	(125)	110,141	-
		1,114,840	(55,214)	9,091	(871)	1,067,846	(10,578)

2014 (Restated) (Audited)

Company name	Investment cost	Increase/(decrease) during the year				Closing balance	Provision for impairment
		Opening balance	Additional investment	Share of (losses)/profits	Distribution of dividends		
PetroChina-CRCC Petroleum Marketing Co., Ltd.	50,000	57,952	-	581	(3,326)	55,207	-
China-Africa Lekkil Investment Co., Ltd.	851,410	846,832	-	10,184	-	857,016	-
China Railway Communications International Engineering and Technology Co., Ltd.	77,000	66,915	-	(182)	-	66,733	(10,578)
Chongqing Zhongyou Tiefa Suiyu Co., Ltd.	11,760	25,197	-	9,386	(9,474)	25,109	-
Others		26,891	77,550	6,402	(68)	110,775	-
		1,023,787	77,550	26,371	(12,868)	1,114,840	(10,578)

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (continued)

(2) Investments in associates

For the six months ended 30 June 2015

Company name	Increase/(decrease) during the period						
	Investment cost	Opening balance	Additional investment	Share of profits/ (losses)	Movement in Other comprehensive income	Distribution of dividends	Closing balance
	(Restated) (Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Beijing China Railway Jianxie Engineering and Technology Consultation Co., Ltd.	2,450	2,880	-	-	-	-	2,880
Shekou Xinghua Enterprise Co., Ltd.	16,693	36,852	-	269	-	-	37,121
Chongqing Yurong Highway Co., Ltd.	853,960	853,960	-	-	-	-	853,960
Hubei Jiaotou Ziyun Railway Co., Ltd.	100,000	100,000	-	-	-	-	100,000
Nanchang Xinlong Real State Co., Ltd.	90,000	89,527	-	-	-	-	89,527
Chongqing Monorail Transit Engineering Co., Ltd.	37,642	56,289	-	(694)	-	-	55,595
CRCC-Tongguan Investment Co., Ltd.	720,000	703,485	-	(10,715)	(110,545)	-	582,225
Inner Mongolia Boyuan Energy Co., Ltd.	60,000	59,113	-	4	-	-	59,117
Ningxia China Railway Ningdong Road & Bridge Investment & Development Co., Ltd.	41,830	101,830	-	-	-	-	101,830
Hunan Maglev Transportation Development Co., Ltd.	280,000	280,000	-	-	-	-	280,000
Others	-	110,824	51,571	98,008	-	(65,819)	194,584
		2,394,760	51,571	86,872	(110,545)	(65,819)	2,356,839

2014 (Restated) (Audited)

Company name	Increase/(decrease) during the year						
	Investment cost	Opening balance	Additional investment	Share of profits/ (losses)	Movement in Other comprehensive income	Distribution of dividends	Closing balance
Beijing China Railway Jianxie Engineering and Technology Consultation Co., Ltd.	2,450	2,293	-	978	-	(391)	2,880
Shekou Xinghua Enterprise Co., Ltd.	16,693	39,603	-	4,379	-	(7,130)	36,852
Chongqing Yurong Highway Co., Ltd.	853,960	853,960	-	-	-	-	853,960
Hubei Jiaotou Ziyun Railway Co., Ltd.	100,000	100,000	-	-	-	-	100,000
Nanchang Xinlong Property Management Co., Ltd.	90,000	89,511	-	16	-	-	89,527
Chongqing Monorail Transit Engineering Co., Ltd.	37,642	57,269	-	9,020	-	(10,000)	56,289
CRCC-Tongguan Investment Co., Ltd.	720,000	555,773	282,000	(41,489)	(92,799)	-	703,485
Inner Mongolia Boyuan Energy Co., Ltd.	60,000	60,000	-	(887)	-	-	59,113
Ningxia China Railway Ningdong Road & Bridge Investment & Development Co., Ltd.	41,830	41,830	60,000	-	-	-	101,830
Hunan Maglev Transportation Development Co., Ltd.	280,000	-	280,000	-	-	-	280,000
Others	-	49,652	63,300	(1,216)	-	(912)	110,824
		1,849,891	685,300	(29,199)	(92,799)	(18,433)	2,394,760

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets (continued)

2014 (Restated) (Audited)

	Buildings	Machinery	Vehicles	Other equipment	Total
Original costs					
Opening balance	12,256,661	36,387,842	12,954,052	25,745,929	87,344,484
Additions	753,735	2,326,552	1,256,459	5,391,236	9,727,982
Transferred from construction in progress	1,427,742	760,485	288,311	159,608	2,636,146
Disposals	(158,810)	(1,304,882)	(673,933)	(2,849,210)	(4,986,835)
Closing balance	14,279,328	38,169,997	13,824,889	28,447,563	94,721,777
Accumulated depreciation:					
Opening balance	(2,825,457)	(17,728,542)	(9,154,462)	(16,526,847)	(46,235,308)
Additions	(537,958)	(3,643,263)	(1,647,842)	(4,615,265)	(10,444,328)
Disposals	77,995	916,014	595,058	2,559,602	4,148,669
Closing balance	(3,285,420)	(20,455,791)	(10,207,246)	(18,582,510)	(52,530,967)
Provision for impairment:					
Opening balance	(79,243)	(332,499)	(88,337)	(60,619)	(560,698)
Disposals	1,087	2,277	95	514	3,973
Other	(2,161)	–	–	–	(2,161)
Closing balance	(80,317)	(330,222)	(88,242)	(60,105)	(558,886)
Net book value					
Closing balance	10,913,591	17,383,984	3,529,401	9,804,948	41,631,924
Opening balance	9,351,961	18,326,801	3,711,253	9,158,463	40,548,478

Fixed assets with title restriction are stated in Note V.59.

As at 30 June 2015, the amounts of interest expenses capitalized in the balance of fixed assets was RMB13,914,000 (31 December 2014: RMB11,000,000). The interest expenses capitalized for the six months ended 30 June 2015 amounted to RMB2,914,000 (2014: Nil).

Fixed assets that are temporarily unused are as follows:

As at 30 June 2015 (Unaudited)

	Gross carrying amount	Accumulated depreciation	Provision for impairment	Carrying amount
Machinery	2,922	(1,070)	–	1,852
Vehicles	1,599	(1,229)	–	370
Other equipment	27,624	(4,568)	–	23,056
	32,145	(6,867)	–	25,278

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12. Fixed assets (continued)

As at 31 December 2014 (Restated) (Audited)

	Gross carrying amount	Accumulated depreciation	Provision for impairment	Carrying amount
Buildings	1,181	(1,122)	–	59
Machinery	5,643	(1,106)	(2,376)	2,161
Vehicles	2,612	(1,982)	–	630
Other equipment	28,742	(5,296)	–	23,446
	38,178	(9,506)	(2,376)	26,296

Fixed assets held under finance leases are as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Original costs	6,195,236	5,640,278
Accumulated depreciation	(1,790,698)	(1,368,981)
Net book value	4,404,538	4,271,297

As at 30 June 2015 and 31 December 2014, the Group's fixed assets held under finance leases were all construction machinery.

As at 30 June 2015, the Group was in the process of applying for the title certificates of certain buildings with an aggregate carrying amount of RMB492,716,000 (31 December 2014: RMB394,519,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Company's management is also of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 30 June 2015.

As at 30 June 2015, fixed assets for which the property right certificates have not been obtained were as follows (Unaudited) :

Name of buildings	Carrying amount	Reason
Office Building of China Railway 21 th Bureau Group Co., Ltd.	361,217	in process
Wanda Office Building of Southwest Branch of China Railway Goods and Materials Group Co., Ltd.	25,718	in process
Office Building of China Railway Construction	18,007	in process
Others	87,774	in process
Total	492,716	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress

	30 June 2015 (Unaudited)		
	Gross carrying amount	Provision for impairment	Carrying amount
TBM of China Railway 11 th Bureau Group Co., Ltd.	56,496	—	56,496
Belt Conveyor Machine of China Railway 11 th Bureau Group Co., Ltd.	29,000	—	29,000
Balance TBM of China Railway 14 th Bureau Group Co., Ltd.	156,748	—	156,748
Complex building of medical center hospital of China Railway 17 th Bureau Group Co., Ltd.	33,567	—	33,567
TBM of China Railway 18 th Bureau Group Co., Ltd.	37,755	—	37,755
Earth Pressure of China Railway 18 th Bureau Group Co., Ltd.	62,050	—	62,050
Complex Building of China Railway 18 th Bureau Group No.5 Co., Ltd.	58,136	—	58,136
Jian'an International Apartment of China Railway 18 th Bureau Group Co., Ltd.	114,480	—	114,480
Jian'an Complex Building of China Railway 18 th Bureau Group Co., Ltd.	46,561	—	46,561
Special Large Truck of Excavator and Mines of China Railway 19 th Bureau Group Co., Ltd.	224,272	—	224,272
Earth Pressure Balance EPB-6410 of China Railway 19 th Bureau Group Co., Ltd.	76,219	—	76,219
Complex Building of China Railway 20 th Bureau Group Co., Ltd.	53,212	—	53,212
Xi'an Complex Building of China Railway 20 th No.2 Engineering Co., Ltd. of China	56,164	—	56,164
Complex Building of China Railway 21 th Bureau Group Rail Companies Co., Ltd.	40,275	—	40,275
Electrification Engineering Center and Machinery Sourcing Center	72,693	—	72,693
Tianjin engineering R&D Center of China Railway Construction	67,821	—	67,821
Jingyan Hotel Integrated Service Building Project of China Railway Construction Electrification Bureau	89,236	—	89,236
Design Building of China Railway Siyuan Survey and Design Group., Ltd.	225,562	—	225,562
Plant in Suzhou of China Railway 4 th Survey and Design Group Co., Ltd.	61,558	—	61,558
Design Building of Hangzhou Branch of China Railway 4 th Survey and Design Group, Ltd.	130,981	—	130,981
Golden World Complex Building of China Railway Material Group Co., Ltd.	32,493	—	32,493
Industrial Park of China Railway Construction Heavy Industry Co., Ltd.	61,352	—	61,352
Shipping Vehicle of CRCC Harbour & Channel Engineering Bureau Group Co., Ltd	300,344	—	300,344
Dormitory building of CRCC China-Africa Construction Limited	34,589	—	34,589
Factory and Base of Yanliang No.1 New Manufacturing Plant of China Railway 20 th Bureau Group Co., Ltd.	197,886	—	197,886
Others	454,917	(9,563)	445,354
	2,774,367	(9,563)	2,764,804

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

	31 December 2014 (Restated) (Audited)		
	Gross carrying amount	Provision For impairment	Carrying amount
TBM of China Railway 11 th Bureau Group Co., Ltd.	18,832	–	18,832
Belt Conveyor Machine of China Railway 11 th Bureau Group Co., Ltd.	29,000	–	29,000
Balance TBM of China Railway 14 th Bureau Group Co., Ltd.	152,422	–	152,422
Complex building of medical center hospital of China Railway 17 th Bureau Group Co., Ltd.	23,240	–	23,240
TBM of China Railway 18 th Bureau Group Co., Ltd.	27,657	–	27,657
Earth Pressure of China Railway 18 th Bureau Group Co., Ltd.	34,675	–	34,675
Complex Building of China Railway 18 th Bureau Group No.5 Co., Ltd.	62,075	–	62,075
Jian'an International Apartment of China Railway 18 th Bureau Group Co., Ltd.	114,480	–	114,480
Jian'an Complex Building of China Railway 18 th Bureau Group Co., Ltd.	30,283	–	30,283
Special Large Truck of Excavator and Mines of China Railway 19 th Bureau Group Co., Ltd.	256,230	–	256,230
Earth Pressure Balance EPB-6410 of China Railway 19 th Bureau Group Co., Ltd.	50,456	–	50,456
Complex Building of China Railway 20 th Bureau Group Co., Ltd.	34,480	–	34,480
Xi'an Complex Building of China Railway 20 th No.2 Engineering Co., Ltd. of China	32,005	–	32,005
Complex Building of China Railway 21 th Bureau Group Rail Companies Co., Ltd.	39,221	–	39,221
Electrification Engineering Center and Machinery Sourcing Center	68,408	–	68,408
Tianjin engineering R&D Center of China Railway Construction	49,709	–	49,709
Jingyan Hotel Integrated Service Building Project of China Railway Construction Electrification Bureau	87,925	–	87,925
Design Building of China Railway Siyuan Survey and Design Group., Ltd.	137,284	–	137,284
Plant in Suzhou of China Railway 4 th Survey and Design Group Co., Ltd.	50,866	–	50,866
Design Building of Hangzhou Branch of China Railway 4 th Survey and Design Group, Ltd.	127,524	–	127,524
Golden World Complex Building of China Railway Material Group Co., Ltd.	32,493	–	32,493
Industrial Park of China Railway Construction Heavy Industry Co., Ltd.	23,093	–	23,093
Shipping Vehicle of CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	272,206	–	272,206
Dormitory building of CRCC China-Africa Construction Limited	23,274	–	23,274
Factory and Base of Yanliang No.1 New Manufacturing Plant of China Railway 20 th Bureau Group Co., Ltd.	174,424	–	174,424
Others	875,107	(9,563)	865,544
	2,827,369	(9,563)	2,817,806

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

For the six months ended 30 June 2015 (Unaudited)

	Budget	Opening balance	Additions	Transferred out	Disposals	Closing balance	Source of funds	Proportion of investment to budget %
TBM of China Railway 11 th Bureau Group Co., Ltd.	110,000	18,832	37,664	–	–	56,496	Self-funding	51
Belt Conveyor Machine of China Railway 11 th Bureau Group Co., Ltd.	29,000	29,000	–	–	–	29,000	Self-funding	100
Balance TBM of China Railway 14 th Bureau Group Co., Ltd.	184,040	152,422	4,326	–	–	156,748	Loan	85
Complex building of medical center hospital of China Railway 17 th Bureau Group Co., Ltd.	43,100	23,240	10,327	–	–	33,567	Self-funding	78
TBM of China Railway 18 th Bureau Group Co., Ltd.	42,886	27,657	10,098	–	–	37,755	Loan	88
Earth Pressure of China Railway 18 th Bureau Group Co., Ltd.	73,000	34,675	27,375	–	–	62,050	Loan	85
Complex Building of China Railway 18 th Bureau Group No.5 Co., Ltd.	64,175	62,075	709	–	(4,648)	58,136	Self-funding	91
Jian'an International Apartment of China Railway 18 th Bureau Group Co., Ltd.	480,000	114,480	–	–	–	114,480	Self-funding	24
Jian'an Complex Building of China Railway 18 th Bureau Group Co., Ltd.	50,000	30,283	16,278	–	–	46,561	Self-funding	93
Special Large Truck of Excavator and Mines of China Railway 19 th Bureau Group Co., Ltd.	750,000	256,230	97,758	(93,871)	(35,845)	224,272	Loan	78
Earth Pressure Balance EPB-6410 of China Railway 19 th Bureau Group Co., Ltd.	137,567	50,456	25,763	–	–	76,219	Loan	55
Complex Building of China Railway 20 th Bureau Group Co., Ltd.	60,000	34,480	18,732	–	–	53,212	Self-funding	89
Xi'an Complex Building of China Railway 20 th No.2 Engineering Co., Ltd. of China	60,000	32,005	24,159	–	–	56,164	Self-funding	94
Complex Building of China Railway 21 st Bureau Group Rail Companies Co., Ltd.	40,275	39,221	1,054	–	–	40,275	Self-funding	100
Electrification Engineering Center and Machinery Sourcing Center of China Railway 22 nd Bureau Group Rail Companies Co., Ltd.	77,550	68,408	4,285	–	–	72,693	Self-funding	94
Tianjin engineering R&D Center of China Railway Construction	75,000	49,709	18,112	–	–	67,821	Self-funding	90
Jingyan Hotel Integrated Service Building Project of China Railway Construction Electrification Bureau	208,320	87,925	1,311	–	–	89,236	Self-funding	43

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

For the six months ended 30 June 2015 (Unaudited) (continued)

	Budget	Opening balance	Additions	Transferred out	Disposals	Closing balance	Source of funds	Proportion of investment to budget %
Design Building of China Railway 4 th Survey and Design Group., Ltd.	490,000	137,284	88,278	–	–	225,562	Self-funding	46
Plant in Suzhou of China Railway 4 th Survey and Design Group Co., Ltd.	194,529	50,866	10,692	–	–	61,558	Self-funding	32
Design Building of Hangzhou Branch of China Railway 4 th Survey and Design Group, Ltd.	241,000	127,524	3,457	–	–	130,981	Self-funding	54
Golden World Complex Building of China Railway Material Group Co., Ltd.	32,493	32,493	–	–	–	32,493	Self-funding	100
Industrial Park of China Railway Construction Heavy Industry Co., Ltd.	201,020	23,093	38,259	–	–	61,352	Self-funding	31
Shipping Vehicle of CRCC Harbour & Channel Engineering Bureau Group Co., Ltd	505,861	272,206	28,138	–	–	300,344	Self-funding	85
Dormitory building of CRCC China-Africa Construction Limited	36,543	23,274	11,352	–	(37)	34,589	Self-funding	95
Factory and Base of Yanliang No.1 New Manufacturing Plant of China Railway 20 th Bureau Group Co., Ltd.	359,000	174,424	23,462	–	–	197,886	Self-funding	55
Others		875,107	355,348	(754,045)	(21,493)	454,917		
Total		2,827,369	856,937	(847,916)	(62,023)	2,774,367		
Provision for impairment		(9,563)	–	–	–	(9,563)		
Carrying amount		2,817,806	856,937	(847,916)	(62,023)	2,764,804		

(Note a)

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

For the year ended 31 December 2014 (Restated) (Audited)

	Budget	Opening balance	Additions	Transferred out	Disposals	Closing balance	Source of funds	Proportion of investment to budget %
Belt Conveyor Machine of China Railway 11 th Bureau Group Co., Ltd.	29,000	29,000	-	-	-	29,000	Self-funding	100
China Railway Fuzhou Industrial Branch of Bridge Company Infrastructure Projects of China Railway 11 th Bureau Group Co., Ltd.	39,687	8,307	29,933	-	-	38,240	Self-funding	96
Balance TBM of China Railway 14 th Bureau Group Co., Ltd	184,040	-	152,422	-	-	152,422	Self-funding	83
57 th , 58 th TBM of China Railway 16 th Bureau Group Co., Ltd	89,200	-	89,200	-	-	89,200	Self-funding	100
Earth Pressure of China Railway 18 th Bureau Group Co., Ltd.	36,500	10,950	23,725	-	-	34,675	Self-funding	95
Complex Building of China Railway 18 th Bureau Group No.5 Co., Ltd	64,175	-	62,075	-	-	62,075	Self-funding	97
Jian'an International Apartment of China Railway 18 th Bureau Group Co., Ltd.	480,000	95,045	19,435	-	-	114,480	Self-funding	24
Jian'an Complex Building of China Railway 18 th Bureau Group Co., Ltd	40,000	-	30,283	-	-	30,283	Self-funding	76
Yinhan Jiwei Qinling Tunnel TBM of China Railway 18 th Bureau Group Co., Ltd.	380,000	179,537	13,732	-	-	193,269	Self-funding	51
Liaoning Northwest Project Department's TBM of Tunnel Company of China Railway 18 th Bureau Group Co., Ltd.	218,143	-	97,014	-	-	97,014	Self-funding	44
Special large Truck of Excavator and Mines of China Railway 19 th Bureau Group Co., Ltd.	700,000	-	487,812	(200,515)	(31,067)	256,230	Loan	70
Earth Pressure Balance EPB-6410 of China Railway 19 th Bureau Group Co., Ltd.	187,000	55,817	63,422	(68,783)	-	50,456	Self-funding	64
Xi'an Complex Building of China Railway 20 th No.2 Engineering Co., Ltd. of China	60,000	7,840	24,165	-	-	32,005	Self-funding	53
Complex Building of China Railway 20 th Bureau Group Co., Ltd.	60,000	35,740	21,094	-	(22,354)	34,480	Self-funding	95
Factory and Base of Yanliang No.1 New Manufacturing Plant of China Railway 20 th Bureau Group Co., Ltd.	359,000	90,592	83,832	-	-	174,424	Self-funding	49
Complex Building of China Railway 21 st Bureau Group Rail Companies Co., Ltd.	40,275	-	39,221	-	-	39,221	Self-funding	97
Electrification Engineering Center and Machinery Sourcing Center	68,408	-	68,408	-	-	68,408	Self-funding	100

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

For the year ended 31 December 2014 (Restated) (Audited) (continued)

	Budget	Opening balance	Additions	Transferred out	Disposals	Closing balance	Source of funds	Proportion of investment to budget %
Galaxy Wealth Centre of China Railway 22 nd Bureau Group Co., Ltd.	50,021	-	25,021	-	-	25,021	Self-funding	50
Tianjin Engineering R&D Center of China Railway Construction	65,000	102	49,607	-	-	49,709	Self-funding	76
Jingyan Hotel Integrated Service Building Project of China Railway Construction Electrification Bureau	203,601	84,954	2,971	-	-	87,925	Self-funding	43
Design Building of China Railway 4 th Survey and Design Group., Ltd.	490,000	39,898	97,386	-	-	137,284	Self-funding	28
Plant in Suzhou of China Railway 4 th Survey and Design Group Co., Ltd.	194,529	49,797	1,069	-	-	50,866	Self-funding	26
Design Building of Hangzhou Branch of China Railway 4 th Survey and Design Group, Ltd.	241,000	115,566	11,958	-	-	127,524	Self-funding	53
Golden World Complex Building of China Railway Material Group Co., Ltd.	32,493	32,493	-	-	-	32,493	Self-funding	100
Shipping Vehicle of CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	505,861	155,567	243,104	(126,465)	-	272,206	Self-funding	79
Others		1,686,947	1,526,319	(2,473,131)	(191,676)	548,459		
Total		2,678,152	3,263,208	(2,868,894)	(245,097)	2,827,369		
Provision for impairment		(9,563)	-	-	-	(9,563)		
Carrying amount		2,668,589	3,263,208	(2,868,894)	(245,097)	2,817,806		

(Note a)

Note (a): During the six months ended 30 June 2015, construction in progress with a carrying amount of RMB837,138,000 (2014: RMB2,636,146,000) was transferred to fixed assets; RMB10,778,000 (2014: RMB105,564,000) was transferred to intangible assets; No construction in progress (2014: RMB127,184,000) was transferred to properties held for sale.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

The amounts of interest expenses capitalized in the balance of construction in progress and the capitalization rates are as follows:

For the six months ended 30 June 2015 (Unaudited)

	Progress %	Accumulated amount of interest capitalized	Interest capitalized during the period	Capitalization rate during the period %
Combat Readiness Equipment Warehouse in Tai'an of China Railway 14 th Bureau Group Co., Ltd.	29	2,365	1,032	6.86
Jian'an International Apartment of China Railway 18 th Bureau Group Co., Ltd.	24	3,542	–	–
Jian'an Complex Building of China Railway 18 th Bureau Group Co., Ltd.	93	179	–	–
Yinhan Jiwei Qinling Tunnel TBM of China Railway 18 th Bureau Group Co., Ltd.	63	1,487	–	–
Special Large Truck of Excavator and Mines of China Railway 19 th Bureau Group Co., Ltd.	78	6,794	3,802	6.78
Complex Building of China Railway 21 th Bureau Group Rail Co., Ltd.	100	2,807	1,032	5.57
Shipping Vehicle of CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	85	10,579	–	–
Scientific Research Building of China Railway Shanghai Design Institute Group Co., Ltd.	18	798	798	5.32
		28,551	6,664	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Construction in progress (continued)

2014 (Restated) (Audited)

	Progress %	Accumulated amount of interest capitalized	Interest capitalized during the year	Capitalization rate during the year %
Combat Readiness Equipment Warehouse in Tai'an of China Railway 14 th Bureau Group Co., Ltd.	5	1,333	1,333	7.63
Jian'an International Apartment of China Railway 18 th Bureau Group Co., Ltd.	24	3,542	3,542	6.29
Jian'an Complex Building of China Railway 18 th Bureau Group Co., Ltd.	76	179	179	6.29
Yinhan Jiwei Qinling Tunnel TBM of China Railway 18 th Bureau Group Co., Ltd.	51	3,329	542	6.29
Liaoning Northwest Project Department's TBM of Tunnel Company of China Railway 18 th Bureau Group Co., Ltd.	44	807	807	6.29
Special Large Truck of Excavator and Mines of China Railway 19 th Bureau Group Co., Ltd.	70	2,992	2,992	6.78
Complex Building of China Railway 21 st Bureau Group Rail Co., Ltd.	97	1,775	1,775	6.22
Shipping Vehicle of CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	79	10,579	4,942	5.74
		24,536	16,112	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible assets

For the six months ended 30 June 2015 (Unaudited)

	Land use rights	Concession assets	Mining rights	Others	Total
Original costs					
Opening balance	6,025,935	18,013,556	172,511	238,096	24,450,098
Additions	61,014	4,985,138	–	17,177	5,063,329
Transferred from construction in progress	–	–	–	10,778	10,778
Disposals	(42,712)	(46,413)	–	(431)	(89,556)
Closing balance	6,044,237	22,952,281	172,511	265,620	29,434,649
Accumulated amortization					
Opening balance	(855,093)	(1,060,399)	(20,559)	(127,229)	(2,063,280)
Additions	(62,669)	(75,236)	(1,648)	(13,110)	(152,663)
Disposals	6,539	–	–	925	7,464
Closing balance	(911,223)	(1,135,635)	(22,207)	(139,414)	(2,208,479)
Provision for impairment					
Opening balance	(9,044)	–	–	–	(9,044)
Closing balance	(9,044)	–	–	–	(9,044)
Net book value					
Closing balance	5,123,970	21,816,646	150,304	126,206	27,217,126
Opening balance	5,161,798	16,953,157	151,952	110,867	22,377,774

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible assets (continued)

2014 (Restated) (Audited)

	Land use rights	Concession assets	Mining rights	Others	Total
Original costs					
Opening balance	6,036,753	8,597,150	172,511	197,935	15,004,349
Additions	162,168	9,418,092	–	36,875	9,617,135
Transferred from construction in progress	100,987	–	–	4,577	105,564
Disposals	(273,973)	(1,686)	–	(1,291)	(276,950)
Closing balance	6,025,935	18,013,556	172,511	238,096	24,450,098
Accumulated amortization					
Opening balance	(744,947)	(909,927)	(18,212)	(104,874)	(1,777,960)
Additions	(115,932)	(150,472)	(2,347)	(22,961)	(291,712)
Disposals	5,786	–	–	606	6,392
Closing balance	(855,093)	(1,060,399)	(20,559)	(127,229)	(2,063,280)
Provision for impairment					
Opening balance	(9,044)	–	–	–	(9,044)
Closing balance	(9,044)	–	–	–	(9,044)
Net book value					
Closing balance	5,161,798	16,953,157	151,952	110,867	22,377,774
Opening balance	5,282,762	7,687,223	154,299	93,061	13,217,345

As at 30 June 2015 and 31 December 2014, there were no intangible assets added through internal research and development.

The remaining lease terms of the Group's land use rights in the PRC are analyzed as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Long term of not less than 50 years	119,658	95,857
Medium term of less than 50 years but not less than 10 years	4,958,066	5,014,760
Short term of less than 10 years	46,246	51,181
	5,123,970	5,161,798

Intangible assets with title restriction are stated in Note V.59.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible assets (continued)

As at 30 June 2015, the Group was in the process of applying for the title certificates of certain parcels of its land in the PRC with an aggregate carrying amount of RMB115,463,000 (31 December 2014: RMB54,011,000). The Company's management is of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned land, and also of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 30 June 2015.

On 30 June 2015, intangible assets for which the property right certificates have not been obtained are as follows (Unaudited) :

Name of land	Carrying amount	reason
Chanba Production Base of Xi 'an	36,049	in process
Yan Liang New Production Base of Xi 'an Construction Machinery Co., Ltd.	31,057	in process
Others	48,357	in process
Total	115,463	

The amounts of interest capitalized in the balance of intangible assets and the capitalization rates are as follows:

For the six months ended 30 June 2015 (Unaudited)

	Progress %	Accumulated amount of interest capitalized	Interest capitalized during the year	Capitalization rate during the year %
Jiyang Yellow River Bridge concession rights	100	23,564	–	–
De'shang Highway Project Xiajing to Liucheng concession rights	55	98,555	38,686	6.14
Sichuan JianPu Highway Project concession rights	24	257,599	109,006	6.86
Ji'nan to Leling Highway Project concession rights	94	418,914	6,239	6.60
Guangxi Ziyuan(meixi) to Xing'an Highway BOT Project concession rights	35	74,029	42,081	5.52
Guizhou Anshun to Ziyun Highway Project concession rights	2	6,806	–	–
Shandong Jiyu Highway Project concession rights	32	72,759	36,223	5.73
Yusui Highway Project concession rights	100	192,971	–	–
Chongqing Xiushan to Guizhou Songtao Highway Project concession rights	20	14,305	6,779	6.68
Total		1,159,502	239,014	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible assets (continued)

2014 (Restated) (Audited)

	Progress %	Accumulated amount of interest capitalized	Interest capitalized during the year	Capitalization rate during the year %
Jiyang Yellow River Bridge concession rights	100	23,564	–	–
De'shang Highway Project Xiajing to Liucheng concession rights	43	59,869	59,869	6.53
Sichuan JianPu highway Project concession rights	5	148,593	148,593	7.84
Ji'nan to Leling Highway Project concession rights	90	412,675	237,231	6.55
Guangxi Ziyuan(meixi) to Xing'an Highway BOT Project concession rights	24	31,948	31,948	6.58
Guizhou Anshun to Ziyun Highway Project concession rights	–	6,806	6,806	6.92
Shandong Jiyu Highway Project concession rights	24	36,536	36,536	6.51
Yusui Highway Project concession rights	100	192,971	–	–
Chongqing Xiushan to Guizhou Songtao Highway Project concession rights	12	7,526	7,526	6.68
Total		920,488	528,509	

15. Goodwill

For the six months ended 30 June 2015

Opening balance	Increase (Restated) (Audited)	Decrease (Unaudited)	Closing balance (Unaudited)	(Unaudited)
Acquisition of Hangsheng Company	100,135	–	–	100,135
Others	3,158	–	–	3,158
Total	103,293	–	–	103,293

2014 (Restated) (Audited)

	Opening balance	Increase	Decrease	Closing balance
Acquisition of Hangsheng Company	100,135	–	–	100,135
Others	352	3,148	342	3,158
Total	100,487	3,148	342	103,293

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Deferred tax assets and liabilities

	30 June 2015 (Unaudited)		31 December 2014 (Restated) (Audited)	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Deferred tax assets				
Provision for long-term post-leaving benefits	2,184,469	496,434	2,497,440	534,808
Provision for impairment of assets	2,408,901	601,916	2,038,849	502,163
Deductible tax losses	441,696	96,324	405,324	87,466
Accruals and provisions	407,731	101,505	433,672	106,202
Additional tax deduction on asset revaluation surplus arising from a prior restructuring	2,051,167	473,549	2,087,406	489,709
Others	2,263,948	483,880	2,257,454	481,874
	9,757,912	2,253,608	9,720,145	2,202,222
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Deferred tax liabilities				
Available-for-sale financial assets	2,616,497	651,252	385,633	73,802
Others	22,002	5,500	10,040	2,065
	2,638,499	656,752	395,673	75,867

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Deferred tax assets and liabilities (continued)

Unrecognized deferred tax assets are presented as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Deductible tax losses	593,171	529,261

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

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
2016	13,202	32,763
2017	93,143	16,615
2018	217,869	112,080
2019	1,662,351	251,540
2020	416,463	1,718,594
	2,403,028	2,131,592

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Provision for impairment of assets

For the six months ended 30 June 2015

	Opening	Increase	Decrease		Closing
	balance (Restated) Audited)	Provision (Unaudited)	Reversal (Unaudited)	Write-off (Unaudited)	balance (Unaudited)
Provision for bad debts	3,641,844	793,156	(175,446)	(37,850)	4,221,704
Provision for decline in value of inventories	349,426	44,987	(13,187)	(2,070)	379,156
Provision for impairment of available-for-sale financial assets	14,340	3	–	(476)	13,867
Provision for impairment of long-term equity investments	10,578	–	–	–	10,578
Provision for impairment of fixed assets	558,886	–	–	(2,037)	556,849
Provision for impairment of construction in progress	9,563	–	–	–	9,563
Provision for impairment of intangible assets	9,044	–	–	–	9,044
	4,593,681	838,146	(188,633)	(42,433)	5,200,761

2014 (Restated) (Audited)

	Opening	Increase	Decrease		Closing
	balance	Provision	Reversal	Write-off	balance
Provision for bad debts	2,329,989	1,866,725	(468,852)	(86,018)	3,641,844
Provision for decline in value of inventories	199,189	195,642	(12,429)	(32,976)	349,426
Provision for impairment of available-for-sale financial assets	11,986	2,354	–	–	14,340
Provision for impairment of long-term equity investments	10,578	–	–	–	10,578
Provision for impairment of fixed assets	560,698	–	–	(1,812)	558,886
Provision for impairment of construction in progress	9,563	–	–	–	9,563
Provision for impairment of intangible assets	9,044	–	–	–	9,044
	3,131,047	2,064,721	(481,281)	(120,806)	4,593,681

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Short-term loans

		30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Pledged loans	Note (a)	3,659,264	2,288,412
Mortgaged loans	Note (b)	40,500	32,500
Guaranteed loans	Note (c)	7,972,460	5,937,810
Loans on credit		38,746,511	37,332,317
		50,418,735	45,591,039

Notes:

(a) As at 30 June 2015, certain short-term loans with a carrying amount of RMB50,000 (31 December 2014: RMB510,000) were secured by the pledge of the Group's fixed deposits in the amount of RMB63,000 (31 December 2014: RMB570,000) (Note V.59(a)).

As at 30 June 2015, certain short-term loans with a carrying amount of RMB3,659,214,000 (31 December 2014: RMB2,287,902,000) were secured by the pledge of the Group's accounts receivable in the amount of RMB4,093,248,000 (31 December 2014: RMB2,688,534,000) (Note V.59(b)).

(b) As at 30 June 2015, certain short-term loans with a carrying amount of RMB40,500,000 were secured by the mortgages of the Group's buildings in the amount of RMB16,700,000 (31 December 2014: certain short-term loans with a carrying amount of RMB32,500,000 were secured by the mortgages of the Group's buildings in the amount of RMB23,818,000) (Note V.59(d)).

(c) As at 30 June 2015, all guaranteed loans were guaranteed by the entities comprising the Group.

As at 30 June 2015, interest rates for the above loans ranged from 2.91% to 8.00% per annum (31 December 2014: from 1.25% to 10.00%).

As at 30 June 2015, there were no short-term loans defaulted by the Group (31 December 2014: nil).

19. Due to customers

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Due to customers	3,925,267	807,664

20. Due to banks

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Due to banks from domestic banks	1,300,000	–

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Bills payable

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Commercial acceptance bills	1,389,711	1,299,022
Bank acceptance bills	22,386,693	20,257,126
	23,776,404	21,556,148

As at 30 June 2015, there were no unpaid overdue bills payable (31 December 2014: nil).

22. Accounts payable

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

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Within 1 year	193,151,596	201,250,257
1 to 2 years	2,360,177	3,428,273
2 to 3 years	764,757	402,012
More than 3 years	372,438	450,254
	196,648,968	205,530,796

As at 30 June 2015, significant accounts payable aged over one year were as follows:

	Relationship with the Group	30 June 2015 (Unaudited)	Reason for payables not being settled
Company 1	Third party	145,573	Material procurement costs unsettled
Company 2	Third party	41,000	Material procurement costs unsettled
Company 3	Third party	26,047	Material procurement costs unsettled
Company 4	Third party	23,823	Construction costs unsettled
Company 5	Third party	23,800	Material procurement costs unsettled
		260,243	

As at 31 December 2014, significant accounts payable aged over one year were as follows:

	Relationship with the Group	31 December 2014 (Restated) (Audited)	Reason for payables not being settled
Company 1	Third party	43,985	Construction costs unsettled
Company 2	Third party	41,000	Material procurement costs unsettled
Company 3	Third party	26,031	Deposit not due
Company 4	Third party	24,798	Construction costs unsettled
Company 5	Third party	22,522	Construction costs unsettled
		158,336	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Advances from customers

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Advances for construction contracts	31,264,902	31,198,540
Advances for sale of properties (Note)	19,597,216	12,244,238
Gross amount due to contract customers (Note V.7 (3))	18,387,757	15,452,913
Advances for the sale of materials	4,936,708	3,950,847
Advances for the sale of goods	436,466	412,125
Others	908,209	556,750
	75,531,258	63,815,413

Note: Details of the advances from customers for the pre-sale of properties are as follows:

Property name	30 June 2015 (Unaudited)	Percentage of accumulated pre-sales in advance	Estimated completion date
Hefei CRCC International City Project III	1,577,817	51	December 2015
Wuhan 1818 Center Project	891,981	70	August 2015
CRCC Lidu Project	850,839	55	December 2015
CRCC Hangzhou Qingxiu City Project	758,485	66	October 2015
Xi'an CRCC International City Project	748,511	49	December 2018
Qingxiu Shangyuan Street Project	721,742	22	August 2016
Yuanxiang Jiayuan Project	623,005	89	December 2015
Wuhan Wutong Garden Project	603,660	75	August 2015
CRCC Beijing Shanyu City Project	582,445	91	December 2015
Dalian Qingxiu Lanwan Project	541,608	60	December 2016
Jinjiang International City Project	538,280	60	December 2015
Environmental Protection and Technology Garden Project	522,100	79	December 2015
Guiyang International City H4 Project	516,966	89	November 2015
CRCC Shunxin Jiayuan Project	502,709	61	December 2016
Yuanxiang Mangu Project	498,079	84	December 2015
CRCC Yiyuan A Street Project	479,503	100	December 2015
CRCC Shanghai Qingxiuyuan Project	409,259	65	November 2015
Tianjin CRCC International City Project	393,633	31	April 2018
Wuhan CRCC International City Project II	388,316	38	April 2016
CRCC Yao Center Project	380,527	17	September 2015
Jiangwan Shanyu City Project	364,081	26	December 2017
Jiangsu Qingxiu City Project	363,780	5	September 2016
Changchun CRCC International Garden Project III	350,478	63	October 2015
CRCC Wutong Garden Project	318,198	81	August 2015
Tongjing International City DEF Project	297,568	29	December 2015
Puhexin Garden Project	284,632	25	November 2015
Others	5,089,014		
	19,597,216		

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Advances from customers (continued)

Note: Details of the advances from customers for the pre-sale of properties are as follows: (continued)

Property name	31 December 2014 (Restated) (Audited)	Percentage of accumulated pre-sales in advance	Estimated completion date
Yuanxiang Mangu Project	1,033,748	71	December 2015
Hefei CRCC International City Project III	887,895	28	December 2015
Xi'an CRCC International City Project	826,218	33	December 2018
Wuhan 1818 Center Project	806,660	46	August 2015
Xipai International Project	534,760	44	June 2015
CRCC Hangzhou Qingxiu City Project	421,671	44	October 2015
CRCC Yiyuan A Area Project	385,449	69	December 2015
Yuanxiang Jiayuan Project	359,814	68	December 2015
CRCC Beijing Shanyu City Project	347,999	91	December 2015
CRCC Yao Center Project	280,202	14	September 2015
Qingxiu Shangyuan Street Project	265,919	16	August 2016
Jinjun Xingsheng Jiugongzhen Project	263,412	20	October 2016
Wuhan Wutong Garden Project	237,930	74	March 2016
Changchun CRCC International Garden Project III	234,002	50	October 2015
CRCC Shunxin Jiayuan Project	224,191	10	December 2016
Jinan CRCC International City Project	223,628	83	December 2015
CRCC Wutong Garden Project	218,741	84	August 2015
CRCC Shanghai Qingxiuyuan Project	213,158	50	November 2015
CRCC Mingshan Xiushui Project	190,829	79	June 2016
Dalian Qingxiu Lanwan Project	161,336	44	December 2016
Tongjing International City C Project	157,727	95	October 2015
Jinjiang International City Project	157,354	26	December 2015
Guiyang International City H4 Project	156,109	26	November 2015
Jiangwan Shanyu City Project	143,477	90	December 2015
CRCC Linyi Donglai Shangcheng Project	142,506	92	December 2015
Wuhan CRCC International City Project II	138,330	18	April 2016
Others	3,231,173		
	12,244,238		

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Advances from customers (continued)

As at 30 June 2015, significant advances from customers aged over one year were as follows:

	Relationship with the Group	30 June 2015 (Unaudited)	Reason for being outstanding
Company 1	Third party	2,819,994	Work performed not billed
Company 2	Third party	717,439	Work performed not billed
Company 3	Third party	566,018	Work performed not billed
Company 4	Third party	159,661	Work performed not billed
Company 5	Third party	145,784	Work performed not billed
		4,408,896	

As at 31 December 2014, significant advances from customers aged over one year were as follows:

	Relationship with the Group	31 December 2014 (Restated) (Audited)	Reason for being outstanding
Company 1	Third party	2,824,542	Work performed not billed
Company 2	Third party	899,396	Work performed not billed
Company 3	Third party	595,819	Work performed not billed
Company 4	Third party	54,592	Work performed not billed
Company 5	Third party	50,235	Work performed not billed
		4,424,584	

24. Employee benefits payable

For the six months ended 30 June 2015

	Opening balance (Restated) (Audited)	Accrued (Unaudited)	Paid (Unaudited)	Closing balance (Unaudited)
Short-term benefits	6,125,353	17,009,252	(17,154,700)	5,979,905
Post-employment benefits (defined contribution plans)	1,284,859	1,963,835	(1,957,700)	1,290,994
	7,410,212	18,973,087	(19,112,400)	7,270,899

2014 (Restated) (Audited)

	Opening balance	Accrued	Paid	Closing balance
Short-term benefits	5,065,142	32,425,285	(31,365,074)	6,125,353
Post-employment benefits (defined contribution plans)	1,178,820	3,874,229	(3,768,190)	1,284,859
	6,243,962	36,299,514	(35,133,264)	7,410,212

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Employee benefits payable (continued)

Short-term benefits:

For the six months ended 30 June 2015

	Opening balance (Restated) (Audited)	Accrued (Unaudited)	Paid (Unaudited)	Closing balance (Unaudited)
Salaries, bonuses, allowances and subsidies	3,869,628	13,219,239	(13,572,901)	3,515,966
Staff welfare	–	596,519	(596,519)	–
Social insurance	845,269	991,427	(928,865)	907,831
Including: Medical insurance	723,344	866,281	(812,415)	777,210
Work injury insurance	78,580	76,114	(71,027)	83,667
Maternity insurance	43,345	49,032	(45,423)	46,954
Housing funds	670,457	819,943	(810,658)	679,742
Union fund and employee education fund	445,064	321,797	(267,088)	499,773
Others	294,935	1,060,327	(978,669)	376,593
	6,125,353	17,009,252	(17,154,700)	5,979,905

2014 (Restated) (Audited)

	Opening balance	Accrued	Paid	Closing balance
Salaries, bonuses, allowances and subsidies	3,083,838	25,600,574	(24,814,784)	3,869,628
Staff welfare	–	1,262,374	(1,262,374)	–
Social insurance	799,533	1,902,067	(1,856,331)	845,269
Including: Medical insurance	677,349	1,650,766	(1,604,771)	723,344
Work injury insurance	82,608	150,080	(154,108)	78,580
Maternity insurance	39,576	101,221	(97,452)	43,345
Housing funds	636,058	1,542,663	(1,508,264)	670,457
Union fund and employee education fund	431,477	649,815	(636,228)	445,064
Others	114,236	1,467,792	(1,287,093)	294,935
	5,065,142	32,425,285	(31,365,074)	6,125,353

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Employee benefits payable (continued)

Defined contribution plans:

For the six months ended 30 June 2015

	Opening balance (Restated) (Audited)	Accrued (Unaudited)	Paid (Unaudited)	Closing balance (Unaudited)
Basic pension	971,424	1,682,495	(1,669,871)	984,048
Unemployment insurance	109,473	106,071	(107,956)	107,588
Supplementary pension insurance	203,962	175,269	(179,873)	199,358
	1,284,859	1,963,835	(1,957,700)	1,290,994

2014 (Restated) (Audited)

	Opening balance	Accrued	Paid	Closing balance
Basic pension	877,725	3,264,800	(3,171,101)	971,424
Unemployment insurance	113,385	214,817	(218,729)	109,473
Supplementary pension insurance	187,710	394,612	(378,360)	203,962
	1,178,820	3,874,229	(3,768,190)	1,284,859

25. Taxes payable

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Value-added tax	225,616	309,725
Business tax	4,947,784	5,407,276
Corporate income tax	1,205,003	2,247,040
Individual income tax	816,025	952,754
City maintenance and construction tax	290,444	377,760
Others	386,263	487,376
	7,871,135	9,781,931

26. Interest payables

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Interest payables for corporate bonds (Note V.29,32)	743,985	640,572
Interest payables for short-term loans	200,602	151,296
Interest payables for long-term loans	64,236	65,860
	1,008,823	857,728

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

27. Dividends payable

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
CRCCG (Note V.43 (Note c))	–	277,504
Public shareholders of H shares	283,131	–
National Council for Social Security Fund	28,313	–
Beijing Modasi Investment Co., Ltd.	39,971	39,971
Others	121,724	91,996
	473,139	409,471

28. Other payables

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Guarantees and deposits	13,550,154	13,302,923
Payables for advances	9,701,053	9,542,302
Accrued business taxes and surcharges	5,131,887	4,964,873
Others	12,710,892	12,269,655
	41,093,986	40,079,753

At the balance sheet date, significant other payables aged over one year were as follows:

	Relationship with the Group	30 June 2015 (Unaudited)	Reasons for not being settled
Company 1	Third party	251,616	Payables not settled
Company 2	Third party	44,187	Demolition not settled
Company 3	Third party	40,000	Deposit not due
Company 4	Third party	37,116	Deposit not due
Company 5	Third party	30,026	Deposit not due
		402,945	

	Relationship with the Group	31 December 2014 (Restated) (Audited)	Reasons for not being settled
Company 1	Third party	251,616	Payables not settled
Company 2	Third party	88,000	Deposit not due
Company 3	Third party	47,177	Deposit not due
Company 4	Third party	44,187	Demolition not settled
Company 5	Third party	40,000	Deposit not due
		470,980	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Current portion of non-current liabilities

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Current portion of long-term loans (Note V.31)	23,278,585	20,159,539
Current portion of bonds payable	7,448,136	5,793,958
Current portion of long-term payables (Note V.33)	1,755,946	2,044,186
Current portion of long-term employee benefits payable (Note V.34)	443,504	623,742
	32,926,171	28,621,425

The current portion of long-term loans is presented as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Pledged loans (Note V.31 (b))	116,780	141,780
Mortgaged loans (Note V.31(c))	2,178,557	2,942,951
Guaranteed loans	5,993,812	3,700,667
Loans on credit	14,989,436	13,374,141
	23,278,585	20,159,539

As at 30 June 2015, the current portion of bonds payable was as follows:

	Principal	Issuing date	Maturity	Amount issued	Interest rate per annum	Opening balance (Restated) (Audited)	Interest accrued in the year (Unaudited)	Discount or premium amortization (Unaudited)	Interest paid in the year (Unaudited)	Closing balance (Unaudited)
China Railway Co., Ltd. - First issue of medium-term notes in 2010	5,000,000	27 Aug 2010	5 years	5,000,000	3.78%	4,993,958	93,723	4,178	-	4,998,136
China Railway 15 th Bureau Group Co., Ltd. - 2012 first issue of private placement note	400,000	23 Nov 2012	3 years	400,000	6.50%	400,000	12,893	-	-	400,000
China Railway 25 th Bureau Group Co., Ltd. - 2012 first issue of private placement note	400,000	6 Aug 2012	3 years	400,000	6.10%	400,000	12,100	-	-	400,000
China Railway 17 th Bureau Group Co., Ltd. - 2013 first issue of private placement note	500,000	21 Mar 2013	3 years	500,000	5.88%	500,000	14,700	-	(29,400)	500,000
China Railway 23 rd Bureau Group Co., Ltd. - 2014 first issue of private placement note	150,000	14 Mar 2014	2 years	150,000	7.50%	150,000	3,094	-	(8,813)	150,000
China Railway 24 th Bureau Group Co., Ltd. - 2014 first issue of private placement note	600,000	11 Apr 2013	3 years	600,000	5.40%	600,000	16,200	-	(32,400)	600,000
China Railway 15 th Bureau Group Co., Ltd. - 2013 first issue of private placement note	400,000	28 Mar 2013	3 years	400,000	5.90%	400,000	12,091	-	(23,600)	400,000
	7,450,000			7,450,000		7,443,958	164,801	4,178	(94,213)	7,448,136

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Current portion of non-current liabilities (continued)

As at 31 December 2014, the current portion of bonds payable was as follows (Restated) (Audited):

	Principal	Issuing date	Maturity	Amount issued	Interest rate per annum	Opening balance	Interest accrued in the year	Discount or premium amortization	Interest paid in the year	Closing balance
China Railway Co., Ltd. – First issue of medium-term notes in 2010	5,000,000	27 Aug 2010	5 years	5,000,000	3.78%	4,986,350	196,608	7,608	(189,000)	4,993,958
China Railway 15 th Bureau Group Co., Ltd. – 2012 first issue of private placement note	400,000	23 Nov 2012	3 years	400,000	6.50%	400,000	26,000	-	(26,000)	400,000
China Railway 25 th Bureau Group Co., Ltd. – 2012 first issue of private placement note	400,000	6 Aug 2012	3 years	400,000	6.10%	400,000	24,400	-	(24,400)	400,000
China Railway 23 rd Bureau Group Co., Ltd. – 2012 first issue of private placement note	350,000	9 Aug 2012	2 years	350,000	5.90%	350,000	10,440	-	(368,068)	-
China Railway 25 th Bureau Group Co., Ltd. – 2012 second issue of private placement note	500,000	9 Nov 2012	2 years	500,000	6.20%	500,000	26,584	-	(531,000)	-
	6,650,000			6,650,000		6,636,350	284,032	7,608	(1,138,468)	5,793,958

30. Other current liabilities

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Current portion of deferred income (Note V.37)	28,065	28,141
Short-term unsecured financing bonds and private placement note (Note)	4,561,357	5,704,924
Others	8,213	8,452
	4,597,635	5,741,517

Note: Other current liabilities represent short-term unsecured financing bonds and private placement note with a fixed interest rate issued by the Group and its subsidiaries. The principal and the interest will be repaid at the end of the term.

Movements of the bonds were as follows:

	Opening balance (Restated) (Audited)	Increase (Unaudited)	Decrease (Unaudited)	Closing balance (Unaudited)
For the six months ended 30 June 2015	5,704,924	3,616,433	(4,760,000)	4,561,357
2014 (Restated) (Audited)	8,666,277	5,911,647	(8,873,000)	5,704,924

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Other current liabilities (continued)

As at 30 June 2015, the balances of the short-term unsecured financing bonds and private placement note were as follows (Unaudited):

Bond	Principal	Issuing date	Interest rate per annum	Maturity	Accrued interest	Closing balance
China Railway 19 th Bureau Group Co., Ltd. – 2014 first issue of private placement note of Everbright Bank	1,000,000	24 Oct 2014	6.30%	365 days	39,169	1,039,169
China Railway Construction Co., Ltd. – 2015 first tranche	3,000,000	24 Apr 2015	3.97%	270 days	22,188	3,022,188
Chongqing Tiefa Suiyu – 2015 first issue of private placement note	500,000	18 May 2015	6.00%	270 days	–	500,000
	4,500,000				61,357	4,561,357

As at 31 December 2014, the balances of the short-term unsecured financing bonds and private placement note were as follows (Restated) (Audited):

Bond	Principal	Issuing date	Interest rate per annum	Maturity	Accrued interest	Closing balance
China Railway Construction Co., Ltd. – 2014 first tranche	3,500,000	28 Mar 2014	5.30%	365 days	141,793	3,641,793
China Railway 19 th Bureau Group Co., Ltd. – 2014 first issue of private placement note of Everbright Bank	1,000,000	24 Oct 2014	6.30%	365 days	9,506	1,009,506
China Railway 19 th Bureau Group Co., Ltd. – 2014 first issue of private placement note of Ping An Bank	1,000,000	24 Mar 2014	7.45%	365 days	53,625	1,053,625
	5,500,000				204,924	5,704,924

31. Long-term loans

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Pledged loans (Note (b) and Note (d))	3,032,131	1,447,630
Mortgaged loans (Note (a),(c) and (e))	10,675,430	10,076,507
Guaranteed loans (Note (f))	7,692,007	10,101,332
Loans on credit	35,131,476	32,161,260
	56,531,044	53,786,729

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. Long-term loans (continued)

Notes:

- (a) As at 30 June 2015, long-term bank loans with a carrying amount of RMB6,523,000 (31 December 2014: RMB6,694,000) were secured by mortgages of the Group's buildings with a carrying amount of RMB6,904,000 (31 December 2014: RMB6,904,000) (Note V.59(d)).
- (b) As at 30 June 2015, long-term bank loans in the amount of RMB1,404,410,000 including long-term loans due within one year of RMB116,780,000 (31 December 2014: RMB879,410,000, including long-term loans due within one year of RMB141,780,000) were secured by a pledge of the Group's concession assets of the BOT Project of Jiyang Guest-greeting Yellow River Bridge with a carrying amount of RMB2,713,035,000 (31 December 2014: RMB2,783,252,000) (Note V.59(e)).
- (c) As at 30 June 2015, long-term bank loans in the amount of RMB12,779,464,000 including long-term loans due within one year of RMB2,178,557,000 (31 December 2014: RMB13,012,764,000, including long-term loans due within one year of RMB2,942,951,000) were secured by mortgages of the Group's inventories with a carrying amount of RMB38,598,564,000 (31 December 2014: RMB40,437,760,000) (Note V.59(c)).
- (d) As at 30 June 2015, long-term bank loans in the amount of RMB1,744,501,000 (31 December 2014: RMB710,000,000) were secured by a pledge of trade receivable with a carrying amount of RMB1,390,000,000 (31 December 2014: RMB1,665,095,000) (Note V.59(b)).
- (e) As at 30 June 2015, long-term bank loans in an amount of RMB68,000,000 (31 December 2014: Nil) were secured by a pledge of the Group's land usage right with a carrying amount of RMB201,390,000 (31 December 2014: Nil) (Note V.59(e)).
- (f) As at 30 June 2015, the guaranteed long-term loans were all internally guaranteed by the entities comprising the Group.

As at 30 June 2015, there were no long-term loans defaulted by the Group (31 December 2014: Nil).

The maturity profile of the long-term loans as at the end of the reporting period is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Within one year or on demand (Note V.29)	23,278,585	20,159,539
In the second year, inclusive	25,175,168	31,731,640
In the third to fifth years, inclusive	18,475,513	14,259,734
Beyond five years	12,880,363	7,795,355
	79,809,629	73,946,268

32. Bonds payable

Bonds payable include unsecured medium-term notes and private placement notes with a fixed interest rate issued by the Company and its subsidiaries in National Inter Bank Bond Market. The bond's interest is paid annually whereas the principal is paid at the maturity date. Bonds payable also include the 10-year US dollar bond with a fixed interest rate guaranteed by the Company. The bond's interest is paid semiannually whereas the principal is paid at the maturity date.

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Bonds payable	26,372,413	27,212,667

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Bonds payable (continued)

As at 30 June 2015, bonds payable were as follows:

	Principal	Issuing date	Maturity	Amount issued	Interest rate per annum	Opening balance (Restated) (Audited)	Interest accrued in the period (Unaudited)	Discount or premium amortization (Unaudited)	Interest paid in the year (Unaudited)	Closing balance (Unaudited)
China Railway Co., Ltd. – First issue of medium-term notes in 2011	7,500,000	14 Oct 2011	7 years	7,500,000	6.28%	7,450,804	233,564	4,571	–	7,455,375
China Railway Co., Ltd. – First issue of medium-term notes in 2013	10,000,000	20 Jun 2013	7 years	10,000,000	5.10%	9,939,636	252,862	7,240	(510,000)	9,946,876
China Railway 14 th Bureau Group Co., Ltd. – 2012 first issue of private placement note	400,000	27 Aug 2012	5 years	400,000	6.70%	400,000	13,474	–	–	400,000
China Railway 15 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	300,000	4 Sep 2014	3 years	300,000	6.80%	300,000	10,116	–	–	300,000
China Railway 17 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	500,000	25 Jun 2014	3 years	500,000	7.30%	500,000	18,250	–	(36,500)	500,000
China Railway 23 rd Bureau Group Co., Ltd. – 2015 first issue of private placement note	100,000	11 Feb 2015	3 years	100,000	6.30%	–	2,275	–	–	100,000
China Railway 23 rd Bureau Group Co., Ltd. – 2015 second issue of private placement note	100,000	12 Feb 2015	3 years	100,000	6.30%	–	2,275	–	–	100,000
China Railway 25 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	400,000	28 Oct 2014	3 years	400,000	6.50%	400,000	12,893	–	–	400,000
China Railway 25 th Bureau Group Co., Ltd. – 2015 first issue of private placement note	400,000	30 Jan 2015	3 years	400,000	6.50%	–	10,827	–	–	400,000
CRCC Yuxiang Limited 3.5PCT Guaranteed Note Due 2023	4,890,880	16 May 2013	10 years	4,890,880	3.50%	4,852,227	–	(2,065)	(90)	4,850,162
Chongqing Tiefu Suiyu – 2013 first issue of private placement note	300,000	16 July 2013	3 years	300,000	5.36%	300,000	13,244	–	–	300,000
Chongqing Tiefu Suiyu – 2014 first issue of private placement note	470,000	23 Apr 2014	3 years	470,000	6.38%	470,000	8,085	–	(28,570)	470,000
Chongqing Tiefu Suiyu – 2014 second issue of private placement note	200,000	31 July 2014	3 years	200,000	7.20%	200,000	7,240	–	–	200,000
Chongqing Tiefu Suiyu – 2014 third issue of private placement note	300,000	31 Oct 2014	3 years	300,000	6.70%	300,000	10,106	–	–	300,000
Chongqing Tiefu Suiyu – 2014 fourth issue of private placement note	50,000	1 Oct 2014	3 years	50,000	7.05%	50,000	1,772	–	–	50,000
Chongqing Tiefu Suiyu – 2014 fifth issue of private placement note	200,000	18 Dec 2014	3 years	200,000	6.50%	200,000	6,335	–	–	200,000
Chongqing Tiefu Suiyu – 2015 first issue of private placement note	200,000	11 Feb 2015	3 years	200,000	6.00%	–	4,667	–	–	200,000
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd. – 2014 first issue of private placement note	200,000	30 Apr 2014	3 years	200,000	7.98%	200,000	–	–	–	200,000
	26,510,880			26,510,880		25,562,667	607,985	9,746	(575,160)	26,372,413

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Bonds payable (continued)

As at 31 December 2014, bonds payable were as follows (Restated) (Audited):

	Principal	Issuing date	Maturity	Amount issued	Interest rate per annum	Opening balance	Interest accrued in the period	Discount or premium amortization	Interest paid in the year	Closing balance
China Railway Co., Ltd. – First issue of medium-term notes in 2011	7,500,000	14 Oct 2011	7 years	7,500,000	6.28%	7,440,566	481,238	10,238	(471,000)	7,450,804
China Railway Co., Ltd. – First issue of medium-term notes in 2013	10,000,000	20 Jun 2013	7 years	10,000,000	5.10%	9,931,269	518,367	8,367	(510,000)	9,939,636
China Railway 14 th Bureau Group Co., Ltd. – 2012 first issue of private placement note	400,000	27 Aug 2012	5 years	400,000	6.70%	400,000	27,023	–	(26,800)	400,000
China Railway 15 th Bureau Group Co., Ltd. – 2013 first issue of private placement note	400,000	28 Mar 2013	3 years	400,000	5.90%	400,000	23,536	–	(23,600)	400,000
China Railway 15 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	300,000	4 Sep 2014	3 years	300,000	6.80%	–	6,092	–	–	300,000
China Railway 17 th Bureau Group Co., Ltd. – 2013 first issue of private placement note	500,000	21 Mar 2013	3 years	500,000	5.88%	500,000	30,194	–	(29,400)	500,000
China Railway 17 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	500,000	25 Jun 2014	3 years	500,000	7.30%	–	18,900	–	–	500,000
China Railway 23 rd Bureau Group Co., Ltd. – 2014 first issue of private placement note	150,000	14 Mar 2014	2 years	150,000	7.50%	–	8,812	–	–	150,000
China Railway 24 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	600,000	11 Apr 2013	3 years	600,000	5.40%	600,000	32,400	–	(32,400)	600,000
China Railway 25 th Bureau Group Co., Ltd. – 2014 first issue of private placement note	400,000	28 Oct 2014	3 years	400,000	6.50%	–	4,630	–	–	400,000
CRCC Yuxiang Limited 3.5 PCT Guaranteed Note Due 2023	4,895,200	16 May 2013	10 years	4,895,200	3.50%	4,830,401	172,479	21,826	(172,401)	4,852,227
Chongqing Tiefsa Suiyu – 2013 first issue of private placement note	300,000	16 July 2013	3 years	300,000	5.36%	300,000	21,073	–	–	300,000
Chongqing Tiefsa Suiyu – 2014 first issue of private placement note	470,000	23 Apr 2014	3 years	470,000	6.38%	–	15,589	–	(15,589)	470,000
Chongqing Tiefsa Suiyu – 2014 second issue of private placement note	200,000	31 July 2014	3 years	200,000	7.20%	–	6,160	–	–	200,000
Chongqing Tiefsa Suiyu – 2014 third issue of private placement note	300,000	31 Oct 2014	3 years	300,000	6.70%	–	900	–	–	300,000
Chongqing Tiefsa Suiyu – 2014 fourth issue of private placement note	50,000	1 Oct 2014	3 years	50,000	7.05%	–	3,462	–	–	50,000
Chongqing Tiefsa Suiyu – 2014 fifth issue of private placement note	200,000	18 Dec 2014	3 years	200,000	6.50%	–	505	–	–	200,000
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd – 2014 first issue of private placement note	200,000	30 Apr 2014	3 years	200,000	7.98%	–	–	–	–	200,000
	27,365,200			27,365,200		24,402,236	1,371,360	40,431	(1,281,190)	27,212,667

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

33. Long-term payables

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Retention money payables	1,520	518
Finance lease payables	2,058,762	2,763,922
Others	1,952,925	1,815,951
	4,013,207	4,580,391

The maturity profile of long-term payables as at the end of the reporting period is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Within one year (Note V.29)	1,755,946	2,044,186
In the second year, inclusive	1,143,966	1,324,411
In the third to fifth years, inclusive	1,168,663	1,644,102
Beyond five years	1,700,578	1,611,878
	5,769,153	6,624,577

34. Long-term employee benefits payable

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Defined benefit plans – post-employment benefits expense	1,833,316	1,897,381

Certain employees of the Group had completely dealt with their respective long-term post-leaving. Post-employment benefits expenses were recognized in the period in which the relevant entities of the Group have entered into agreements with the employees specifying terms, or after the individual employee has been advised of the specific terms. The specific terms vary among the terminated and post-employment benefits depending on various factors including their positions, length of service, and the district in which the employee is located, etc.

The Group's obligations in respect of the defined benefit plan for the post-leaving personnel at the end of the reporting period were computed by an independent actuary, Towers Watson Management Consulting (Shenzhen) Co., Ltd. which is a member of the Society of Actuaries of the United States of America at 30 June 2015, using the projected cumulative unit credit method.

The plan has no defined benefit plan asset.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Long-term employee benefits payable (continued)

The plan is exposed to interest rate risk and the risk of changes in the life expectancy for post-leaving personnel.

The principal actuarial assumptions used as at the balance sheet date are as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Discount rate (%)	3.00	3.50
Increase in the expected rate of cost of living adjustment for long-term post-leaving personnel (%)	2.50	2.50
Increase in the expected rate of medical reimbursement expenses (%)	8.00	8.00
Average lifetime for defined benefit plans (year)	2-3	2-3

The total expenses recognized in the consolidated statement of profit or loss in respect of the plan are as follows:

	For the six months ended 30 June 2015 (Unaudited)	2014 (Restated) (Audited)
Net benefit expenses recognized in general and administrative expenses	38,847	121,064

The movements in the present value of the defined benefit plan obligations are as follows:

	For the six months ended 30 June 2015 (Unaudited)	2014 (Restated) (Audited)
Opening balance	2,521,123	3,165,322
Defined benefit cost recognized in profit or loss	38,847	121,064
Remeasurement effects recognized in other comprehensive income	29,350	(32,660)
Benefit payments	(312,500)	(732,603)
Closing balance	2,276,820	2,521,123
Less: Current portion of long-term post-leaving benefit expenses (Note V.29)	(443,504)	(623,742)
	1,833,316	1,897,381

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Long-term employee benefits payable (continued)

The movements in the defined benefit plan obligations are as follows:

For the six months ended 30 June 2015 (Unaudited)

	Benefit cost charged to profit or loss					Remeasurement losses/(gains) in other comprehensive income			Closing balance
	Opening balance	Service cost	Net interest	Sub-total included in profit or loss	Benefit paid	Actuarial changes due to financial assumption changes	Actuarial changes due to liability experience	Sub-total included in other comprehensive income	
Defined benefit Obligations	2,521,123	-	38,847	38,847	(312,500)	29,360	(10)	29,350	2,276,820

2014 (Restated) (Audited)

	Benefit cost charged to profit or loss					Remeasurement losses/(gains) in other comprehensive income			Closing balance
	Opening balance	Service cost	Net interest	Sub-total included in profit or loss	Benefit paid	Actuarial changes due to financial assumption changes	Actuarial changes due to liability experience	Sub-total included in other comprehensive income	
Defined benefit Obligations	3,165,322	-	121,064	121,064	(732,603)	63,890	(96,550)	(32,660)	2,521,123

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Special payables

For the six months ended 30 June 2015

	Opening balance (Restated)(Audited)	Additions (Unaudited)	Deductions (Unaudited)	Closing balance (Unaudited)
Research and development funds	77,098	25,102	(4,354)	97,846
Specific project funds	339,787	416,565	(27,213)	729,139
Others	551	–	–	551
	417,436	441,667	(31,567)	827,536

2014 (Restated) (Audited)

	Opening balance	Additions	Deductions	Closing balance
Research and development funds	81,466	14,871	(19,239)	77,098
Specific project funds	238,067	149,944	(48,224)	339,787
Others	482	200	(131)	551
	320,015	165,015	(67,594)	417,436

36. Provision

For the six months ended 30 June 2015 (Unaudited)

	Opening balance (Restated)(Audited)	Increase (Unaudited)	Closing balance (Unaudited)	
Pending litigation	3,977	(7)	3,970	<i>Note</i>

2014 (Restated) (Audited)

	Opening balance	Increase	Closing balance	
Pending litigation	3,887	90	3,977	<i>Note</i>

Note: The Group has been named in the legal proceedings and claims arising from disputes on construction contracts. As the court has accepted the case but has not yet concluded, the provision which is according to the best estimate of the amount likely to be compensated regarding the proceedings and claims was made at the end of the reporting period based on the best estimates and judgments from the Directors and legal advice from the Company's legal advisor.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Deferred income

For the six months ended 30 June 2015 (Unaudited)

	Opening balance (Restated)(Audited)	Additions (Unaudited)	Deductions (Unaudited)	Closing balance (Unaudited)
Government grants related to assets	184,288	22,514	(10,881)	195,921
Government grants related to income	43,067	13,295	(19,723)	36,639
Others	5,892	26,485	(1,362)	31,015
Less: current portion of deferred income (Note V. 30)	(28,141)	–	76	(28,065)
	205,106	62,294	(31,890)	235,510

2014 (Restated) (Audited)

	Opening balance	Additions	Deductions	Closing balance
Government grants related to assets	190,051	20,000	(25,763)	184,288
Government grants related to income	9,080	40,603	(6,616)	43,067
Others	7,492	1,000	(2,600)	5,892
Less: current portion of deferred income (Note V. 30)	(23,359)	(4,782)	–	(28,141)
	183,264	56,821	(34,979)	205,106

As at 30 June 2015, government grants related to liabilities were as follows:

	Opening balance (Restated) (Audited)	Additions (Unaudited)	Included in non-operating income this year (Unaudited)	Other changes (Unaudited)	Closing balance (Unaudited)	Related to assets/ income
Equipment funding from the Ministry of Railway	41,000	–	(8,000)	–	33,000	Related to assets
Hangzhou East Railway Station Junction Project and Pengbu District Nongzhuanjia Apartment and Utility Project Demolition Fund	51,555	–	–	–	51,555	Related to assets
Kuangxiang land compensation	40,100	–	–	–	40,100	Related to assets
Enterprise development funding	27,055	–	(2,436)	–	24,619	Related to assets
Others	67,645	35,809	(14,157)	(6,011)	83,286	
Total	227,355	35,809	(24,593)	(6,011)	232,560	

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. Deferred income (continued)

As at 31 December 2014, government grants related to liabilities were as follows (Restated) (Audited):

	Opening balance	Additions	Included in non-operating income this year	Other changes	Closing balance	Related to assets/income
Equipment funding from the Ministry of Railway Hangzhou East Railway Station Junction Project and Pengbu District Nongzhuanju Apartment and Utility Project Demolition Fund	61,000	–	(20,000)	–	41,000	Related to assets
Kuangxiang land compensation	40,100	–	–	–	40,100	Related to assets
Enterprise development funding	31,926	–	(4,871)	–	27,055	Related to assets
Others	14,550	60,603	(3,138)	(4,370)	67,645	
Total	199,131	60,603	(28,009)	(4,370)	227,355	

38. Share capital

For the six months ended 30 June 2015

	Opening balance (Restated)(Audited)	Increase (Unaudited)	Decrease (Unaudited)	Closing balance (Unaudited)
Unrestricted shares				
– RMB ordinary shares (A shares)	10,016,246	–	–	10,016,246
– Overseas listed foreign shares (H shares)	2,076,296	–	–	2,076,296
– National Council for Social Security Fund	245,000	–	–	245,000
	12,337,542	–	–	12,337,542

2014 (Restated) (Audited)

	Opening balance	Increase	Decrease	Closing balance
Restricted shares				
– National Council for Social Security Fund	245,000	–	(245,000)	–
Unrestricted shares				
– RMB ordinary shares (A shares)	10,016,246	–	–	10,016,246
– Overseas listed foreign shares (H shares)	2,076,296	–	–	2,076,296
– National Council for Social Security Fund	–	245,000	–	245,000
	12,337,542	245,000	(245,000)	12,337,542

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Capital reserve

For the six months ended 30 June 2015

	Opening balance (Restated)(Audited)	Increase (Unaudited)	Decrease (Unaudited)	Closing balance (Unaudited)
Share premium	35,306,711	–	(3,098,226)	32,208,485
Relocation compensation granted by government	112,160	1,284	–	113,444
Acquisition of non-controlling interests	(467,412)	(1,814)	–	(469,226)
Others	(506,626)	–	–	(506,626)
	34,444,833	(530)	(3,098,226)	31,346,077

2014 (Restated) (Audited)

	Opening balance	Increase	Decrease	Closing balance
Share premium	35,306,711	–	–	35,306,711
Relocation compensation granted by government	110,408	1,752	–	112,160
Acquisition of non-controlling interests	(467,424)	12	–	(467,412)
Others	(508,426)	1,800	–	(506,626)
	34,441,269	3,564	–	34,444,833

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Other comprehensive income

Accumulated balance of other comprehensive income attributable to owners of the Company from the balance sheet:

	1 January 2014	Increase/ (decrease)	31 December 2014 (Restated) (Audited)	Increase/ (decrease) (Unaudited)	30 June 2015 (Unaudited)
Remeasurement of defined benefit obligation	(230,798)	32,660	(198,138)	(29,350)	(227,488)
Effect of deferred tax from changes in remeasurement of defined benefit obligation	(344)	(6,915)	(7,259)	7,287	28
Other comprehensive income to be reclassified to profit or loss in subsequent periods, share of other comprehensive income of associates, under the equity method	(8,126)	(92,799)	(100,925)	(110,545)	(211,470)
Changes in fair value of available-for-sale financial assets, net of tax	(102,508)	354,975	252,467	2,344,109	2,596,576
Effect of deferred tax from changes in fair value of available-for-sale financial assets	34,445	(66,029)	(31,584)	(577,450)	(609,034)
Exchange differences on translation of foreign operation	351,066	(16,006)	335,060	18,982	354,042
Total	43,735	205,886	249,621	1,653,033	1,902,654

Other comprehensive income attributable to owners of the Company from the statement of profit or loss:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Remeasurement of defined benefit obligation	(29,350)	(51,610)
Less: Income tax effect	7,287	9,193
	(22,063)	(42,417)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Share of other comprehensive income of associates	(110,545)	973
Changes in fair value of available-for-sale investments	2,344,109	7,225
Less: Income tax effect	(577,450)	(1,022)
	1,656,114	7,176
Exchange differences on translation of foreign operations	18,982	(100,504)
	1,653,033	(135,745)

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Special reserve

The Group provided for and utilized safety production expenses according to the Circular on Printing and Issuing the Management Measures on the Enterprises Production Safety Expense of Enterprises Appropriation and Utilization (2012. No.16) issued by the Ministry of Finance and the State Administration of Work Safety. Further details are stated in *Note III.28*.

42. Surplus reserve

For the six months ended 30 June 2015

		Opening balance (Restated)(Audited)	Increase (Unaudited)	Closing balance (Unaudited)
Statutory surplus reserve	<i>Note</i>	1,794,862	–	1,794,862

2014 (Restated) (Audited)

		Opening balance	Increase	Closing balance
Statutory surplus reserve	<i>Note</i>	1,491,897	302,965	1,794,862

Note: In accordance with the Company Law and the Company's Articles of Association, the Company appropriated 10% of the net profit to the surplus reserve. Where the accumulated amount of surplus reserve reaches 50% of the Company's registered capital, additional appropriation will not be needed.

The Company and certain of its subsidiaries are authorised to allocate discretionary surplus reserve from profit after tax after the allocation of statutory reserve. Upon the approval of the board, the discretionary surplus reserve can be used to offset previous years' losses or increase the share capital.

43. Retained earnings

		For the six months ended 30 June 2015 (Unaudited)	2014 (Restated) (Audited)
Retained earnings at the end of last period/year		42,668,871	33,232,451
Adjustment	<i>Note (a)</i>	1,272,724	1,158,829
Retained earnings at beginning of the period/year		43,941,595	34,391,280
Net profit attributable to the owners		5,330,703	11,734,664
Less: Appropriation for surplus reserve		–	(302,965)
Ordinary share cash dividends declared	<i>Note (b)</i>	(1,850,631)	(1,603,880)
Others	<i>Note (c)</i>	–	(277,504)
Retained earnings at the period/year end		47,421,667	43,941,595

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Retained earnings (continued)

Note (a): On 2 June 2015, the Company completed the business combination under the common control of Chongqing Tiefs Suiyu. Accordingly, Chongqing Tiefs Suiyu was regarded as being within the scope of consolidation since the CRCCG exercised control over the Company. The retained earnings at beginning of the period were retrospectively adjusted by RMB1,272,724,000 (2014: RMB1,158,829,000)(refer to Note VI.1).

Note (b): In accordance with the resolution at the 2014 annual general meeting of shareholders on 2 June 2015, the Company declared cash dividend for the year ended 31 December 2014 of RMB0.15 per share (2014: RMB0.13 per share), which amounted to RMB1,850,631,000 (2014: RMB1,603,880,000) based on 12,337,541,500 ordinary shares in issue. By 30 June 2015, the dividend of RMB1,539,187,000, has been paid and recorded in the financial statements of the current period.

Note (c): In accordance with the resolution at the 2014 first shareholders' meeting of Chongqing Tiefs Suiyu in November 2014, Chongqing Tiefs Suiyu declared a cash dividend of RMB277,504,000 to CRCCG, its original controlling shareholder. The dividend has not been paid by 31 December 2014 and has been recorded in the consolidated financial statements (Restated).

44. Revenue and cost of sales

Operating revenue represents the invoice value of goods sold net of returns and trade discounts, which contains an appropriate proportion of construction contracts revenue, the value of the service provided and net amount of lease income received.

	For the six months ended 30 June			
	2015		2014	
	Revenue (Unaudited)	Cost of sales (Unaudited)	Revenue (Restated) (Unaudited)	Cost of sales (Restated) (Unaudited)
Revenue from principal operations	262,106,221	233,521,750	261,449,591	234,848,621
Other operating revenue	788,043	569,641	737,284	524,791
	262,894,264	234,091,391	262,186,875	235,373,412

An analysis of the Group's operating revenue by sector is as follows:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Construction operations	228,488,288	223,782,814
Manufacturing operations	6,265,059	5,463,177
Real estate operations	5,924,448	6,646,623
Survey, design and consultancy operations	4,114,881	3,553,356
Other business operations	18,101,588	22,740,905
	262,894,264	262,186,875

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45. Business tax and surcharges

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Business tax	6,540,352	6,623,883
City maintenance and construction tax	354,511	379,002
Others	677,348	663,758
	7,572,211	7,666,643

46. Selling and distribution expenses

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Employee compensation costs	676,510	559,343
Advertising and publicity expenses	452,597	381,944
Transportation expenses	213,796	193,929
Others	185,833	143,346
	1,528,736	1,278,562

47. General and administrative expenses

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Employee compensation costs	4,101,316	3,758,347
Research and development expenses	3,715,764	3,015,289
Office, traveling and transportation expenses	468,670	460,542
Depreciation expenses	456,528	430,929
Others	1,235,165	1,114,996
	9,977,443	8,780,103

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

48. Finance costs

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Interest expenses	5,437,668	4,701,819
Less: interest income	(1,414,045)	(1,374,563)
Interest capitalized	(1,799,065)	(1,306,057)
Exchange gains	36,733	66,611
Bank charges and others	351,219	323,429
	2,612,510	2,411,239

The Group's interest expenses are as follows:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Interest on loans wholly repayable within five years	4,119,183	3,562,383
Interest on loans repayable beyond five years	213,605	41,788
Interest on finance leases	82,130	130,503
Interest on discounted bills	192,919	129,963
Interest on corporate bonds	829,831	837,182
	5,437,668	4,701,819

The amount of capitalized interest has been included in the balances of fixed assets (*Note V.12*), construction in progress (*Note V.13*), intangible assets (*Note V.14*) and properties under development (*Note V.7(1)*).

49. Impairment losses

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Provisions for bad debts	617,710	198,596
Provisions for decline in value of inventories	31,800	1,011
Impairment of available-for-sale financial assets	3	–
	649,513	199,607

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50. Gains/(losses) on fair value changes

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Financial assets at fair value through profit or loss	21,501	(11,266)

51. Investment income

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Share of net income/(losses) of associates and jointly-controlled entities	95,963	(23,268)
Investment income from disposal of other long-term equity investments	8,555	541
Investment income gained during the period in which the Company held available-for-sale financial assets	7,645	6,369
Investment income gained during the period in which the Company held financial assets at fair value through profit or loss	–	1,976
Investment income from disposal of financial assets at fair value through profit or loss	104	4,173
Investment income from disposal of available for sale financial assets	113,846	–
Others	43,477	43,253
	269,590	33,044

52. Non-operating income

	For the six months ended 30 June		
	2015 (Unaudited)	2014 (Restated) (Unaudited)	Non-recurring profit or loss in six months ended 30 June 2015 (Unaudited)
Government grants	176,135	193,368	167,985
Gains on disposal of non-current assets Including:	53,599	74,801	53,599
Gains on disposal of fixed assets	22,462	74,796	22,462
Gains on disposal of intangible assets	31,137	5	31,137
Gains on compensation, penalties and fines	62,038	30,559	62,038
Gains from unpayable accounts	5,035	5,449	5,035
Others	56,508	82,251	56,508
	353,315	386,428	345,165

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Non-operating income (continued)

Government grants credited to profit or loss for the period are as follows:

	For the six months ended 30 June		Related to income/assets
	2015 (Unaudited)	2014 (Restated) (Unaudited)	
Enterprise development funding	50,940	31,464	Related to income
Enterprise development funding	2,436	2,436	Related to assets
Refund of taxes	11,467	14,184	Related to income
Equipment funding from the Ministry of Railways	8,000	8,000	Related to assets
Equipment funding from the Ministry of Finance	150	150	Related to income
Economic and technological cooperation special funds	70,229	114,692	Related to income
Relocation compensation	524	15,829	Related to income
Others	32,389	6,613	Related to income/assets
	176,135	193,368	

53. Non-operating expenses

	For the six months ended 30 June		Non-recurring profit or loss in six months ended 30 June 2015 (Unaudited)
	2015 (Unaudited)	2014 (Restated) (Unaudited)	
Loss on compensation, penalties and fines	36,539	42,798	36,539
Loss on disposal of non-current assets	34,020	60,200	34,020
Including:			
Loss on disposal of fixed assets	33,842	58,180	33,842
Loss on disposal of intangible assets	178	2,020	178
Donations	2,641	2,393	2,641
Others	35,467	21,196	35,467
	108,667	126,587	108,667

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Profit before tax

The Group's costs and expenses classified by nature are listed below:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Cost of services rendered	208,622,381	205,614,662
Cost of goods sold	25,469,010	29,758,750
Employee compensation costs (Note V 46, 47)	4,777,826	4,317,690
Research and development expenses	3,715,764	3,015,289
Depreciation expenses on fixed assets (Note 1)	477,450	450,406
Amortization expenses on intangible assets (Note 2)	77,427	83,641

Note 1: Depreciation of RMB4,901,348,000 (For the six months ended 30 June 2014: RMB4,530,650,000) is included in the "Cost of sales" on the face of the consolidated statement of profit or loss for the six months ended 30 June 2015.

Note 2: Amortization of RMB75,236,000 (For the six months ended 30 June 2014: RMB75,239,000) is included in the "Cost of sales" on the face of the consolidated statement of profit or loss for the six months ended 30 June 2015.

55. Income tax expenses

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Current tax expenses – Mainland China	1,441,346	1,281,336
Current tax expenses – Hong Kong	110	591
Current tax expenses – Others	3,311	8,231
Deferred tax expenses	(40,665)	207,216
	1,404,102	1,497,374

Hong Kong profits tax has been provided at the rate of 16.5% (For the six months ended 30 June 2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Income tax expenses (continued)

A reconciliation of the income tax expense applicable to total profit at the statutory income tax rate to the income tax expense at the Group's effective tax rate is as follows:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Total profit	6,998,199	6,758,928
Income tax at the statutory income tax rate of 25% (Note (a))	1,749,550	1,689,732
Tax effect of lower tax rates for some subsidiaries	(386,722)	(252,422)
Tax effect of share of profits and losses of jointly-controlled entities and associates (Note (b))	(23,991)	5,817
Income not subject to tax	(83,728)	(35,087)
Expenses not deductible for tax purposes	114,644	53,212
Tax losses utilised from previous years	(29,298)	(24,878)
Income tax benefits on research and development expenses	(172,979)	(167,606)
Tax losses not recognized	181,006	194,192
Adjustments in respect of current income tax of previous periods	(1,383)	40,251
Other	57,003	(5,837)
Tax expense at the Group's effective tax rate	1,404,102	1,497,374

Notes:

- (a) The income tax of the Group is calculated based on the estimated taxable profit arising in China and the applicable tax rate. Tax arising from the taxable income in other regions is calculated at the applicable tax rate according to existing laws, interpretations and practices of the country/jurisdiction in which the Group operates.
- (b) For the six months ended 30 June 2015, the share of tax attributable to jointly-controlled entities and associates amounting to RMB2,201,000 (For the six months ended 30 June 2014: RMB1,954,000) and RMB2,077,000 (For the six months ended 30 June 2014: RMB1,062,000), respectively, is included in the "Investment income-share of profits and losses of associates and jointly-controlled entities" on the face of the consolidated statement of profit or loss.

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56. Earnings per share

The basic earnings per share is calculated based on the net profit for the period attributable to the ordinary shareholders of the Company and the weighted average number of outstanding ordinary shares during the period.

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Earnings		
Net profit attributable to ordinary shareholders of the Company	5,330,703	5,155,974
Shares		
Weighted average number of the outstanding ordinary shares of the Company (Note)	12,337,541,500	12,337,541,500
Basic earnings per share (RMB/share)	0.43	0.42

Note: As disclosed in Note 1 to these financial statements, after the issuance of A shares and H shares in 2008, the Company has issued an aggregate of 12,337,541,500 outstanding ordinary shares.

The Company holds no potential ordinary shares that are dilutive.

57. Notes to the consolidated statement of cash flows

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
(1) Cash received relating to other operating activities:		
The special payables received from government for land requisition and demolishing	410,000	77,979
Rental income of fixed assets	303,618	230,799
Business management income	243,936	169,502
Government grants	176,135	180,705
Sale of raw materials	135,089	128,379
Property management income	132,542	44,538
Training income	57,345	26,844
Others	356,281	350,496
	1,814,946	1,209,242
(2) Cash paid relating to other operating activities:		
Office and traveling expenses	682,466	664,551
Repair and maintenance costs	304,715	85,026
Sales service expenses	244,767	112,347
Guarantees and deposits	81,926	962,764
Others	836,269	365,312
	2,150,143	2,190,000

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Supplementary information to the statement of cash flows

(1) Supplementary information to the consolidated statement of cash flows

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Reconciliation of net profit to cash flows from/(used in) operating activities	5,594,097	5,261,554
Net profit		
Plus:		
Provision for impairment of assets	649,513	199,607
Depreciation of fixed assets	5,378,798	4,981,056
Amortization of intangible assets	152,663	158,880
Gains from disposal of fixed assets, intangible assets and other long-term assets	(19,579)	(14,601)
Gains from changes in fair value	(21,501)	11,266
Finance costs	2,261,291	2,087,810
Investment income	(269,590)	(33,044)
Increase in deferred tax assets	(44,099)	149,192
Decrease in deferred tax liabilities	3,435	58,024
Increase in inventories	(11,201,457)	(16,368,414)
Increase in operating receivables	(5,245,367)	(4,122,039)
Increase in operating payables	8,985,881	(3,406,013)
Net decrease/(increase) in balances with the central bank	665,059	(905,052)
Net cash flows from/(used) in operating activities	6,889,144	(11,941,774)

Major non-cash investing and financing activities:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Fixed assets held under finance leases	20,503	104,121

Changes in cash and cash equivalents:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Cash at the end of year	85,846,445	70,671,545
Less: opening balance of cash	(77,830,348)	(77,679,478)
Plus: closing balance of cash equivalents	1,394,490	9,805,937
Less: opening balance of cash equivalents	(6,927,157)	(2,455,444)
Net increase in cash and cash equivalents	2,483,430	342,560

Notes to Financial Statements (continued)

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58. Supplementary information to the statement of cash flows (continued)

(2) Cash and cash equivalents

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Cash	85,846,445	77,830,348
Including: cash on hand	169,321	141,757
cash with banks/financial institutions without restrictions	85,677,124	77,688,591
Cash equivalents	1,394,490	6,927,157
Closing balance of cash and cash equivalents	87,240,935	84,757,505

59. Assets with title restrictions

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)	
Pledged assets:			
Cash and bank balances	4,190,702	4,522,538	Note (a)
Accounts receivable	5,483,248	4,353,629	Note (b)
Inventories	38,598,564	40,437,760	Note (c)
Fixed assets	23,604	30,722	Note (d)
Intangible assets	2,914,425	2,783,252	Note (e)
	51,210,543	52,127,901	

Notes:

- (a) As at 30 June 2015, the Group's deposits of RMB63,000 (31 December 2014: RMB570,000) were pledged to obtain loans. As at 30 June 2015, the Group held frozen deposits of RMB87,495,000 (31 December 2014: RMB69,580,000), the residual amount of RMB4,103,144,000 (31 December 2014: RMB4,452,388,000) were kinds of deposit.
- (b) As at 30 June 2015, the Group's accounts receivable of RMB5,483,248,000 (31 December 2014: RMB4,353,629,000) were pledged to obtain loans.
- (c) As at 30 June 2015, the Group's inventories of RMB38,598,564,000 (31 December 2014: RMB40,437,760,000) were mortgaged to obtain loans.
- (d) As at 30 June 2015, Group's fixed assets of RMB23,604,000 (31 December 2014: RMB30,722,000) were mortgaged to obtain loans.
- (e) As at 30 June 2015, Group's land use rights of RMB201,390,000 (31 December 2014: Nil) were mortgaged to obtain loans.

As at 30 June 2015, Group's concession assets of RMB2,713,035,000 (31 December 2014: RMB2,783,252,000) were mortgaged to obtain loans. For the six months ended 30 June 2015, the amortization amount of these concession assets was RMB70,217,000 (2014: RMB140,433,000).

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Foreign currency monetary items

	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
Cash and bank balances						
U.S. Dollar	895,733	6.08882	5,453,957	642,346	6.11900	3,930,515
Saudi Riyal	377,115	1.62290	612,020	112,343	1.63408	183,577
Algerian Dinar	9,558,064	0.06095	582,564	5,457,034	0.06952	379,373
Nigerian Naira	18,056,221	0.03006	542,770	2,853,121	0.03332	95,066
Ethiopian Birr	935,691	0.28794	269,423	133,941	0.30029	40,221
Others			950,300			2,324,281
Total			8,411,034			6,953,033

	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
Accounts receivable						
U.S. Dollar	162,837	6.08882	991,485	194,382	6.11900	1,189,423
Saudi Riyal	240,538	1.62290	390,369	361,738	1.63408	591,109
Tanzanian Shilling	69,554,762	0.00285	198,231	68,932,592	0.00344	237,128
Algerian Dinar	3,089,369	0.06095	188,297	575,868	0.06952	40,034
Arab Emir. Dirham	53,541	1.65744	88,741	39,596	1.67088	66,160
Others			290,332			632,998
Total			2,147,455			2,756,852

	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
Other receivables						
U.S. Dollar	57,253	6.08882	348,603	51,949	6.11900	317,876
Algerian Dinar	5,212,216	0.06095	317,685	2,059,114	0.06952	143,150
Kuwaiti Dinar	6,050	20.10240	121,620	1,363	20.92480	28,521
Nigerian Naira	1,883,946	0.03006	56,631	47,106	0.03332	1,570
Australian Dollar	28,043	1.62290	45,511	15,715	1.63408	25,680
Others			179,140			150,685
Total			1,069,190			667,482

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

60. Foreign currency monetary items (continued)

Short-term loans	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
U.S. Dollar	637,286	6.08882	3,880,320	507,880	6.11900	3,107,718
Arab Emir. Dirham	14,057	1.65744	23,299	–	–	–
Saudi Riyal	95,912	1.62290	155,656	40,237	1.63408	65,750
Malaysian Ringgit	45,400	1.63870	74,397	18,638	1.75241	32,661
Macau Pataca	–	–	–	25,476	0.75126	19,139
Kuwaiti Dinar	4,317	20.10240	86,782	–	20.92480	–
Total			4,220,454			3,225,268

Accounts payable	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
Algerian Dinar	21,965,773	0.06095	1,338,814	16,403,075	0.06952	1,140,342
U.S. Dollar	175,439	6.08882	1,068,216	117,595	6.11900	719,564
Saudi Riyal	229,505	1.62290	372,464	165,712	1.63408	270,787
Singapore Dollar	42,258	4.50770	190,486	36,172	4.63960	167,824
Georgian Lari	113,562	2.70819	307,547	44,757	3.29389	147,425
Others			369,689			338,544
Total			3,647,216			2,784,486

Other payables	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
Algerian Dinar	10,089,708	0.06095	614,968	3,967,538	0.06952	275,823
Nigerian Naira	11,334,787	0.03006	340,724	6,075,372	0.03332	202,431
Saudi Riyal	72,885	1.62290	118,285	118,773	1.63408	194,085
U.S. Dollar	1,731	6.08882	10,540	7,011	6.11900	42,900
Hong Kong Dollar	53,521	0.78538	42,034	53,128	0.78887	41,911
Others			313,474			91,198
Total			1,440,025			848,348

Long-term loans	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
U.S. Dollar	1,006,552	6.08882	6,128,714	1,181,520	6.11900	7,229,721
European Euro	33,786	6.75518	228,231	84,282	7.45560	628,373
Singapore Dollar	111,174	4.50770	501,139	110,000	4.63960	510,356
Kuwaiti Dinar	1,508	20.10240	30,314	1,499	20.92480	31,366
Hong Kong Dollar	8,305	0.78538	6,523	8,486	0.78887	6,694
Total			6,894,921			8,406,510

Bonds payable	30 June 2015 (Unaudited)			31 December 2014 (Restated) (Audited)		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
U.S. Dollar	1,588,644	6.08882	9,672,967	792,977	6.11900	4,852,226

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VI. THE CHANGE OF CONSOLIDATED SCOPE

1. Business combination involving entities under common control

On 11 February 2015 and 30 March 2015, the Company entered into the Equity Transfer Agreement and Supplements with its parent company CRCCG to acquire 80% of the equity interest of Chongqing Tiefsa Suiyu at the cash consideration of RMB3,098,226,000. Chongqing Tiefsa Suiyu is a subsidiary of CRCCG. It is controlled by CRCCG before and after the combination, and that control is not temporary, therefore the business combination is involving entities under common control. On 25 May 2015, Chongqing Tiefsa Suiyu completed its registration of changes in shareholders. In accordance with the agreements, the Company paid in full RMB3,098,226,000 for the cash consideration on 2 June 2015, by when the Company completed the business combination under the common control of Chongqing Tiefsa Suiyu. 2 June 2015 is determined to be the date of acquisition.

	For the period from 1 January 2015 to 2 June 2015 (Unaudited)	2014 (Unaudited)
Revenue	407,430	1,334,223
Net profit	210,120	488,448
Net cash flows	(159,870)	(41,519)

The book value of assets and liabilities of Chongqing Tiefsa Suiyu at the date of acquisition and at the balance sheet date of prior reporting period were as follows:

	2 June 2015 (Unaudited)	31 December 2014 (Unaudited)
Cash and bank balances	154,000	319,951
Bills receivable	200	705
Accounts receivable	102,280	114,263
Advances to suppliers	110,640	106,109
Other receivables	25,890	48,667
Inventories	2,228,340	1,971,503
Other current assets	1,129,900	509,900
Long-term equity investments	27,320	25,109
Available-for-sale financial assets	313,250	301,745
Fixed assets	78,690	81,397
Construction in progress	2,080	773
Intangible assets	3,139,740	2,923,361
Short-term loans	(400,000)	(780,000)
Bills payable	(200,000)	(200,000)
Accounts payable	(152,660)	(142,242)
Advances from customers	(258,370)	(168,682)
Employee benefits payable	(4,060)	(2,832)
Taxes payable	(44,700)	(52,399)
Interest payables	(42,940)	(39,606)
Dividends payable	–	(277,504)
Other payables	(126,860)	(120,112)
Current portion of non-current liabilities	(100,000)	(100,000)
Other current liabilities	(500,000)	–
Long-term loans	(1,218,000)	(688,000)
Bonds payable	(1,720,000)	(1,520,000)
Deferred income	(42,510)	(20,000)
Total	2,502,230	2,292,106
Non-controlling interests	(750)	(1,201)
	2,501,480	2,290,905
Consolidation difference (recorded in equity)	1,096,442	
Consideration	3,098,226	

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VII. EQUITY IN OTHER ENTITIES

1. Subsidiaries

Particulars of the principal subsidiaries of the Company are as follows:

Subsidiaries acquired through establishment or investment

Company name	Place of registration	Principal place of business	Principal activities	Registered capital	Percentage of equity interest	
					Direct	Indirect
China Civil Engineering Construction Ltd.	Beijing	Beijing	Construction	1,210,000	100	–
China Railway 11 th Bureau Group Co., Ltd.	Wuhan Hubei	Wuhan Hubei	Construction	1,031,850	100	–
China Railway 12 th Bureau Group Co., Ltd.	Taiyuan Shanxi	Taiyuan Shanxi	Construction	1,080,677	100	–
China Railway Construction Bridge Engineering Tianjin Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	2,000,000	100	–
China Railway 14 th Bureau Group Co., Ltd.	Ji'nan Shandong	Ji'nan Shandong	Construction	1,110,000	100	–
China Railway 15 th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	1,117,210	100	–
China Railway 16 th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	1,268,300	100	–
China Railway 17 th Bureau Group Co., Ltd.	Taiyuan Shanxi	Taiyuan Shanxi	Construction	1,105,470	100	–
China Railway 18 th Bureau Group Co., Ltd.	Tianjin	Tianjin	Construction	1,130,000	100	–
China Railway 19 th Bureau Group Co., Ltd.	Beijing	Beijing	Construction	1,095,469	100	–
(Note (a))						
China Railway 20 th Bureau Group Co., Ltd.	Xi'an, Shaanxi	Xi'an, Shaanxi	Construction	1,130,850	100	–
China Railway 21 st Bureau Group Co., Ltd.	Lanzhou Gansu	Lanzhou Gansu	Construction	1,150,000	100	–
China Railway 22 nd Bureau Group Co., Ltd.	Beijing	Beijing	Construction	1,057,000	100	–
China Railway 23 rd Bureau Group Co., Ltd.	Chengdu Sichuan	Chengdu Sichuan	Construction	1,185,000	100	–
China Railway 24 th Bureau Group Co., Ltd.	Shanghai	Shanghai	Construction	1,050,000	100	–
China Railway 25 th Bureau Group Co., Ltd.	Guangzhou Guangdong	Guangzhou Guangdong	Construction	910,720	100	–
China Railway Construction Group Ltd.	Beijing	Beijing	Construction	2,500,000	100	–
China Railway Construction Electrification Bureau Group Co., Ltd.	Beijing	Beijing	Construction	710,000	100	–
China Railway Goods and Materials Group Co., Ltd.	Beijing	Beijing	Trading of construction materials	2,000,000	100	–
CRCC High-Tech Equipment Corporation Limited (Note (b))	Kunming Yunnan	Kunming Yunnan	Industrial manufacturing	987,984	98	2
China Railway Construction Real Estate Group Co., Ltd.	Beijing	Beijing	Real estate development	7,000,000	100	–
China Railway Construction Heavy Industry Co., Ltd.	Changsha Hunan	Changsha Hunan	Industrial manufacturing	850,000	100	–
CRCC China-Africa Construction Limited	Beijing	Beijing	Construction	1,000,000	100	–
China Railway Construction Investment Co., Ltd.	Zhuhai Guangdong	Zhuhai Guangdong	Project investment	10,000,000	100	–
CRCC Finance Company Limited	Beijing	Beijing	Finance services	6,000,000	94	–
CRCC International Group Co., Ltd.	Beijing	Beijing	Project contracting	3,000,000	100	–
CRCC Assets Management Co., Ltd.	Beijing	Beijing	Asset management	20,000	100	–
CRCC Urban Engineering Co., Ltd.	Changsha Hunan	Changsha Hunan	Construction	2,000,000	100	–
Chongqing Tiefu Suiyu Highway Co., Ltd.	Chongqing	Chongqing	Construction	1,900,000	80	–
(Note (c))						

Note (a): During the six months ended 30 June 2015, the Company injected capital of RMB2,500,000,000 to China Railway 19th Bureau Group Co., Ltd. The change in business registration was completed on 6 July 2015.

Note (b): In accordance with the Resolution of the 12th Meeting of the Third Session of the Board of Directors, Kunming China Railway Large Road Maintenance Machinery Co., Ltd., a subsidiary of the Company, was restructured and reformed as a joint stock limited company named CRCC High-Tech Equipment Corporation Limited on the base date of 31 March 2015. The change in business registration was completed on 24 June 2015.

Note (c): Refer to Note VI.1.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VII. EQUITY IN OTHER ENTITIES

2. Equity in joint ventures and associates

The Group did not have an individually significant joint venture or associate. Please refer to Note V 10.

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS

1. Financial instruments by category

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

30 June 2015 (Unaudited)

Financial assets

	Financial assets at fair value through profit or loss	Held-to- maturity investments	Loans and receivables	Available-for- sale financial assets	Total
Held-to-maturity investments	–	1,245	–	–	1,245
Available-for-sale financial assets	–	–	–	7,902,160	7,902,160
Bills receivable	–	–	2,116,756	–	2,116,756
Accounts receivable	–	–	113,404,627	–	113,404,627
Interest receivables	–	–	384,640	–	384,640
Dividends receivable	–	–	23,205	–	23,205
Other receivables	–	–	36,551,455	–	36,551,455
Long-term receivables	–	–	26,924,161	–	26,924,161
Current portion of non-current assets	–	–	13,258,072	–	13,258,072
Financial assets at fair value through profit or loss	131,596	–	–	–	131,596
Cash and bank balances	–	–	98,033,451	–	98,033,451
	131,596	1,245	290,696,367	7,902,160	298,731,368

Financial liabilities

	Other Financial Liabilities
Short-term loans	50,418,735
Due to customers	3,925,267
Due to banks	1,300,000
Bills payable	23,776,404
Accounts payable	196,648,968
Interest payables	1,008,823
Dividends payable	473,139
Other payables	41,093,986
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable)	32,482,667
Other current liabilities (excluding deferred income and others)	4,561,357
Long-term loans	56,531,044
Bonds payable	26,372,413
Long-term payables	4,013,207
	442,606,010

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

1. Financial instruments by category (continued)

31 December 2014 (Restated) (Audited)

Financial assets

	Financial assets at fair value through profit or loss	Held-to- maturity investments	Loans and receivables	Available-for- sale financial assets	Total
Held-to-maturity investments	–	1,269	–	–	1,269
Available-for-sale financial assets	–	–	–	4,580,184	4,580,184
Bills receivable	–	–	2,898,212	–	2,898,212
Accounts receivable	–	–	115,528,505	–	115,528,505
Interest receivables	–	–	306,839	–	306,839
Dividends receivable	–	–	23,205	–	23,205
Other receivables	–	–	34,585,435	–	34,585,435
Long-term receivables	–	–	24,753,390	–	24,753,390
Current portion of non-current assets	–	–	12,657,740	–	12,657,740
Financial assets at fair value through profit or loss	110,204	–	–	–	110,204
Cash and bank balances	–	–	98,406,968	–	98,406,968
	110,204	1,269	289,160,294	4,580,184	293,851,951

Financial liabilities

	Other Financial Liabilities
Short-term loans	45,591,039
Due to customers	807,664
Bills payable	21,556,148
Accounts payable	205,530,796
Interest payables	857,728
Dividends payable	409,471
Other payables	40,079,753
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable)	27,997,683
Other current liabilities (excluding deferred income and others)	5,704,924
Long-term loans	53,786,729
Bonds payable	27,212,667
Long-term payables	4,580,391
	434,114,993

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

2. *Transfer of financial assets*

Continuing involvement in transferred assets

As at 30 June 2015, the subsidiaries of the Group have endorsed bank acceptance bills amounting to RMB384,764,000 (31 December 2014: RMB697,391,000) to suppliers to settle the accounts payable. As at 30 June 2015, for bills within 6 months, if acceptance banks dishonored the bills, endorsees shall have the right to turn to the Group for recourse ("Continuing Involvement") according to the Law of Bill. The Group considered the risk and reward of the bills have been transferred. Therefore, the Group has terminated the related accounts payable that have been settled by the bills. The undiscounted cash flow and maximum loss of continuing involvement and repurchase equal to the book value of the bills. The Group considers the fair value of continuing involvement is not significant.

For the six months ended 30 June 2015, the Group did not recognize any profit or loss at the date of transfer. The Group had no current or accumulated gain or expense related to continuing involvement of financial assets which had been terminated. The endorsement happens evenly throughout the period.

3. *Financial instruments risks*

The Group's major financial instruments include loans, due to customers, due to banks, bonds payable, other current liabilities, financial leasing and cash and cash equivalents. The purpose of these financial instruments is to support daily operation of the Group. The Group also has various financial assets and liabilities caused from operation, such as accounts receivables, other receivable, accounts payable, notes payables and other payables.

The major risks from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. As a common practice, the management will hold meetings at least four times a year to analyze and make plans to manage these risks. Besides, the board will hold meetings at least twice a year to discuss and approve the suggestions from the management. The Group adopts conservative policies in risk management. Since the Group maintains the risks at the lowest level, the Group not only did not use any derivative instruments or other financial instruments to hedge the risks, but also did not hold or issue any financial derivatives during the whole year.

Credit risk

The Group trades only with recognized and creditworthy customers with no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to ensure that the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Department of Credit Control in the Group.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, available-for-sale financial assets, and other receivables, arising from the default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in *Note XI.3* to the financial statements. Substantially all of the Group's cash and bank balances are held in major financial institutions located in the PRC, which management believes are of high credit quality. The Group has policies to control the size of the deposits to be placed with various reputable financial institutions according to their market reputation, operating scale and financial background with a view to limiting the amount of credit exposure to any single financial institution.

As the Group's major customers are PRC government agencies at the national, provincial and local levels and other state-owned enterprises, the Group believes that they are reliable and of high credit quality and hence, there is no significant credit risk with these customers. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

As at 30 June 2015 and 31 December 2014, further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable, other receivables and long-term receivables which are neither past due nor impaired or past due but not impaired are disclosed in *Notes V.4, 6 and 9*, respectively, to the financial statements.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

3. Financial instruments risks (continued)

Liquidity risk

The Group monitors its risk of deficiency of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and estimated cash flows from the Group's operations.

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilizing a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year. Due to the capital intensive nature of the Group's businesses, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure. With regard to its future capital commitments and other financing requirements, the Group has already obtained banking facilities from several PRC banks of up to RMB772.3 billion as at 30 June 2015, of which an amount of approximately RMB294.0 billion has been utilized.

The Group's policy is that not more than 75% of borrowings shall mature in the following 12 months based on the carrying amount of borrowings reflected in the financial statements. As at 30 June 2015, 50.8% (31 December 2014: 48.8%) of the Group's borrowings would mature in less than one year.

The table below summarizes the maturity profile of the Group's financial assets and liabilities as at the balance sheet date, based on the undiscounted contractual cash flows:

	30 June 2015 (Unaudited)					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	
Short-term loans	–	50,418,735	–	–	–	50,418,735
Due to customers	3,925,267	–	–	–	–	3,925,267
Due to banks	1,300,000	–	–	–	–	1,300,000
Bills payable	–	23,776,404	–	–	–	23,776,404
Accounts payable	–	196,648,968	–	–	–	196,648,968
Interest payables	–	1,008,823	–	–	–	1,008,823
Dividends payable	–	473,139	–	–	–	473,139
Other payables	–	41,093,986	–	–	–	41,093,986
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable)	–	32,482,667	–	–	–	32,482,667
Other current liabilities (excluding deferred income and others)	–	4,561,357	–	–	–	4,561,357
Long-term loans	–	25,551,858	26,624,582	20,972,792	20,049,294	93,198,526
Bonds payable	–	1,390,858	2,683,716	21,810,666	5,208,988	31,094,228
Long-term payables	–	57,656	1,200,906	1,409,483	1,898,671	4,566,716
Unrecognized financing charges in connection with finance leases	–	178,064	86,509	29,546	–	294,119
Guarantees given to banks in connection with facilities granted to a jointly-controlled entity and other investees (excluding the real estate mortgage guarantee)	565,116	–	–	–	–	565,116
	5,790,383	377,642,515	30,595,713	44,222,487	27,156,953	485,408,051

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

3. Financial instruments risks (continued)

Liquidity risk (continued)

	31 December 2014 (Restated) (Audited)					Total
	On demand	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	
Short-term loans	–	45,591,039	–	–	–	45,591,039
Due to customers	807,664	–	–	–	–	807,664
Bills payable	–	21,556,148	–	–	–	21,556,148
Accounts payable	–	205,530,796	–	–	–	205,530,796
Interest payables	–	857,728	–	–	–	857,728
Dividends payable	–	409,471	–	–	–	409,471
Other payables	–	40,079,753	–	–	–	40,079,753
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable)	–	27,997,683	–	–	–	27,997,683
Other current liabilities (excluding deferred income and others)	–	5,704,924	–	–	–	5,704,924
Long-term loans	–	22,500,942	32,849,240	15,947,730	11,592,568	82,890,480
Bonds payable	–	1,377,726	3,386,180	12,487,035	15,295,711	32,546,652
Long-term payables	–	59,940	1,384,351	1,830,922	1,824,096	5,099,309
Unrecognized financing charges in connection with finance leases	–	240,469	138,515	84,388	–	463,372
Guarantees given to banks in connection with facilities granted to a jointly-controlled entity and other investees (excluding the real estate mortgage guarantee)	473,726	–	–	–	–	473,726
	1,281,390	371,906,619	37,758,286	30,350,075	28,712,375	470,008,745

Market risk

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. Interest-bearing borrowings cash and short term deposits are stated at amortized cost and are not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to the consolidated statement of profit or loss as earned/incurred.

As at 30 June 2015, floating interest rate loans accounted for about 44.2% of the Group's borrowings, and fixed interest rate loans accounted for approximately 55.8%. Management would adjust the proportion of floating rate assets based on changes in the market interest rates to reduce the significant impact of the interest rate risk.

If there was a general increase/decrease in the interest rate of bank and other borrowings with floating interest rates by one percentage point, with all other variables held constant, the consolidated operating results would have decreased/increased by approximately RMB471,310,000 for the six months ended 30 June 2015 (for the six months ended 30 June 2014: RMB429,954,000), and there is no significant impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred as at 30 June 2015 and the exposure to interest rate risk has been applied to those financial instruments in existence at that date. The estimated one percentage point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period from now until the end of the next annual reporting period.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

3. Financial instruments risks (continued)

Market risk (continued)

Foreign currency risk

As a result of its significant business operations in Mainland China, the Group's revenue and expenses are mainly denominated in RMB and over 90% of the financial assets and liabilities are denominated in RMB. The effect of the fluctuations in the exchange rates of RMB against foreign currencies on the Group's results of operations is therefore minimal and the Group has not entered into any hedging transactions as at 30 June 2015 and 31 December 2014 in order to reduce the Group's exposure to foreign currency risk in this regard.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of the United States dollar, Euro, Nigerian naira, Algerian dinar, the Hong Kong dollar, Saudi Arabian riyal, the Singapore dollar, with all other variables held constant, of the Group's net profit.

Effect on net profit

	For the six months ended 30 June			
		2015 (Unaudited)		2014 (Restated) (Unaudited)
Increase in the United States dollar rate	3%	(110,000)	3%	(117,600)
Decrease in the United States dollar rate	(3%)	110,000	(3%)	117,600
Increase in the Euro rate	6%	6,200	7%	(27,600)
Decrease in the Euro rate	(6%)	(6,200)	(7%)	27,600
Increase in the Algerian dinar rate	7%	(46,100)	7%	9,100
Decrease in the Algerian dinar rate	(7%)	46,100	(7%)	(9,100)
Increase in the Nigerian naira rate	7%	14,200	6%	66,900
Decrease in the Nigerian naira rate	(7%)	(14,200)	(6%)	(66,900)
Increase in the Singapore dollar rate	4%	(17,300)	2%	(10,300)
Decrease in the Singapore dollar rate	(4%)	17,300	(2%)	10,300

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred as at 30 June 2015 and the exposure to foreign currency risk has been applied to those monetary assets and liabilities in existence at that date. The estimated percentage increase or decrease represents management's assessment of a reasonably possible change in foreign exchange rates over the period from now until the end of the next annual reporting period.

4. Capital management

The Group's primary objectives for managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing services and products commensurately with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital during the six months ended 30 June 2015 and the six months ended 30 June 2014.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

VIII. FINANCIAL INSTRUMENTS AND THEIR RISKS (CONTINUED)

4. Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes short-term loans, long-term loans, due to customers, due to banks, other current liabilities (excluding deferred income), bills payable, accounts payable, interest payables, dividends payable, other payables, bonds payable, long-term payables and current portion of non-current liabilities (excluding the current portion of employee benefits payable) less cash and bank balances. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. The gearing ratios at the end of the reporting periods were presented are as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Short-term loans	50,418,735	45,591,039
Long-term loans	56,531,044	53,786,729
Due to customers	3,925,267	807,664
Due to banks	1,300,000	–
Bills payable	23,776,404	21,556,148
Accounts payable	196,648,968	205,530,796
Interest payables	1,008,823	857,728
Dividends payable	473,139	409,471
Other payables	41,093,986	40,079,753
Current portion of non-current liabilities (excluding current portion of long-term employee benefits payable)	32,482,667	27,997,683
Other current liabilities (excluding deferred income and others)	4,561,357	5,704,924
Bonds payable	26,372,413	27,212,667
Long-term payables	4,013,207	4,580,391
Less: cash and bank balances	(98,033,451)	(98,406,968)
Net debt	344,572,559	335,708,025
Owners of the Company	94,802,802	92,768,453
Non-controlling interests	16,110,276	12,414,893
Total equity	110,913,078	105,183,346
Total equity and net debt	455,485,637	440,891,371
Gearing ratio	76%	76%

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IX. FAIR VALUE

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Financial assets				
Held-to-maturity investments	1,245	1,269	1,245	1,269
Available-for-sale financial assets (Note)	4,373,884	1,352,872	4,373,884	1,352,872
Long-term receivables	26,924,161	24,753,390	26,924,161	24,753,390
	31,299,290	26,107,531	31,299,290	26,107,531
Financial liabilities				
Long-term loans	56,531,044	53,786,729	58,057,716	54,223,971
Bonds payable	26,372,413	27,212,667	26,372,413	27,212,667
Long-term payables	4,013,207	4,580,391	4,349,107	4,588,275
	86,916,664	85,579,787	88,779,236	86,024,913

Note: Available-for-sale financial assets do not include those measured on the basis of cost.

Management has assessed that the fair values of cash and bank balances, bills and accounts receivable, bills and accounts payable and similar instruments approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The following methods and assumptions were used to estimate fair values.

The fair values of unlisted held-to-maturity investments, long-term receivables, long-term and short-term loans, and other current liabilities, bonds payable and similar instruments are calculated by discounting the estimated future cash flows using rates currently available for other instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 30 June 2015 was assessed to be insignificant.

The fair values of listed equity instruments are determined based on the quoted market prices.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IX. FAIR VALUE (CONTINUED)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Financial instruments measured at fair value:

For the six months ended 30 June 2015	Fair value measurement using (unaudited)			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Equity investments at fair value through profit or loss	131,596	–	–	131,596
Held-to-maturity investments	–	1,245	–	1,245
Available-for-sale financial assets	4,373,884	–	–	4,373,884
	4,505,480	1,245	–	4,506,725

Financial instruments for which fair values are disclosed:

For the six months ended 30 June 2015	Fair value measurement using (unaudited)			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	26,924,161	–	26,924,161
Other current liabilities (excluding deferred income and others)	–	4,561,357	–	4,561,357
Long-term loans	–	58,057,716	–	58,057,716
Bonds payable	–	26,372,413	–	26,372,413
Long-term payables	–	4,349,107	–	4,349,107
	–	120,264,754	–	120,264,754

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities for the six months ended 30 June 2015.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

IX. FAIR VALUE (CONTINUED)

Financial instruments measured at fair value:

31 December 2014	Fair value measurement using (Restated) (Audited)			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Equity investments at fair value through profit or loss	110,204	–	–	110,204
Held-to-maturity investments	–	1,269	–	1,269
Available-for-sale financial assets	1,352,872	–	–	1,352,872
	1,463,076	1,269	–	1,464,345

Financial instruments for which fair values are disclosed:

31 December 2014	Fair value measurement using (Restated) (Audited)			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Long-term receivables	–	24,753,390	–	24,753,390
Other current liabilities (excluding deferred income and others)	–	5,704,924	–	5,704,924
Long-term loans	–	54,223,971	–	54,223,971
Bonds payable	–	27,212,667	–	27,212,667
Long-term payables	–	4,588,275	–	4,588,275
	–	116,483,227	–	116,483,227

There were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities in 2014.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent

Company name	Place of registration	Business scope	Registered capital	Percentage of ownership interest in the Company	Percentage of voting rights in the Company
CRCCG	Beijing	Construction and management	5,969,888	61.33	61.33

2. Subsidiaries

Refer to Note XIV – 3 (j) "Subsidiaries".

3. Jointly-controlled entities and associates

Company name	Relationship with the Group
Nanchang Railway 2 nd Construction Engineering Co., Ltd.	Associate
Chongqing Monorail Transit Engineering Co., Ltd.	Associate
Nanchang Xinlong Real Estate Co., Ltd.	Associate
Shaanxi Jiuzheng Medical Technology Co., Ltd.	Associate
Shenzhen Zhongtieda Weijun Storage and Transportation Co., Ltd.	Associate
Chongqing Yurong Highway Co., Ltd.	Associate
Gansu China Railway Construction and Estate Investment Co., Ltd.	Associate
Wuhan Lvyin Lawn Engineering Co., Ltd.	Associate
Wuhan Beitong Technology Co., Ltd.	Associate
Hubei Provincial Communications Investment ZIYun Railway Co., Ltd.	Associate
CRCC-Tongguan Investment Co., Ltd.	Associate
Inner Mongolia Berun New Energy Co., Ltd.	Associate
Ningxia China Railway Ningdong Road & Bridge Investment & Development Co., Ltd.	Associate
CRCC Beijing Golden County Prosperity Real Estate Co., Ltd.	Associate
Nanning CRCC Yongning Water Conservancy Project Investment & Construction Co., Ltd.	Associate
Hunan Yuntong Rail Traffic Equipment Co., Ltd.	Jointly-controlled entity
China Railway Communications International Engineering and Technology Co., Ltd.	Jointly-controlled entity
Groupement CITIC-CRCC Joint Venture	Jointly-controlled entity
CRCC-HC-CR15G Joint Venture	Jointly-controlled entity

4. Other related parties

Company name	Related party relationship
China Civil (Hong Kong) Building Limited	Fellow subsidiary
Beijing Tongda Jingcheng Highway Co., Ltd.	Fellow subsidiary
Same Fast Limited	Fellow subsidiary
Xi'an Tianchuang Real Estate Co., Ltd.	Fellow subsidiary
China Railway Construction (Hong Kong) Co., Ltd.	Fellow subsidiary
Railway Construction Technology Magazine	Fellow subsidiary
Beijing Railway Construction Society	Fellow subsidiary
Beijing Lu Lu Advertising Company	Fellow subsidiary
Jinli Assets Management Center	Fellow subsidiary

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions

	For the six months ended 30 June	
	2015 (Unaudited) Amount	2014 (Restated) (Unaudited) Amount
(1) Revenue from construction operations revenue (Note (a))		
Hubei Provincial Communications Investment ZIYun Railway Co., Ltd.	250,691	230,744
CRCC-HC-CR15G Joint Venture	193,352	163,587
Chongqing Monorail Transit Engineering Co., Ltd.	186,792	186,217
NingXia China Railway Ning Dong Road & Bridge Investment & Development Co., Ltd.	142,226	86,407
CRCC-Tongguan Investment Co., Ltd.	36,041	–
Chongqing Yurong Highway Co., Ltd.	13,700	40,996
CRCCG (Note (c))	4,557	2,395
Groupment Citic-CRCC Joint Venture	681	49,964
Inner Mongolia Berun New Energy Co., Ltd.	631	43,053
	828,671	803,363
(2) Other income (Note (b))		
Chongqing Monorail Transit Engineering Co., Ltd.	–	7,295
(3) Other expenses (Note (b))		
CRCCG (Note (c))	21,724	1,002
Jinli Assets Management Center (Note (c))	2,214	4,850
Beijing Tongda Jingcheng Highway Co., Ltd. (Note (c))	273	291
Railway Construction Technology Magazine (Note (c))	5	–
	24,216	6,143

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (continued)

(4) Related party guarantee granted to a related party

30 June 2015 (Unaudited)	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
CRCC-Tongguan Investment Co., Ltd.	264,108	20 May 2015	20 November 2023	No
CRCC-Tongguan Investment Co., Ltd	183,408	17 March 2014	30 December 2023	No
31 December 2014 (Restated)(Audited)	Amount of guarantee	Inception of guarantee	Termination of guarantee	Whether the guarantee is fulfilled
CRCC-Tongguan Investment Co., Ltd.	264,341	25 May 2010	25 May 2015	No
CRCC-Tongguan Investment Co., Ltd	91,785	17 March 2014	30 December 2023	No

Notes:

- (a) The terms of the construction service agreements entered into by the Group and related parties were mutually agreed by the parties.
- (b) The terms of the agreements relating to rendering or receiving other services entered into by the Group and related parties were mutually agreed by the parties.
- (c) The above related party transactions also constitute connected transactions or continuing connected transactions defined in Chapter 14A of the Hong Kong Listing Rules.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties

	30 June 2015 (Unaudited)		31 December 2014 (Restated) (Audited)	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Accounts receivable (Note (a))				
Chongqing Yurong Highway Co., Ltd.	156,693	–	218,738	–
Chongqing Monorail Transit Engineering Co., Ltd.	107,905	–	–	–
Hubei Provincial Communications Investment Zi Yun Railway Co., Ltd.	88,957	–	54,513	–
Ningxia China Railway Ning Dong Road & Bridge Investment & Development Co., Ltd.	41,375	–	47,334	–
CRCC-Tongguan Investment Co., Ltd.	5,869	–	–	–
CRCCG (Note (b))	970	–	12,741	–
Xi'an Tianchuang Real Estate Co., Ltd.	584	–	584	–
Nanchang Railway 2 nd Construction Engineering Co., Ltd.	530	–	530	–
Inner Mongolia Berun New Energy Co., Ltd.	–	–	56,710	–
Groupment Citic – CRCC Joint Venture	–	–	13,584	–
	402,883	–	404,734	–
Inventories – Amounts due from customers for contract work (Note (a))				
Groupment CITIC-CRCC Joint Venture	56,234	–	69,981	–
Chongqing Monorail Transit Engineering Co., Ltd.	37,009	–	104,065	–
CRCCG (Note (c))	2,392	–	827	–
Chongqing Yurong Highway Co., Ltd.	539	–	63,445	–
	96,174	–	238,318	–
Dividends receivable (Note (a))				
Chongqing Monorail Transit Engineering Co., Ltd.	15,592	–	15,592	–

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (continued)

	30 June 2015 (Unaudited)		31 December 2014 (Restated)(Audited)	
	Gross carrying amount	Provision for bad debts	Gross carrying amount	Provision for bad debts
Other receivables (Note (a))				
CRCC Beijing Golden County Prosperity Real Estate Co., Ltd.	1,619,388	–	–	–
CRCC-Tongguan Investment Co., Ltd	350,709	–	340,985	–
Nanchang Xinlong Real Estate Co., Ltd.	26,599	475	26,599	475
Chongqing Monorail Transit Engineering Co., Ltd.	13,209	–	384	–
Nanchang Railway 2 nd Construction Engineering Co., Ltd.	6,561	328	6,289	314
Shenzhen Zhongtieda Weijun Storage and Transportation Co., Ltd.	1,871	–	1,761	–
Hunan Yuntong Rail Traffic Equipment Co., Ltd.	561	–	561	–
China Railway Communications International Engineering and Technology Co., Ltd.	31	–	–	–
Nanning CRCC Yongning Water Conservancy Project Investment & Construction Co., Ltd.	12	–	–	–
Shaanxi Jiuzheng Medical Technology Co., Ltd.	–	–	1,367	1,367
	2,018,941	803	377,946	2,156

	30 June 2015 (Unaudited) Amount	31 December 2014 (Restated) (Audited) Amount
	Accounts payable (Note (a))	
Wuhan Beitong Technology Co., Ltd.	1,024	–
Wuhan Lvyin Lawn Engineering Co., Ltd	–	6
	1,024	6
Advances from customers (Note (a))		
Nanning CRCC Yongning Water Conservancy Project Investment & Construction Co., Ltd.	8,668	–
Other payables (Note (a))		
Groupment Citic – CRCC Joint Venture	276,293	181,045
CRCCG (Note (d))	255,373	56,240
China Railway Communications International Engineering and Technology Co., Ltd.	56,000	31
CRCC-HC-CR15G Joint Venture.	21,761	22,088
Gansu China Railway Construction and Estate Investment Co., Ltd.	2,274	33,258
Shaanxi Jiuzheng Medical Technology Co., Ltd.	450	450
Jinli Assets Management Center	300	300
	612,451	293,412

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (continued)

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Due to customers (Note (e))		
CRCCG	3,802,328	579,415
Jinli Assets Management Center	86,193	173,815
Beijing Tongda Jingcheng Highway Co., Ltd.	34,055	52,235
Railway Construction Technology Magazine	2,691	2,199
	3,925,267	807,664
Advances from customers – gross amount due to contract customers		
CRCC-HC-CR15G Joint Venture	24,795	165,511
Chongqing Monorail Transit Engineering Co., Ltd	–	33,594
Inner Mongolia Berun New Energy Co., Ltd.	–	495
	24,795	199,600
Long-term loans		
CRCCG (Note (f))	771,770	771,770

Notes:

- (a) The amounts due from/to the related parties were interest-free, unsecured, and have no fixed terms of repayment.
- (b) The accounts receivable from CRCCG mainly arose from China Railway Construction Group Ltd., one of the Group's subsidiaries, which constructed the Research Building for CRCCG.
- (c) The gross amounts due from contract customers – CRCCG mainly arose from China Railway 22nd Bureau Group Co., Ltd., and China Railway Construction Group Ltd., the subsidiaries of the Group, which provide construction services for the Research Building for CRCCG.
- (d) The amount due to CRCCG arose from CRCC International Group Co., Ltd., one of the Group's subsidiaries, which provides foreign currency settlement services for the Mecca Light Rail Project.
- (e) The amounts due to CRCCG and other companies controlled by the same parent company as CRCCG are the deposits in the Finance Company.
- (f) According to "The Ministry of Finance's notification of 2013 central state capital budget about China Railway Construction Corporation", the Ministry of Finance appropriated RMB500,000,000 to CRCCG. According to "The Ministry of Finance's notification of 2012 central state capital budget about the special funds of safety production", the Ministry of Finance allocated RMB82,110,000 to CRCCG. According to "Strengthening Corporation Financial Information Management Interim Provisions", CRCCG transferred the fund to the Company by entrusted loans.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (continued)

Notes (continued):

Investments in subsidiaries	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Unlisted, measured at cost	72,335,112	67,868,323
Loans to subsidiaries	38,542,569	41,834,013
	110,877,681	109,702,336

As at 30 June 2015, the dividends receivable due from a subsidiary in the current assets of the Company was RMB249,103,000 (31 December 2014: Nil) and the carrying amount of the current debt due to subsidiaries in the current liabilities was RMB18,528,882,000 (31 December 2014: RMB18,371,305,000). Except for the amounts deposited in the Company by the subsidiaries which bear the prevailing interest rate in the market stipulated by financial institutions, other current liabilities are unsecured, interest-free and shall be paid on demand or within one year.

The loans included in the investments to subsidiaries are interest-bearing at the prevailing interest rate in the market stipulated by financial institutions, unsecured and have no fixed terms of repayment.

XI. COMMITMENTS AND CONTINGENCIES

1. Commitments

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Capital commitments		
Contracted, but not provided for	454,616	492,832
Authorized by the board, but not contracted for	213,950	-
	668,566	492,832
Investment commitments		
Contracted, but not fulfilled	-	615,000
Other commitments (Note)		
Contracted, but not provided for	2,780,000	2,780,000

Note: The Company's wholly-owned subsidiary, China Railway 17th Bureau Group Company ("CR17B") entered into the Agreement of the Investment and Construction Project from Xi'an North Railway Station to Airport Track Transportation with Shaanxi Coal Industry Company Limited on 19 March 2013. According to the agreement, capital investment for the project totalling RMB1,080,000,000, shall be made by CR17B, and its share of the capital is 30%. By 30 June 2015, CR17B has paid the capital of RMB300,000,000.

The Company entered into a Build-Transfer project contract with Changchun Subway Co., Ltd. ("Changchun Subway") on 18 March 2013, pursuant to which the Company will inject capital in an aggregate amount of RMB4,000,000,000 to Changchun Subway, in three tranches. The Company's share of capital contribution in Changchun Subway shall not exceed 20% upon and after each tranche of capital contribution. The State-owned Assets Supervision and Administration Commission of Changchun Municipal People's Government or its designated department will repurchase all capital contributed by the Company at the original value of RMB4,000,000,000 according to the schedule as agreed in the contract. By 30 June 2015, the Group has paid the capital of RMB2,000,000,000.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XI. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when management can reasonably estimate the outcome of the legal proceedings and claims taking into account legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

3. Guarantees

The Group had issued guarantees to banks in respect of the banking facilities granted to the following parties:

The Group	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Associate	447,516	356,126
An investee of the Group	117,600	117,600
	565,116	473,726

As at 30 June 2015, the Group provided guarantees in respect of the banking facilities other than mortgage with an aggregate carrying amount of RMB565,116,000 (31 December 2014: RMB473,726,000), provided guarantees in respect of mortgage bank loan with an aggregate carrying amount of RMB8,176,338,000 (31 December 2014: RMB8,631,935,000).

Above guarantees in respect of mortgage are granted to purchasers of the Group's properties and secured by the mortgage.

The Company had issued guarantees to banks in respect of the banking facilities granted to the following parties:

The Company	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Subsidiaries	14,782,569	13,222,188
Associates	447,516	356,126
An investee of the Company	117,600	117,600
	15,347,685	13,695,914

In addition, no interest-bearing bank and other loans of the Company (31 December 2014: RMB36,538,000) was guaranteed by the subsidiaries of the Company as at 30 June 2015.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XII. EVENTS AFTER THE BALANCE SHEET DATE

- On 13 July 2015, the Company completed the non-public issuance of A shares of 12,242,000,000 ordinary shares ("Non-Public Issuance"), with the issue price at RMB8 per share. The total proceeds were RMB9,936,000,000. After deducting the relevant expenses of issuance of RMB113,057,200, the net proceeds raised by the Company amounted to RMB9,822,942,800, of which the total additional registered capital (paid-in share capital) amounted to RMB1,242,000,000 and the total capital reserve amounted to RMB8,580,942,800. There was no change of control of the Company resulting from the Non-Public Issuance.
- By the approval date of the financial statements, save as aforesaid, no other significant events took place subsequent to 30 June 2015.

XIII. OTHER SIGNIFICANT EVENTS

1. Leases

As the lessee

Finance leases: As at 30 June 2015, the balance of unrecognized financing charges was RMB294,119,000 (31 December 2014: RMB463,372,000), which was amortized using the effective interest rate method over the lease terms. The future minimum lease payments under non-cancellable finance leases are as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Less than 1 year (including 1 year)	1,769,591	2,131,158
1 to 2 years (including 2 years)	1,211,846	1,453,435
2 to 5 years (including 5 years)	962,973	1,533,391
Over 5 years	–	–
	3,944,410	5,117,984

Significant operating leases: According to the leases entered into with the lessors, the minimum lease payments under non-cancellable leases are as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Less than 1 year (including 1 year)	67,253	76,226
1 to 2 years (including 2 years)	57,643	60,030
2 to 3 years (including 3 years)	52,878	55,155
Over 3 years	39,444	61,985
	217,218	253,396

For the six months ended 30 June 2015, payments under operating leases recognized in profit or loss amounted to RMB56,451,000 (2014: RMB127,791,000).

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting

Operating segments

For management purposes, the Group is organized into the following five operating segments based on their products and services:

- (1) The construction operations segment engages in the construction of infrastructure such as railways, highways, metropolitan railways and real estate projects;
- (2) The survey, design and consultancy operations segment engages in the provision of survey, design and consultancy services, as well as technology and equipment research and development services;
- (3) The manufacturing operations segment engages in the design, research and development, production and sale of large track maintenance machinery as well as the manufacture of components for railway construction;
- (4) The real estate operations segment engages in the development, construction and sale of real estate; and
- (5) The other business operations segment mainly comprises logistics and other business operations.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss. The Group does not manage income tax based on operating segments and hence income tax has not been allocated to the operating segments.

For the six months ended 30 June 2015 (unaudited)

2015	Survey, design and consultancy operations						Total
	Construction operations	Survey, design and consultancy operations	Manufacturing operations	Real estate operations	Other business operations	Eliminations and adjustments	
Revenue from external customers	228,488,288	4,114,881	6,265,059	5,924,448	18,101,588	–	262,894,264
Inter-segment sales	2,823,410	2,644	209,958	–	5,665,788	(8,701,800)	–
	231,311,698	4,117,525	6,475,017	5,924,448	23,767,376	(8,701,800)	262,894,264
Share of (losses)/profits of jointly-controlled entities and associates	(6,626)	(648)	–	11	103,226	–	95,963
Impairment losses recognized	58,132	270	17,155	645	573,311	–	649,513
Depreciation and amortization	5,109,004	83,313	154,234	21,362	163,548	–	5,531,461
Profit before tax	4,727,202	521,452	762,897	557,233	431,260	(1,845)	6,998,199
Segment assets (i)	485,661,143	12,770,544	17,820,840	140,199,812	82,242,975	(90,466,068)	648,229,246
Segment liabilities (ii)	416,347,463	8,902,773	10,406,421	125,577,993	59,207,599	(83,126,081)	537,316,168
Other segment information							
Investments in jointly-controlled entities and associates	2,893,944	332,338	41,874	66,596	79,355	–	3,414,107
Increase in non-current assets other than long-term equity investments	5,067,163	166,495	123,368	20,495	5,113,070	–	10,490,591

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting (continued)

Operating segments (continued)

For the six months ended 30 June 2014 (Restated) (unaudited)

2014	Construction operations	Survey, design and consultancy operations	Manufacturing operations	Real estate operations	Other business operations	Eliminations and adjustments	Total
Revenue from external customers	223,782,814	3,553,356	5,463,177	6,646,623	22,740,905	-	262,186,875
Inter-segment sales	1,844,725	56,186	422,247	-	5,559,020	(7,882,178)	-
	225,627,539	3,609,542	5,885,424	6,646,623	28,299,925	(7,882,178)	262,186,875
Share of (losses)/profits of jointly-controlled entities and associates	(28,963)	561	-	51	5,083	-	(23,268)
Impairment losses recognized	190,831	3,836	4,048	-	892	-	199,607
Depreciation and amortization	4,734,261	85,998	164,591	18,059	137,027	-	5,139,936
Profit before tax	3,855,809	436,806	609,805	905,599	1,064,377	(113,468)	6,758,928
Segment assets (i)	412,015,785	14,505,803	17,623,995	124,275,260	67,305,549	(51,404,091)	584,322,301
Segment liabilities (ii)	359,517,233	10,834,788	11,213,293	108,445,194	52,412,774	(48,797,684)	493,625,598
Other segment information							
Investments in jointly-controlled entities and associates	2,692,605	9,072	34,636	54,781	102,760	-	2,893,854
Increase in non-current assets other than long-term equity investments	4,970,724	108,349	5,810	27,947	3,360,734	-	8,473,564

(i) Segment assets do not include deferred tax assets of RMB2,253,608,000 (31 December 2014: RMB2,202,222,000) as the Group does not manage these assets based on operating segments. In addition, inter-segment receivables of RMB92,719,676,000 (31 December 2014: RMB72,123,243,000) are eliminated on consolidation.

(ii) Segment liabilities do not include deferred tax liabilities of RMB656,752,000 (31 December 2014: RMB75,867,000) and corporate income tax payable of RMB1,205,003,000 (31 December 2014: RMB2,247,040,000) as the Group does not manage these liabilities based on operating segments. In addition, inter-segment payables of RMB84,987,836,000 (31 December 2014: RMB71,753,819,000) are eliminated on consolidation.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

2. Segment reporting (continued)

Group Information

Geographical information

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Revenue from external customers		
Mainland China	250,641,639	250,705,929
Outside Mainland China	12,252,625	11,480,946
	262,894,264	262,186,875

	For the six months ended 30 June	
	30 June 2015 (Unaudited)	31 December 2014 (Restated) (Audited)
Non-current assets (Note)		
Mainland China	72,227,293	68,066,564
Outside Mainland China	2,551,963	2,523,440
	74,779,256	70,590,004

In the geographical information above, revenue from external customers is based on the location of the customers. Non-current asset information above is based on the location of the non-current assets.

Note: Non-current assets consisted of property, plant and equipment, construction in progress, intangible assets, long-term prepaid expenses and investments in jointly-controlled entities and associates.

Information about major customers

The Group did not derive more than 10% of its total revenue from any single customer during the six months ended 30 June 2015 (for the six months ended 30 June 2014: nil).

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

3. Other financial information

(i) Pension scheme contributions

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Pension scheme contributions (defined contribution plans)	1,857,764	1,673,660
Pension scheme costs (defined benefits plans)	38,847	63,071

As at 30 June 2015, there were no forfeited contributions available to reduce the Group's contribution to its pension scheme in the next year (31 December 2014: nil).

(ii) Directors', supervisors' and key managements' remuneration

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Directors', supervisors' and key managements' remuneration	2,167	2,134

4. Comparative information

As stated in *Note VI.1*, the Group completed the business combination under the common control of Chongqing Tiefa Suiyu during the current period, and hence the comparative information of the consolidated financial statements are restated to include the financial position, financial performance and cash flows of the acquiree. Accordingly, certain comparative information is restated to conform with the presentation and accounting treatment of the current period.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

An ageing analysis of accounts receivable is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Within 1 year	140,821	494,555
1 to 2 year	114,101	–
	254,922	494,555

Accounts receivable by category are as follows:

	30 June 2015 (Unaudited)			
	Amount	Percentage	Provision for bad debts	Percentage
Individually significant and subject to separate provision for bad debts	254,922	100.00	–	–

	31 December 2014 (Audited)			
	Amount	Percentage	Provision for bad debts	Percentage
Individually significant and subject to separate provision for bad debts	494,555	100.00	–	–

As at 30 June 2015, no amount due from shareholders that held 5% or more of the Company's voting rights or other related parties was included in the aforesaid balance of accounts receivable (31 December 2014: nil).

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

1. Accounts receivable (continued)

As at 30 June 2015, the five largest amounts of accounts receivables were as follows(Unaudited):

	Relationship with the Company	Amount	Ageing	Percentage of total accounts receivable %
Company 1	Third party	127,017	Within 1 year	49.83
Company 2	Third party	114,101	1 to 2 year	44.76
Company 3	Third party	13,804	Within 1 year	5.41
		254,922		100.00

As at 31 December 2014, the five largest amounts of accounts receivables were as follows (Audited):

	Relationship with the Company	Amount	Ageing	Percentage of total accounts receivable %
Company 1	Third party	333,453	Within 1 year	67.42
Company 2	Third party	161,102	Within 1 year	32.58
		494,555		100.00

2. Other receivables

An ageing analysis of other receivables is as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Within 1 year	38,532,452	41,766,777
1 to 2 years	206	1,900
2 to 3 years	1,625	6,025
Over 3 years	171,612	165,587
	38,705,895	41,940,289

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (continued)

Other receivables by category are as follows:

	30 June 2015 (Unaudited)			
	Amount	Percentage	Provision for bad debts	Percentage
Individually significant and subject to separate provision for bad debts	38,673,797	99.92	–	–
Individually not significant but subject to separate provision for bad debts	32,098	0.08	–	–
	38,705,895	100.00	–	–

	31 December 2014 (Audited)			
	Amount	Percentage	Provision for bad debts	Percentage
Individually significant and subject to separate provision for bad debts	41,864,678	99.82	–	–
Individually not significant but subject to separate provision for bad debts	75,611	0.18	–	–
	41,940,289	100.00	–	–

As at 30 June 2015, the five highest amounts of other receivables were as follows (Unaudited):

	Relationship with the Company	Amount	Ageing	Percentage of total other receivables
Company 1	Subsidiary	19,515,011	Within 1 year	50.42
Company 2	Subsidiary	7,417,503	Within 1 year	19.16
Company 3	Subsidiary	3,068,049	Within 1 year	7.93
Company 4	Subsidiary	1,643,274	Within 1 year	4.25
Company 5	Subsidiary	1,026,436	Within 1 year	2.65
		32,670,273		84.41

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2. Other receivables (continued)

As at 31 December 2014, the five highest amounts of other receivables were as follows (Audited):

	Relationship with the Company	Amount	Ageing	Percentage of total other receivables %
Company 1	Subsidiary	21,015,000	Within 1 year	50.11
Company 2	Subsidiary	8,514,768	Within 1 year	20.30
Company 3	Subsidiary	2,957,218	Within 1 year	7.05
Company 4	Subsidiary	2,229,704	Within 1 year	5.32
Company 5	Subsidiary	1,020,742	Within 1 year	2.43
		35,737,432		85.21

As at 30 June 2015, there was no balance due from shareholders that held 5% or more of the Company's voting rights was included in the aforesaid balance of other receivables (31 December 2014: Nil).

As at 30 June 2015, other receivables from related parties were as follows:

	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Subsidiaries	38,542,569	41,834,013

3. Long-term equity investments

		30 June 2015 (Unaudited)	31 December 2014 (Audited)
Cost method			
Subsidiaries	(i)	72,335,112	67,868,323
Equity method			
Jointly-controlled entities	(ii)	668,634	665,794
		73,003,746	68,534,117

Note: All the long-term equity investments are investments in unlisted companies.

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(i) Subsidiaries

Company name	30 June 2015	30 June 2015	31 December
	(Unaudited)	(Unaudited)	2014
	Percentage of	Carrying amount	Carrying
	equity interest		amount
	attributable to		
	the Company		
	%		
China Civil Engineering Construction Ltd.	100	1,909,880	1,909,880
China Railway 11 th Bureau Group Co., Ltd.	100	1,893,912	1,893,912
China Railway 12 th Bureau Group Co., Ltd.	100	1,957,277	1,957,277
China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	100	2,460,480	2,460,480
China Railway 14 th Bureau Group Co., Ltd.	100	2,130,105	2,130,105
China Railway 15 th Bureau Group Co., Ltd.	100	1,585,152	1,585,152
China Railway 16 th Bureau Group Co., Ltd.	100	1,482,412	1,482,412
China Railway 17 th Bureau Group Co., Ltd.	100	1,714,582	1,714,582
China Railway 18 th Bureau Group Co., Ltd.	100	1,103,234	1,103,234
China Railway 19 th Bureau Group Co., Ltd. (Note VII.1 (Note (a)))	100	3,954,638	1,454,638
China Railway 20 th Bureau Group Co., Ltd.	100	1,615,144	1,615,144
China Railway 21 st Bureau Group Co., Ltd.	100	1,557,251	1,557,251
China Railway 22 nd Bureau Group Co., Ltd.	100	1,295,286	1,295,286
China Railway 23 rd Bureau Group Co., Ltd.	100	1,545,004	1,545,004
China Railway 24 th Bureau Group Co., Ltd.	100	1,346,917	1,346,917
China Railway 25 th Bureau Group Co., Ltd.	100	1,053,597	1,053,597
China Railway Construction Group Ltd.	100	2,868,346	2,868,346
China Railway Electrification Bureau Group Co., Ltd.	100	1,105,530	1,105,530
China Railway Construction Real Estate Group Co., Ltd.	100	7,233,191	7,233,191
China Railway First Survey and Design Institute Group Co., Ltd.	100	623,730	623,730
China Railway Fourth Survey and Design Institute Group Co., Ltd.	100	1,015,309	1,015,309
China Railway Fifth Survey and Design Institute Group Co., Ltd.	100	291,811	291,811
China Railway Shanghai Design Institute Group Co., Ltd.	100	267,624	267,624
China Railway Goods and Materials Group Co., Ltd.	100	2,314,805	2,314,805
CRCC High-Tech Equipment Corporation Limited (Note VII.1 (Note(b)))	98	1,714,797	1,749,792
China Railway Construction Heavy Industry Co., Ltd.	100	1,042,705	1,042,705
Beijing Tiecheng Construction Supervision Co., Ltd.	80	26,385	26,385
Chenghe Insurance Broker Co., Ltd.	100	113,290	113,290
China Railway Construction (Beijing) Business Management Co., Ltd.	100	28,313	28,313
CRCC China-Africa Construction Limited	100	1,036,628	1,036,628
China Railway Construction Investment Co., Ltd.	100	10,000,000	10,000,000
CRCC Harbour & Channel Engineering Bureau Group Co., Ltd.	100	1,385,891	1,385,891
CRCC Finance Company Limited	94	5,640,000	5,640,000
CRCC International Group Co., Ltd.	100	3,000,102	3,000,102
CRCC Assets Management Co., Ltd.	100	20,000	20,000
CRCC Urban Engineering Co., Ltd.	100	2,000,000	2,000,000
Chongqing Tiefsa Suiyu Limited Company (Note. VI.1)	80	2,001,784	-
		72,335,112	67,868,323

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Long-term equity investments (continued)

(ii) Investments in jointly-controlled entities

For the six months ended 30 June 2015 (Unaudited)

Company name	Investment cost	Opening balance	Share of the profits/(losses)	Cash dividend	Closing balance	Percentage of equity %	Percentage of voting rights %
China-Africa Lekkil	654,930	665,794	3,414	(574)	668,634	57.29	57.29

2014(Audited)

Company name	Investment cost	Opening balance	Share of the profits/(losses)	Cash dividend	Closing balance	Percentage of equity %	Percentage of voting rights %
China-Africa Lekkil	654,930	655,610	10,184	-	665,794	57.29	57.29

4. Revenue and cost of sales

The operating revenue is as follows:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Operating revenue from principal operations	2,252,599	1,194,155
Other operating revenue	154	238
	2,252,753	1,194,393

The operating cost is as follows:

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Operating cost	2,129,927	1,158,171

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Investment income

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Share of net profit of the jointly-controlled entities	3,414	4,480
Investment income received from long-term equity investments under the cost method	3,389,042	3,140,871
Other	6,917	6,149
	3,399,373	3,151,500

As at 30 June 2015, the investment income was composed of investment income of RMB6,813,000 (2014:RMB445,000) from listed companies and RMB3,392,560,000 from non-listed companies (2014: RMB3,151,055,000).

As at 30 June 2015, the remittance of the Company's investment income was not subject to significant restriction.

6. Supplementary information to the statement of cash flows

(1) Supplementary information to the statement of cash flows

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Reconciliation of net profit to cash flows from operating activities		
Net profit	3,397,074	2,866,225
Plus:		
Depreciation of fixed assets	6,911	5,590
Amortization of intangible assets	681	271
Gains from disposal of fixed assets	–	(49)
(Gains)/losses from changes in fair value	(13,740)	6,732
Finance (income)/expense	(19,550)	281,340
Investment income	(3,399,373)	(3,151,500)
Increase in deferred tax assets	–	(338)
Increase in deferred tax liabilities	3,435	–
Increase in inventories	(29,920)	(103,311)
Decrease in operating receivables	3,124,782	96,327
Increase in operating payables	47,416	1,515,030
Net cash flows from operating activities	3,117,716	1,516,317

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XIV. NOTES TO KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Supplementary information to the statement of cash flows (continued)

(2) Cash and cash equivalents

	30 June 2015 (Unaudited)	31 December 2014 (Audited)
Cash	2,147,217	1,407,838
Including: cash on hand	150	21
cash with banks/financial institutions without restrictions	2,147,067	1,407,817
Cash equivalents	6,907,396	8,281,392
Closing balance of cash and cash equivalents	9,054,613	9,689,230

XV. SUPPLEMENTARY INFORMATION

1. Summary of non-recurring profit or loss

	For the six months ended 30 June	
	2015 (Unaudited)	2014 (Restated) (Unaudited)
Gains from disposal of fixed assets and intangible assets	19,579	14,601
Gains from disposal of long-term equity investments	8,555	541
Government grants recognized through profit or loss (other than government grants which are closely related to the Company's normal business operations, which comply with national policies and can be enjoyed continuously based on a fixed amount or quantity)	167,985	185,218
Net gains from debt restructuring	5,026	5,132
Investment income from disposal of financial assets at fair value through profit or loss	104	4,173
Investment income from disposal of available-for-sale financial assets	113,846	-
Gains/(losses) from changes in fair value of financial assets at fair value through profit or loss	21,501	(11,266)
Reversal of impairment of accounts receivable	175,446	210,139
Net profit from the entity combined under common control between 1 Jan 2015 and 2 June 2015	210,120	216,293
Other non-operating income and expenses other than the above items	43,908	46,740
Impact on income tax	(191,518)	(167,893)
Impact on non-controlling interests (after tax)	(27,052)	(10,107)
Non-recurring profit or loss	547,500	493,571

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XV. SUPPLEMENTARY INFORMATION (CONTINUED)

1. Summary of non-recurring profit or loss (continued)

Government grants recognized in profit or loss but not included in non-recurring profit or loss items for being closely related to normal operating activities and continuously granted following the national policies and certain quota are as follows:

	For the six months ended 30 June		Reason for being recognized in profit or loss
	2015 (Unaudited)	2014 (Restated) (Unaudited)	
Special equipment appropriation from the Ministry of Railway	8,000	8,000	Related to normal operating activities
Special equipment appropriation from the Ministry of Finance	150	150	Related to normal operating activities
	8,150	8,150	

2. Return on net assets and earnings per share ("EPS")

Group

For the six months ended 30 June 2015 (Unaudited)	Weighted average return on net assets %	EPS (RMB)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	5.59	0.43	N/A
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	5.01	0.39	N/A

Notes to Financial Statements

As at 30 June 2015

(All amounts in RMB'000 unless otherwise stated)

XV. SUPPLEMENTARY INFORMATION (CONTINUED)

2. Return on net assets and earnings per share ("EPS") (continued)

Group

For the six months ended 30 June 2014 (Restated) (Unaudited)	Weighted average return on net assets %	EPS (RMB)	
		Basic	Diluted
Net profit attributable to the Company's ordinary shareholders	6.05	0.42	N/A
Net profit attributable to the Company's ordinary shareholders after deducting non-recurring profit or loss	5.47	0.38	N/A

The Company holds no potential ordinary shares that are dilutive.

The above weighted average return on equity and earnings per share are calculated in accordance with Compilation Rules No.9 for Information Disclosure by Companies Offering Securities to the Public – Calculation and Disclosure of Return on Equity and Earnings Per Share (Revised in 2010).

Documents for Inspection

DOCUMENTS FOR INSPECTION

The following documents are kept at the headquarters of the Company in Beijing and available for inspection by regulatory authorities and shareholders in accordance with laws, regulations or the Articles and Association:

1. Full text of the interim report signed by the legal representative;
2. Full text of the financial report signed and sealed by the chairman, chief financial officer and head of the accounting department;
3. Original copies of all documents and announcements of the Company which had been disclosed to the public on the newspapers designated by CSRC and the website of Shanghai Stock Exchange during the Reporting Period; and
4. Articles of Association.

Chairman: **MENG Fengchao**
Submission Date Approved by the Board of Directors: 28 August, 2015



中国铁建

中國鐵建股份有限公司

China Railway Construction Corporation Limited