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

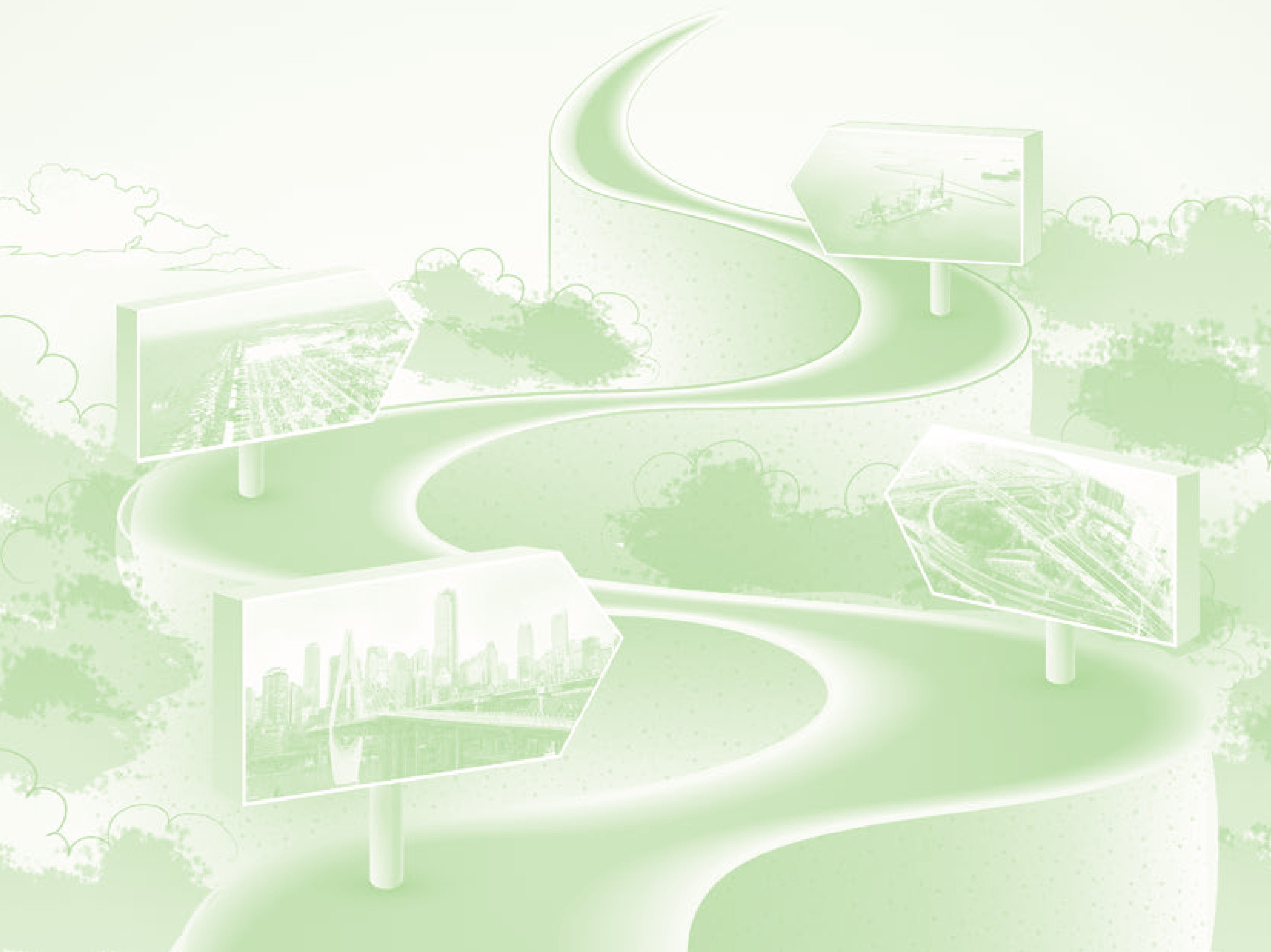
(A joint stock limited company incorporated in the People's Republic of China with limited liability)

H Share Stock Code :1800

Making In-Roads into the FUTURE

2015
INTERIM REPORT (H SHARE)

Contents



Performance Highlights

RMB million (except per share data)	For the six months ended 30 June 2015	2014	Change (%)
Revenue	**175,775**	158,561	10.9
Gross Profit	**18,546**	16,636	11.5
Operating Profit	**11,509**	10,864	5.9
Profit attributable to owners of the Company	**6,812**	6,020	13.2
Earnings per share (RMB)	**0.41**	0.37	–

	As at		
RMB million	**30 June 2015**	31 December 2014	Change (%)
Total assets	**696,377**	630,180	10.5
Total liabilities	**551,699**	498,568	10.7
Total equity	**144,678**	131,612	9.9
Capital and reserves attributable to owners of the Company	**122,430**	116,531	5.1

	For the six months ended 30 June			
RMB million	**2015**	**% of total**	2014	Change (%)
New Contracts	**263,758**	**100.0**	279,631	(5.7)
Infrastructure Construction Business	**223,194**	**84.6**	235,551	(5.2)
– Port Construction	**22,646**	**8.6**	24,051	(5.8)
– Road and Bridge Construction	**63,780**	**24.2**	61,874	3.1
– Railway Construction	**2,204**	**0.8**	18,988	(88.4)
– Investment Projects	**28,400**	**10.8**	30,551	(7.0)
– Overseas Projects	**74,363**	**28.2**	55,043	35.1
– Municipal and others	**31,801**	**12.0**	45,044	(29.4)
Infrastructure Design Business	**11,651**	**4.4**	13,478	(13.6)
Dredging Business	**15,313**	**5.8**	12,868	19.0
Heavy Machinery Manufacturing Business	**11,595**	**4.4**	15,856	(26.9)
Other Businesses	**2,005**	**0.8**	1,878	6.8

	As at			
RMB million	**30 June 2015**	**% of total**	31 December 2014	Change (%)
Backlog	**787,715**	**100.0**	818,280	(3.7)
Infrastructure Construction Business	**694,726**	**88.2**	720,669	(3.6)
Infrastructure Design Business	**37,807**	**4.8**	40,736	(7.2)
Dredging Business	**35,686**	**4.5**	34,669	2.9
Heavy Machinery Manufacturing Business	**17,785**	**2.3**	21,546	(17.5)
Other Businesses	**1,711**	**0.2**	680	151.6

Dear Shareholders,

In the first half of 2015, the Company continued to develop well, with major economic indicators achieving substantial growth and the reform development being in steady progress. The implementation of the strategy "experts in five areas" has secured remarkable effectiveness, with on-going enhancement of comprehensive strength, market competitiveness and operational quality. In 2015, the Company soared up 22 places compared to last year to rank the 165th of the Fortune Global 500. The Company has been awarded as a Grade A Enterprise in the Operating Results Assessment of State-owned Enterprises conducted by SASAC for ten consecutive years.

In the first half of 2015, the Group attained the following achievements in major economic indicators: revenue was RMB175,775 million, representing a year-on-year increase of 10.9%; profit attributable to the owners of the Company was RMB6,812 million, representing a year-on-year increase of 13.2%; and earnings per share were RMB0.41. The value of new contracts was RMB263,758 million, representing a year-on-year decrease of 5.7%, due to the adjustment in China's infrastructure market. As at 30 June 2015, the backlog of the Group amounted to RMB787,715 million, representing a decrease of 3.7% as compared to that as at 31 December 2014.

In the first half of 2015, facing the pressure from economic downturn and complicated operation situation, the Company strictly adhered to its core mission of "maintaining growth while enhancing quality and efficiency" following critical assessment of the situation. The Company comprehensively deepened its enterprise reform, innovated its business model, promoted management reform, conducted all-round planning, firmly advanced amid difficulties and endeavored to achieve satisfactory operating results. Our efforts are reflected in the following accomplishments:

Firstly, the Company grasped the development trends and enhanced its confidence in strategies. Facing the profound changes in domestic and overseas situation and environment, we made an accurate assessment of the situation with objective analysis, grasped the development trends and promptly set up the strategy of "experts in five areas". The establishment of the strategy of "experts in five areas" was our strategic enhancement based on historical foundation and realistic conditions. With continuous and deepening advancement, the strategic effects of "experts in five areas" continued and the benefits of reform were gradually realised which enabled the upgrade in the Company's overall development quality and level. Experiment has proven that the strategy of "experts in five areas" provided strategic guarantee for the Company's reform and development.

Secondly, the Company comprehensively deepened its enterprise reform to promote its development. In the first half of 2015, the Company continued the construction of "powerful headquarters", planned its advantages resource-wise in the regions, actively implemented the strategy of integration of the Beijing-Tianjin-Hebei region, constantly improved its system of "three engines" accountable for development which comprised the business divisions, the regional headquarters and the subsidiaries. The Company also actively promoted the professional integration of dredging and operating assets and achieved remarkable progress. The spin-off and listing of our dredging business have been moving forward in an orderly manner as scheduled.

Thirdly, the Company actively pushed forward mergers and acquisitions and achieved satisfactory results on capital operation. The acquisition of John Holland enabled the Company to successfully enter the Australia, New Zealand and other markets and made a contribution to the Company's expertise in the construction and operation of waterworks and railway. The acquisition also enabled the Company to introduce talents, explore the markets, reinforce its influence, enlarge its business scale and generate synergy effects to its existing businesses.

Fourthly, the Company innovated its business models and diversified its operation methods which promoted its business development. With development in investment business, the Company established the investment brand name of CCCC and reserved numerous quality investment projects which were important to the development of our principal business, profit contribution and etc. By way of asset securitization, leasing and venture capitals, the Company effectively combined various financing instruments, designed transaction structures in a flexible manner, fully utilised social capital, provided financial support to the development of CCCC's businesses and broadened the market space of the core business.

Fifthly, the Company strengthened the foundation of its management works. Each unit of the Group reinforced establishment of adaptable organisation, rules and regulations in response to the changes of the market. Major work including financial management, budget review, informatization construction, science and technology innovation, central purchases, establishment of leader and talent teams have been in orderly progress as scheduled. Each of the business departments reinforced management on its direct managing projects to enable the projects progress with high standards. In particular, the large key projects such as Hong Kong-Zhuhai-Macao Bridge, inner-Mongolia railway and Nanjing Weisan Road projects progressed smoothly and reflected the strength of CCCC and was highly praised domestically and aboard.

In the first half of 2015, the enterprise developed steadily towards goodness but we still faced various challenges and problems, i.e. firstly, the problems due to transition upgrade such as relatively low asset turnover rate and relatively high interest bearing liabilities; secondly, the problems due to external factors such as market shrinkage resulted from economic downturn and inventories and receivables remaining at high level due to delay payments from clients; thirdly, the problems due to improper and insufficient implementation of strategies.

In the second half of 2015, we will focus on the enhancement of our execution capabilities as the main driver for other work, with emphasis placed in the following:

Firstly, the Company will upgrade its development in terms of quality and efficiency. The organic combination of grasping the "level" and enhancing the "quality" and the overall planning and coordination are necessary for solving various problems faced by the Company.

Specifically, to grasp the "level" (mainly to grasp the overall balance of the three aspects) means to balance between total benefits and partial benefits, current benefits and long-term benefits, as well as investment desire and investment capability. In the second half of 2015, the Company will focus on controlling investment and will reasonably arrange the scale of investment for the sake of endeavoring to keep it within annual budget limits and compressing the capital expenditures including expenditures on houses and buildings.

Specifically, to enhance the "quality" means to keep growth by all means. Keeping growth is the necessary objective and the internal requirement of the enterprise development. Business operation is similar to rowing upstream, during which one will fall behind if not to advance. Without the support of continuous and stable development, quality and efficiency enhancement cannot move on. We take the initiative to develop the traditional business market, search for new development opportunities immediately in line with market changes, make innovative approaches for investment and financing persistently in combination with the actual situation of the enterprise, exert greater strength to implement PPP projects, create innovative commercial models persistently, take advantage of the complete industrial chain and integrated services, upgrade the capability of assisting the government in solving problems and endeavour to become the responsibility undertaker urgently required for government development, the in-depth participant in the regional economic development and the active provider for the public services purchased by the government.

Secondly, the Company will expedite construction of the adaptive system, improve the appraisal mechanism, further optimise the top level design, emphasize the enhancement of the synergetic capability of the system, and optimise the capability of resource allocation, reinforce the interests community and the life community, as well as bringing the Company's management framework and management-control model more in line with the strategic requirements for creating "experts in five areas" by means of a more scientific, reasonable and fair appraisal system to sufficiently motivate each party to take proactive action.

Thirdly, the Company will implement management reform, reinforce the foundation management, persistently proceed with the enhancement of management effectiveness, make use of the Internet technology, enhance efficiency in resource allocation, tender invitation and procurement, expedite the construction of the finance shared service centre, strengthen the delicacy and standardisation of project management, further increase the concentration of funds, place stringent control on the scale of liability with interest, reduce financial costs, expedite the establishment and extensive use of the procurement platform for supplies and equipment, reduce the cost of procurement and management, strengthen the construction of the management accounting system which will provide powerful support for promptly identifying the Company's management loopholes, formulate the measures for lowering cost and raising efficiency and assist in the decision-making of the leadership. The Company will also reinforce fundamental management with project management as the core, secure proper procurement, sub-contracting and project processing techniques to reinforce cost accounting and enhance the collection of overdue receivables and the inventory-clearance to expedite cash inflow.

2015 is the last year of the "Twelfth Five-Year Plan". Confronted with the current difficulties and problems, the Company will adhere to the development direction and target firmly in the second half of the year in order to solve the problems encountered in production and operation, stimulate vigour and impetus to complete the various indices planned for the year and keep on pushing forward the healthy development of the Company. May we have the continuous support from all our shareholders and all the people and friends who have paid long-term attention to us!

Liu Qitao
Chairman

Beijing, the PRC
28 August 2015

Business Overview

In the first half of 2015, the economy of China maintained growth at a reasonable level despite downward pressure that cannot be ignored. The government has successively introduced a series of policies and measures for stabilising growth, promoting reforms, adjusting structure, benefiting people's livelihood and controlling risks, which further highlighted the importance of stable investment. As a result, the investment scale in transportation fixed assets was continuously maintained at a high level. The development of the Company enjoyed stable and good momentum in the domestic market, but we were still confronted with various challenges and problems including adjustment on traditional business and weak growth in the potential of the market.

The global market environment has experienced profound changes, including competitions in ideologies, political and economic stability and intensification of trade protectionism, which to a certain extent affected the expansion of our overseas business. Nevertheless, the central government had firm aspiration in promoting the implementation of the "Going Global" strategies. The state leaders paid close attention to overseas railway projects, "One Belt, One Road" and "Two Corridors" framework projects as well as the development on the cooperative projects in the realm of global production capacity and equipment manufacturing. Along with the further evolution of the going-global pattern of the large central state-owned construction enterprises, market competition gradually developed into high-level competition among groups of large enterprises. In this situation, the Company further strengthened its leadership in overseas markets, reinforced its sales coordination in high-end markets, enhanced the synergetic development of its brands and gave a full play to the energies of its "one body with two wings" platform. Accordingly, our overseas business developed rapidly with satisfactory achievement.

In the first half of 2015, the Group's revenue was RMB175,775 million, representing an increase of 10.9% as compared with that for the corresponding period in 2014; and the value of new contracts amounted to RMB263,758 million, representing a decrease of 5.7% as compared with that for the corresponding period in 2014. As at 30 June 2015, the backlog of the Group amounted to RMB787,715 million, representing a decrease of 3.7% as compared with the backlog as at 31 December 2014.

In the first half of 2015, revenue of the Group's businesses derived from overseas markets amounted to RMB32,039 million (equivalent to approximately USD5,217 million including revenue realised from export trade of domestically manufactured industrial products and the same hereafter), representing approximately 18.2% of the Group's revenue. The value of new contracts from overseas markets amounted to RMB81,424 million (equivalent to approximately USD13,258 million), representing approximately 30.9% of the Group's new contracts value.

I. BUSINESS REVIEW AND OUTLOOK

1. Infrastructure Construction Business

In the first half of 2015, revenue from infrastructure construction business of the Group was RMB150,049 million, representing an increase of 16.6% as compared with that for the corresponding period in the previous year. The value of new infrastructure construction contracts amounted to RMB223,194 million, representing a decrease of 5.2% as compared with that for the corresponding period in the previous year. Categorised by project type, the value of new infrastructure construction contracts in terms of port construction, road and bridge projects, railway construction, investment projects, overseas infrastructure construction, municipal and other projects amounted to RMB22,646 million, RMB63,780 million, RMB2,204 million, RMB28,400 million, RMB74,363 million and RMB31,801 million, respectively, representing 10%, 29%, 1%, 13%, 33% and 14% of the total value of new infrastructure construction contracts, respectively. As at 30 June 2015, the backlog amounted to RMB694,726 million, representing a decrease of 3.6% as compared with that as at the end of 2014.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(1) Port Construction

In the first half of 2015, the value of new contracts of the Group for port infrastructure construction projects in Mainland China amounted to RMB22,646 million, representing a decrease of 5.8% as compared with that for the corresponding period in the previous year, and accounting for 10% of the infrastructure construction business.

In the first half of 2015, the global shipping market saw a slow recovery, while domestic port enterprises operated in poor conditions, which to a great extent restrained the investment appetite of port operating enterprises. The growth in investment in the development of domestic coastal ports dropped month by month. Large and high-quality projects further decreased and the focus is shifted to the construction of secondary ports, some newly planned port areas and cargo owners' wharves. However, under the guidance of strategies including "One Belt, One Road", integrated transportation planning under the Beijing-Tianjin-Hebei integration and outlines of Yangtze River Economic Zone development, exploration of project opportunities in Yangtze River, transformation of old ports and the ports construction along Maritime Silk Road could compensate for the drop in investment in the traditional and major port areas to a certain extent.

(2) Road and Bridge Construction

In the first half of 2015, the value of new contracts of the Group for Mainland China road and bridge projects reached RMB63,780 million, representing an increase of 3.1% as compared with that for the corresponding period in the previous year, and accounting for 29% of the infrastructure construction business.

In the first half of 2015, the size of investment in road and bridge construction was maintained at a high level. The western regions experienced a peak period of construction, while the construction markets in the eastern and middle areas tended to be saturated or the construction of projects was approaching completion. The maintenance market of roads and bridges began to take shape. Moreover, the trend of contracting large projects became more established, and contracting projects driven by investments gradually increased. Confronted with changes in the market, the Company enhanced its marketing efforts in high-end markets, endeavoured to grasp opportunities in the major markets in areas including Beijing-Tianjin-Hebei, strengthened its development in the markets of the western regions and actively cultivated and explored the maintenance market of roads and bridges. In addition, the Company boosted the development of its major business through proper investment, which earned favourable results in stabilising growth.

(3) Railway Construction

In the first half of 2015, the value of new contracts of the Group for Mainland China railway construction projects reached RMB2,204 million, representing a decrease of 88.4% as compared with that for the corresponding period in the previous year, and accounting for 1% of the infrastructure construction business.

In 2015, the central government decided to devote greater effort to railway construction by continuously promoting the reform of railway investment and financing systems, absorbing social investments from various channels, appropriately expanding the scale of fixed assets investment in railways, adjusting and increasing the mileage of new lines and initiating more new projects. Hence, another railway construction peak will arise. However, the bidding size of railway construction projects in the first half of 2015 decreased as compared to that for the corresponding period in the previous year. Accordingly the number of winning projects by the Company recorded a year-on-year decrease. But under the guidance of the annual plan of China Railway Corporation, the number of projects is expected to catch up in the second half of 2015. Therefore, the Company will unswervingly follow the market, reinforce collection of bidding information and establish effective communication with potential clients. In addition, we will improve the quality of bidding documents, elevate the management standard of our railway projects and proactively participate in the construction of various railway projects.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

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

In the first half of 2015, the value of new contracts of the Group for Mainland China investment projects amounted to RMB28,400 million, representing a decrease of 7.0% as compared with that for the corresponding period in the previous year, and accounting for 13% of the infrastructure construction business. Categorised by project type, the value of new contracts in terms of BOT projects and BT projects amounted to RMB19,800 million and RMB8,600 million, respectively, representing 69% and 31% of the total value of new investment contracts, respectively. For the corresponding period of 2014, the value of new contracts for BOT projects, BT projects and preliminary land development projects represented 65%, 22% and 13% of the total value of new investment contracts, respectively.

As at 30 June 2015, according to the statistics of our projects, the total contracted investment volume of the Group's BOT projects was estimated to be RMB226,199 million, and cumulatively an investment amount of RMB122,046 million has been completed with assets with a value of RMB46,501 million having been put into operation. The total contract value of BT projects entered into by the Group amounted to RMB113,471 million and an investment amount of RMB70,261 million has been completed. Wherein, projects with an investment amount of RMB58,652 million have entered into the payback period with funds of RMB25,130 million cumulatively recovered. The total contracted investment amount of the Group's primary land development projects was estimated at RMB141,858 million, with cumulatively RMB30,956 million having been completed, while the sales amount of RMB12,739 million has been realised.

In the first half of 2015, the Company proactively promoted high-end connections by fully utilising the market expansion capability of its business divisions and regional headquarters. In addition, its investment business provided powerful support for the development of its major business, transformation and upgrading, as well as the implementation of the strategy of "experts in five areas". First, the Company carried out all-round budget management. By adhering to the general principles of "controlling newly-initiated projects, assuring undergoing projects, investing prudently, risk mitigating, prioritising efficiency and to be stronger and better", we selected the best among high-quality investment projects. Second, the Company adjusted its investment assessment system in order to conduct differentiated assessment on the areas and subjects of investment. Therefore, we restrained our investment impulsion and prevented investment risks. Third, the Company strengthened its connections in high-end projects by entering into strategic cooperation agreements with Shanghai, Tianjin, Hebei as well as other cities and provinces so as to reserve a series of high-quality projects. Fourth, the Company implemented PPP mode by focusing on government procurement projects that are included in local fiscal budget and with investment conditions which could satisfy the requirements and development strategies of the Company. We anticipate that another series of high-quality PPP projects will be implemented in the second half of the year.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(5) Overseas Projects

In the first half of 2015, the value of the new contracts for overseas projects of the infrastructure construction business entered into by the Group amounted to RMB74,363 million (equivalent to approximately USD12,108 million), representing an increase of 35.1% as compared with that for the corresponding period of last year and accounting for 33% of the infrastructure construction business. Among which, 10 new projects were signed with each contract value over USD300 million with total contract value of USD8,287 million, taking up 68% in the value of all new contracts from overseas projects.

Categorised by project type, the value of new infrastructure construction contracts for road and bridge, port construction, railway, airport, municipal and others accounted for 29%, 25%, 14%, 2% and 30% of the value of new contracts for overseas projects, respectively.

Categorised by project location, the value of new infrastructure construction contracts for Africa, Hong Kong/Macau/Taiwan, Southeast Asia, Latin America, Oceania, Central Asia, the Middle East, Europe and other regions accounted for 45%, 18%, 17%, 8%, 6%, 3%, 2% and 1% of the value of new contracts for overseas projects, respectively.

In the first half of 2015, the operational quality of overseas projects remained robust. As at 30 June 2015, the Company had 503 ongoing engineering contracting projects in 83 countries and regions, with a total contract value of approximately USD48,300 million. All these projects have been progressing smoothly.

In the first half of 2015, our overseas business developed rapidly. Following the pace of "Going Global" of the state and by virtue of the high-end visits between governments, the Company comprehensively tracked the key national strategic projects on intercommunication, industrial zone development, railway "Going Global", global capacity cooperation in the economic cooperative corridors and areas of “One Belt, One Road”, “Two Corridors” and China-Mongolia-Russia and deeply explored the key market opportunities in Pakistan, Kenya and etc. In addition, we proactively expanded in emerging markets including Russia, Senegal and Trinidad and Tobago, which contributed a contract amount of more than USD2,500 million in the first half of the 2015. As a result, our marketing capacity in the global market was further enhanced. Meanwhile, we successfully acquired John Holland, an Australian company, then entered into the Australia and New Zealand markets as well as obtained professional supplement in respect of the construction and operation of water works and railway business.

In the second half of the 2015, the Company will continue to carry out the strategy of prioritising overseas development in order to strive for larger market share and higher transnationality index. First, by capturing the opportunities brought by the national strategies of “One Belt, One Road”, intercommunication, industrial zone development, railway "Going Global", the Company will reinforce its connection with the AIIB, Silk Road Fund and domestic financial institutions to cultivate its key projects in a sophisticated manner. Second, the Company will enhance its global market layout and strengthen the operation, management and control over its regional companies and centres. It will also reinforce its exploration of markets pursuant to the principles of regionalisation, specialisation and localisation based on the trends of markets. Third, the Company will continuously enhance the synergy between its overseas management and control and the overseas system of its professional subsidiaries, so as to accomplish a resource-integrated development. Fourth, the Company will consolidate its basis of management and further improve its assessment system, accelerate the construction of its compliance management and control system in order to build up its financial management and control and finance shared service centre.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

1. Infrastructure Construction Business (Continued)

(6) Municipal and Other Projects

In the first half of 2015, the value of new contracts for municipal and other projects in Mainland China entered into by the Group reached RMB31,801 million, representing a decrease of 29.4% as compared to that for the corresponding period in the previous year, and accounting for 14% of the infrastructure construction business.

In the first half of 2015, for the purpose of ensuring stable economic growth, local governments made key investments in seven realms including urban public utilities, water conservancy construction, road and waterway construction, urban and rural power grid construction, graceful village construction, environment protection as well as information and communication. As a result, construction of urban railway transit and underground pipelines and tunnels significantly accelerated. The Company innovated its business models and entered the underground railway markets of Harbin and Qingdao through capital injections. However, slow progress was made in our market exploration in the traditional bidding and tender market due to fierce competition and constraints of our own qualifications and results. In the next step, the Company will reinforce its high-end business connections and concentrate fine resources to establish an adaptive operation structure by defining its key cities and regions, in order to strive for new breakthroughs.

2. Infrastructure Design Business

In the first half of 2015, revenue from the infrastructure design business of the Group was RMB9,498 million, representing an increase of 20.5% as compared to that for the corresponding period in the previous year. The value of new infrastructure design contracts entered into by the Group reached RMB11,651 million, representing a decrease of 13.6% as compared to that for the corresponding period in the previous year. As at 30 June 2015, the backlog amounted to RMB37,807 million, representing a decrease of 7.2% as compared with the backlog as at 31 December 2014.

Categorised by project type, the values of new contracts for survey and design, project supervision, EPC contracting and other projects amounted to RMB5,473 million, RMB355 million, RMB5,407 million and RMB416 million, respectively, representing 47%, 3%, 46% and 4% of the total value of new infrastructure design contracts, respectively, as compared with 35%, 4%, 56% and 5%, respectively recorded for the corresponding period of 2014.

In the first half of 2015, the Company's traditional port design business remained in downturn while the road and bridge design business slightly recovered. The value of new contracts from various EPC projects declined year on year, thereby lowering the value of new contracts from the infrastructure design business. In the second half of 2015, the Company, while focusing on the development of overseas markets, will further develop the traditional domestic market, and strive to make breakthroughs in regional market development by capitalising on the Company's "one body with two wings" platform. In the meantime, the Company is planning for the establishment of a professional railway survey and design institute in order to develop new business areas. In the second half of 2015, we will take actions to streamline our management mechanism, attract talents and centralise the powers of the Company to carry out our business as quickly as feasible.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

3. Dredging Business

In the first half of 2015, revenue from the dredging business of the Group was RMB15,510 million, representing an increase of 16.9% as compared to that for the corresponding period in the previous year. The value of new dredging contracts entered into by the Group reached RMB15,313 million, representing an increase of 19.0% as compared to that for the corresponding period in the previous year. As at 30 June 2015, the backlog amounted to RMB35,686 million, representing an increase of 2.9% as compared with that as at 31 December 2014.

In the first half of 2015, according to vessel purchase plan, there was no large vessels constructed with special purpose to serve in the Group's dredge fleet. As at 30 June 2015, the Group's dredging capacity amounted to approximately 760 million cubic meters under standard operating conditions.

In the last few years, competition has become more intense due to the downturn of demand in the coastal port and channel dredging markets as well as the diversification of the participating entities. The growth in the reclamation market slowed down as a result of macroeconomic policies. However, the market has recently shown signs of improvement along with the acceleration in the planning and preparation of some ultra-large projects. In order to cope with the market changes, the Company officially launched the restructuring and spin-off of its dredging business. In addition, it has further restructured the development strategies and management model of its dredging business, with an aim to integrate its dredging resources, coordinate the markets and enhance its management and control. Through the optimisation of its layout in the overseas dredging markets and coordination of its domestic and overseas ultra-large projects, the Company planned for procurement, reconstruction and maintenance of the vessels in a scientific manner, in an attempt to seek for a substantive leap of its dredging business.

4. Heavy Machinery Manufacturing Business

In the first half of 2015, revenue from the heavy machinery manufacturing business of the Group was RMB10,873 million, representing a decrease of 0.5% as compared to that for the corresponding period in the previous year. The value of new heavy machinery manufacturing contracts entered into by the Group reached RMB11,595 million, representing a decrease of 26.9% as compared to that for the corresponding period in the previous year. As at 30 June 2015, the backlog was RMB17,785 million, representing a decrease of 17.5% as compared with that as at 31 December 2014.

In the first half of 2015, the global port machinery market improved, with notable recovery of new orders. On the basis of ensuring its market shares, the Company grasped the global tendency of energy conservation and environment protection, port automation and vessels upsizing to continue its technological innovation. As a result, we launched new completely automatic container terminal loading and unloading system and a complete bulk cargo loading and unloading system to ensure the absolute leading position of our port machinery products in the global market.

Meanwhile, on one hand, the amount of our new contracts in the offshore engineering equipment decreased sharply due to the effect of the continuous downturn of global oil price. On the other hand, the government has been paying more attention to the offshore engineering equipment manufacturing industry, and has introduced a series of financial, fiscal and tax supportive policies to create an accommodative and favourable financial environment for the offshore engineering equipment enterprises. Confronted with the market changes and development opportunities, the Company will make full use of the national strategies of "Made in China 2025", "One Belt, One Road" and global expansion of equipment manufacturing to reinforce its research and development on high-end offshore engineering equipment and core parts and components. We will also enhance our capabilities in independent research and development, design, manufacture and provision of parts and components, and capture the high-end market of offshore engineering equipment, so as to consolidate and improve the positions of our advantageous products and strive for steady development.

I. BUSINESS REVIEW AND OUTLOOK (Continued)

Some major contracts entered into by the Group in the first half of 2015 are as follows (Unit: RMB million)

(1) Infrastructure Construction Business

Port Construction

No.	Contract Name	Contract Value
1	Lot 1,Lot 2 and Lot 3 of the auxiliary terminal project of Jiahu Bay Power Plant in Lufeng, Guangdong province	1,570
2	The auxiliary terminal project of Yangpu Bonded Warehouse for Refined Oil and the EPC project of the south breakwater in Shenbei Basin 3 in Shentou zone of Yangpu port in Hainan	1,179
3	The regulating structure of Fujiangsha waterway in Phase 2 of the 12.5-meter deepwater channel regulation of the Yangtze River under Nanjing	1,139
4	The regulating structure of Hechangzhou waterway in Phase 2 of the 12.5-meter deepwater channel regulation of the Yangtze River under Nanjing	1,095
5	The cofferdam project for Phase 2 of the view auxiliary facility project of Xisha Bay in Jiulongshan, Zhejiang	950

Road and Bridge Construction

No.	Contract Name	Contract Value
1	EPC project for Section LBAMSG-3 of Linhe-Baigeda section of Beijing-Xinjiang Highway	8,651
2	The main civil works of Huinan-Baishan Highway in Jilin	2,127
3	Lot 1 of Fuyou-Shatou reconstruction project of Provincial Highway 41(S223) in Yongjia, Zhejiang	1,299
4	Hankou Daijiashan Bridge project in Wuhan, Hubei	1,222
5	Taizhou Bay Bridge and connection line project in Zhejiang	1,118

Railway Construction

No.	Contract Name	Contract Value
1	Lot 1 of the station project of Qianjiang-Zhangjiajie-Changde Railway	769
2	Lot JZSG2015-1 of the station project of the cross-Badaling section of Beijing-Zhangjiakou Railway	172
3	The supplementary project to the station project of Guiyang-Guangzhou Railway	184

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

No.	Contract Name	Contract Value	Capital
1	BOT project of Guigang-Long'an Highway in Guangxi	19,800	
2	Phase 2 of Harbin Subway Line 3		5,800
3	Phase 1 of Qingdao Subway Line R3		2,800

I. BUSINESS REVIEW AND OUTLOOK (Continued)

(1) Infrastructure Construction Business (Continued)

Overseas Projects

No.	Contract Name	Contract Value (USD million)
1	The vehicle clearance square and auxiliary construction of Hong Kong Port for the Hong Kong-Zhuhai-Macau Bridge	982
2	Ground leveling and infrastructual construction project of Liantang/Heung Yuen Wai Port, Hong Kong	841
3	EPC project of Thies-Touba Highway in Senegal	813
4	The underwater tunnel project of the Karnaphuli River in Chittagong, Bangladesh	705
5	Lot 1B of connecting line of North-West Highway in Sydney, Austria	678

(2) Infrastructure Design Business

No.	Contract Name	Contract Value
1	Survey and design project of Changshui-Guangtong Highway in Yunnan	85
2	EPC project of Linghe Bridge on Yanyangshan South Road in Chaoyang, Liaoning	73
3	Survey and design project of Liupanshui-Weining Section of Duyun-Shangri-La Highway	72
4	Survey and design project of Yunfu-Zhanjiang Section and branch line of Shantou-Zhanjiang Highway in Guangdong	59
5	EPC project of Landslide control of Lijiawan in Lot A12 of Wushan-Fengjie Highway in Chongqing	55

(3) Dredging Business

No.	Contract Name	Contract Value
1	Phase II of extension project of the channel dredging in Tieshan Zone of Beihai Port in Guangxi	731
2	Lot SJ-SG-1 of the EPC project of Phase 1 of inning of Basin 2 in Tongzhouwan port zone, Jiangsu	681
3	Phase I of 100,000t-class channel dredging in Gaoshaling port zone, Tianjin	425
4	Basin maintenance dredging project from 2015 to 2019 of Phase I of container terminal in Dachanwan port zone of Shenzhen, Guangdong	365
5	Siltation and reclamation project of tidal flat in the outside of Shanghai Pudong Airport	320

(4) Heavy Machinery Manufacturing Business

No.	Contract Name	Contract Value
1	Quayside Container Cranes	690
2	6,500HP offshore standby and supply vessel	570
3	Quayside Container Cranes	520
4	Quayside Container Cranes	460
5	4,500 ton revolving floating crane	350

II. BUSINESS PLAN

The goal of the value of new contracts to be entered into by the Group for 2015 is RMB650,000 million, and the goal of revenue is RMB395,000 million.

In the first half of 2015, according to statistics, value of new contracts entered into by the Group amounted to RMB263,758 million, accomplishing 40.6% of our basic goal, and it is in line with our expectation per our schedule. Unaudited revenue amounted to RMB175,775 million, accomplishing 44.5% of our basic goal, and it is in line with our expectation per our schedule.

Management's Discussion and Analysis

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

OVERVIEW

For the six months ended 30 June 2015, revenue of the Group amounted to RMB175,775 million, representing an increase of 10.9% from RMB158,561 million in the corresponding period of 2014. The value of the Group's new contracts for the six months ended 30 June 2015 was RMB263,758 million, representing a decrease of 5.7% over the corresponding period of 2014. As at 30 June 2015, the backlog for the Group was RMB787,715 million, representing a decrease of 3.7% as compared with 31 December 2014.

Gross profit for the six months ended 30 June 2015 amounted to RMB18,546 million, representing an increase of RMB1,910 million, or 11.5%, from RMB16,636 million in the corresponding period of 2014.

Mainly as a result of the growth in gross profit, operating profit for the six months ended 30 June 2015 amounted to RMB11,509 million, representing an increase of RMB645 million, or 5.9%, from RMB10,864 million in the corresponding period of 2014.

For the six months ended 30 June 2015, profit attributable to owners of the Company amounted to RMB6,812 million, representing an increase of RMB792 million, or 13.2%, from RMB6,020 million in the corresponding period of 2014. For the six months ended 30 June 2015, earnings per share of the Group was RMB0.41, compared with RMB0.37 in the corresponding period of 2014.

The Group acquired 100% equity interest of John Holland from Leighton Holdings Limited with a consideration of AUD787 million on 20 April 2015. The acquired businesses contributed revenue of RMB2,609 million and net profit of RMB434 million to the Group for the period from acquisition date to 30 June 2015.

The following is a comparison of financial results between the six months ended 30 June 2015 and 30 June 2014.

CONSOLIDATED RESULTS OF OPERATIONS

Revenue

Revenue for the six months ended 30 June 2015 increased by 10.9% to RMB175,775 million, from RMB158,561 million in the corresponding period of 2014. The growth was attributable to the increase in the revenue from the infrastructure construction business, infrastructure design business and dredging business, amounting to RMB150,049 million, RMB9,498 million and RMB15,510 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 16.6%, 20.5% and 16.9%, respectively, over the corresponding period of 2014. Meanwhile, revenue from heavy machinery manufacturing business and other businesses decreased by RMB50 million and RMB1,018 million (all before elimination of inter-segment transactions), respectively, representing a decline rate of 0.5% and 38.3%, from the corresponding period of 2014.

Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2015 amounted to RMB157,229 million, representing an increase of RMB15,304 million, or 10.8%, from RMB141,925 million in the corresponding period of 2014. Increases in cost of sales from the infrastructure construction business, infrastructure design business, dredging business and heavy machinery manufacturing business amounted to RMB19,825 million and RMB1,494 million, RMB1,721 million and RMB178 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 16.9%, 24.3%, 14.9% and 1.9%, respectively, over the corresponding period of 2014. Meanwhile, for the six months ended 30 June 2015, cost of sales from other businesses decreased by RMB1,068 million (before elimination of inter-segment transactions), or 41.8% from the corresponding period of 2014.

Cost of sales consisted mainly of cost of subcontracting cost, raw materials and consumables used, employee benefits and rentals. For the six months ended 30 June 2015, subcontracting cost, cost of raw materials and consumables used, employee benefits and rentals increased by 7.4%, 7.3%, 19.1% and 26.4%, respectively, from the corresponding period of 2014. The increase in subcontracting cost was primarily due to the development of infrastructure construction business.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Cost of Sales and Gross Profit (Continued)

Gross profit for the six months ended 30 June 2015 amounted to RMB18,546 million, representing an increase of RMB1,910 million, or 11.5%, from RMB16,636 million in the corresponding period of 2014. Gross profit from infrastructure construction business, infrastructure design business, dredging business and other businesses increased by 12.7%, 7.2%, 30.4% and 47.6%, respectively, from the corresponding period of 2014; while the gross profit from heavy machinery manufacturing business decreased by 17.5% from the corresponding period of 2014. Gross profit margin slightly increased to 10.6% for the six months ended 30 June 2015 from 10.5% in the corresponding period of 2014. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business, heavy machinery manufacturing business and other businesses were 8.8%, 19.7%, 14.5%, 9.9% and 9.5%, respectively, as compared with 9.1%, 22.1%, 13.0%, 12.0% and 4.0% in the corresponding period of 2014.

Other income

Other income for the six months ended 30 June 2015 amounted to RMB1,301 million, representing an increase of RMB614 million, or 89.4%, from RMB687 million in the corresponding period of 2014. The increase was mainly due to dividend income from certain listed equity securities announced before 30 June 2015 while in 2014 it was announced after 30 June.

Operating Profit

Operating profit for the six months ended 30 June 2015 amounted to RMB11,509 million, representing an increase of RMB645 million, or 5.9%, from RMB10,864 million in the corresponding period of 2014. The increase was mainly due to the increase in gross profit.

For the six months ended 30 June 2015, operating profit from the dredging business and other businesses increased by RMB542 million and RMB162 million (all before elimination of inter-segment transactions and unallocated costs), representing a growth rate of 55.1% and 8100.0%, respectively, over the corresponding period of 2014; operating profit from infrastructure construction business, infrastructure design business and heavy machinery manufacturing business decreased by RMB71 million, RMB19 million and RMB290 million, or 0.9%, 1.8% and 27.0% (all before elimination of inter-segment transactions and unallocated costs), from the corresponding period of 2014.

Operating profit margin slightly decreased to 6.5% for the six months ended 30 June 2015 from 6.9% for the corresponding period of 2014, which was primarily attributable to the rise of administrative expenses resulted from the increase in research and development costs as well as employee benefits.

Finance Income

Finance income for the six months ended 30 June 2015 amounted to RMB1,583 million, representing a decrease of RMB9 million, or 0.6%, from RMB1,592 million in the corresponding period of 2014.

Finance Costs, net

Net finance costs for the six months ended 30 June 2015 amounted to RMB4,531 million, representing a decrease of RMB288 million, or 6.0%, from RMB4,819 million in the corresponding period of 2014. The decrease of finance cost was primarily attributable to decline of the benchmark interest rate.

Share of Profits of Joint ventures

Share of profits of joint ventures for the six months ended 30 June 2015 amounted to RMB17 million, compared with that of RMB6 million in the corresponding period of 2014.

Share of Profits of Associates

Share of the profits of associates for the six months ended 30 June 2015 amounted to RMB104 million, compared with that of RMB133 million in the corresponding period of 2014.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax for the six months ended 30 June 2015 amounted to RMB8,682 million, representing an increase of RMB906 million, or 11.7%, from RMB7,776 million in the corresponding period of 2014.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Income Tax Expense

Income tax expense for the six months ended 30 June 2015 amounted to RMB1,815 million, representing an increase of RMB70 million, or 4.0%, from RMB1,745 million in the corresponding period of 2014. Effective tax rate for the Group for the six months ended 30 June 2015 was 20.9%, as compared with 22.4% in the corresponding period of 2014.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests for the six months ended 30 June 2015 amounted to RMB55 million, compared with the profit attributable to non-controlling interests of RMB11 million in the corresponding period of 2014.

Profit Attributable to Owners of the Company

As a result of the foregoing factors, profit attributable to owners of the Company for the six months ended 30 June 2015 amounted to RMB6,812 million, representing an increase of RMB792 million, or 13.2%, from RMB6,020 million in the corresponding period of 2014.

Profit margin with respect to profit attributable to owners of the Company was 3.9% for the six months ended 30 June 2015, as compared with 3.8% in the corresponding period of 2014.

DISCUSSION OF SEGMENT OPERATIONS

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the six months ended 30 June 2015 and 2014.

	Revenue		Gross Profit		Gross Profit Margin		Operating Profit/(loss)[1]		Operating Profit Margin	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
Business	**2015 (RMB million)**	2014 (RMB million)	**2015 (RMB million)**	2014 (RMB million)	**2015 (%)**	2014 (%)	**2015 (RMB million)**	2014 (RMB million)	**2015 (%)**	2014 (%)
Infrastructure Construction	**150,049**	128,739	**13,215**	11,730	**8.8**	9.1	**7,788**	7,859	**5.2**	6.1
% of total	**79.9**	78.8	**71.2**	70.7			**68.8**	71.6		
Infrastructure Design	**9,498**	7,879	**1,867**	1,742	**19.7**	22.1	**1,047**	1,066	**11.0**	13.5
% of total	**5.1**	4.8	**10.1**	10.5			**9.3**	9.7		
Dredging	**15,510**	13,263	**2,256**	1,730	**14.5**	13.0	**1,526**	984	**9.8**	7.4
% of total	**8.3**	8.1	**12.1**	10.3			**13.5**	8.9		
Heavy Machinery Manufacturing	**10,873**	10,923	**1,078**	1,306	**9.9**	12.0	**783**	1,073	**7.2**	9.8
% of total	**5.8**	6.7	**5.8**	7.9			**6.9**	9.8		
Other businesses	**1,639**	2,657	**155**	105	**9.5**	4.0	**164**	2	**10.0**	0.1
% of total	**0.9**	1.6	**0.8**	0.6			**1.5**	0.0		
Subtotal	**187,569**	163,461	**18,571**	16,613			**11,308**	10,984		
Intersegment elimination and unallocated profit/(costs)	**(11,794)**	(4,900)	**(25)**	23			**201**	(120)		
Total	**175,775**	158,561	**18,546**	16,636	**10.6**	10.5	**11,509**	10,864	**6.5**	6.9

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

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Infrastructure Construction Business

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

The following table sets out the principal profit and loss information for the infrastructure construction business for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Revenue	**150,049**	128,739
Cost of sales	**(136,834)**	(117,009)
Gross profit	**13,215**	11,730
Selling and marketing expenses	**(93)**	(59)
Administrative expenses	**(5,600)**	(4,185)
Other income, net	**266**	373
Segment result	**7,788**	7,859
Depreciation and amortisation	**2,722**	2,508

Revenue. Revenue from the infrastructure construction business for the six months ended 30 June 2015 was RMB150,049 million, representing an increase of RMB21,310 million, or 16.6%, as compared with RMB128,739 million in the corresponding period of 2014, primarily attributable to the contribution from the increased value of contracts entered into in 2014 and executed in the first six months of 2015, as well as the acquisition of John Holland. The value of new contracts entered into for the infrastructure construction business for the six months ended 30 June 2015 was RMB223,194 million, representing a decrease of RMB12,357 million, or 5.2%, compared with RMB235,551 million in the corresponding period of 2014. No single project accounted for more than 5% of the Group's total revenue for the six months ended 30 June 2015 or 2014.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business for the six months ended 30 June 2015 was RMB136,834 million, representing an increase of RMB19,825 million, or 16.9%, as compared with RMB117,009 million in the corresponding period of 2014. Cost of sales as a percentage of revenue increased to 91.2% for the six months ended 30 June 2015 from 90.9% in the corresponding period of 2014.

Gross profit from the infrastructure construction business for the six months ended 30 June 2015 grew by RMB1,485 million, or 12.7%, to RMB13,215 million from RMB11,730 million in the corresponding period of 2014. Gross profit margin decreased to 8.8% for the six months ended 30 June 2015 from 9.1% in the corresponding period of 2014, primarily attributable to some projects of early stage, of which the profit has not been fully generated.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business for the six months ended 30 June 2015 were RMB93 million, representing an increase of RMB34 million as compared with RMB59 million in the corresponding period of 2014.

Administrative expenses. Administrative expenses for the infrastructure construction business for the six months ended 30 June 2015 were RMB5,600 million, representing an increase of RMB1,415 million, or 33.8%, as compared with RMB4,185 million in the corresponding period of 2014, mainly attributable to the increase in research and development costs as well as the increase in employee benefits including those incurred from the newly acquired John Holland. The growth rate of administrative expenses was higher than that of the revenue during the first six months of 2015, as a result, administrative expenses as a percentage of revenue slightly increased to 3.7% for the six months ended 30 June 2015 from 3.3% in the corresponding period of 2014.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Infrastructure Construction Business (Continued)

Other income, net. Other net income for the infrastructure construction business was RMB266 million for the six months ended 30 June 2015, as compared with other net income of RMB373 million in the corresponding period of 2014, mainly attributable to the foreign exchange losses for the six months ended 30 June 2015 while foreign exchange gains in the corresponding period of 2014.

Segment result. As a result of the above, segment result for the infrastructure construction business for the six months ended 30 June 2015 was RMB7,788 million, representing a decrease of RMB71 million, or 0.9%, as compared with RMB7,859 million in the corresponding period of 2014. Segment result margin decreased to 5.2% for the six months ended 30 June 2015 from 6.1% in the corresponding period of 2014.

Infrastructure Design Business

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

The following table sets out the principal profit and loss information for infrastructure design business for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Revenue	**9,498**	7,879
Cost of sales	**(7,631)**	(6,137)
Gross profit	**1,867**	1,742
Selling and marketing expenses	**(99)**	(85)
Administrative expenses	**(743)**	(631)
Other income, net	**22**	40
Segment result	**1,047**	1,066
Depreciation and amortisation	**110**	107

Revenue. Revenue from the infrastructure design business for the six months ended 30 June 2015 was RMB9,498 million, representing an increase of RMB1,619 million, or 20.5%, as compared with RMB7,879 million in the corresponding period of 2014. The value of new contracts entered into for the infrastructure design business for the six months ended 30 June 2015 was RMB11,651 million, representing a decrease of RMB1,827 million, or 13.6%, as compared with RMB13,478 million in the corresponding period of 2014.

Cost of sales and gross profit. Cost of sales for the infrastructure design business for the six months ended 30 June 2015 was RMB7,631 million, representing an increase of RMB1,494 million, or 24.3%, as compared with RMB6,137 million in the corresponding period of 2014. Cost of sales as a percentage of revenue increased to 80.3% for the six months ended 30 June 2015 from 77.9% in the corresponding period of 2014.

Gross profit from the infrastructure design business for the six months ended 30 June 2015 was RMB1,867 million, representing an increase of RMB125 million, or 7.2%, as compared with RMB1,742 million in the corresponding period of 2014. Gross profit margin decreased to 19.7% for the six months ended 30 June 2015 from 22.1% in the corresponding period of 2014. The decrease was mainly attributable to the increased proportion of revenue generated from comprehensive contracts, which have lower gross profit margin.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Infrastructure Design Business (Continued)

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business for the six months ended 30 June 2015 were RMB99 million, representing an increase of RMB14 million as compared with RMB85 million in the corresponding period of 2014.

Administrative expenses. Administrative expenses for the infrastructure design business for the six months ended 30 June 2015 were RMB743 million, representing an increase of RMB112 million, or 17.7%, as compared with RMB631 million in the corresponding period of 2014. Administrative expenses as a percentage of revenue decreased to 7.8% for the six months ended 30 June 2015 from 8.0% in the corresponding period of 2014.

Other income, net. Other net income for the infrastructure design business for the six months ended 30 June 2015 was RMB22 million, as compared with RMB40 million in the corresponding period of 2014.

Segment result. As a result of the above, segment result for the infrastructure design business for the six months ended 30 June 2015 was RMB1,047 million, representing a decrease of RMB19 million, or 1.8%, as compared with RMB1,066 million in the corresponding period of 2014. Segment result margin decreased to 11.0% for the six months ended 30 June 2015 from 13.5% in the corresponding period of 2014.

Dredging Business

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

The following table sets out the principal profit and loss information for the dredging business for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Revenue	**15,510**	13,263
Cost of sales	**(13,254)**	(11,533)
Gross profit	**2,256**	1,730
Selling and marketing expenses	**(10)**	(8)
Administrative expenses	**(1,028)**	(849)
Other income, net	**308**	111
Segment result	**1,526**	984
Depreciation and amortisation	**455**	444

Revenue. Revenue from the dredging business for the six months ended 30 June 2015 was RMB15,510 million, representing an increase of RMB2,247 million, or 16.9%, as compared with RMB13,263 million in the corresponding period of 2014, primarily attributable to certain larger projects and the recovery of the dredging industry in China from historical low period of 2014. The value of new contracts entered into for the dredging business for the six months ended 30 June 2015 was RMB15,313 million, representing an increase of RMB2,445 million, or 19.0%, as compared with RMB12,868 million in the corresponding period of 2014.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Dredging Business (Continued)

Cost of sales and gross profit. Cost of sales for the dredging business for the six months ended 30 June 2015 was RMB13,254 million, representing an increase of RMB1,721 million, or 14.9%, as compared with RMB11,533 million in the corresponding period of 2014. Cost of sales as a percentage of revenue for the dredging business for the six months ended 30 June 2015 was 85.5%, as compared with 87.0% in the corresponding period of 2014.

Gross profit from the dredging business for the six months ended 30 June 2015 was RMB2,256 million, representing an increase of RMB526 million or 30.4%, as compared with RMB1,730 million in the corresponding period of 2014. Gross profit margin for the dredging business increased to 14.5% for the six months ended 30 June 2015 from 13.0% in the corresponding period of 2014, primarily attributable to certain projects with higher gross profit margin executed in the first six months of 2015 as well as the recovery of dredging industry.

Selling and marketing expenses. Selling and marketing expenses for the dredging business for the six months ended 30 June 2015 were RMB10 million, as compared with RMB8 million in the corresponding period of 2014.

Administrative expenses. Administrative expenses for the dredging business for the six months ended 30 June 2015 were RMB1,028 million, representing an increase of RMB179 million, or 21.1%, as compared with RMB849 million in the corresponding period of 2014. Administrative expenses as a percentage of revenue was 6.6% for the six months ended 30 June 2015, which was in line with 6.4% in the corresponding period of 2014.

Other income, net. Other net income for the dredging business for the six months ended 30 June 2015 was RMB308 million, representing an increase of RMB197 million from RMB111 million in the corresponding period of 2014, mainly attributable to more gains on disposal of available-for-sale financial assets recognised in the six months ended 30 June 2015.

Segment result. As a result of the above, segment result for the dredging business for the six months ended 30 June 2015 was RMB1,526 million, representing an increase of RMB542 million, or 55.1%, as compared with RMB984 million in the corresponding period of 2014. Segment result margin increased to 9.8% for the six months ended 30 June 2015 from 7.4% in the corresponding period of 2014.

Proposed spin-off of CCCC Dredging. On 20 April 2015, the Company submitted a spin-off proposal to the Hong Kong Stock Exchange pursuant to Practice Note 15 of the Hong Kong Listing Rules in relation to the proposed spin-off of CCCC Dredging from the Company. CCCC Dredging and its subsidiaries are principally engaged in (i) dredging business; (ii) land reclamation business; (iii) certain ancillary and supportive operations in relation to dredging and land reclamation businesses; and (iv) other businesses including environmental dredging business and marine engineering business with respect to offshore mineral harvesting, exploitation of seafloor sands and seabed pipeline lying which use similar technologies of the dredging business. The Hong Kong Stock Exchange has confirmed that the Company may proceed with the proposed spin-off. Moreover, CSRC has accepted the application from CCCC Dredging for administrative permit in relation to the initial public offering and listing of its overseas listed foreign invested shares (i.e. H shares) on 30 June 2015. Whether the abovementioned application will be approved by CSRC and the time for CSRC to examine the abovementioned application are still uncertain. On 30 June 2015, CCCC Dredging submitted through its joint sponsors, UBS Securities Hong Kong Limited, BOCI Asia Limited and Morgan Stanley Asia Limited, (together, the "Joint Sponsors") 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. For the details of the proposed spin-off, please refer to the announcements of the Company dated 30 March 2015, 28 April 2015 and 30 June 2015 and the circulars of the Company dated 30 April 2015 and 2 July 2015. Further announcements will be made by the Company as and when appropriate in compliance with the Hong Kong Listing Rules.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Heavy Machinery Manufacturing Business

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

The following table sets out the principal profit and loss information for the heavy machinery manufacturing business for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Revenue	**10,873**	10,923
Cost of sales	**(9,795)**	(9,617)
Gross profit	**1,078**	1,306
Selling and marketing expenses	**(53)**	(47)
Administrative expenses	**(776)**	(496)
Other income, net	**534**	310
Segment result	**783**	1,073
Depreciation and amortisation	**675**	608

Revenue. Revenue from the heavy machinery manufacturing business for the six months ended 30 June 2015 was RMB10,873 million, representing a slight decrease of RMB50 million, or 0.5%, as compared with RMB10,923 million in the corresponding period of 2014, which was primarily due to shrinkage of new contract signed during the six months ended 30 June 2015 resulted from the decline of marine engineering business. The value of new contracts entered into for the heavy machinery manufacturing business for the six months ended 30 June 2015 was RMB11,595 million, representing a decrease of RMB4,261 million, or 26.9%, compared with RMB15,856 million in the corresponding period of 2014.

Cost of sales and gross profit. Cost of sales for the heavy machinery manufacturing business for the six months ended 30 June 2015 was RMB9,795 million, representing an increase of RMB178 million, or 1.9%, as compared with RMB9,617 million in the corresponding period of 2014. Cost of sales as a percentage of revenue increased to 90.1% for the six months ended 30 June 2015 from 88.0% in the corresponding period of 2014.

Gross profit from the heavy machinery manufacturing business for the six months ended 30 June 2015 was RMB1,078 million, representing a decrease of RMB228 million, or 17.5%, as compared with RMB1,306 million in the corresponding period of 2014. Gross profit margin decreased to 9.9% for the six months ended 30 June 2015 from 12.0% in the corresponding period of 2014. The decrease in gross profit margin was mainly due to fixed expenses occurred despite of the decrement of revenue.

Selling and marketing expenses. Selling and marketing expenses for the heavy machinery manufacturing business for the six months ended 30 June 2015 were RMB53 million, representing an increase of RMB6 million from RMB47 million in the corresponding period of 2014.

DISCUSSION OF SEGMENT OPERATIONS (Continued)

Heavy Machinery Manufacturing Business (Continued)

Administrative expenses. Administrative expenses for the heavy machinery manufacturing business for the six months ended 30 June 2015 were RMB776 million, representing an increase of RMB280 million, or 56.5%, as compared with RMB496 million in the corresponding period of 2014, which was mainly due to the provision for impairment of certain trade and bills receivables, as well as the increase in research and development costs during the first six months of 2015. Administrative expenses as a percentage of revenue for the heavy machinery manufacturing business increased to 7.1% for the six months ended 30 June 2015, from 4.5% in the corresponding period of 2014.

Other income, net. Other net income for the heavy machinery manufacturing business for the six months ended 30 June 2015 was RMB534 million, representing an increase of RMB224 million from RMB310 million in the corresponding period of 2014, which was attributable to the fair value gains on forward foreign exchange contracts which are used to hedge foreign currency risk.

Segment result. As a result of the above, segment result for the heavy machinery manufacturing business for the six months ended 30 June 2015 was RMB783 million, as compared with operating profit of RMB1,073 million in the corresponding period of 2014. Segment result margin decreased to 7.2% for the six months ended 30 June 2015 from 9.8% in the corresponding period of 2014.

Other Businesses

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

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Revenue	**1,639**	2,657
Cost of sales	**(1,484)**	(2,552)
Gross profit	**155**	105

Revenue. Revenue from the other businesses for the six months ended 30 June 2015 was RMB1,639 million, representing a decrease of RMB1,018 million, or 38.3%, as compared with RMB2,657 million in the corresponding period of 2014, mainly due to the decrease of trading business in the six months ended 30 June 2015.

Cost of sales and gross profit. Cost of sales for the other businesses for the six months ended 30 June 2015 was RMB1,484 million, representing a decrease of RMB1,068 million, or 41.8%, as compared with RMB2,552 million in the corresponding period of 2014. Cost of sales as a percentage of revenue decreased to 90.5% for the six months ended 30 June 2015 from 96.0% in the corresponding period 2014.

Gross profit from the other businesses for the six months ended 30 June 2015 was RMB155 million, representing an increase of RMB50 million, or 47.6%, as compared with RMB105 million in the corresponding period of 2014. Gross profit margin increased to 9.5% for the six months ended 30 June 2015 from 4.0% in the corresponding period of 2014, primarily attributable to the decreased revenue from trading business with lower gross profit margin.

LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before we receive payment from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 30 June 2015, the Group had unutilized credit facilities in the amount of RMB542,899 million. The Group's access to the financial markets of both Hong Kong and Shanghai has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Company's consolidated interim cash flow statements for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Net cash used in operating activities	**(7,876)**	(17,522)
Net cash used in investing activities	**(20,151)**	(26,000)
Net cash generated from financing activities	**31,970**	34,950
Net increase/(decrease) in cash and cash equivalents	**3,943**	(8,572)
Cash and cash equivalents at beginning of period	**71,823**	81,238
Exchange (losses)/gains on cash and cash equivalents	**(293)**	85
Cash and cash equivalents at end of period	**75,473**	72,751

Cash flow from operating activities

During the six months ended 30 June 2015, net cash used in operating activities was RMB7,876 million, as compared with RMB17,522 million in the corresponding period of 2014, which was primarily attributable to changes in working capital, in particular, due to increase in trade and other receivables as well as trade and other payables. During the six months ended 30 June 2015, trade and other receivables increased by RMB15,637 million while trade and other payables increased by RMB12,968 million, as compared with the amount of increase of RMB20,053 million and RMB9,895 million, respectively, during the corresponding period of 2014. The changes in working capital reflect, to some extent, a fact that rapid growth of BT and land development projects requires more working capital than traditional infrastructure construction business.

Cash flow from investing activities

Net cash used in investing activities for the six months ended 30 June 2015 was RMB20,151 million as compared with RMB26,000 million in the corresponding period of 2014. The decrease was primarily attributable to the increase of disposal of available-for-sale financial assets, the decrease in purchase of available-for-sale financial assets and the decrease in acquisition of subsidiaries with amount of RMB3,399 million, RMB3,701 million and RMB1,986 million, respectively, which was partially offset by the increase in purchase of intangible assets with amount of RMB4,029 million, during the six months ended 30 June 2015.

Cash flow from financing activities

Net cash generated from financing activities for the six months ended 30 June 2015 was RMB31,970 million, representing a decrease of RMB2,980 million from RMB34,950 million in the corresponding period of 2014, primarily because that the proceeds from borrowings decreased by RMB6,757 million and repayments of borrowings increased by RMB6,005 million, which was partially offset by the increase of the Company's proceeds from issuance of unsubordinated guaranteed perpetual securities by a subsidiary of RMB6,683 million and the increase of changes in restricted bank deposits by RMB2,987 million.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipment and vessels and the building of plants. The following table set forth the Group's capital expenditure by business for the six months ended 30 June 2015 and 2014.

	Six months ended 30 June	
	2015	2014
	(RMB million)	(RMB million)
Infrastructure Construction Business	**30,598**	20,285
– BOT projects	**20,685**	13,399
Infrastructure Design Business	**141**	137
Dredging Business	**983**	674
Heavy Machinery Manufacturing Business	**948**	2,038
Other	**64**	7
Total	**32,734**	23,141

Capital expenditure for the six months ended 30 June 2015 was RMB32,734 million, compared with RMB23,141 million in the corresponding period of 2014. The increase of RMB9,593 million or 41.5% was primarily attributable to the increase of capital expenditure in BOT projects.

Working Capital

Trade and bills receivables and trade and bills payables

The following table sets forth the turnover of the Group's average trade and bills receivable and average trade and bills payable for the six months ended 30 June 2015 and the year ended 31 December 2014.

	As at	
	Six months ended 30 June 2015 (Number of days)	Twelve months ended 31 December 2014 (Number of days)
Turnover of average trade and bills receivables(1)	**65**	59
Turnover of average trade and bills payables(2)	**163**	150

(1) For the six months ended 30 June 2015, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the six-month period plus trade and bills receivables net of provisions at the end of the six-month period divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 180. For the twelve months ended 31 December 2014, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.

(2) For the six months ended 30 June 2015, average trade and bills payables equals trade and bills payables at the beginning of the six-month period plus trade and bills payables at the end of the six-month period divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 180. For the twelve months ended 31 December 2014, average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Working Capital (Continued)

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

The following table sets forth an ageing analysis of trade and bills receivables as at 30 June 2015 and 31 December 2014.

	As at	
	30 June 2015 (Unaudited) (RMB million)	31 December 2014 (Audited) (RMB million)
Less than 6 months	**49,581**	45,715
6 months to 1 year	**8,600**	5,161
1 year to 2 years	**7,981**	7,133
2 years to 3 years	**2,902**	2,871
Over 3 years	**3,530**	2,813
Total	**72,594**	63,693

The Group's credit terms with its customers for the six months ended 30 June 2015 remained the same as that in the year ended 31 December 2014. Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 30 June 2015, the Group had a provision for impairment of RMB4,736 million, as compared with RMB4,161 million as at 31 December 2014.

The following table sets forth an ageing analysis of trade and bills payables as at 30 June 2015 and 31 December 2014.

	As at	
	30 June 2015 (Unaudited) (RMB million)	31 December 2014 (Audited) (RMB million)
Within 1 year	**129,457**	129,322
1 year to 2 years	**8,628**	9,074
2 years to 3 years	**1,661**	2,803
Over 3 years	**2,524**	1,675
Total	**142,270**	142,874

The Group's credit terms with its suppliers for the six months ended 30 June 2015 remained the same as that in the year ended 31 December 2014. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Retentions

The following table sets forth the carrying amounts of the retentions as at 30 June 2015 and 31 December 2014.

	As at 30 June 2015 (Unaudited) (RMB million)	31 December 2014 (Audited) (RMB million)
Current	**20,399**	20,998
Non-current	**27,439**	26,363
Total	**47,838**	47,361

INDEBTEDNESS

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 30 June 2015 and 31 December 2014.

	As at 30 June 2015 (Unaudited) (RMB million)	31 December 2014 (Audited) (RMB million)
Within 1 year	**97,770**	91,034
Between 1 year and 2 years	**32,998**	29,186
Between 2 years and 5 years	**50,406**	50,496
Over 5 years	**78,135**	58,119
Total borrowings	**259,309**	228,835

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Hong Kong dollars and Japanese Yen. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 30 June 2015 and 31 December 2014.

	As at 30 June 2015 (Unaudited) (RMB million)	31 December 2014 (Audited) (RMB million)
Renminbi	**232,804**	206,528
U.S. dollar	**22,208**	19,141
Euro	**1,341**	1,212
Japanese Yen	**1,261**	268
Hong Kong dollar	**1,115**	1,130
Others	**580**	556
Total borrowings	**259,309**	228,835

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 30 June 2015 was 56.0%, compared with 54.4% as at 31 December 2014. The increase of gearing ratio was primarily due to the increase in borrowings.

INDEBTEDNESS (Continued)

Contingent Liabilities

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

	As at	
	30 June 2015 (Unaudited) (RMB million)	31 December 2014 (Audited) (RMB million)
Pending lawsuits[1]	**3,482**	3,047
Outstanding loan guarantees[2]	**786**	527
Total	**4,268**	3,574

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

During the year ended 31 December 2013, a subsidiary of the Company was involved in a product quality dispute arising from the ordinary course of business. In September 2014, the contractor instituted a proceeding against the subsidiary, to claim a compensation relating to the product quality dispute, totalling GBP250 million (equivalent to approximately RMB2,411 million). As at 30 June 2015, the subsidiary was unable to ascertain the likelihood and reasonably estimate the outcome of the lawsuit based on the advice of legal counsel.

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

MARKET RISKS

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

Macro-economy Risk

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

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

Market Risk

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

MARKET RISKS (Continued)

Interest rate risk

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

The Group's exposure to changes in interest rates is mainly due to the Group's borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. As at 30 June 2015, approximately RMB144,677 million (as at 31 December 2014: RMB70,988 million) of the Group's borrowings were at variable rates.

Foreign exchange risk

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

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

During the six month ended 30 June 2015 and the year ended 31 December 2014, certain subsidiaries within the Group used foreign currency forward contracts for transactions with domestic and overseas registered banks, to hedge the Group's exposure to foreign currency risk on individual transactions primarily vis-à-vis U.S. dollar, the Euro, and Japanese Yen.

Unaudited Condensed Consolidated Interim Balance Sheet

	Note	Unaudited 30 June 2015 RMB million	Audited 31 December 2014 RMB million
ASSETS			
Non-current assets			
Property, plant and equipment	7	**65,596**	63,377
Lease prepayments		**9,744**	9,682
Investment properties		**713**	733
Intangible assets	8	**116,045**	90,378
Investments in joint ventures		**1,798**	1,742
Investments in associates		**9,488**	7,988
Deferred income tax assets		**3,404**	2,916
Available-for-sale financial assets	9	**23,019**	22,205
Trade and other receivables	10	**77,954**	75,902
Held-to-maturity financial assets		**394**	328
		308,155	275,251
Current assets			
Inventories		**50,124**	46,149
Trade and other receivables	10	**166,698**	150,734
Amounts due from customers for contract work	11	**86,753**	73,223
Other financial assets at fair value through profit or loss		**171**	171
Available-for-sale financial assets	9	**3,432**	6,586
Derivative financial instruments	12	**45**	26
Restricted bank deposits	13	**4,998**	6,217
Cash and cash equivalents		**75,473**	71,823
Assets of disposal group classified as held-for-sale	14	**528**	–
		388,222	354,929
Total assets		**696,377**	630,180

	Note	Unaudited 30 June 2015 RMB million	Audited 31 December 2014 RMB million
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**16,175**	16,175
Share premium		**19,656**	19,656
Financial instruments classified as equity		**4,963**	4,986
Other reserves	25	**81,636**	72,936
Proposed final dividend	26	**–**	2,778
		122,430	116,531
Non-controlling interests	27	**22,248**	15,081
Total equity		**144,678**	131,612
LIABILITIES			
Non-current liabilities			
Borrowings	15	**161,539**	137,801
Deferred income		**5,754**	4,921
Deferred income tax liabilities		**7,689**	7,805
Retirement benefit obligations		**1,795**	1,796
Trade and other payables	16	**7,016**	6,949
		183,793	159,272
Current liabilities			
Trade and other payables	16	**245,163**	224,617
Amounts due to customers for contract work	11	**21,839**	19,585
Current income tax liabilities		**2,804**	3,473
Borrowings	15	**97,770**	91,034
Derivative financial instruments	12	**15**	48
Retirement benefit obligations		**103**	153
Provisions for other liabilities and charges		**184**	386
Liabilities of disposal group classified as held-for-sale	14	**28**	–
		367,906	339,296
Total liabilities		**551,699**	498,568
Total equity and liabilities		**696,377**	630,180
Net current assets		**20,316**	15,633
Total assets less current liabilities		**328,471**	290,884

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

	Note	Unaudited Six months ended 30 June **2015** **RMB million**	 2014 RMB million
Revenue	6	**175,775**	158,561
Cost of sales	17	**(157,229)**	(141,925)
Gross profit		**18,546**	16,636
Other income	18	**1,301**	687
Other gains, net	19	**683**	459
Selling and marketing expenses	17	**(284)**	(220)
Administrative expenses	17	**(8,445)**	(6,463)
Other expenses	20	**(292)**	(235)
Operating profit	6	**11,509**	10,864
Finance income	21	**1,583**	1,592
Finance costs, net	22	**(4,531)**	(4,819)
Share of post-tax profits of joint ventures		**17**	6
Share of post-tax profits of associates		**104**	133
Profit before income tax		**8,682**	7,776
Income tax expense	23	**(1,815)**	(1,745)
Profit for the period		**6,867**	6,031
Attributable to:			
– Owners of the Company		**6,812**	6,020
– Non-controlling interests		**55**	11
		6,867	6,031
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	24	**0.41**	0.37
– Diluted	24	**0.41**	0.37

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information. Details of the aggregate amounts of the dividends paid and proposed to owners of the Company for the six months ended 30 June 2015 and 30 June 2014 are set out in Note 26.

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2015	2014
	RMB million	RMB million
Profit for the period	**6,867**	6,031
Other comprehensive income/(expenses)		
Item that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on retirement benefit obligations	**1**	(76)
Items that may be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets, net of deferred tax		
– Gains/(losses) arising during the period	**1,486**	(653)
– Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**(522)**	(195)
Cash flow hedges, net of deferred tax	**14**	–
Share of other comprehensive income of a joint venture	**(1)**	–
Currency translation differences	**(275)**	52
Other comprehensive income/(expenses) for the period, net of tax	**703**	(872)
Total comprehensive income for the period	**7,570**	5,159
Total comprehensive income/(expenses) attributable to:		
– Owners of the Company	**7,538**	5,164
– Non-controlling interests	**32**	(5)

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

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

	Unaudited							
	Attributable to owners of the Company							
	Share capital RMB million	Share premium RMB million	Financial instruments classified as equity RMB million	Other reserve RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
Balance at 1 January 2015	**16,175**	**19,656**	**4,986**	**18,200**	**57,514**	**116,531**	**15,081**	**131,612**
Profit for the period	–	–	–	–	6,812	6,812	55	6,867
Other comprehensive income/ (expenses)								
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	–	1,342	–	1,342	144	1,486
Release of investment revaluation reserve upon disposal of available-for-sale, net of deferred tax	–	–	–	(358)	–	(358)	(164)	(522)
Cash flow hedges, net of deferred tax	–	–	–	14	–	14	–	14
Share of other comprehensive income of a joint venture	–	–	–	(1)	–	(1)	–	(1)
Actuarial gains on retirement benefit obligations, net of deferred tax	–	–	–	1	–	1	–	1
Currency translation differences	–	–	–	(272)	–	(272)	(3)	(275)
Total other comprehensive income/ (expenses), net of tax	–	–	–	726	–	726	(23)	703
Total comprehensive income for the period ended 30 June 2015	–	–	–	726	6,812	7,538	32	7,570
2014 final dividend	–	–	–	–	(2,778)	(2,778)	–	(2,778)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(110)	(110)
Contribution from non-controlling interests	–	–	–	–	–	–	540	540
Financial instruments classified as equity	–	–	(23)	–	–	(23)	6,706	6,683
Cash contribution from government	–	–	–	1,216	–	1,216	–	1,216
Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries	–	–	–	(15)	(39)	(54)	(1)	(55)
Transfer to safety reserve	–	–	–	334	(334)	–	–	–
Balance at 30 June 2015	**16,175**	**19,656**	**4,963**	**20,461**	**61,175**	**122,430**	**22,248**	**144,678**

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

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

Unaudited Condensed Consolidated Interim Statement of Cash Flows

		Unaudited	
		Six months ended 30 June	
		2015	2014
	Note	**RMB million**	RMB million
Net cash used in operating activities	28(a)	**(7,876)**	(17,522)
Net cash used in investing activities	28(b)	**(20,151)**	(26,000)
Net cash generated from financing activities	28(c)	**31,970**	34,950
Net increase/(decrease) in cash and cash equivalents		**3,943**	(8,572)
Cash and cash equivalents at 1 January		**71,823**	81,238
Exchange (losses)/gains on cash and cash equivalents		**(293)**	85
Cash and cash equivalents at 30 June		**75,473**	72,751

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

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1. GENERAL INFORMATION

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

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

On 20 April 2015, CCCC International Holding Limited ("CCCI"), a wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interests in John Holland Group Pty Ltd. ("John Holland") from Leighton Holdings Limited ("Leighton") with a consideration of Australian Dollar ("AUD") 787 million (equivalent to approximately RMB3,954 million). Upon completion of the acquisition, the Company has indirectly held 100% equity interests in John Holland, which has become an indirectly wholly-owned subsidiary of the Company. Detailed information of this acquisition was set out in Note 31.

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

This condensed consolidated interim financial information for the six months ended 30 June 2015 was approved for issue by the Board of Directors on 28 August 2015.

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

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2014, as described in those annual consolidated financial statements.

(a) Amendments to standards adopted by the Group

The following amended standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2015.

	Effective for accounting periods beginning on or after
Amendment to IAS 19 regarding defined benefit plans	1 July 2014
Annual improvements 2012, which includes changes to: IFRS 2, 3, 8, IAS 16, 24 and 38	1 July 2014
Annual improvements 2013, which includes changes to: IFRS 3, 13 and IAS 40	1 July 2014

The adoption of the above did not have any material impact on the Group's results for the six months ended 30 June 2015 and the Group's financial position as at 30 June 2015.

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

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing the condensed consolidated interim financial information.

	Effective for accounting periods beginning on or after
IFRS 14 "Regulatory Deferral Accounts"	1 January 2016
Amendment to IFRS 11 on accounting for acquisitions of interests in joint operation	1 January 2016
Amendments to IAS 16 and IAS 38 on clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 and IAS 41 "Agriculture: bearer plants"	1 January 2016
Amendments to IFRS 10 and IAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"	1 January 2016
Amendments to IAS 27 "Separate financial statements"	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment entities: applying the consolidation exception"	1 January 2016
Amendments to IAS 1 "Disclosure initiative"	1 January 2016
Annual improvements 2014, which includes changes to: IFRS 5, 7, IAS 19 and 34	1 January 2016
IFRS 15 "Revenue from Contracts with Customers"	1 January 2018
IFRS 9 "Financial Instruments"	1 January 2018

3. ACCOUNTING POLICIES (Continued)

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

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

- IFRS 15, "Revenue from Contracts with Customers", establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) identify the contracts with customer; (2) identify separate performance obligations in a contract; (3) determine the transaction price; (4) allocate transaction price to performance obligations and (5) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes' to an 'asset-liability' approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue and IAS 11 Construction Contracts, and the related Interpretations on revenue recognition. The standard is not effective until 1 January 2018. As the implementation of IFRS 15 is complex, the Group is yet to assess IFRS 15's full impact and will apply the new standard when it becomes effective.

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

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

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

In preparing the condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2014.

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

(a) Liquidity risk

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

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

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million
As at 30 June 2015 (unaudited)				
Borrowings (excluding finance lease liabilities)	**103,821**	**38,169**	**62,076**	**108,393**
Finance lease liabilities	**647**	**691**	**1,602**	**501**
Net-settled derivative financial instruments	**6**	**5**	**2**	**–**
Gross-settled derivative financial instruments outflows				
– held for trading	**2,852**	**–**	**–**	**–**
– cash flow hedges	**840**	**51**	**–**	**–**
Gross-settled derivative financial instruments inflows				
– held for trading	**(2,904)**	**–**	**–**	**–**
– cash flow hedges	**(858)**	**(50)**	**–**	**–**
Trade and other payables (excluding statutory and non-financial liabilities)	**167,919**	**7,448**	**–**	**–**
Financial guarantee contracts	**–**	**–**	**113**	**673**
	272,323	**46,314**	**63,793**	**109,567**
As at 31 December 2014				
Borrowings (excluding finance lease liabilities)	98,715	36,124	60,198	83,092
Finance lease liabilities	737	564	1,395	541
Net-settled derivative financial instruments	7	6	6	–
Gross-settled derivative financial instruments outflows				
– held for trading	5,585	–	–	–
Gross-settled derivative financial instruments inflows				
– held for trading	(5,657)	–	–	–
Trade and other payables (excluding statutory and non-financial liabilities)	163,923	7,591	–	–
Financial guarantee contracts	–	–	133	394
	263,310	44,285	61,732	84,027

5. FINANCIAL RISK MANAGEMENT (Continued)

5.1 Financial risk factors (Continued)

(a) Liquidity risk (Continued)

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

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

(b) Business environment in emerging economies

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

As at 30 June 2015, the balance of contract work-in-progress relating to existing construction projects and bank deposits in these countries in Africa and the Middle East represent less than 2.0% and 1.0% (31 December 2014: less than 2.0% and 1.0%), respectively, of the respective balances on the unaudited condensed consolidated interim balance sheet. Management continuously monitors the development and changes in political, social and economic environments of these countries. Whenever there is any indication of impairment exists, management will perform impairment assessment of the outstanding assets. Based on current assessment, management does not expect any material losses of outstanding assets in these countries. Future environment may differ from management's current assessment.

5.2 Fair value estimation

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2015.

	Level 1 RMB million (Unaudited)	Level 2 RMB million (Unaudited)	Level 3 RMB million (Unaudited)	Total RMB million (Unaudited)
Assets				
Financial assets at fair value through profit or loss	171	–	–	171
Derivative financial instruments				
– held for trading	–	25	–	25
– cash flow hedges	–	20	–	20
Available-for-sale financial assets				
– equity securities	21,315	–	–	21,315
– other unlisted instruments	–	3,432	–	3,432
Total assets	21,486	3,477	–	24,963
Liabilities				
Derivative financial instruments				
– held for trading	–	(13)	–	(13)
– cash flow hedges	–	(2)	–	(2)
Total liabilities	–	(15)	–	(15)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

	Level 1 RMB million (Audited)	Level 2 RMB million (Audited)	Level 3 RMB million (Audited)	Total RMB million (Audited)
Assets				
Financial assets at fair value through profit or loss	171	–	–	171
Derivative financial instruments				
– held for trading	–	26	–	26
Available-for-sale financial assets				
– equity securities	20,275	–	–	20,275
– other unlisted instruments	–	6,586	–	6,586
Total assets	20,446	6,612	–	27,058
Liabilities				
Derivative financial instruments				
– held for trading	–	(48)	–	(48)
Total liabilities	–	(48)	–	(48)

For the six months ended 30 June 2015, there were no transfer between levels for the Group's financial assets and liabilities that are measured at fair value.

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

For the six months ended 30 June 2015, there were no reclassifications of financial assets.

5. FINANCIAL RISK MANAGEMENT (Continued)

5.3 Valuation techniques used to derive Level 2 fair values

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

6. SEGMENT INFORMATION

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

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

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

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

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

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

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

In 2015, the Board of Directors approved a restructuring in respect of the assets, personnel and entities relating to the Group's dredging business. A new subsidiary, CCCC Dredging (Group) Co., Ltd. was incorporated, which is principally engaged in: (i) dredging business; (ii) land reclamation business; (iii) pre- and post-dredging services; and (iv) environmental protection and maritime engineering business. In this connection, the following changes were made to the operating segments to align with the restructured dredging business:

– CCCC International Shipping Corporation, which is primarily engaged in the business of ships and equipment transportation for the maritime engineering business, previously included in Construction Segment, is now allocated to Dredging Segment;

– Hong Kong Marine Construction Limited, previously included in Construction Segment, is now allocated to Dredging Segment.

The changes are in line with the internal management reporting to the President Office.

The comparative segment information has been restated to reflect the abovementioned changes.

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

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

6. SEGMENT INFORMATION (Continued)

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

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

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

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

The segment results for the six months ended 30 June 2015 and other segment items included in the unaudited condensed consolidated interim financial information are as follows:

	For the six months ended 30 June 2015 (Unaudited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Total gross segment revenue	150,049	9,498	15,510	10,873	1,639	(11,794)	175,775
Inter-segment revenue	(2,167)	(256)	(8,808)	(269)	(294)	11,794	–
Revenue	147,882	9,242	6,702	10,604	1,345	–	175,775
Segment result	7,788	1,047	1,526	783	164	(25)	11,283
Unallocated income							226
Operating profit							11,509
Finance income							1,583
Finance costs, net							(4,531)
Share of post-tax profits of joint ventures							17
Share of post-tax profits of associates							104
Profit before income tax							8,682
Income tax expense							(1,815)
Profit for the period							6,867
Other segment items							
Depreciation	2,440	96	441	629	17	–	3,623
Amortisation	282	14	14	46	23	–	379
Write-down of inventories	–	–	–	18	–	–	18
Provision for foreseeable losses on construction contracts	41	–	21	142	–	–	204
Provision for impairment of trade and other receivables	65	53	379	87	6	–	590
Provision for impairment of fixed assets	5	–	–	–	–	–	5

6. SEGMENT INFORMATION (Continued)

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

	For the six months ended 30 June 2014 (Unaudited)(Restated)						
	Construction RMB million	**Design RMB million**	**Dredging RMB million**	**Heavy Machinery RMB million**	**Others RMB million**	**Elimination RMB million**	**Total RMB million**
Total gross segment revenue	128,739	7,879	13,263	10,923	2,657	(4,900)	158,561
Inter-segment revenue	(2,558)	(237)	(1,652)	(84)	(369)	4,900	–
Revenue	126,181	7,642	11,611	10,839	2,288	–	158,561
Segment result	7,859	1,066	984	1,073	2	13	10,997
Unallocated cost							(133)
Operating profit							10,864
Finance income							1,592
Finance costs, net							(4,819)
Share of post-tax profits of joint ventures							6
Share of post-tax profits of associates							133
Profit before income tax							7,776
Income tax expense							(1,745)
Profit for the period							6,031
Other segment items							
Depreciation	2,301	92	432	563	14	–	3,402
Amortisation	207	15	12	45	22	–	301
Write-down of inventories	–	–	–	42	–	–	42
Provision for foreseeable losses on construction contracts	85	–	–	93	–	–	178
(Reversal of)/Provision for impairment of trade and other receivables	(147)	(47)	186	(105)	–	–	(113)

6. SEGMENT INFORMATION (Continued)

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

The segment assets and liabilities at 30 June 2015 and capital expenditure for the six months then ended are as follows:

	As at 30 June 2015 (Unaudited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Segment assets	490,153	22,008	62,576	54,568	13,379	(16,625)	626,059
Investments in joint ventures							1,798
Investments in associates							9,488
Unallocated assets							59,032
Total assets							696,377
Segment liabilities	237,906	13,647	25,986	11,849	3,329	(16,258)	276,459
Unallocated liabilities							275,240
Total liabilities							551,699
Capital expenditure	30,598	141	983	948	64		32,734

Segment assets and liabilities at 30 June 2015 are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	626,059	276,459
Investments in joint ventures	1,798	–
Investments in associates	9,488	–
Unallocated:		
Deferred income tax assets/liabilities	3,404	7,689
Current income tax liabilities	–	2,804
Current borrowings	–	97,770
Non-current borrowings	–	161,539
Available-for-sale financial assets	26,451	–
Held-to-maturity financial assets	394	–
Other financial assets at fair value through profit or loss	171	–
Derivative financial instruments	45	15
Cash and other corporate assets/corporate liabilities	28,567	5,423
Total	696,377	551,699

6. SEGMENT INFORMATION (Continued)

The segment assets and liabilities at 31 December 2014 and capital expenditure for the year then ended are as follows:

	As at 31 December 2014 (Audited)(Restated)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Elimination RMB million	Total RMB million
Segment assets	438,501	20,601	61,439	51,151	8,431	(21,097)	559,026
Investments in joint ventures							1,742
Investments in associates							7,988
Unallocated assets							61,424
Total assets							630,180
Segment liabilities	230,513	12,763	21,760	12,284	1,001	(20,694)	257,627
Unallocated liabilities							240,941
Total liabilities							498,568
Capital expenditure	48,234	408	1,649	1,332	30	–	51,653

Segment assets and liabilities at 31 December 2014, are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	559,026	257,627
Investments in joint ventures	1,742	–
Investments in associates	7,988	–
Unallocated:		
Deferred income tax assets/liabilities	2,916	7,805
Current income tax liabilities	–	3,473
Current borrowings	–	91,034
Non-current borrowings	–	137,801
Available-for-sale financial assets	28,791	–
Held-to-maturity financial assets	328	–
Other financial assets at fair value through profit or loss	171	–
Derivative financial instruments	26	48
Cash and other corporate assets/corporate liabilities	29,192	780
Total	630,180	498,568

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

	Six months ended 30 June	
	2015 RMB million (Unaudited)	2014 RMB million (Unaudited)
PRC (excluding Hong Kong and Macau)	**143,736**	131,633
Other regions	**32,039**	26,928
	175,775	158,561

6. SEGMENT INFORMATION (Continued)

Non-current assets other than financial instruments, investments in joint ventures, investments in associates and deferred income tax assets located in the PRC and other regions is as follows:

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
PRC (excluding Hong Kong and Macau)	**179,331**	158,189
Other regions	**12,767**	5,981
	192,098	164,170

Other regions primarily include Australia and countries in Africa, the Middle East and South East Asia.

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

7. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June 2015 (Unaudited)					
	Land and buildings RMB million	**Machinery RMB million**	**Vessels and vehicles RMB million**	**Other equipment RMB million**	**Construction-in-progress RMB million**	**Total RMB million**
At 1 January 2015						
Opening net book amount	14,691	11,922	22,773	2,604	11,387	63,377
Additions	42	1,061	406	807	2,739	5,055
Disposals	(7)	(136)	(46)	(22)	–	(211)
Acquisition of a subsidiary (Note 31)	102	869	51	18	22	1,062
Transfer	2,156	(30)	865	23	(3,014)	–
Transferred from investment properties	2	–	–	–	–	2
Transferred from lease prepayment	–	–	–	–	276	276
Depreciation	(338)	(1,217)	(1,012)	(1,036)	–	(3,603)
Currency translation differences	(7)	(55)	(3)	(1)	–	(66)
Transferred to assets of disposal group classified as held-for-sale (Note14(a))	(203)	(64)	(1)	(1)	(27)	(296)
Closing net book amount	16,438	12,350	23,033	2,392	11,383	65,596
At 30 June 2015						
Cost	21,690	26,965	44,808	9,531	11,383	114,377
Accumulated depreciation	(5,252)	(14,615)	(21,775)	(7,139)	–	(48,781)
Net book amount	16,438	12,350	23,033	2,392	11,383	65,596

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

(a) Bank borrowings are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB235 million (31 December 2014: RMB240 million) (Note 15(a)).

(b) As at 30 June 2015, the Group is in the process of applying for registration of the ownership certificates for certain of its properties with an aggregate book carrying amount of approximately RMB4,111 million (31 December 2014: RMB4,383 million). The Directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

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

	As at	
	30 June 2015 RMB million (Unaudited)	31 December 2014 RMB million (Audited)
Cost – Capitalised finance leases	**5,233**	5,617
Accumulated depreciation	**(1,084)**	(1,521)
Net book amount	**4,149**	4,096

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

8. INTANGIBLE ASSETS

	For the six months ended 30 June 2015 (Unaudited)					
	Concession assets RMB million	Goodwill RMB million	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Others RMB million	Total RMB million
At 1 January 2015						
Opening net book amount	**88,382**	**1,537**	**198**	**125**	**136**	**90,378**
Additions	**20,685**	**–**	**1**	**30**	**–**	**20,716**
Acquisition of a subsidiary (Note 31)	**–**	**4,719**	**743**	**112**	**23**	**5,597**
Disposals	**–**	**–**	**–**	**(5)**	**(2)**	**(7)**
Amortisation charge (Note 17)	**(228)**	**–**	**(11)**	**(23)**	**(13)**	**(275)**
Currency translation differences	**–**	**(302)**	**(51)**	**(8)**	**(2)**	**(363)**
Transferred to assets of disposal group classified as held-for-sale (Note14(a))	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Closing net book amount	**108,839**	**5,954**	**880**	**230**	**142**	**116,045**
At 30 June 2015						
Cost	**110,110**	**5,954**	**1,059**	**434**	**282**	**117,839**
Accumulated amortisation	**(1,271)**	**–**	**(179)**	**(204)**	**(140)**	**(1,794)**
Net book amount	**108,839**	**5,954**	**880**	**230**	**142**	**116,045**

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

(a) As at 30 June 2015, concession assets represent assets under "Build-Operate-Transfer" service concession arrangements and mainly consist of toll roads in the PRC, with cost of RMB45,703 million (31 December 2014: RMB45,300 million) generating operating income, and RMB64,407 million (31 December 2014: RMB44,125 million) under construction.

(b) As at 30 June 2015, certain bank borrowings are secured by concession assets with carrying amount of approximately RMB81,597 million (31 December 2014: RMB57,388 million) (Note 15(a)).

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	RMB million (Unaudited)
At 1 January 2015	
Balance at 1 January 2015	**28,791**
Fair value gains	**1,894**
Additions	**4,120**
Disposals	**(6,801)**
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**(653)**
Transferred to investments in associates	**(900)**
Balance at 30 June 2015	**26,451**
Less: non-current portion	**(23,019)**
Current portion	**3,432**

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

Available-for-sale financial assets include the following:

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Non-current		
Listed equity securities, at fair value		
– Mainland China	**20,503**	20,151
– Hong Kong	**812**	124
Unlisted equity investments, at cost (Note b)	**1,704**	1,930
Current		
Other unlisted instruments, at fair value (Note c)	**3,432**	6,586
	26,451	28,791

(a) The Group reclassified available-for-sale investment gains, net of deferred tax, of RMB522 million (six months ended 30 June 2014: RMB195 million) upon disposal from other comprehensive income into the condensed consolidated interim income statement.

(b) Management is of the opinion that the range of reasonable fair value estimate for the unlisted equity investments is significant and the probabilities of various estimates cannot be reasonably assessed. Accordingly, such financial assets are carried out at cost less accumulated impairment losses, if any.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

(c) Other unlisted instruments represented wealth management products issued by financial institutions. Major investment targets of these products are bills issued by the People's Bank of China, debt securities issued by policy banks, debt securities issued by Chinese government in the national financial market for institutional investors, and other financial instruments. As at 30 June 2015, bank borrowings are secured by certain unlisted instruments with carrying amount of approximately RMB900 million (31 December 2014: RMB2,063 million) (Note 15(a)).

10. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Trade and bills receivables (Note a)	**72,594**	63,693
Less: provision for impairment	**(4,736)**	(4,161)
Trade and bill receivables – net	**67,858**	59,532
Prepayments	**21,891**	17,597
Retention money	**47,838**	47,335
Deposits	**20,704**	20,707
Other receivables	**28,755**	27,601
Staff advances	**1,207**	810
Long-term receivables	**56,399**	53,054
	244,652	226,636
Less: non-current portion		
– Retention money	**(27,439)**	(26,337)
– Deposits	**(3,036)**	(3,360)
– Long-term receivables	**(46,107)**	(44,928)
– Prepayments for equipment	**(1,372)**	(1,277)
	(77,954)	(75,902)
Current portion	**166,698**	150,734

Refer to Note 32(c) for receivables due from related parties.

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

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Within 6 months	**49,581**	45,715
6 months to 1 year	**8,600**	5,161
1 year to 2 years	**7,981**	7,133
2 years to 3 years	**2,902**	2,871
Over 3 years	**3,530**	2,813
	72,594	63,693

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

10. TRADE AND OTHER RECEIVABLES (Continued)

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

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Trade and bills receivables	**67,858**	59,532
Retention money	**47,865**	47,361
Deposits	**20,707**	20,710
Other receivables	**28,755**	27,601
Staff advances	**1,207**	810
Long-term receivables	**56,430**	53,085
	222,822	209,099

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

(c) The Group has entered into certain recourse and non-recourse factoring agreements with certain banks so as to obtain bank advances. As at 30 June 2015, relevant trade receivables, with recourse factoring clauses in the agreements, amounted to RMB9,984 million (31 December 2014: RMB1,374 million). In the opinion of Directors, such transactions did not qualify for derecognition of receivables and were accounted as secured borrowings (Note 15(a)). In addition, as at 30 June 2015, trade receivables of RMB13,289 million (31 December 2014: RMB13,058 million) had been transferred to the banks in accordance with relevant non-recourse factoring agreements. Relevant receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.

(d) As at 30 June 2015, bills receivables – bank acceptance notes of RMB75 million (31 December 2014: RMB22 million) were endorsed to suppliers with rights of recourse. In the opinion of the Directors, such transactions did not qualify for derecognition. In addition, as at 30 June 2015, bills receivables – bank acceptance notes of RMB1,677 million (31 December 2014: RMB2,057 million) were endorsed to suppliers, and RMB728 million (31 December 2014: RMB860 million) were discounted with banks. Relevant bills receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.

11. CONTRACT WORK-IN-PROGRESS

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Contract costs incurred and recognised profit (less recognised losses)	**1,580,338**	1,435,934
Less: progress billings	**(1,515,424)**	(1,382,296)
Contract work-in-progress	**64,914**	53,638
Representing:		
Amounts due from customers for contract work	**86,753**	73,223
Amounts due to customers for contract work	**(21,839)**	(19,585)
	64,914	53,638

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Contract revenue recognised as revenue in the period	**163,062**	142,881

12. DERIVATIVE FINANCIAL INSTRUMENTS

	As at			
	30 June 2015		31 December 2014	
	Assets	**Liabilities**	Assets	Liabilities
	RMB million	**RMB million**	RMB million	RMB million
	(Unaudited)	**(Unaudited)**	(Audited)	(Audited)
Forward foreign exchange contracts				
– held for trading	**25**	**(13)**	26	(48)
– cash flow hedges	**20**	**(2)**	–	–
	45	**(15)**	26	(48)

The notional principal amounts of the outstanding forward foreign exchange contracts at 30 June 2015 were RMB3,801 million (31 December 2014: RMB5,675 million).

In order to protect against exchange rate movements, John Holland has entered into forward exchange contracts to purchase United States Dollar ("USD"), Euros ("EUR"), Offshore Chinese Yuan ("CNH"), Great Britain Pound ("GBP"), Japanese Yen ("JPY") and New Zealand Dollars ("NZD") by AUD, and purchase AUD by NZD. These contracts are hedging recognised assets and liabilities, firm commitments and highly probable forecast transactions, and the contracts are timed to mature when items of plant and equipment or constructions materials are to be shipped or when trade and other payables is due.

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

13. RESTRICTED BANK DEPOSITS

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Restricted bank deposits	**4,998**	6,217

As at 30 June 2015, restricted bank deposits mainly included term deposits with initial term of over three months, deposits for issuance of bank acceptance notes, performance bonds and letters of credit to customers and mandatory reserve deposits placed with People's Bank of China by CCCC Finance Company Limited.

14. DISPOSAL GROUP HELD-FOR-SALE

The Company proposed to dispose the entire equity interest held in CCCC Guangdong Longsha Logistics Co., Ltd. ("Guangdong Longsha"), a 80% directly owned subsidiary of CCCC Guangzhou Dredging Co., Ltd. ("Guangzhou Dredging"). Guangdong Longsha had been listed from 4 June 2015 to 3 July 2015 for sale on the Shanghai United Assets and Equity Exchange by Guangzhou Dredging. On 10 August 2015, Guangzhou Dredging entered into a share transfer agreement with Guangzhou Port Company Limited (the buyer) to dispose the entire 80% equity interest in Guangdong Longsha with a total cash consideration of RMB531 million. The transaction is completed by the end of August 2015.

As at 30 June 2015, the assets and liabilities related to Guangdong Longsha have been presented as held-for-sale.

(a) Assets of disposal group classified as held-for-sale

	As at 30 June 2015 RMB million (Unaudited)
ASSETS	
Property, plant and equipment	**296**
Lease prepayments	**164**
Intangible assets	**1**
Trade and other receivables	**67**
Total assets	**528**

(b) Liabilities of disposal group classified as held-for-sale

	As at 30 June 2015 RMB million (Unaudited)
Liabilities	
Trade and other payables	**28**
Total liabilities	**28**

15. BORROWINGS

	Note	As at 30 June 2015 RMB million (Unaudited)	As at 31 December 2014 RMB million (Audited)
Non-current			
Long-term bank borrowings			
– secured	(a)	**61,809**	72,514
– unsecured	(b)	**62,070**	24,402
		123,879	96,916
Other borrowings			
– secured	(a)	**1,520**	1,520
– unsecured		**3,907**	3,412
Corporate bonds	(c)	**19,852**	19,846
Medium term notes	(d)	**–**	3,800
Non-public debt instrument	(f)	**10,191**	10,189
Financial lease liabilities	(h)	**2,190**	2,118
		37,660	40,885
Total non-current borrowings		**161,539**	137,801
Current			
Current portion of long-term bank borrowings			
– secured	(a)	**2,200**	6,442
– unsecured	(b)	**9,541**	5,237
		11,741	11,679
Short-term bank borrowings			
– secured	(a)	**1,610**	13,976
– unsecured	(b)	**72,325**	52,475
		73,935	66,451
Other borrowings			
– secured	(a)	**–**	500
– unsecured		**466**	1,746
Corporate bonds	(c)	**860**	373
Medium term notes	(d)	**3,871**	188
Debentures	(e)	**6,112**	9,240
Non-public debt instrument	(f)	**289**	270
Finance lease liabilities	(h)	**496**	587
		12,094	12,904
Total current borrowings		**97,770**	91,034
Total borrowings		**259,309**	228,835

(a) As at 30 June 2015, these borrowings were secured by the Group's property, plant and equipment (Note 7), lease prepayment, concession assets (Note 8), unlisted financial instruments (Note 9(c)), properties under development and held for sale, completed properties held for sale and trade receivables (Note 10(c)) (31 December 2014: secured by the Group's property, plant and equipment, lease prepayment, concession assets, unlisted financial instruments, trade receivables, properties under development and held for sale and completed properties held for sale).

15. BORROWINGS (Continued)

(b) Unsecured borrowings include those guaranteed by certain subsidiaries of the Group, the Company and certain third parties.

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

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

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

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

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

- No medium term notes were issued during this period.

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

(e) The Group issued the following debentures:

- As approved by NAFMII, three tranches of debentures were issued in April and June 2014, respectively, at nominal values of RMB3,000 million, RMB3,000 million and RMB3,000 million, respectively, totalling RMB9,000 million, with maturities of 270 days, 270 days and 270 days from issuance respectively. The interest rate is 5.20%, 5.05% and 4.80% per annum, respectively. As at 30 June 2015, these debentures have been fully paid off.

- As approved by NAFMII, two tranches of debentures were issued in January and March 2015, respectively, at nominal values of RMB3,000 million and RMB3,000 million, respectively, totalling RMB6,000 million, with maturities of 270 days, 270 days from issuance respectively. The interest rate is 4.70% and 4.60% per annum, respectively.

The debentures are stated at amortised cost.

15. BORROWINGS (Continued)

(f) The Group issued the following non-public debt instrument:

– A tranche of non-public debt instrument with a nominal value of RMB1,500 million in October 2012, with a maturity of five years from issuance, bearing interest at a rate of 5.80% per annum.

– Two tranches of non-public debt instruments were issued in April and one tranche of non-public debt instrument was issued in October 2013, respectively, at nominal values of RMB1,500 million, RMB800 million and RMB500 million, respectively, totalling RMB2,800 million, with maturities of five years, five years and five years from issuance, respectively. The interest rate is 5.10%, 6.00% and 6.65% per annum, respectively.

– Ten tranches of non-public debt instruments were issued in March, May, June, August, and September 2014, respectively, at nominal values of RMB500 million, RMB800 million, RMB800 million, RMB700 million, RMB500 million, RMB500 million, RMB500 million, RMB1,000 million, RMB500 million and RMB100 million, respectively, totalling RMB5,900 million, with maturities of three years, three years, three years, three years, three years, three years, five years, five years, three years and three years from issuance, respectively. The interest rate is 7.10%, 6.35%, 7.00%, 6.50%, 6.60%, 6.30%, 7.00%, 6.00%, 6.40%, and 5.60% per annum, respectively.

– No non-public debt instruments were issued during this period.

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

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

During the six months period ended 30 June 2015, as there was no default in payments and the customer had pledged its asset to secure the bank borrowing, management considers that the likelihood of default in payments is not probable, and therefore no provision has been made as of 30 June 2015 (31 December 2014: nil).

15. BORROWINGS (Continued)

(h) Finance lease liabilities

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

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Gross finance lease liabilities – minimum lease payments		
– No later than 1 year	**647**	737
– Later than 1 year and no later than 5 years	**2,293**	1,959
– Later than 5 years	**501**	541
	3,441	3,237
Future finance charges on finance leases	**(755)**	(532)
Present value of finance lease liabilities	**2,686**	2,705
The present value of finance lease liabilities is as follows:		
– No later than 1 year	**496**	587
– Later than 1 year and no later than 5 years	**1,979**	1,633
– Later than 5 years	**211**	485
	2,686	2,705

(i) Movement in borrowings is analysed as follows:

	RMB million (Unaudited)
Six months ended 30 June 2015	
Opening amount as at 1 January 2015	**228,835**
Proceeds from borrowings	**93,362**
Finance lease liabilities	**421**
Repayments of borrowings, interests and finance lease liabilities	**(64,287)**
Net foreign exchange gains on borrowings (Note 22)	**(114)**
Accrued interest on borrowings	**1,092**
Closing amount as at 30 June 2015	**259,309**

	RMB million (Unaudited)
Six months ended 30 June 2014	
Opening amount as at 1 January 2014	186,975
Proceeds from borrowings	100,119
Finance lease liabilities	3,015
Repayments of borrowings, interests and finance lease liabilities	401
Disposal of a subsidiary	(58,078)
Net foreign exchange losses on borrowings (Note 22)	175
Accrued interest on borrowings	1,044
Closing amount as at 30 June 2014	233,651

15. BORROWINGS (Continued)

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

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

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Carrying amount		
– Bank borrowings	**123,879**	96,916
– Others	**37,660**	40,885
	161,539	137,801
Fair value		
– Bank borrowings	**114,142**	96,046
– Others	**36,886**	39,897
	151,028	135,943

The Group has the following undrawn borrowing facilities:

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Floating rate:		
– Expiring within one year	**339,965**	85,120
– Expiring beyond one year	**202,934**	363,958
	542,899	449,078

16. TRADE AND OTHER PAYABLES

	As at 30 June 2015 RMB million (Unaudited)	As at 31 December 2014 RMB million (Audited)
Trade and bills payables (Note a)	**142,270**	142,874
Advance from customers	**65,670**	51,076
Deposits from suppliers	**13,431**	10,780
Retention money	**9,402**	8,489
Other taxes	**7,051**	7,937
Social security	**1,470**	1,026
Accrued payroll	**520**	655
Accrued expenses	**388**	243
Dividend payables	**2,533**	–
Others	**9,444**	8,486
	252,179	231,566
Less: non-current portion		
– Retention money	**(7,016)**	(6,949)
Current portion	**245,163**	224,617

Refer to Note 32(c) for payables due to related parties.

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

	As at 30 June 2015 RMB million (Unaudited)	As at 31 December 2014 RMB million (Audited)
Within 1 year	**129,457**	129,322
1 year to 2 years	**8,628**	9,074
2 years to 3 years	**1,661**	2,803
Over 3 years	**2,524**	1,675
	142,270	142,874

17. EXPENSES BY NATURE

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Subcontracting costs	**54,783**	51,033
Raw materials and consumables used	**50,538**	47,112
Employee benefits expenses	**18,061**	15,170
Rentals	**8,750**	6,923
Business tax and other transaction taxes	**4,397**	3,870
Depreciation of property, plant and equipment and investment properties	**3,623**	3,402
Fuel	**2,817**	2,993
Cost of goods sold	**2,098**	2,315
Research and development costs	**1,752**	1,017
Repair and maintenance expenses	**1,525**	900
Utilities	**637**	583
Transportation costs	**465**	557
Insurance	**426**	529
Amortisation of intangible assets (Note 8)	**275**	196
Provision for foreseeable losses on construction contracts	**204**	178
Amortisation of lease prepayments	**104**	105
Write-down of inventories	**18**	42
Provision for/(reversal of) impairment of trade and other receivables	**590**	(113)
Others	**14,895**	11,796
Total cost of sales, selling and marketing expenses and administrative expenses	**165,958**	148,608

18. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Rental income	**175**	152
Dividend income on available-for-sale financial assets		
– Listed equity securities	**415**	44
– Unlisted equity investments	**6**	87
Government grants	**146**	79
Others	**559**	325
	1,301	687

19. OTHER GAINS, NET

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Gains on disposal of available-for-sale financial assets	**982**	255
Gains on disposal of property, plant and equipment	**23**	71
Losses on disposal of lease prepayments	**(2)**	–
Gains on disposal of associates	**74**	6
Gains/(losses) on derivative financial instruments:		
– Foreign exchange forward contracts	**96**	(102)
Net foreign exchange (losses)/gains	**(551)**	233
Others	**61**	(4)
	683	459

20. OTHER EXPENSES

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Depreciation and other costs relating to assets being leased out	**100**	63
Others	**192**	172
	292	235

21. FINANCE INCOME

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Interest income:		
– Bank deposits	**314**	458
– Unwinding of discount of long-term receivables	**1,169**	994
Others	**100**	140
	1,583	1,592

22. FINANCE COSTS, NET

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Interest expense incurred	**5,992**	5,584
Less: capitalised interest expense	**(1,522)**	(1,357)
Net interest expense	**4,470**	4,227
Representing:		
– Bank borrowings	**3,211**	2,895
– Other borrowings	**156**	213
– Corporate bonds	**486**	565
– Medium term notes	**111**	77
– Non-public debt instrument	**303**	183
– Finance lease liabilities	**57**	116
– Debentures	**146**	178
	4,470	4,227
Net foreign exchange (gains)/losses on borrowings (Note 15)	**(114)**	175
Others	**175**	417
	4,531	4,819

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. Borrowing costs of RMB1,522 million (six months ended 30 June 2014: RMB1,357 million) were capitalised in the six months period ended 30 June 2015, of which approximately RMB451 million was charged to contract work-in-progress, approximately RMB1,004 million was included in cost of concession assets, and approximately RMB67 million was included in cost of construction-in-progress (six months ended 30 June 2014: RMB673 million was charged to contract work-in-progress, approximately RMB597 million was included in cost of concession assets, and approximately RMB87 million was included in cost of construction-in-progress). A general capitalisation rate of 5.30% per annum (six months ended 30 June 2014: 4.37%) was used, representing the costs of the borrowings used to finance the qualifying assets.

23. TAXATION

Most of companies of the Group are subject to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% (2014: 25%) of the assessable income of each of these companies for the period as determined in accordance with the relevant PRC income tax rules and regulations, except for a few subsidiaries of the Company, which were exempted from tax or taxed at preferential rates of 15% (2014: 15%).

Certain of the companies of the Group are subject to Hong Kong profits tax, which has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

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

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

23. TAXATION (Continued)

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

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Current income tax		
– PRC enterprise income tax	**2,136**	1,585
– Others	**121**	95
	2,257	1,680
Deferred income tax	**(442)**	65
Income tax expense	**1,815**	1,745

24. EARNINGS PER SHARE

(a) Basic

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

	Six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RMB million)	**6,812**	6,020
Less: Distribution relating to perpetual medium term notes (RMB million)(Note i)	**(150)**	–
Profit used to determine basic earnings per share (RMB million)	**6,662**	6,020
Weighted average number of ordinary shares in issue (millions)	**16,175**	16,175
Basic earnings per share (RMB per share)	**0.41**	0.37

(i) The medium term notes (the "MTN") issued by the Company on 18 December 2014 should be classified as other equity instruments with deferrable interest distribution and payment. The MTN interests which have been generated but not yet declared, from issue date to 30 June 2015, should be deducted from earnings when calculate the earnings per share during the six months ended 30 June 2015.

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2015 and 2014.

25. OTHER RESERVES

	Capital reserve RMB million (Unaudited)	Statutory surplus reserve RMB million (Unaudited)	General Reserve RMB million (Unaudited)	Remeasurement reserve RMB million (Unaudited)	Investment revaluation reserve RMB million (Unaudited)	Hedging Reserve RMB million (Unaudited)	Safety reserve RMB million (Unaudited)	Exchange reserve RMB million (Unaudited)	Retained earnings RMB million (Unaudited)	Total RMB million (Unaudited)
Balance at 1 January 2015	512	3,464	108	(83)	12,796	–	1,450	(47)	57,514	75,714
Profit for the period	–	–	–	–	–	–	–	–	6,812	6,812
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	–	–	1,342	–	–	–	–	1,342
Release of investment revaluation reserve upon disposal of available-for-sale financial assets, net of deferred tax	–	–	–	–	(358)	–	–	–	–	(358)
Share of other comprehensive income of a joint venture	–	–	–	–	–	–	–	(1)	–	(1)
Actuarial gains on retirement benefit obligations, net of deferred tax	–	–	–	1	–	–	–	–	–	1
Currency translation differences	–	–	–	–	–	–	–	(272)	–	(272)
2014 final dividend	–	–	–	–	–	–	–	–	(2,778)	(2,778)
Cash flow hedges, net of deferred tax	–	–	–	–	–	14	–	–	–	14
Cash contribution from government (Note a)	1,216	–	–	–	–	–	–	–	–	1,216
Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries	(15)	–	–	–	–	–	–	–	(39)	(54)
Transfer to safety reserve	–	–	–	–	–	–	334	–	(334)	–
Balance at 30 June 2015	1,713	3,464	108	(82)	13,780	14	1,784	(320)	61,175	81,636

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

25. OTHER RESERVES (Continued)

(a) Capital Reserve

Cash contribution from government during the six months ended 30 June 2015 represents the special fund, which is derived from the Tax on Vehicle Purchases from the central government, obtained in relation to certain projects undertaken by the Group. The fund is regarded as state capital contribution.

26. DIVIDENDS

A dividend in respect of the year ended 31 December 2014 of RMB0.17172 per ordinary share, totalling RMB2,778 million was approved by the Company's shareholders in the Annual General Meeting on 16 June 2015. As at 30 June 2015, 2014 final dividend was yet to be fully paid off.

No interim dividend for the six months ended 30 June 2015 was declared by the Board of Directors (six months ended 30 June 2014: nil).

27. NON-CONTROLLING INTERESTS

On 21 April 2015, CCCI Treasure Limited ("Issuer"), a company incorporated in British Virgin Islands and an indirect wholly-owned subsidiary of the Company, issued a USD denominated unsubordinated guaranteed perpetual securities ("Securities") with an aggregate principal amount of USD1,100 million (equivalent to approximately RMB6,706 million). The Securities are guaranteed unconditionally and irrevocably by the Company and listed on the Stock Exchange of Hong Kong Limited by way of debt issues to professional investors only. The Securities bear the initial interest rate of 3.5% per annum and has no maturity date. The interest rate will be reset from 21 April 2020 every five years. The interest is payable semi-annually in arrears on 21 April and 21 October in each year starting from 21 October 2015. Pursuant to the terms and conditions of the Securities, the Issuer may, at its sole discretion, elect to defer the distribution of interest, and is not subject to any restriction as to the number of times the distribution can be deferred. The Securities are subject to redemption in whole, at the option of the Issuer, five years after the issue date, or upon the occurrence of certain changes in tax laws and regulations and certain other events, at their principal amount together with accrued interest.

The Directors of the Company are of the opinion that the Group has no contractual obligation to repay the principal or to pay the distribution for the Securities, the Securities should be classified as equity of the Issuer, and consequently, as non-controlling interests of the Group.

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

(a) Cash flows from operating activities:

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Cash used in operations	**(4,924)**	(14,593)
Income tax paid	**(2,952)**	(2,929)
Net cash used in operating activities	**(7,876)**	(17,522)

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

(b) Cash flows from investing activities:

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Purchases of property, plant and equipment	**(3,917)**	(3,966)
Increase in lease prepayments	**(562)**	(356)
Purchases of intangible assets	**(16,874)**	(12,845)
Purchase of investment properties	**(2)**	–
Proceeds from disposal of property, plant and equipment	**234**	330
Proceeds from disposal of lease prepayments	**123**	–
Proceeds from disposal of intangible assets	**7**	1
Purchases of available-for-sale financial assets	**(4,120)**	(7,821)
Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries	**(55)**	–
Acquisition of subsidiaries	**(3,735)**	(5,721)
Additional investments in associates	**(426)**	(1,224)
Additional investments in joint ventures	**(40)**	(139)
Proceeds from disposal of available-for-sale financial assets	**7,783**	4,384
Proceeds from disposal of joint ventures	**–**	3
Proceeds from disposal of associates	**88**	8
Interest received	**472**	573
Proceeds from disposal of other financial assets at fair value through profit or loss	**39**	18
Proceeds from government grants related to assets	**743**	633
Dividends received	**91**	122
Net cash used in investing activities	**(20,151)**	(26,000)

(c) Cash flows from financing activities:

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Proceeds from borrowings	**93,362**	100,119
Repayments of borrowings	**(63,463)**	(57,458)
Interest paid	**(6,076)**	(5,001)
Changes in restricted bank deposits	**92**	(2,895)
Dividends paid to the Company's shareholders	**(245)**	(267)
Additional investments from minority shareholders of subsidiaries	**540**	472
Proceeds from issuance of unsubordinated guaranteed perpetual securities by a subsidiary	**6,683**	–
Dividends paid to non-controlling interests of subsidiaries	**(139)**	(40)
Cash contribution from government	**1,216**	20
Net cash generated from financing activities	**31,970**	34,950

29. CONTINGENCIES

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Pending lawsuits (Note a)	**3,482**	3,047
Outstanding loan guarantees (Note b)	**786**	527
	4,268	3,574

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

During the year ended 31 December 2013, a subsidiary of the Company was involved in a product quality dispute arising from the ordinary course of business. In September 2014, the contractor instituted a proceeding against the subsidiary, to claim a compensation relating to the product quality dispute, totalling GBP250 million (equivalent to approximately RMB2,411 million). As at 30 June 2015, the subsidiary was unable to ascertain the likelihood and reasonably estimate the outcome of the lawsuit based on advice of legal counsel.

(b) The Group has acted as the guarantors for various external borrowings made by certain joint ventures and associates of the Group (refer to details in Note 32(d)) and a third party.

30. CAPITAL COMMITMENTS

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

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Property, plant and equipment	**36**	126

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

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Property, plant and equipment	**4,979**	4,298
Intangible assets – concession assets	**110,915**	126,446
	115,894	130,744

31. BUSINESS COMBINATIONS

The Group acquired 100% equity interest in John Holland from Leighton with a consideration of AUD787 million (equivalent to approximately RMB3,954 million). The acquisition was completed on 20 April 2015.

John Holland is incorporated in Australia, and is primarily engaged in the infrastructure construction, operation and maintenance of rail infrastructure. The businesses are primarily operated in Australia, New Zealand, and South East Asia.

At the acquisition date, the estimated fair value of the net liabilities acquired in John Holland amounted to RMB765 million. The goodwill amounting to approximately RMB4,719 million arising from the above acquisitions is generated from the expected economic effects resulting from expected synergies, revenue growth, future market development and the assembled workforce of John Holland.

The following tables summarise the consideration paid for John Holland and the amounts of the assets acquired and the liabilities assumed at the acquisition dates.

(a) Acquisition of John Holland

	At 20 April 2015 **RMB million**
Purchase consideration	
– cash paid	**3,954**

Amounts of identifiable assets acquired and liabilities assumed:

Cash and cash equivalents	**219**
Trade and other receivables	**1,683**
Investments in associates	**127**
Inventories	**71**
Derivative financial instruments – assets	**2**
Property, plant and equipment (Note 7)	**1,062**
Intangible assets (Note 8)	**878**
Deferred income tax assets	**778**
Trade and other payables	**(5,495)**
Derivative financial instruments – liabilities	**(5)**
Current income tax liabilities	**(22)**
Deferred income tax liabilities	**(63)**
Total identifiable net liabilities	**(765)**
Goodwill (Note 8)	**4,719**
	3,954

The total acquisition-related costs for John Holland is RMB49 million, which have been included in administrative expenses in the condensed consolidated interim income statement for the period ended 30 June 2015.

31. BUSINESS COMBINATIONS (Continued)

(a) Acquisition of John Holland (Continued)

Net cash outflow in respect of the acquisition of the John Holland is analysed as follows:

	At 20 April 2015 RMB million
Purchase consideration	
– cash paid	**3,954**
Less: Cash and cash equivalents in acquired subsidiaries	**(219)**
Net cash outflow on acquisition	**3,735**

The acquired businesses contributed revenue of RMB2,609 million and net profit of RMB434 million to the Group for the period from acquisition dates to 30 June 2015. If the acquisition had occurred on 1 January 2015, consolidated revenue and consolidated net profit for the six months period ended 30 June 2015 would have been RMB182,234 million and RMB6,930 million respectively.

As of 28 August 2015, the valuations had not been finalised, and the goodwill was therefore provisionally determined based on the Company's best estimate, which may have later adjustment based on the final valuation results at the end of the year. Within one year from the acquisition date, the Company shall retrospectively adjust the provisional amount of goodwill to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

32. RELATED-PARTY TRANSACTIONS

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

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

In addition to the related party information disclosed elsewhere in the unaudited condensed interim consolidated financial information, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties, including other government-related entities, during the six months ended 30 June 2015 and balances arising from related party transactions as at 30 June 2015.

32. RELATED-PARTY TRANSACTIONS (Continued)

(a) Related party transactions

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

	Six months ended 30 June 2015 RMB million (Unaudited)	2014 RMB million (Unaudited)
Transactions with CCCG		
– Rental expenses	**47**	51
– Deposits placed with CCCC Finance and interest income	**–**	1
Transactions with fellow subsidiaries		
– Revenue from provision of construction services	**26**	406
– Deposits placed with CCCC Finance and interest income	**4,618**	453
– Other costs	**3**	1
Transactions with joint ventures and associates		
– Revenue from provision of construction services	**3,880**	1,850
– Sales of goods	**36**	–
– Subcontracting fee charges	**162**	506
– Purchase of materials	**43**	56
– Services charges	**28**	5
– Other costs	**16**	4
– Revenue from rental income	**2**	2

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

(b) Key management compensation

	Six months ended 30 June 2015 RMB'000 (Unaudited)	2014 RMB'000 (Unaudited)
Basic salaries, housing allowances and other allowances	**3,068**	3,614
Contributions to pension plans	**299**	263
Others	**502**	444
	3,869	4,321

32. RELATED-PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

	As at 30 June 2015 RMB million (Unaudited)	As at 31 December 2014 RMB million (Audited)
Trade and other receivables		
Trade receivables due from		
– Fellow subsidiaries	**523**	420
– Joint ventures and associates	**495**	680
Long-term receivables due from		
– Fellow subsidiaries	**115**	92
– Joint ventures and associates	**318**	258
Prepayments to		
– Joint ventures and associates	**11**	11
Other receivables due from		
– Joint ventures and associates	**491**	1,036
	1,953	2,497
Trade and other payables		
Trade and bills payables due to		
– Joint ventures and associates	**690**	726
Advanced from customers with		
– Fellow subsidiaries	**286**	139
– Joint ventures and associates	**560**	380
Dividend payables due to		
– CCCG	**1,773**	–
Other payables due to		
– CCCG	**468**	689
– Fellow subsidiaries	**1,017**	686
– Joint ventures and associates	**42**	65
	4,836	2,685
Amounts due from customers for contract work with		
– Joint ventures and associates	**739**	119
Amounts due to customers for contract work with		
– Joint ventures and associates	**19**	75
– Fellow subsidiaries	**286**	139

32. RELATED-PARTY TRANSACTIONS (Continued)

(d) Guarantees

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Outstanding loan guarantees provided by the Group to		
– Joint ventures	**558**	358
– Associates	**208**	149
Outstanding bond guarantees provided by CCCG to the Company	**20,712**	20,220

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

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

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

	Six months ended 30 June	
	2015	2014
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Transactions with other government-related entities		
– Interest from bank deposits	**266**	223
– Interest on bank borrowings	**4,485**	3,858

	As at	
	30 June 2015	31 December 2014
	RMB million	RMB million
	(Unaudited)	(Audited)
Balances with other government-related entities		
– Restricted bank deposits	**3,283**	4,680
– Cash and cash equivalents	**56,566**	59,532
	59,849	64,212
– Borrowings	**202,657**	167,294

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period from 1 January 2015 to 30 June 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

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

As at 30 June 2015, none of the Directors, Supervisors or the Chief Executive Officer of the Company had any interest or short position in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

As at 30 June 2015, the Company had not granted its Directors, or Supervisors or the Chief Executive Officer, or their respective spouses or children below the age of 18, any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them had ever exercised any such right to subscribe for shares or debentures.

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

As at 30 June 2015, based on the disclosure information filed with the Hong Kong Stock Exchange on its website in accordance with the requirement of the Securities and Futures Commission of Hong Kong, and so far as the Company is aware of the interests or short positions of sharehlders (other than Directors, Supervisors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed by the Company as recorded in the register required to be maintained under Section 336 of the SFO were as follows:

Name	Number of shares held	Class of shares	Percentage of the respective class of shares (%)	Percentage of the total number of shares in issue (%)	Capacity in which the shares are held
China Communications Construction Group Ltd.	10,324,907,306	A shares	87.89	63.83	Beneficial Owner
Merrill Lynch (Asia Pacific) Limited	525,000,000	H shares	11.85	3.24	Interest of Controlled Corporation
	528,912,000 (short position)	H shares	11.94	3.26	Interest of Controlled Corporation
Merrill Lynch Far East Limited	525,000,000	H shares	11.85	3.24	Interests held jointly with another person
	528,912,000 (short position)	H shares	11.94	3.26	Interests held jointly with another person

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

Name	Number of shares held	Class of shares	Percentage of the respective class of shares (%)	Percentage of the total number of shares in issue (%)	Capacity in which the shares are held
Merrill Lynch International Holdings Inc.	525,000,000	H shares	11.85	3.24	Interest of Controlled Corporation
	528,912,000 (short position)	H shares	11.94	3.26	Interest of Controlled Corporation
Merrill Lynch International Incorporated	525,000,000	H shares	11.85	3.24	Interest of Controlled Corporation
	528,912,000 (short position)	H shares	11.94	3.26	Interest of Controlled Corporation
BlackRock, Inc.	361,900,639	H shares	8.17	2.23	Interest of Controlled Corporation

Save as stated above, as at 30 June 2015, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of the Company that would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO.

CHANGE IN DIRECTOR

On 2 April 2015, Mr. WU Zhenfang ("Mr. WU") resigned as an independent non-executive Director and ceased to be chairman of the Remuneration and Appraisal Committee, a member of the Strategy Committee and a member of the Nomination Committee of the Board. In accordance with the relevant requirements in the Articles of Association, the resignation of Mr. WU took effect upon receipt of Mr. WU's resignation letter by the Board.

In accordance with the terms of reference for the Remuneration and Appraisal Committee of the Company, the Remuneration and Appraisal Committee of the Board shall consist of at least three Directors, the majority of which are independent non-executive Directors, and the chairman shall be an independent non-executive Director. Due to the resignation of Mr. WU, the chairman of the Remuneration and Appraisal committee of the Board was vacant; and the number of Remuneration and Appraisal Committee members of the Board fell below three. On 28 April 2015, Mr. HUANG Long was elected as the chairman of the Remuneration and Appraisal Committee. Mr. LEUNG Chong Shun ceased to be, and Mr. LIU Maoxun was elected as a member of the Remuneration and Appraisal Committee.

On 28 April 2015, Mr. LEUNG Chong Shun was elected as a member of the Strategy Committee and Mr. LIU Zhangmin was elected as a member of Nomination Committee. Save as the changes disclosed above, the Company is not aware of any other changes since the date of the 2014 annual report of the Company that is discloseable under rule 13.51B(1) of the Hong Kong Listing Rules as at the date of this report.

EMPLOYEES

As at 30 June 2015, the Company had 110,496 employees that had signed labour contracts with the Company.

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

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Hong Kong Listing Rules for the six months ended 30 June 2015, with the exception of Code Provision A.5.1 from 2 April 2015 to 27 April 2015.

Code provision A.5.1 provides that a nomination committee should, among others, comprise a majority of independent non-executive directors. The Nomination Committee of the Board comprised five Directors, of whom two were executive Directors and three were independent non-executive Directors before 2 April 2015. Due to Mr. WU's resignation on 2 April 2015, the members of Nomination Committee of the Board then comprised four Directors, of whom two were executive Directors and two were independent non-executive Directors. On 28 April 2015, the members of Nomination Committee of the Board were changed back to five Directors, of whom two were executive Directors and three were independent non-executive Directors, thus the Company complied with Code Provision A.5.1 from that day on.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules to govern securities transactions by Directors and Supervisors. Having made specific enquiry to all Directors and Supervisors of the Company, the Company confirms that the Directors and Supervisors have complied with the Model Code throughout the period from 1 January 2015 to 30 June 2015.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee of the Board currently comprises LIU Zhangmin, LEUNG Chong Shun and HUANG Long, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2015. The Audit Committee has also discussed matters such as the accounting policies and practices adopted by the Company and internal control with the senior management of the Company.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2015.

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

Terms & Glossaries

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"PPP"	Public-Private-Partnership
"PRC" or "China" or "Mainland China"	the People's Republic of China excluding, for the purposes of this interim report only, Hong Kong, Macau and Taiwan
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	the shareholders of the Company
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council
"Supervisor(s)"	the supervisor(s) of the Company
"terminal"	an assigned area in which containers and cargo are prepared for loading onto a vessel, train, truck or plane or are stacked immediately after discharge from the vessel, train, truck or plane
"Twelfth Five-Year Plan"	the Twelfth Five-Year Plan for National Economic and Social Development (2011-2015) promulgated by the State Council on the Eleventh National People's Congress in 2010
"U.S."	United States of America
"U.S. dollars" or "USD"	United States dollars, the lawful currency of the U.S.

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

I. CORPORATE INFORMATION

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

II. CONTACT PERSON AND CONTACT DETAILS

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

III. BASIC INFORMATION

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

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

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

IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

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

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

Corporate Information

V. BASIC INFORMATION ON SHARES OF THE COMPANY

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

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

VI. OTHER INFORMATION OF THE COMPANY

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

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

Sponsor performing continuous supervisory duty during the reporting period:
CITIC Securities Co., Ltd.
CITIC Securities Tower, No. 48 Liangmaqiao Road, Chaoyang District, Beijing, China
Signing representative of sponsor: YE Jianzhong and DING Yongcai

Period of continuous supervision: On 16 March 2015, the sponsor of the Company has been changed to CITIC Securities Co., Ltd.. As the proceeds from the initial public offering of A Shares on 9 March 2012 has not been used up, the CITIC Securities Co., Ltd. will continue to focus on and perform continuous supervisory duty on the application of proceeds from the initial public offering of A Shares.

Hong Kong legal advisors:
Baker & Mckenzie
14th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong

PRC legal advisors:
Deheng Law Offices
12/F, Tower B, Focus Place, No 19 Finance Street, Xicheng District, Beijing, China

Authorised representatives of H Shares: FU Junyuan, LIU Wensheng

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

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

Room 2805, 28th Floor, Convention Plaza Office Tower,
1 Harbour Road, Wanchai, Hong Kong

www.cccltd.cn