中鋁國際工程股份有限公司

CHALIECO

China Aluminum International Engineering Corporation Limited

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

Stock Code: 2068

Interim Report 2016

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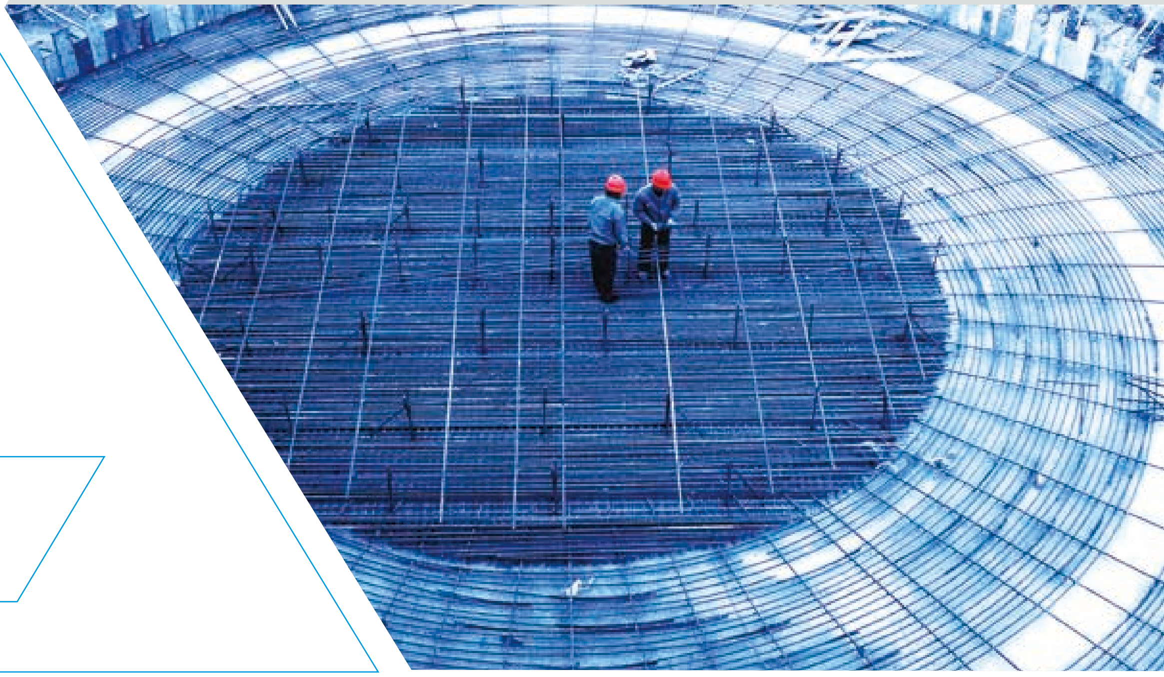


CHAIRMAN'S AND PRESIDENT'S STATEMENT

Dear Shareholders,

A history of over half a century has seen Chalieco's ideal and responsibilities of entrepreneurship and serving the country. The unyielding efforts to forge ahead through the hardships for more than a decade have opened a new chapter of cooperation in good faith to achieve mutual benefits and win-win situation between Chalieco and all circles of society. We are committed to reforms and innovation with tremendous efforts. The successes we achieved have fulfilled the glories and dreams of several generations of engineering technicians and the Management, and have built up a treasure house of entrepreneurship and intelligence for our long-term development.

It's time to raise the sail and set forth. Looking forward, Chalieco will continue to adhere to its core competitiveness fostering and innovations in system, mechanism and management, with "serving the country, paying back the shareholders, striving for staff accomplishment and benefiting the society" as its pursuit and missions, "becoming a competitive technology and service provider in the international market of nonferrous metals and the relevant areas" as its goal, and "expending engineering general contract business, reinforcing capital operations and accelerating the process of internationalization" as its objectives. Chalieco will strive to be a leading enterprise in the industry to lead the industry's development and make new contributions to realizing the ChinaDream and the great rejuvenation of the Chinese nation.

We would like to express our appreciation to everyone who concerns about Chalieco. The success of Chalieco is owing to your understanding, trust, concern and support. We will accomplish our mission and go forward with gratitude.

Chairman and President
HE Zhihui

CORPORATE PROFILE

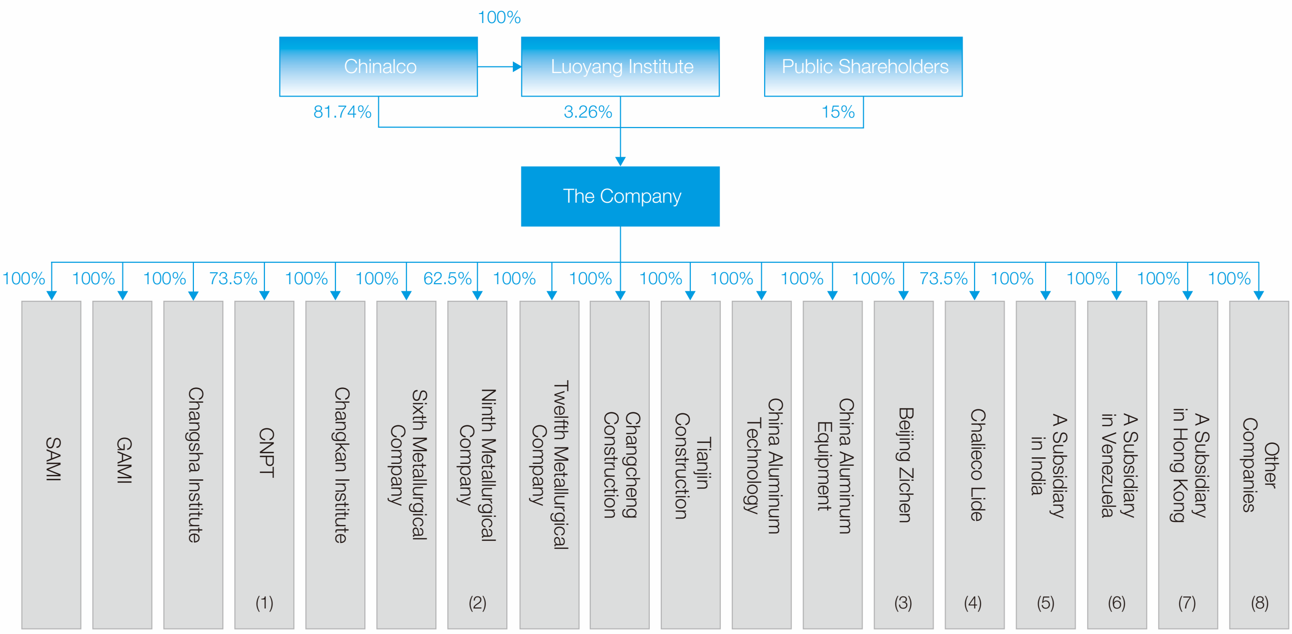
THE ISSUANCE AND LISTING OF THE SHARES

The Company is a subsidiary of Chinalco and listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2068) on 6 July 2012 with an offering price of HK$3.93 per share. As at 30 June 2016, the total number of shares in issuance of the Company is 2,663,160,000 shares, which is comprised of 399,476,000 H Shares, representing 15% of the issued share capital, and 2,263,684,000 Domestic Shares.

BUSINESS OVERVIEW

The Group is a leading technology, engineering service and equipment provider in the nonferrous metals industry in China, capable of providing full business-chain integrated engineering solutions for various stages in nonferrous metals industry chain. Our businesses mainly include engineering design and consultancy, engineering and construction contracting, equipment manufacturing and trading.

CORPORATE STRUCTURE



Notes:

(1) represents China Nonferrous Metals Processing Technology Co., Ltd. (中色科技股份有限公司) the remaining 26.5% of the equity interest is held by Suzhou Changguang Enterprises Development Co., Ltd. (蘇州長光企業發展有限公司) as to 17.5%, China Nonferrous Engineering Co., Ltd. (中國有色工程有限公司) as to 6%, Beijing General Research Institute for Nonferrous Metals (北京有色金屬研究總院) as to 2%, and Powder Metallurgy Engineering Research Centre of Central South University Co., Ltd (中南大學粉末冶金工程研究中心有限公司) as to 1%, all of which are independent third parties.

(2) represents No. 9 Metallurgical Construction Corporation Limited, the remaining 37.5% of the equity interest is held by neutral persons as to 30.27%, and Xianyang SASAC as 7.23%.

(3) represents Beijing Zichen Investment Development Corporation Limited

(4) represents China Aluminum Lide Engineering Limited (Suzhou),the remaining 26.5% of the equity interest is held by Suzhou Changguang Enterprises Development Co., Ltd. (蘇州長光企業發展有限公司) as to 17.5%, China Nonferrous Engineering Co., Ltd. (中國有色工程有限公司) as to 6%, Beijing General Research Institute for Nonferrous Metals (北京有色金屬研究總院) as to 2%, and Powder Metallurgy Engineering Research Centre of Central South University Co., Ltd (中南大學粉末冶金工程研究中心有限公司) as to 1%, all of which are independent third parties.

(5) represents Chalieco Engineering (India) Private Limited (中鋁國際工程(印度)私人有限公司)

(6) represents Chalieco Venezuela C.A.

(7) represents Chalieco Hong Kong Corporation Limited (中鋁國際香港有限公司)

(8) represents Duyun Tongda, Wenzhou Tonggang, Wenzhou Tongrun etc.

FINANCIAL SUMMARY

1. KEY OPERATION RESULTS

	January to June 2016 (RMB'000)	January to June 2015 (RMB'000)	Amount of Change (RMB'000)	Percentage of Change %
Revenue	8,783,636	9,513,808	(730,172)	(7.7)
Gross profit	883,152	999,909	(116,757)	(11.7)
Operation profit	316,216	446,121	(129,905)	(29.1)
Total profit	484,819	374,237	110,582	29.5
Net profit	407,399	290,585	116,814	40.2
Net profit attributable to the parent company	359,151	229,622	129,529	56.4
Basic earnings per share	0.135	0.09	0.045	50.0
Diluted earnings per share	0.135	0.09	0.045	50.0

Note: The basic earnings per share of the Group for the six months ended 30 June 2016 was RMB0.135 per share (equivalent to HK$0.158 per share, based on the middle exchange rates for RMB to HKD as published by the People's Bank of China on 30 June 2016).

2. SEGMENT REVENUE

	January to June 2016 (RMB'000)	January to June 2015 (RMB'000)	Amount of Change (RMB'000)	Percentage of Change %
Segment revenue				
Engineering design and consultancy	775,237	684,520	90,717	13.3
Engineering and construction contracting	4,271,870	4,703,145	(431,275)	(9.2)
Equipment manufacturing	229,766	341,762	(111,996)	(32.8)
Trading	3,622,156	4,897,715	(1,275,559)	(26.0)
Subtotal	8,899,029	10,627,142	(1,728,113)	(16.3)
Inter-segment elimination	(115,393)	(1,113,334)		
Total revenue	8,783,636	9,513,808	(730,172)	(7.7)

3. ASSETS AND LIABILITIES

	At 30 June 2016 (RMB'000)	At 31 December 2015 (RMB'000)	Amount of Change (RMB'000)	Percentage of Change %
Total assets	**37,482,553**	30,837,096	6,645,457	21.6
Total liabilities	**27,912,386**	21,666,513	6,245,873	28.8
Total equity of owners	**9,570,167**	9,170,583	399,584	4.4
Equity attributable to equity owners of the Company	**7,399,313**	7,163,720	235,593	3.3

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW FOR THE FIRST HALF OF 2016

For the first half of 2016, construction and nonferrous metals industry kept developing under the new normal of economy. The fixed assets investments in PRC (price factor exclusive) increased by 11%, but the growth rate fell back. Among that, the infrastructure investments completed amounted to RMB4.9 trillion, increased by 20.9% compared to the same period of last year and almost 10 percentage points higher than total investments. According to the data above, investments were still a key tool for the nation to propel economy, but the structure was changing. The infrastructure investments have exceeded the real estate investments and have become a new main force to support the fundamental of Chinese economy.

Due to the gradual slowdown of demands' increase in main consumer markets of nonferrous metals such as real estates, house appliances, cars and so on, the price of nonferrous metals recovered weakly under the pressure of overcapacity, which caused more uncertainties for the industry operation. Therefore, to speed up the reform of supply side, reduce capacity, improve our weak points and fasten transformation and upgrade of the industry and technology improvement to achieve cost reduction and efficiency promotion which will be the main tune of nonferrous industry.

Under the intense competition, construction companies shall grasp the opportunity and face the challenge to gain the sustainable development in future by transformation and upgrade.

2. BUSINESS OVERVIEW FOR THE FIRST HALF OF 2016

In the first half of 2016, in response to the complicated operating situation and severe challenge from the market, the Group focused on production operation and structure adjustment, and cooperated with the government, state-owned enterprises and financial institutes closely to expand its scope of businesses proactively, kept innovating new business modal and achieved substantive results by stages in the production operation.

(1) Diversified transformation of business

Under the broad context of serious overcapacity and reinforcement of the foundation and processively rise represented in domestic nonferrous industry, the Group aimed at market opportunities, kept expanding the scope of operation and sought for new innovating modal proactively, with all of which, the business expansion represented a diversified situation.

To change the mindset of operation in time, and capture the market opportunities with policy hot spots. In the first half of the year, with the regional development strategies such as "One Belt, One Road", "Beijing, Tianjin, Hebei Integration", the Group took the initiatives to adjust business layout, and realized its business expansion into new urbanization, infrastructure, energy saving and environment protection preliminarily, and won the tenders for projects such as rebuilding project of shantytowns in Anyang, Henan Province.

To deepen the cooperation with local governments and large corporations. We continued to reinforce our cooperation with local governments and large corporations in infrastructure construction and other fields. We entered into strategic cooperation agreements with SANY Heavy Industry Co., Ltd. and Changsha Xiangjiang New Area, and contacted with local governments like Luzhou City, Loudi City and Honghe Prefecture to form alliances with mutual benefits and develop new business together.

To enhance the traditional markets and seek for development depending on service innovations. The Group will continue to enhance the traditional markets in survey, design and consultation, meanwhile, it will pay high attention to businesses such as engineering project contracting management. The business of natural gas distributed energy of Changsha Institute is marching from cities and provinces in central of China to northern west market with a good momentum of development.

To work with private enterprises to lengthen the business chain. To promote the transformation from the technology with our own intellectual property rights into an outcome, we choose to cooperate with private enterprises with experience in production operation and management, which enables us to apply our patented technology in the industry. In the first half of the year, by cooperating with Hebi D&D New Novel Material Technology Co., Ltd. and other companies, we fulfilled the effective integration of the technology providers and equipment suppliers.

To carry out international business in various channels. The Group made more efforts on the expansion in international market by focusing on the target clients, taking the initiative and proactively developing in the emerging markets. The Group signed a contract with Korean Halla Co., Ltd. for the construction project in Gangwon with the capital in the first phase amounting to RMB1.05 billion. The Group signed a construction contract in Saudi Arabia amounting to nearly US$100 million. The Group also undertook projects including a trial for Indonesia's electric tank reconstruction and the feasibility research for Ecuador's 500 thousand tons of primary aluminum smelter.

(2) Technology development approaching market

Precise investments and optimized organization. The Group speeded up the implement of major technology reformation projects to procure the products updating and the industry upgrade. The Group mainly focused on three directions including pushing forward the architectural industrialization, renewable clean energy and broadening the application of aluminum. Currently, industrialized housing PC prefabricated components construction project, wind turbine cylinder tower production project and aluminum casing project are proceeding smoothly.

To speed up the application of aluminum in industry. The Group has established the management center for "aluminum for industrial use", which is specialized in the expanding businesses of aluminum for industrial use. Currently, we have an initial achievement on promoting aluminum for industrial use including that the design of aluminum communication tower has been completed, of which we are now negotiating with a company in PRC about the cooperation; we are expanding our aluminum overpass projects proactively by negotiating with local authorities in Zhongguancun of Beijing, Fuzhou City, Luzhou City and Longxi City; and we have tapped into a certain mobile phone model's aluminum case market by our own technology, which has realized a sales volume of 5,000 tons already; we research and develop aluminum automobile parts including control arms, steering knuckles and sub-frames; we cooperated with related parties in the construction projects undertaken by the Group to apply and promote the aluminum formwork, which archived good results; and we completed the research and development of aluminum portable dwellings.

(3) Successes by stages of capital operations

In the first half of the year, by numbers of capital operations, the Group gradually built up a diversified capital platform for domestic and international interaction between shares and bonds.

Initial public offering of A Shares ("A Share IPO") proceeded as scheduled. In June, the Group submitted the application materials of A Share IPO to China Securities Regulatory Commission, and obtained the official acceptance notice from CSRC, fulfilling successes by stages.

The first phase of small public offering bonds ("小公募債券") of the Group was issued successfully. On 7 April, the Group obtained the approval from CSRC for the public issue of the corporate bonds with principal amounts not exceeding RMB3.4 billion. In the first half of 2016, we have successfully issued the first phase of small public offering bonds with a term of 3 years and raised a fund amounting to RMB900 million, which would improve the Group's liability structure mainly comprised of short-term debts.

The first phase of the issue of ultra-short-term financing notes was completed. In the first half of 2016, the Company completed the registration of ultra-short-term financing notes amounting to RMB4 billion to the National Association of Financial Market Institutional Investors (NAFMII) and raised a fund of RMB1 billion by the successful issue of the first phase of ultra-short-term financing notes.

The renewable corporate bonds were launched timely. To widen financing channels, the Company strived actively for renewable corporate bonds issue policy and completed the preparation and reporting for all documents at the end of June.

(4) Rapid progress in basic management

The Thirteenth-Five plan has been basically fulfilled. With the Group's integrated arrangement and under the basis of further research, we proposed a feasible goal for the Thirteen-Five plan from now to the future. The Thirteenth-Five plan which focused on the current and planned for the long terms, clarified the overall goals, principals of guide and implementation steps of the Group in the coming five years and was expected to push forward the scientific development of the Group effectively.

E-commerce platform was officially put into operation. In the first half of the year, we commenced the construction of e-commerce platform. Currently, there have been over 260,000 terms on the bill of materials and an evaluation team consisting of over 600 experts has been established. As at the end of June, the value of materials purchased through the e-commerce platform in the Group amounted to RMB286 million, and reduced cost of approximately RMB5.56 million.

The construction of informationization kept proceeding. Panoramic simulation video conference system has been fully built up and put into utilization, which reduced the cost of travel expenses and time significantly for the Company and each of its subsidiaries. Enterprise instant message system has been put into use, which effectively improved the efficiency of internal documents transfer and the degree of confidentiality of messages.

Project management was gradually standardized. The Group used benchmarking project as a guide and implemented special rectification to address the process management of projects and engineering settlement. Changsha Institute took only 100 days to complete the whole process of the project of Fujian Ningde Mixed Mine including site selection, design, procurement, construction, commissioning and official completion.

We always keep high pressure and attention on safety production. The Group organized "Identification and control of risk factors" in all project departments to screen for the hidden risks, and focused on the investigation and governance of construction sites of hidden risks of non-coal mines' infrastructure construction sites. We found 289 hidden risks in the first half of the year and all of them were rectified. All subsidiaries were required to carry on the construction of civilized project sites and a benchmarking project was labeled to improve the Group's safe civilized production level.

Contracts

The aggregate value of contracts newly signed in the first half of 2016 amounted to RMB14.8 billion (trade exclusive), representing a decrease of 19.5% as compared with the corresponding period over last year. The contracts backlog of the Group as at 30 June 2016 amounted to RMB69.8 billion (trade exclusive), representing an increase of 7.7% as compared with the corresponding period over the end of 2015.

Credit ratings

Standard & Poor's continued to assign the Company an issuer rating of BB+. The rating outlook is stable.

Conditions of Scientific Research and Awards

The scientific research has progressed smoothly. In the first half of 2016, the Company completed the establishment of key annual Research & Development projects, actively organized the declaration for projects supported by the national finance funds, completed sound layout in the technology innovation and management and made significant achievements by stages in respect of key Research & Development projects established by the Company. The "Intelligent Control System with Full Information Perception of Three-dimensional Smart Factory" is an information management and resources sharing platform, which aims to help the manufacturing enterprises in nonferrous industries raise production capacity, optimize production procedures and improve energy-efficiency. Such platform is now under a pilot run in one of sewage treatment plants of Chalieco, achieving various functions such as treatment monitoring and automatic inspection in each sector of our sewage treatment plants and wining acclaim from users and leading cadres at all levels. "Unmanned and Automatic Detecting Technology for Underground Mined-out Area" is an unmanned and automatic detecting technology and intelligent equipment with proprietary intellectual property right, which is designed for the complicated terrain and dangerous geologic structure in the underground mined-out areas for the purpose of disaster prevention and resources recycling, and can effectively conduct detection in the underground mined-out areas. The related achievements of this technology is of great significance for safety production in the mine and will significantly raise our Company's international competitiveness in high-end and non-replaceable technology area. The "Online Detection Technology of Aluminum electrolysis Process" has built a precise model by huge volume of production and management data from the existing aluminum electrolysis enterprises, and by a combination of information technology and operations research theory, and has completed not only the development of a prototype system for detection of important production data but also the establishment of databases, realizing a significant breakthrough in the industrial technology.

In the first half of 2016, the Group altogether had 111 applied patents and 107 granted patents. Among these patents, 71 patents were invention patents and 4 patents were international granted patents. As at 30 June 2016, Chalieco accumulated 6,201 applied patents and 4,621 granted patents, 134 of which were international applied patents and 77 were international granted patents.

3. BUSINESS OUTLOOK FOR THE SECOND HALF OF 2016

In the next half of the year, the Group will strive to improve its quality and efficiency, conduct business transformation and manage its work precisely. Furthermore, we will focus on our goals, actively take actions, bravely face difficulties and make persistent efforts, and try our best to realize the annual target projects.

(1) Develop the spirit of "hammering the nail" and ensure the achievement of annual goals

Firstly, we will stick to the exploitation of the stock market and incremental market of nonferrous metal. The Group will take full advantage of its strengths in technology, brand, capital and social network, actively focus on the mining, sorting, smelting and processing of nonferrous metal, and expand its stock market and incremental market in respect of energy saving, environmental protection, emission reduction and consumption lowering to grab the business opportunities in technical improvement and upgrading. Secondly, we will speed up the business transformation, leverage on the macro-economic situation, and aggressively capture the market opportunities. Closely following the national strategies such as the Revitalization of Northeast China, Beautiful China, One Belt, One Road and new type urbanization, we will vigorously develop new markets in areas of municipal facilities, urban redevelopment, clean energy, high and new technology, river regulation, sponge city and traffic construction. Thirdly, we will conduct deep research on how to undertake the PPP projects well. The Company will provide opinions and related requirements on the engagement of branches and subsidiaries in the PPP projects, and make adjustments according to the change of market situation. Fourthly, the Group will clarify the variety of dominant trading under strict control of risks to gradually become an influential professional trading company.

(2) Speed up business transformation and improve the corporate's ability to operate and develop on an ongoing basis

Design enterprises will step up their efforts in the transformation towards industrial service, energy saving and environmental protection service, municipal engineering construction, increasing aluminum for engineering and the industrial park planning and construction. The transformation of construction enterprises requires vigorous development in domestic and international emerging markets, business expansion and more engagement in infrastructure construction such as new-type urbanization, underground integrated pipeline, sponge city, and intelligent city. We will focus on the new growth fields of construction industry along One Belt, One Road, concentrating on developing countries with weak industrial system and infrastructure construction along the line, aggressively expand the market of national infrastructures along the line and international industrial capacity cooperation, to realize the "Going Out" strategy of construction enterprises.

(3) Take advantage of technology strengths and accelerate the transformation into achievements

The Group will continue to accelerate the reserve and upgrade of the core technology, consolidate the transformation of existing technical achievements, push the advantageous achievements with market demand to realize the promotion and create revenue. Also, we will accelerate the pace of some key scientific research projects such as intelligent manufacturing, industrial robot and big data intelligent management which are closely related with "Made in China 2025". We will strengthen core technology of our major businesses, leverage our leading position in technology market and supporting function in engineering service, and strive to make a number of new and high technologies with high market value achievable and effective as soon as possible. In addition, we will strengthen the promotion and application of our technological achievements, make efforts to realize positive interactions among technology, service and market, and make greater breakthrough in the key aspects of energy saving and consumption reduction, environmental governance and waste utilization.

(4) Push up the A Share-market return and broaden the financing channels

In the next half year, the Group will use its best endeavors to promote the A Share return, and renew the application materials for A Share IPO as soon as possible to strive for staged achievements. With regard to other aspects of capital operation, the Company will strengthen the communication with regulatory department and pursue for approval document for renewable corporate bonds which will be issued in due course depending on the bonds market situation. We will capture favorable market opportunities to complete the issuance of remaining registration amount of small public offering bonds according to the Company's operation demands. We will also explore new financing patterns in an active manner, liquidize remnant bonds and make asset securitization on creditors' rights which meet the criteria.

(5) Strengthen fundamental management construction and construct a harmonious enterprise

To enhance the possibility to gain premium qualification. The Group will actively promote the declaration of integrated grade A qualification for engineering design and the premium qualification for the general contracting of engineering construction to broaden its business scope and raise its market competitiveness.

To promote standardized work. The Group will achieve modernized corporate management by promoting the standardization of construction work in aspects of technology, investment, management, safety and services in full swing based on a principle of easy to hard, gradual and comprehensive promotion and effectiveness.

To strengthen the production safety management. The Group will clarify the obligations for production safety management, consolidate the civilized safety management in the construction site, strengthen the inspection and management of potential safety hazard, and put an emphasis on the renovation management of construction site to ensure production safety.

To strictly control all kinds of expenses. The Group will have a stricter control on expenses by further reducing costs from the origin, and taking the advantage of centralized procurement and utilizing integrated e-commence procurement platform to reduce management costs.

4. FINANCIAL REVIEW

(1) Operation Results and Discussion

For the six months ended 30 June 2016, the Group realized revenue of RMB8,783.6 million, representing a decrease of RMB730.2 million or 7.7% over the corresponding period of last year. Gross profit was RMB883.2 million, a decrease of RMB116.8 million over the corresponding period of the previous year. Net profit for the period amounted to RMB407.4 million, representing an increase of RMB116.8 million or 40.2% over the corresponding period of the previous year. Among which the net profit for the period attributable to the equity owner of the Company was RMB359.2 million, representing an increase of RMB129.5 million or 56.4% over the corresponding period of last year.

1) Revenue

The Group generated revenue primarily from the engineering design and consultancy, engineering and construction contracting, equipment manufacturing and trading.

For the six months ended 30 June 2016, the revenue of the Group was RMB8,783.6 million, representing a decrease of RMB730.2 million or 7.7% over the corresponding period of last year. The decrease was mainly due to a decrease in income from engineering and construction and general contracting business as well as trading business.

For the six months ended 30 June 2016, the revenue of the Group generated from China and overseas regions amounted to RMB8,271 million and RMB512.7 million, respectively, accounting for 94.2% and 5.8% of the total revenue. The comparison of the data of the corresponding period of the previous year is as below:

	January to June 2016		January to June 2015	
	(RMB'000)	**%**	(RMB'000)	%
Domestic	**8,270,985**	**94.2**	8,869,917	93.2
Overseas				
Vietnam	**67,992**	**0.8**	256,541	2.7
India	**12,101**	**0.1**	666	0.01
Venezuela	**421,229**	**4.8**	340,246	3.6
Others	**11,328**	**0.1**	46,438	0.5
Subtotal	**512,651**	**5.8**	643,891	6.8
Total	**8,783,636**	**100.0**	9,513,808	100.0

Note: Others include revenues from countries (regions) such as Turkey, the U.S. and Indonesia.

2) Cost of sales

For the six months ended 30 June 2016, the cost of sales of the Group amounted to RMB7,900.5 million, representing a decrease of RMB613.4 million or 7.2% over the corresponding period of the previous year, which was mainly due to a decrease in costs alongside with a decrease in income.

3) Gross profit

For the six months ended 30 June 2016, the gross profit of the Group amounted to RMB883.2 million, representing a decrease of RMB116.8 million or 11.7% over the corresponding period of the previous year; gross profit margin was 10.1% which decreased slightly over the corresponding period of the previous year. It was mainly due to a decrease in the gross profit of the equipment manufacturing business of the Group.

4) Selling and marketing expenses

For the six months ended 30 June 2016, the selling and marketing expenses of the Group amounted to RMB42.3 million, representing an increase of RMB1 million or 2.5% over the corresponding period of the previous year, mainly attributable to the increase in transportation costs.

5) Administrative expenses

For the six months ended 30 June 2016, the administrative expenses of the Group amounted to RMB455.7 million, representing a decrease of RMB7.7 million or 1.7% over the corresponding period of the previous year, maintaining a relatively stable level and structure.

6) Other income

For the six months ended 30 June 2016, the other income of the Group amounted to RMB18 million, representing a decrease of RMB19.4 million or 51.8% over the corresponding period of the previous year, which was mainly because the payment which was unable to be settled during the previous period was turned into revenue by the Group.

7) Other (losses)/gains-net

For the six months ended 30 June 2016, the other net loss of the Group amounted to RMB28.5 million, representing an increased loss of RMB41.4 million over the net gain in the corresponding period of the previous year, which was mainly due to depreciation on RMB resulting to an increase in exchange loss during the period as well as the gain on disposal of intangible assets recognized by the Group during the previous period.

8) Operating profit

For the six months ended 30 June 2016, the operating profit of the Group amounted to RMB316.2 million, representing a decrease of RMB129.9 million or 29.1% over the corresponding period of the previous year.

9) Finance income

For the six months ended 30 June 2016, the finance income of the Group amounted to RMB122.3 million, representing a decrease of RMB55.6 million or 31.3% over the corresponding period of the previous year, which was mainly due to decrease in the average balance of deposit per day resulting in a decrease in finance income during the period.

10) Finance costs

For the six months ended 30 June 2016, the finance costs of the Group amounted to RMB201.5 million, representing a decrease of RMB53.1 million or 20.9% over the corresponding period of the previous year, which was mainly due to a reduction in interest rate of loans as well as the change in financing structure and the reduction in integrated capital costs resulting in a decrease of financial costs borne by the Group.

11) Business Combination

On 1 December 2015, the Group entered into an Equity Transfer Agreement with Shaanxi Jiuan Properties Co., Ltd. (陝西久安房地產有限公司) to acquire the 62.5% of equity interests in No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司).The purchase consideration of RMB49.98 million was paid in the form of cash. The acquisition was completed on 30 June 2016.

The total identifiable assets carried at fair value by No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司) as at the date of acquisition amounted to RMB488.3 million with a non-controlling interest of RMB183.1 million. The purchase consideration paid by the Group was RMB49.98 million, while gain on bargain purchase of business combination was RMB255.2 million.

12) Income tax expense

For the six months ended 30 June 2016, the income tax expense of the Group amounted to RMB77.4 million, representing a decrease of RMB6.2 million over the corresponding period of the previous year, which was mainly due to decrease in income tax expense alongside with operating profit.

13) Profit for the period

For the six months ended 30 June 2016, the profit for the period of the Group amounted to RMB407.4 million, representing an increase of RMB116.8 million or 40.2% over the corresponding period of the previous year.

14) Profit attributable to equity owners of the Company

For the six months ended 30 June 2016, the profit attributable to equity owners of the Company amounted to RMB359.2 million, representing an increase of RMB129.5 million or 56.4% over the corresponding period of the previous year.

(2) Operating Results by Segment

The following table shows our revenue, gross profit, gross profit margin and segment results of the business segments for the periods indicated.

	Revenue For the half year ended 30 June		Gross profit For the half year ended 30 June		Gross Profit Margin For the half year ended 30 June		Segment Results For the half year ended 30 June	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	(RMB'000)		(RMB'000)		%		(RMB'000)	
Engineering design and consultancy	**775,237**	684,520	**181,906**	128,823	**23.5**	18.8	**5,285**	56,839
Engineering and construction contracting	**4,271,870**	4,703,145	**609,496**	619,780	**14.3**	13.2	**274,576**	202,278
Equipment manufacturing	**229,766**	341,762	**646**	49,735	**0.3**	14.6	**(22,957)**	20,611
Trading	**3,622,156**	4,897,715	**96,252**	191,872	**2.7**	3.9	**52,626**	173,019
Subtotal	**8,899,029**	10,627,142	**888,300**	990,210			**309,530**	452,747
Inter-segment elimination	**(115,393)**	(1,113,334)	**(5,148)**	9,699			**6,686**	(6,626)
Total	**8,783,636**	9,513,808	**883,152**	999,909	**10.1**	10.5	**316,216**	446,121

1) Engineering design and consultancy

The principal segment results data for our engineering design and consultancy business is as follows:

	For the half year ended 30 June				
	2016		2015		
	(RMB'000)	**Percentage of Segment Revenue**	(RMB'000)	Percentage of Segment Revenue	Percentage of Change
Segment revenue	**775,237**	**100.0**	684,520	100.0	13.3
Cost of sales	**(593,331)**	**(76.5)**	(555,697)	(81.2)	6.8
Gross profit	**181,906**	**23.5**	128,823	18.8	41.2
Business tax and surcharges	**(9,988)**	**(1.3)**	(8,413)	(1.2)	18.7
Selling and marketing expenses	**(13,315)**	**(1.7)**	(15,874)	(2.3)	(16.1)
Administrative expenses	**(167,392)**	**(21.6)**	(136,927)	(20.0)	22.2
Other income and other gains or losses-net	**14,074**	**1.8**	89,230	13.0	(84.2)
Segment results	**5,285**	**0.7**	56,839	8.3	(90.7)

Segment revenue. Revenue from the engineering design and consultancy business before inter-segment elimination increased by RMB90.7 million or 13.3% over the corresponding period of the previous year, which was mainly due to intensified efforts in market expansion and acceleration in implementation of projects of such segment, resulting in an increase in income of the first half of the year.

Cost of sales. Cost of sales of the engineering design and consultancy business increased by RMB37.6 million or 6.8% over the corresponding period of the previous year, primarily due to an increase in direct material costs and labor costs alongside with an increase in income.

Gross profit. Gross profit of the engineering design and consultancy business increased by RMB53.1 million or 41.2% over the corresponding period of the previous year, primarily due to an increase in gross profit resulted from the increase in gross profit margin for part of newly-signed contracts.

Business tax and surcharges. Business tax and surcharges of the engineering design and consultancy business increased by RMB1.6 million over the corresponding period of the previous year, which was mainly due to a corresponding increase in the business tax and surcharges compared to that of the previous year resulted from a slight increase in revenue from the segment over the previous year.

Selling and marketing expenses. The selling and marketing expenses of the engineering design and consultancy business decreased by RMB2.6 million or 16.1% over the corresponding period of the previous year, which was mainly due to a decrease in costs as a result of the strict control on expenditure by the segment.

Administrative expenses. Administrative expenses of the engineering design and consultancy business increased by RMB30.5 million or 22.2% over the corresponding period of the previous year, which was mainly due to an increase in impairment loss of asset borne by the segment.

Other income and other gains or losses-net. Other income and other *gains or losses-net* derived from our engineering design and consultancy business decreased by RMB75.2 million over the corresponding period of the previous year, which was mainly due to the decrease in the number of shares disposed by the segment for the current period and gains from disposal of intangible assets for the last corresponding period.

Segment results. As a result of the foregoing, segment results for the period from our engineering design and consultancy business decreased by RMB51.6 million or 90.7% over the corresponding period of the previous year.

2) Engineering and construction contracting

	For the half year ended 30 June				
	2016		2015		
	(RMB'000)	Percentage of Segment Revenue	(RMB'000)	Percentage of Segment Revenue	Percentage of Change
Segment revenue	4,271,870	100.0	4,703,145	100.0	(9.2)
Cost of sales	(3,662,374)	(85.7)	(4,083,365)	(86.8)	(10.3)
Gross profit	609,496	14.3	619,780	13.2	(1.7)
Business tax and surcharges	(46,069)	(1.1)	(86,140)	(1.8)	(46.5)
Selling and marketing expenses	(7,608)	(0.2)	(13,553)	(0.3)	(43.9)
Administrative expenses	(268,059)	(6.3)	(285,684)	(6.1)	(6.2)
Other income and other gains or losses-net	(13,184)	(0.3)	(32,125)	(0.7)	(59.0)
Segment results	274,576	6.4	202,278	4.3	35.7

Segment revenue. Revenue from engineering and construction contracting business before inter-segment elimination decreased by RMB431.3 million or 9.2% over the same period of the previous year, primarily because some of the general contracting contracts were close to completion while new projects had not yet entered into construction peak seasons.

Cost of sales. Cost of sales of engineering and construction contracting business decreased by RMB421 million or 10.3% over the corresponding period of the previous year, primarily due to cost decreasing alongside with income.

Gross profit. Gross profit of engineering and construction contracting business decreased by RMB10.3 million or 1.7% over the same period of the previous year while gross profit margin of our engineering and construction contracting business increased from 13.2% in the first half of 2015 to 14.3% in the first half of 2016, primarily because the proportion of BT projects and general contracted projects which require advances (which generated higher gross profit) increased within the business structure of the segment, resulting in an increase in the gross profit margin level of the segment.

Business tax and surcharges. Business tax and surcharges of engineering and construction contracting business decreased by RMB40.1 million or 46.5% over the corresponding period of the previous year which was due to the implementation of national policy of replacing the business tax with a value-added tax since May 2016. Value-added tax is not accounted for consolidated income statement, resulting in a substantial decrease in business tax.

Selling and marketing expenses. Selling and marketing expenses of engineering and construction contracting business decreased by RMB5.9 million or 43.9% over the same period of the previous year.

Administrative expenses. Administrative expenses of engineering and construction contracting business decreased by RMB17.6 million or 6.2% over the same period of the previous year, primarily due to increase in impairment loss on assets of the segment recognised during the period.

Other income and other gains or losses-net. Other income and other gains or losses-net increased by RMB18.9 million or 59% over the same period of the previous year, primarily due to large litigation compensation expenses incurred by the segment during the corresponding period of the previous year and exchange loss arising from the depreciation on RMB borne by the segment during the period.

Segment results. As a result of the foregoing, segment results for the period of our engineering and construction contracting business increased by RMB72.3 million or 35.7% over the same period of the previous year.

3) Equipment Manufacturing

	For the half year ended 30 June				
	2016		2015		
	(RMB'000)	**Percentage of segment revenue**	(RMB'000)	Percentage of segment revenue	Percentage of change
Segment revenue	**229,766**	**100.0**	341,762	100.0	(32.8)
Cost of sales	**(229,120)**	**(99.7)**	(292,027)	(85.4)	(21.5)
Gross profit	**646**	**0.3**	49,735	14.6	(98.7)
Business tax and surcharges	**(1,492)**	**(0.6)**	(2,104)	(0.6)	(29.1)
Selling and marketing expenses	**(3,815)**	**(1.7)**	(2,264)	(0.7)	68.5
Administrative expenses	**(21,240)**	**(9.2)**	(29,859)	(8.7)	(28.9)
Other income and other gains or losses-net	**2,944**	**1.3**	5,103	1.5	(42.3)
Segment results	**(22,957)**	**(10.0)**	20,611	6.0	(211.4)

Segment revenue. Revenue from the equipment manufacturing business before inter-segment elimination decreased by RMB112 million or 32.8% over the same period of the previous year, primarily attributable to the fact that the nonferrous metals industry is still in the bottom phase and the businesses taken up by the Company have decreased.

Cost of sales. Cost of sales of the equipment manufacturing business decreased by RMB62.9 million or 21.5% over the same period of the previous year, which was primarily attributable to the cost of sales increasing alongside with income.

Gross profit. Gross profit of the equipment manufacturing business decreased by RMB49.1 million or 98.7% over the same period of the previous year, which was mainly due to significant decrease in gross profit resulted from the relative increase in deductible cost led by the reduction of business volume.

Business tax and surcharges. Business tax and surcharges of the equipment manufacturing business decreased by RMB0.6 million or 29.1% over the corresponding period of the previous year, which was mainly due to the reduction of revenue.

Selling and marketing expenses. Selling and marketing expenses of the equipment manufacturing business increased by RMB1.6 million or 68.5% over the same period of the previous year, which was primarily attributable to an increase in labour costs of sales staff resulted from the increased efforts in marketing.

Administrative expenses. Administrative expenses of the equipment manufacturing business decreased by RMB8.6 million or 28.9% over the same period of the previous year, which was primarily attributable to a decrease in costs as a result of the strict control on expenditure by the segment.

Other income and other gains or losses-net. Other net income and other gains or losses-net of the equipment manufacturing business decreased by RMB2.2 million over the same period of the previous year, representing a decrease of 42.3%.

Segment results. As a result of the above mentioned, the equipment manufacturing business incurred losses during the period, representing a decrease of RMB43.6 million or 211.4% in the segment results over the same period of the previous year.

4) Trading

	For the half year ended 30 June				
	2016		2015		
	(RMB'000)	Percentage of segment revenue	(RMB'000)	Percentage of segment revenue	Percentage of change
Segment revenue	3,622,156	100.0	4,897,715	100.0	(26.0)
Cost of sales	(3,525,904)	(97.3)	(4,705,843)	(96.1)	(25.1)
Gross profit	96,252	2.7	191,872	3.9	(49.8)
Business tax and surcharges	(833)	(0.0)	(2,675)	(0.1)	(68.9)
Selling and marketing expenses	(17,556)	(0.5)	(9,567)	(0.2)	83.5
Administrative expenses	(10,871)	(0.3)	(11,281)	(0.2)	(3.6)
Other income and other gains or losses-net	(14,366)	(0.4)	4,670	0.1	(407.6)
Segment results	52,626	1.5	173,019	3.5	(69.6)

Segment revenue. Revenue from the trading business before inter-segment elimination decreased by RMB1,275.6 million or 26% over the same period of the previous year, which was mainly due to a more prudent decision in choosing trading business types and development model in order to prevent and control potential exposures arising from trading business, which led to a decline in income scale.

Cost of sales. Cost of sales of the trading business decreased by RMB1,179.9 million or 25.1% over the same period of the previous year, which was mainly due to a decrease in costs alongside with income.

Gross profit. Gross profit of the trading business decreased by RMB95.6 million or 49.8% over the same period of the previous year, which was mainly due to the aforesaid reason resulting in the decrease of gross profit.

Business tax and surcharges. Business tax and surcharges of the trading business decreased by RMB1.8 million or 68.9% over the same period of the previous year.

Selling and marketing expenses. Selling and marketing expenses of the trading business increased by RMB8 million or 83.5% over the same period of the previous year, which was mainly due to an increase in transportation cost of the segment.

Administrative expenses. Administrative expenses of the trading business decreased by RMB0.4 million or 3.6% over the same period of the previous year.

Other income and other gains or losses-net. Other income and other gains or losses-net from the trading business decreased by RMB19 million over the same period of the previous year, which is mainly due to increase to depreciation on RMB result to an increasing of exchange loss.

Segment results. As a result of the above mentioned, segment results for the period of the trading business decreased by RMB120.4 million or 69.6% over the same period of the previous year.

(3) Floating Capital and Capital Resources

As of 30 June 2016, the bank deposit and cash held by the Group amounted to RMB4,514.4 million, representing a decrease of RMB1,085.8 million as compared with that as at 31 December 2015, primarily due to the repayment of a portion of bank borrowings and the maturity of private raised bond by the Group.

The sources of the Group's fund are mainly from operating income, bank borrowings and offering bonds comprising a variety of financing channels with good record of due repayment performance. Cash held are mainly denominated in RMB and USD and borrowings are mainly carried with fixed interest rates. The Group has formulated strict capital management measures to monitor closely on the liquidity position as well as the position of the financial market in order to stipulate appropriate financial strategy.

As of 30 June 2016, the current assets of the Group, exclusive of bank deposit and cash, amounted to RMB25,288.8 million, among which notes and trade receivables, amounts due from customers for contract work, prepayments and other receivables and inventories were RMB12,062.5 million, RMB6,369.9 million, RMB5,945.3 million and RMB1,227.9 million, respectively.

As of 30 June 2016, the current liabilities of the Group amounted to RMB23,974.4 million, among which trade and other payables and short-term borrowings were RMB14,690.8 million and RMB8,017.3 million, respectively. As of 30 June 2016, the net current assets of the Group, being the balance between total current assets and current liabilities, amounted to RMB5,828.8 million, representing an increase of RMB393.2 million or 7.2% as compared with that as of 31 December 2015.

As of 30 June 2016, the outstanding borrowings of the Group amounted to RMB10,802.2 million, among which short-term borrowings and long-term borrowings due within one year were RMB8,017.3 million and long-term borrowings were RMB2,784.8 million; total loan have an increase of RMB2,129.5 million as compared with that as of 31 December 2015, comprised of an increase of RMB555.6 million in short-term borrowings and an increase of RMB1,573.9 million in long-term borrowings.

1) Cash flows

Cash flows used in operating activities. For the six months ended 30 June 2016, net cash outflow generated from operating activities amounted to RMB1,298.9 million, representing an increase of RMB1,221.7 million as compared with the net outflow for the same period of the previous year, primarily due to an increase in construction progress payments and deposits as a result of the fact the return period of BT projects and the projects required advances of the Group have yet due in the current year.

Cash flows used in investing activities. For the six months ended 30 June 2016, net cash outflow generated from investing activities amounted to RMB709.5 million, representing a decrease of RMB1,030.5 million as compared with the net inflow of the same period of the previous year, primarily due to the partial payment of utilized fund for party A to the BT projects made by the Group in the current period.

Cash flows generated from financing activities. For the six months ended 30 June 2016, net cash inflow generated from the Group's financing activities amounted to RMB657.9 million, representing an increase of RMB1,456.2 million as compared with net outflow of the same period of the previous year, primarily because the Group received the net proceeds totalling RMB1,900 million from the issuance of ultra short-term financing notes and small public offering bonds during the current period of the previous year, and at the same time, repaid part of the bank borrowings and private raised bond principal and interest this period.

2) Security and pledge of assets

Up to the reporting period, the subsidiaries of the Group provided the third party with total guarantee of RMB95 million.

During the reporting period, the subsidiaries of the Group had pledged fixed assets and land use rights to secure borrowings amounting to RMB160 million; and borrowings amounted to RMB100.70 million was pledged by bank deposits.

3) Gearing ratio

The Group monitors the Group's capital structure on the basis of gearing ratio. This ratio is calculated by dividing net debt by total capital. Net debt is calculated as the total borrowings and other liabilities (including short-term borrowings, long-term borrowings, trade and other payables shown in the consolidated balance sheet) minus restricted cash, time deposits and cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt minus non-controlling interest. The Group's gearing ratios were approximately 67.1% and 74.8% as at 31 December 2015 and 30 June 2016, respectively. The increase of gearing ratio as of 30 June 2016 as compared with that as of 31 December 2015 was primarily due to the acquisition of No. 9 Metallurgical Company and issuance of bonds, resulting in gearing ratio up slightly, but remained in control of the Group.

4) Capital expenditure

For the first half of 2016, our capital expenditures amounted to RMB467.2 million (including an addition of RMB374.1 million arising from business combination), representing an increase of RMB385.1 million compared to RMB82.1 million for the first half of 2015, among which RMB27.8 million was used for the purchase of production facilities and equipment of construction engineering design and consultancy business segment; RMB418.8 million was used for the purchase of production facilities and equipment of engineering contracting, construction business segment and RMB20.6 million was used for the purchase of production facilities and equipment of the trading business segment and RMB0.03 million was used for acquisition of production facilities and equipment for trading segment. Capital resources mainly included self-owned capital and borrowings from banks and other financial institutions.

5) Material acquisition

On 1 December 2015, the Group entered into an Equity Transfer Agreement with Shaanxi Jiuan Properties Co., Ltd. (陝西久安房地產有限公司) to acquire 62.5% of equity interests in No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司).The purchase consideration for the acquisition of RMB49.98 million was paid in the form of cash. The acquisition was completed on 30 June 2016.

The total identifiable assets carried at fair value by No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司) as at the date of acquisition amounted to RMB488.3 million with a non-controlling interest of RMB183.1 million. The purchase consideration paid by the Group was RMB49.98 million, while gain on bargain purchase of business combination was RMB255.2 million.

As the valuation by the Group's independent valuer on fair values of identifiable assets and liabilities is still in progress, the fair values of identifiable assets and liabilities as reported above are provisional amounts based on the directors' estimation. Once the valuation exercise is completed with a signed valuation report during the measurement period as allowed in accordance with IFRS 3 (Revised) "Business Combination" (on or before 30 June 2017), the Group will retrospectively adjust the fair values of the identifiable assets and liabilities, and adjust the corresponding gain on bargain purchase from business combination accordingly.

5. RISK FACTORS

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Foreign exchange risk

As the Group operates globally with the majority of our operations located in China, Southeast Asia, South Asia and South America, our financial position and results of operations can be affected by movements of currencies relevant to our operations, which mainly include RMB, US dollar and Euro. The Company is exposed to foreign exchange risk primarily arising from sales and purchases that give rise to receivables and payables, borrowings and cash balances denominated in foreign currencies. RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the PRC foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands.

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 and borrowings.

Price risk

The Group is exposed to equity securities price risk as the Group's equity security investments are classified as available-for-sale financial assets and other financial assets at fair value through profit or loss, which are required to be stated at their fair values.

Credit risk

The Group's credit risk is primarily attributable to restricted cash, time deposits, cash and cash equivalents, trade and other receivables and other current assets.

The vast majority of the Group's time deposits, cash and cash equivalents are deposited in the PRC state-owned/controlled banks, and the Directors believe that the credit risk of these banks is insignificant.

The Group has policies in place to ensure that services are rendered and products are sold to customers with a sound credit record, and the Group also performs credit evaluations on its customers regularly. Trade customers are not required to provide collaterals in general. The Directors consider that the Company does not have a significant concentration of credit risk.

Regarding balances with related parties, the Company assesses the credibility of the related parties by reviewing their operating results and gearing ratios on a regular basis.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet, after deducting any impairment allowance.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of our business, we aim to maintain flexibility in funding by keeping committed credit lines available.

The management monitors the cash flow forecasts of the Group, which comprises the undrawn borrowing facility and cash and cash equivalents available at the end of each month, to settle its liabilities.

Effects of inflation

The PRC has not experienced significant inflation in recent years, and thus inflation in the PRC has not materially affected the operations of the Group during the track record period. Although there can be no assurance as to the impact of inflation in future periods, we have not been materially and adversely affected by any recent inflationary or deflationary pressures in the PRC.

6. EMPLOYEES AND REMUNERATION POLICY

Employees

As of 30 June 2016, we had a total of 11,147 employees in service, among which male employees accounted for 8,474 and female employees accounted for 2,673, 76% and 24% respectively. Moreover, the Group has off-post reserved labor force of 2,492 .

The following table shows a breakdown of the employees in service by business segment as of 30 June 2016:

	Number of Employees	Percentage of Total
Operation and management personnel	2,709	24%
Engineering technicians	5,795	52%
Production and operation personnel	2,202	20%
Service and other personnel	441	4%
Total	11,147	100%

The following table shows a breakdown of the employees in service by level of education as of 30 June 2016:

	Number of Employees	Percentage of Total
Postgraduate degree and above	966	9%
Undergraduate degree	4,546	41%
Diploma degree	2,505	22%
TAFE (Technical And Further Education) and below	3,130	28%
Total	11,147	100%

In accordance with regulations applicable to enterprises and the relevant requirements of all levels of local governments in areas in which we operate, we established the pension insurance, medical insurance, unemployment insurance, maternity insurance and workers' injury compensation insurance for employees. In addition, the Group and some of its subsidiaries also set up a corporate annuity system for providing retired employees with further protection. In accordance with applicable PRC laws and regulations, the aforesaid social insurance premiums are contributed as strictly required by the state, provincial, autonomous region and municipal requirements of the PRC. We also established an employee housing fund in accordance with applicable PRC regulations.

For the first half of 2016, our employee expenses amounted to RMB449.9 million. We do not have employee's share option scheme currently.

Pursuant to the Labour Contract Law, we sign written employment contracts with employees, which stipulate terms on the probation period and violation penalties, dissolution of labour contracts, payment of remuneration and economical compensation as well as social insurance premium. The Group has taken a variety of measures to improve employment relationship management and fulfill its statutory obligations in a practical manner. The Company provides training for employees according to corporate business development strategies, operation objectives and job responsibilities and keeps exploring innovative training models.

The Group has established a labour union to protect employees' rights and encouraged employees to participate in the management of the Group. We have not experienced any strikes or other labour disputes which have interfered with our management and operations.

We endeavor to provide training for our staff. The scope of our induction and ongoing training programs cover management skills and techniques training, overseas exchange programs and other courses. Through continued payment of education allowance, we also encourage our staff to engage in programs to obtain higher academic and employment qualifications.

H Share Appreciation Rights Scheme

On 10 October 2013, the "Resolution in respect of the Implementation of H Share Appreciation Rights Scheme and Initial Grant thereunder by China Aluminum International Engineering Corporation Limited" was considered and approved at the extraordinary general meeting of the Group, providing medium to long-term incentive to specified Directors, senior management, management officers and key employees who have played a vital role in the development of the Group so as to facilitate the continuous growth of the Group.

As of 30 June 2016, particulars of H Share appreciation rights granted to the Directors and senior management of the Group are as follows:

Name	Position	Number of Shares granted ('0000 shares)	Proportion of the amount granted to the total number of H Shares in issue of the Company	Proportion of the amount granted to the total number of shares in issue of the Company
HE Zhihui	Chairman, Executive Director and President	68.3649	0.1711%	0.0257%
QIN Qiwu	Vice President	53.8103	0.1347%	0.0202%
MA Ning	Vice President	49.2457	0.1233%	0.0185%
Total		171.4209	0.4291%	0.0644%

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

大信梁學濂（香港）會計師事務所

PKF
Accountants & business advisers

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Hong Kong

TO THE BOARD OF DIRECTORS OF
CHINA ALUMINUM INTERNATIONAL ENGINEERING CORPORATION LIMITED
(incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 74, which comprises the interim condensed consolidated balance sheet of China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司, the "Company") and its subsidiaries (collectively referred as to the "Group") as at 30 June 2016 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting". The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

EMPHASIS OF MATTER

We draw attention to note 23 to the condensed consolidated financial statements which indicates that the fair values of identifiable assets and liabilities in relation to the acquisition of 62.5% equity interest in No. 9 Metallurgical Construction Co., Ltd. are provisional amounts based on the directors' estimation. The Group is in the process of obtaining some new information about facts and circumstances that existed as at the acquisition date. During the measurement period as allowed in accordance with IFRS 3 (Revised) "Business Combination", if these facts and circumstances would affect the measurements, the fair values of identifiable assets and liabilities as reported in these condensed consolidated financial statements will be retrospectively adjusted, additional assets and liabilities will be recognised (if any) and the corresponding gain on bargain purchase from business combination will be retrospectively adjusted. Our opinion is not modified in respect of this matter.

PKF
Certified Public Accountants
Hong Kong

29 August 2016

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Revenue	6	**8,783,636**	9,513,808
Cost of sales		**(7,900,484)**	(8,513,899)
Gross profit		**883,152**	999,909
Business tax and surcharges		**(58,381)**	(99,332)
Selling and marketing expenses		**(42,294)**	(41,258)
Administrative expenses		**(455,728)**	(463,449)
Other income		**18,010**	37,386
Other (losses)/gains – net		**(28,543)**	12,865
Operating profit		**316,216**	446,121
Finance income		**122,343**	177,982
Finance costs		**(201,498)**	(254,585)
Share of (loss)/profit of investments accounted for using the equity method	11	**(7,437)**	4,719
Gain on bargain purchase from business combination	23	**255,195**	–
Profit before taxation		**484,819**	374,237
Income tax expense	7	**(77,420)**	(83,652)
Profit for the period		**407,399**	290,585
Items that may be reclassified to profit or loss			
Fair value gains on available-for-sale financial assets, net of tax		**–**	9,808
Reclassified to profit on disposal of available-for-sale financial assets, net of tax		**–**	(27,443)
Currency translation differences		**39,034**	(950)
Item that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations, net of tax		**(99)**	(700)
Other comprehensive income/(loss) for the period, net of tax		**38,935**	(19,285)
Total comprehensive income for the period		**446,334**	271,300
Profit for the period attributable to:			
Equity owners of the Company		**359,151**	229,622
Non-controlling interests		**48,248**	60,963
		407,399	290,585

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2016	2015
	Note	**RMB'000** **(unaudited)**	RMB'000 (unaudited)
Total comprehensive income for the period attributable to:			
Equity owners of the Company		**398,089**	210,346
Non-controlling interests		**48,245**	60,954
		446,334	271,300
Earnings per share or profit attributable to equity owners of the Company		**RMB**	RMB
– Basic	8	**0.135**	0.09
– Diluted	8	**0.135**	0.09

The notes on pages 40 to 74 form an integral part of this unaudited interim condensed consolidated financial information.

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Assets			
Non-current assets			
Property, plant and equipment	10	2,312,653	2,052,454
Land use rights	10	875,904	792,950
Intangible assets	10	137,229	142,610
Investments accounted for using the equity method	11	304,588	299,539
Investment properties		84,600	77,994
Available-for-sale financial assets		14,973	9,973
Trade and notes receivables	12	2,116,155	1,752,312
Prepayments and other receivables	13	1,345,298	592,047
Deferred income tax assets		463,037	381,250
Other non-current assets		24,870	12,015
Total non-current assets		7,679,307	6,113,144
Current assets			
Available-for-sale financial assets		226,200	149,200
Inventories		1,227,920	771,765
Trade and notes receivables	12	12,062,508	10,687,753
Prepayments and other receivables	13	5,325,329	3,330,491
Amounts due from customers for contract work	14	6,369,948	4,098,534
Current income tax prepayments		76,939	85,978
Restricted cash		954,371	723,510
Time deposits		55,752	28,929
Cash and cash equivalents		3,504,279	4,847,792
Total current assets		29,803,246	24,723,952
Total assets		37,482,553	30,837,096
Equity			
Share capital	15	2,663,160	2,663,160
Reserves		4,736,153	4,500,560
Consolidated equity attributable to equity owners of the Company		7,399,313	7,163,720
Non-controlling interests		2,170,854	2,006,863
Total equity		9,570,167	9,170,583

	Note	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Liabilities			
Non-current liabilities			
Deferred income		**86,008**	88,269
Long-term borrowings	17	**2,784,817**	1,210,935
Retirement and other supplemental benefit obligations	16	**1,042,349**	1,076,882
Deferred income tax liabilities		**24,797**	629
Trade and other payables	18	**–**	1,431
Total non-current liabilities		**3,937,971**	2,378,146
Current liabilities			
Trade and other payables	18	**14,690,762**	11,070,114
Dividends payable	19	**215,137**	55,347
Amounts due to customers for contract work	14	**726,444**	420,286
Short-term borrowings	17	**8,017,343**	7,461,720
Current income tax liabilities		**187,037**	143,710
Retirement and other supplemental benefit obligations	16	**137,692**	137,190
Total current liabilities		**23,974,415**	19,288,367
Total liabilities		**27,912,386**	21,666,513
Total equity and liabilities		**37,482,553**	30,837,096
Net current assets		**6,448,831**	5,435,585
Total assets less current liabilities		**13,508,138**	11,548,729

The interim condensed consolidated financial information has been approved by the Board of Directors on 29 August 2016 and was signed on its behalf.

He Zhihui
Director

Zhang Jian
Director

The notes on pages 40 to 74 form an integral part of this unaudited interim condensed consolidated financial information.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity owners of the Company										
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Investment revaluation reserve RMB'000	Remeasurements of post-employment benefit obligations RMB'000	Currency translation differences RMB'000	Special reserve RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2015	2,663,160	756,508	113,459	17,635	75,790	4,050	21,790	3,012,524	6,664,916	2,022,985	8,687,901
Profit for the period	–	–	–	–	–	–	–	229,622	229,622	60,963	290,585
Other comprehensive income:											
Fair value change of available-for-sale financial assets – gross	–	–	–	11,538	–	–	–	–	11,538	–	11,538
Fair value change of available-for-sale financial assets – tax	–	–	–	(1,730)	–	–	–	–	(1,730)	–	(1,730)
Reclassified to profit on disposal of available-for-sale financial assets – gross	–	–	–	(32,286)	–	–	–	–	(32,286)	–	(32,286)
Reclassified to profit on disposal of available-for-sale financial assets – tax	–	–	–	4,843	–	–	–	–	4,843	–	4,843
Remeasurements of post-employment benefit obligations –gross	–	–	–	–	(833)	–	–	–	(833)	(11)	(844)
Remeasurements of post-employment benefit obligations – tax	–	–	–	–	142	–	–	–	142	2	144
Currency translation differences	–	–	–	–	–	(950)	–	–	(950)	–	(950)
Total comprehensive income	–	–	–	(17,635)	(691)	(950)	–	229,622	210,346	60,954	271,300
Dividends to equity owners	–	–	–	–	–	–	–	(266,316)	(266,316)	(63,945)	(330,261)
Capital contributions by non-controlling interest of the subsidiaries	–	–	–	–	–	–	–	–	–	2,629	2,629
Appropriation of special reserve	–	–	–	–	–	–	3,397	(3,397)	–	–	–
At 30 June 2015 (unaudited)	2,663,160	756,508	113,459	–	75,099	3,100	25,187	2,972,433	6,608,946	2,022,623	8,631,569

The notes on pages 40 to 74 form an integral part of this unaudited interim condensed consolidated financial information.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity owners of the Company										
	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Remeasurements of post-employment benefit obligations RMB'000	Currency translation differences RMB'000	Special reserve RMB'000	Other equity Instruments RMB'000	Retained earnings RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2016	2,663,160	768,132	130,626	42,775	77,088	23,494	190,129	3,268,316	7,163,720	2,006,863	9,170,583
Profit for the period	–	–	–	–	–	–	–	359,151	359,151	48,248	407,399
Other comprehensive income											
Remeasurements of post-employment benefit obligations –gross	–	–	–	(130)	–	–	–	–	(130)	(4)	(134)
Remeasurements of post-employment benefit obligations –tax	–	–	–	34	–	–	–	–	34	1	35
Currency translation differences	–	–	–	–	39,034	–	–	–	39,034	–	39,034
Total comprehensive income	–	–	–	(96)	39,034	–	–	359,151	398,089	48,245	446,334
Dividends to equity owners	–	–	–	–	–	–	–	(159,790)	(159,790)	–	(159,790)
Interests paid for senior perpetual capital securities	–	–	–	–	–	–	–	–	–	(67,359)	(67,359)
Share of changes in equity of investments accounted for using the equity method	–	(2,706)	–	–	–	–	–	–	(2,706)	–	(2,706)
Appropriation of special reserve	–	–	–	–	–	9,497	–	(9,497)	–	–	–
Non-controlling interests arising on business combination	–	–	–	–	–	–	–	–	–	183,105	183,105
At 30 June 2016 (unaudited)	2,663,160	765,426	130,626	42,679	116,122	32,991	190,129	3,458,180	7,399,313	2,170,854	9,570,167

The notes on pages 40 to 74 form an integral part of this unaudited interim condensed consolidated financial information.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June **2016** **RMB'000** **(unaudited)**	 2015 RMB'000 (unaudited)
Cash flows from operating activities			
Cash used in operations		**(1,196,285)**	(680)
Income tax paid		**(121,338)**	(104,150)
Interest received		**18,698**	27,607
Net cash used in operating activities		**(1,298,925)**	(77,223)
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and land use right		**(60,125)**	(120,407)
Purchase of financial assets at fair value through profit or loss		**–**	(3,909,000)
Purchase of available-for-sale financial assets	5.3	**(1,080,500)**	–
Cash inflow arising from business combination		**362,257**	–
Payment for investments accounted for using the equity method		**(4,000)**	(26,000)
Financing provided for proprietors		**(762,440)**	(500,000)
Repayment of financing provided for contract owners and others		**248,000**	395,390
Loan advanced for projects		**(442,881)**	–
Interest received from financial assets at fair value through profit or loss and time deposits		**–**	28,481
Interest received from available-for-sale financial assets and time deposits		**4,576**	–
(Increase)/decrease in time deposits		**(26,823)**	537,545
Proceeds from disposal of property, plant and equipment and intangible assets		**611**	5,641
Proceeds from disposal of financial assets at fair value through profit or loss		**–**	3,765,000
Proceeds from disposal of available-for-sale financial assets	5.3	**1,003,500**	40,753
Proceeds from disposal of investments accounted for using equity method		**11,912**	–
Receipt of government grants		**–**	12,700
Interest received from Build-Transfer contract counterparty		**36,607**	89,806
Dividends received		**8**	1,132
Net cash (used in)/generated from investing activities		**(709,298)**	321,041

	Note	Six months ended 30 June 2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Cash flows from financing activities			
Capital contributions made by non-controlling interests of subsidiary		**–**	2,629
Capital withdrawal by non-controlling interests		**(210)**	–
Borrowings received		**2,856,043**	3,669,021
Repayment of borrowings		**(3,484,462)**	(3,441,488)
Borrowings received from related parties	17(iv)	**95,000**	380,000
Repayment of borrowings received from related parties	17(iv)	**(90,000)**	(430,000)
Interest paid		**(199,638)**	(266,176)
Net payment for bills deposits		**–**	(148,316)
Dividends paid to non-controlling interests		**–**	(63,945)
Issuing of long-term and short-term bonds		**1,900,000**	2,000,000
Repayment of short-term bonds		**(500,000)**	(2,500,000)
Cash inflow arising from notes financing		**80,993**	–
Net cash generated from/(used in) financing activities		**657,726**	(798,275)
Net decrease in cash and cash equivalents		**(1,350,497)**	(554,457)
Cash and cash equivalents at beginning of period		**4,847,792**	4,207,857
Exchange gains/(losses) on cash and cash equivalents		**6,984**	(2,140)
Cash and cash equivalents at end of period		**3,504,279**	3,651,260

The notes on pages 40 to 74 form an integral part of this unaudited interim condensed consolidated financial information.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION AND REORGANISATION

1.1 General information

China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司, the "Company") and its subsidiaries (collectively referred as to the "Group") is principally engaged in engineering design and consultancy, engineering and construction contracting, equipment manufacturing and trading.

The Company was established as a company with limited liability under the name of China Aluminum International Engineering Co., Ltd. (中鋁國際工程有限責任公司) in the People's Republic of China (the "PRC") on 16 December 2003 under the Company Law of the PRC. The address of its registered office is Building C, No. 99 Xingshikou Road, Haidian District, Beijing, the PRC.

The directors of the Company (the "Directors") regard Aluminum Corporation of China (中國鋁業公司, "Chinalco") as being the ultimate holding company of the Group, which is owned and controlled by the State-Owned Assets Supervision and Administration Commission of the State Council of the PRC. The Company has completed its primary listing (the "Listing") on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 July 2012.

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

This interim condensed consolidated financial information has not been audited.

1.2 Reorganisation

Upon the establishment of the Company, Chinalco held its 95% equity interest and China Aluminum International Trading Company Limited (中鋁國際貿易有限公司), a wholly-owned subsidiary of Aluminum Corporation of China Limited (中國鋁業股份有限公司), which is a subsidiary of Chinalco, held the remaining 5% equity interest. On 10 February 2011, China Aluminum International Trading Company Limited (中鋁國際貿易有限公司) transferred its 5% equity interest in the Company to Chinalco and subsequently the Company became a wholly-owned subsidiary of Chinalco. On 30 March 2011, Chinalco transferred its 3.84% equity interest to Luoyang Engineering & Research Institute for Nonferrous Metals Processing (洛陽有色金屬加工設計研究院). Pursuant to a reorganisation of the engineering and construction contracting, design consultation business and equipment manufacturing business of Chinalco and its subsidiaries (collectively, the "Chinalco Group") in preparation for the Listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited ("the Reorganisation"), the Company became the holding company of the subsidiaries now comprising the Group. The Company then transformed into a joint stock company with limited liability and renamed as China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司) on 30 June 2011.

All English names represent the best effort by the Directors in translating the Chinese names, as they do not have any official English names, and are for reference only.

2. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial information for the six months ended 30 June 2016 has been prepared in accordance with IAS 34, "Interim financial reporting". The unaudited interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

3. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

Amendments to IFRSs effective for the financial year ending 31 December 2016 do not have a material impact on the Group.

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

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

4. ESTIMATES

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

In preparing these interim condensed consolidated financial information, the significant judgments 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 2015.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The activities of the Group expose them to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

There have been no changes in the risk management department since 31 December 2015 or in any risk management policies since 31 December 2015.

5.2 Liquidity risk

Compared to 31 December 2015, there was no material change in the contractual undiscounted cash flows for financial liabilities.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair value estimation

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The following table presents the Group's assets that are measured at fair value as at 30 June 2016 and 31 December 2015.

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Level 3		
Available-for-sale financial assets		
– Unlisted equity securities	**14,973**	9,973
– Short-term investment	**226,200**	149,200
	241,173	159,173

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair value estimation (continued)

The following table presents the changes in level 3 instruments for the period ended 30 June 2016:

30 June 2016	**Available-for-sale financial assets** Unlisted equity securities RMB'000 (unaudited)	**Short-term investment RMB'000 (unaudited)**
Beginning of period	**9,973**	**149,200**
Addition	**–**	**1,080,500**
Addition from business combination	**5,000**	**–**
Settlement on expiration	**–**	**(1,003,500)**
End of period	**14,973**	**226,200**

The following table presents the changes in level 3 instruments for the period ended 30 June 2015:

30 June 2015	Available-for-sale financial assets and financial assets at fair value through profit or loss Unlisted equity securities RMB'000 (unaudited)	Short-term investment RMB'000 (unaudited)
Beginning of period	9,973	501,000
Additions	–	3,909,000
Settlement on expiration	–	(3,765,000)
End of period	9,973	645,000

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The Group's revenue is set out below:

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Engineering design and consultancy	**716,890**	645,212
Engineering and construction contracting	**4,250,497**	4,665,884
Equipment manufacturing	**196,822**	269,526
Trading	**3,619,427**	3,933,186
	8,783,636	9,513,808

(b) Segment information

Management has determined the operating segments based on the reports reviewed by the Senior Management that are used to make strategic decisions.

The Senior Management considers the business from a product and service perspective, which mainly includes four reportable operating segments: (i) engineering design and consultancy; (ii) engineering and construction contracting; (iii) equipment manufacturing and (iv) trading.

Inter-segment sales were conducted at prices no less than cost and with terms mutually agreed among those business segments. 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 other 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, land use rights, investment properties, intangible assets, investments accounted for using the equity method, other non-current assets, inventories, amounts due from customers for contract work, trade and notes receivables, prepayments and other receivables, restricted cash, time deposits and cash and cash equivalents. Unallocated assets comprise deferred income tax assets, current income tax prepayments and investments accounted for using the equity method.

Segment liabilities comprise operating liabilities and borrowings. Unallocated liabilities comprise items such as current income tax liabilities and deferred income tax liabilities.

6. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (continued)

Capital expenditures comprise additions to property, plant and equipment (Note 10), land use rights (Note 10), investment properties, intangible assets (Note 10) and other non-current assets, including additions resulting from acquisitions through business combinations.

The segment information provided to the Senior Management for the reportable segments is as follows:

(i) For the six months ended 30 June 2015:

The segment results for the six months ended 30 June 2015 are as follows:

(unaudited)	Engineering design and consultancy	Engineering and construction contracting	Equipment manufacturing	Trading	Inter-segment elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue and results						
Segment revenue	684,520	4,703,145	341,762	4,897,715	(1,113,334)	9,513,808
Inter-segment revenue	(39,308)	(37,261)	(72,236)	(964,529)	1,113,334	–
Revenue	645,212	4,665,884	269,526	3,933,186	–	9,513,808
Segment results	56,839	202,278	20,611	173,019	(6,626)	446,121
Finance income	12,525	162,092	3,990	10,704	(11,329)	177,982
Finance expense	(44,639)	(217,726)	(16,574)	(1,540)	25,894	(254,585)
Share of profit of investments accounted for using equity method	(1,067)	5,786	–	–	–	4,719
Profit before income tax	23,658	152,430	8,027	182,183	7,939	374,237
Income tax expense						(83,652)
Profit for the period						290,585
Other segment items						
Amortisation	48,715	2,871	2,918	3,860	–	58,364
Depreciation	32,896	27,468	9,708	1,805	–	71,877
Provision for/(reversal of)						
– impairment on trade and other receivables	25,001	(19,015)	1,231	(181)	–	7,036
– impairment on inventories	–	13,130	–	–	–	13,130

6. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (continued)

(ii) The segment assets and liabilities as at 31 December 2015 and capital expenditure for the six months ended are as follows:

(audited)	Engineering design and consultancy RMB'000	Engineering and construction contracting RMB'000	Equipment manufacturing RMB'000	Trading RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Assets						
Segment assets	5,469,299	21,736,148	1,687,454	3,676,383	(2,498,955)	30,070,329
Unallocated assets						
– Deferred income tax assets						381,250
– Current income tax prepayments						85,978
– Investments accounted for using the equity method						299,539
Total assets						30,837,096
Liabilities						
Segment liabilities	3,192,954	17,378,473	1,491,275	1,667,290	(2,207,818)	21,522,174
Unallocated liabilities						
– Deferred income tax liabilities	629	–	–	–	–	629
– Current income tax liabilities	30,210	102,920	617	9,963	–	143,710
Total liabilities						21,666,513
Capital expenditures	166,352	56,150	23,018	261	–	245,781

6. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (continued)

(iii) The segment results for the six months ended 30 June 2016 are as follows:

(unaudited)	Engineering design and consultancy RMB'000	Engineering and construction contracting RMB'000	Equipment manufacturing RMB'000	Trading RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Segment revenue and results						
Segment revenue	775,237	4,271,870	229,766	3,622,156	(115,393)	8,783,636
Inter-segment revenue	(58,347)	(21,373)	(32,944)	(2,729)	115,393	–
Revenue	716,890	4,250,497	196,822	3,619,427	–	8,783,636
Segment results	5,285	274,576	(22,957)	52,626	6,686	316,216
Finance income	31,120	138,726	25,935	10,215	(83,653)	122,343
Finance expense	(49,046)	(159,101)	(37,835)	(40,121)	84,605	(201,498)
Share of loss of investments accounted for using equity method	(1,095)	(5,690)	(652)	–	–	(7,437)
Gain on bargain purchase from business combination	–	255,195	–	–	–	255,195
(Loss)/profit before income tax	(13,736)	503,706	(35,509)	22,720	7,638	484,819
Income tax expense						(77,420)
Profit for the period						407,399
Other segment items						
Amortisation	17,474	9,608	1,900	–	–	28,982
Depreciation	30,240	25,849	14,890	50	–	71,029
Provision for/(reversal of)						
– impairment on trade and other receivables	29,117	55,871	(133)	(1,275)	–	83,580
– impairment on amounts due from customers for contract work	–	17,562	–	–	–	17,562

6. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (continued)

(iv) The segment assets and liabilities as at 30 June 2016 and capital expenditure for the six months ended are as follows:

(unaudited)	Engineering design and consultancy RMB'000	Engineering and construction contracting RMB'000	Equipment manufacturing RMB'000	Trading RMB'000	Inter-segment elimination RMB'000	Total RMB'000
Assets						
Segment assets	5,132,017	29,652,142	2,041,947	5,537,634	(5,725,751)	36,637,989
Unallocated assets						
– Deferred income tax assets						463,037
– Current income tax prepayments						76,939
– Investments accounted for using the equity method						304,588
Total assets						37,482,553
Liabilities						
Segment liabilities	3,131,293	23,391,871	1,598,217	5,314,338	(5,735,167)	27,700,552
Unallocated liabilities						
– Deferred income tax liabilities						24,797
– Current income tax liabilities						187,037
Total liabilities						27,912,386
Capital expenditures	27,814	418,829	20,559	27	–	467,229

6. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment information (continued)

(v) Analysis of information by geographical regions

Revenue

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
The PRC	**8,270,985**	8,869,917
Other countries	**512,651**	643,891
	8,783,636	9,513,808

Non-current assets, other than financial instruments and deferred tax assets

	At 30 June 2016	At 31 December 2015
	RMB'000	RMB'000
	(unaudited)	(audited)
The PRC	**7,175,422**	5,695,773
Other countries	**25,875**	26,148
	7,201,297	5,721,921

(vi) Revenue of approximately RMB462 million and RMB787 million were derived from one single largest third party customer for the six months ended 30 June 2016 and 2015, respectively. These revenues are attributable to the trading segment.

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Current tax		
PRC enterprise income tax for the period (i)	**94,615**	64,384
Deferred tax		
(Reversal)/origination of temporary differences	**(17,195)**	19,268
Income tax expense	**77,420**	83,652

Note:

(i) PRC enterprise income tax

Certain subsidiaries of the Group located in special regions of the PRC were granted tax concessions including referential tax rates of 15%.

Other certain subsidiaries of the Group obtained the certificates of high and new tech enterprises from the Ministry of Science and Technology, Ministry of Finance and offices of the State Administration of Taxation and local taxation bureaus of all provinces, which granted tax preferential rate of 15% for three years.

Except above subsidiaries taxed at preferential rate of 15%, most of the companies now comprising the Group are subject to income tax rate of 25% for the six months ended 30 June 2016 and 2015.

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for six months ended 30 June 2016 is 34% (the estimated average tax rate for the six months ended 30 June 2015 was 22%).

8. EARNINGS PER SHARE

(a) Basic

The basic earnings per share are calculated by divided the profit attribute to equity owners of the Company by the weighted average number of shares in issue during the period.

	Six months ended 30 June	
	2016 (unaudited)	2015 (unaudited)
Profit attributable to equity owners of the Company (RMB'000)	**359,151**	229,622
Weighted average number of ordinary shares in issue	**2,663,160,000**	2,663,160,000
Basic earnings per share (RMB)	**0.135**	0.09

(b) Diluted

As the Company had no dilutive ordinary shares for the six months ended 30 June 2016 and 2015, dilutive earnings per share for the six months ended 30 June 2016 and 2015 is the same as basic earnings per share.

9. DIVIDENDS

Pursuant to a resolution of board of directors on 31 March 2016, the Company has proposed a dividend of RMB0.06 per share totaling approximately RMB159,790,000 for the year of 2015, which was approved at the Annual General Meeting on 25 May 2016, and has been recognised as a liability in this unaudited interim condensed consolidated financial information.

No interim dividend was proposed by the Directors of the Company for the six months ended 30 June 2016 and 2015.

10. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND LAND USE RIGHTS

(a) Acquisition

During the six months ended 30 June 2016, the Group acquired property, plant and equipment, land use rights and intangible assets of RMB263,171,000, RMB93,756,000 and RMB315,000 (30 June 2015: nil, nil and nil) respectively through business combinations (Note 23) and RMB68,690,000, nil and RMB12,482,000 (30 June 2015: RMB80,512,000, RMB1,367,000 and RMB800,000) respectively from other third parties.

(b) Disposals

During the six months ended 30 June 2016, the Group disposed property, plant and equipment, and intangible assets with carrying amounts of RMB1,668,000 and nil (30 June 2015: RMB7,132,000 and RMB1,081,000) respectively.

(c) Impairment losses

During the six months ended 30 June 2016, there is no recognition or reversal of impairment loss to the Group's property, plant and equipment, land use rights and intangible assets.

(d) Borrowings Securities

As at 30 June 2016, the Group secured certain house property and land use rights with carrying amounts of RMB69,033,000 and RMB90,521,000 respectively, for its borrowings as disclosed in Note 17.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Investment in associates

	Six months ended 30 June 2016 RMB'000 (unaudited)
Beginning of the period	202,952
Addition	3,000
Addition from business combination	11,900
Disposal	(708)
Share of post-tax losses of associates	(2,992)
Share of changes in equity	(2,706)
End of the period	211,446

(b) Investment in joint venture

	Six months ended 30 June 2016 RMB'000 (unaudited)
Beginning of the period	96,587
Addition	1,000
Share of post-tax losses of joint venture	(4,445)
End of the period	93,142

12. TRADE AND NOTES RECEIVABLES

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Trade receivables	14,472,905	12,659,265
Less: Provision for impairment	(602,395)	(516,569)
Trade receivables – net	13,870,510	12,142,696
Notes receivable	308,153	297,369
Trade and notes receivables – net	14,178,663	12,440,065
Less: Non-current portion (i)	(2,116,155)	(1,752,312)
Current portion	12,062,508	10,687,753

(i) According to the contracts, the Group is required to provide a series of financial support to the proprietors or its contractors during the projects' contracting period, the principal and interest will be paid within a certain period of time. As at 30 June 2016, the non-current trade receivables amounted to RMB2.12 billion.

(ii) The carrying amounts of the trade and notes receivables approximate their fair values.

(iii) Certain notes receivable amounting to approximately RMB100.7 million were secured for its borrowings as disclosed in Note 17.

All notes receivable of the Group are bank's acceptance bills and usually collected within six to twelve months from the date of issuance.

12. TRADE AND NOTES RECEIVABLES (Continued)

The contracts governing provision of the Group's service would not include specific credit terms.

For the settlement of trade receivables from provision of services, the Group usually reaches an agreement on the term of each payment with the customer by taking into account of factors such as, among other things, the credit history of the customer, its liquidity position and the Group's working capital needs, which varies on a case-by-case basis that requires the judgment and experience of the management. Trade receivables from sales of goods are with credit terms of 30 to 90 days in accordance with sales contracts.

The Group requires collaterals from the proprietors of the Build-Transfer ("BT") contracts to minimise the credit risk involved in these contracts where the Group would normally undertake the financing of the project.

The trade receivables, that were past due but not impaired relate to a number of independent customers with no recent history of default.

Ageing analysis of trade receivables is as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	9,765,151	8,882,391
Between 1 and 2 years	2,552,211	2,178,334
Between 2 and 3 years	1,143,790	763,436
Between 3 and 4 years	456,101	412,950
Between 4 and 5 years	275,616	159,466
Over 5 years	280,036	262,688
Trade receivables – gross	14,472,905	12,659,265
Less: Provision for impairment	(602,395)	(516,569)
Trade receivables – net	13,870,510	12,142,696

13. PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Prepayments		
Prepayments to suppliers	1,872,443	1,224,744
Prepayment for investment (i)	–	29,980
	1,872,443	1,254,724
Other receivables and deposits		
Financing provided to proprietors (ii)	2,646,521	1,930,845
Amounts due from related parties (iii)	134,472	48,163
Others (iv)	2,138,636	812,497
	4,919,629	2,791,505
Total prepayments and other receivables	6,792,072	4,046,229
Less: Provision for impairment	(121,445)	(123,691)
Prepayments and other receivables – net	6,670,627	3,922,538
Less: Non-current portion (v)	(1,345,298)	(592,047)
Current portion	5,325,329	3,330,491

(i) On December 2015, the Group entered into an Equity Transfer Agreement with Shaanxi Jiuan Properties Co., Ltd. (陝西久安房地產有限公司) to acquired 62.5% of equity interest in No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司) with a cash consideration of RMB49,980,000. The amount of RMB29,980,000 represented partial payment of the purchase consideration. The acquisition was completed during the period. (Note 23)

13. PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(ii) As at 30 June 2016, in connection with the Build-Transfer contract, the Group provided financing amounted to RMB2.65 billion to the owner or its contractors to support their construction projects, at an interest rate between 5.23% and 15%.

Included in the amount of financing provided to proprietors is approximately RMB1,262,124,000 which was past due but not impaired related to certain individual third parties.

(iii) The amounts due from related parties are unsecured, interest free and repayable on demand.

(iv) Others represent amount receivable from retention fund, staff advance, bid security, payment on behalf of third parties and deductible value-added tax.

(v) Non-current prepayments and other receivables mainly relate to financing providing to the proprietor or its contractors and the quality assurance.

(vi) The carrying amounts of other receivables approximate their fair values.

Ageing analysis of other receivables is as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	**3,567,616**	1,145,110
Between 1 and 2 years	**947,884**	1,417,440
Between 2 and 3 years	**246,969**	106,125
Between 3 and 4 years	**53,242**	29,938
Between 4 and 5 years	**32,489**	25,559
Over 5 years	**71,429**	67,333
Other receivables – gross	**4,919,629**	2,791,505
Less: Provision for impairment	**(121,445)**	(123,691)
Other receivables – net	**4,798,184**	2,667,814

14. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Contract cost incurred plus recognised profit less recognised losses	77,994,991	70,950,100
Less: Progress billings	(72,351,487)	(67,271,852)
Contract work-in-progress	5,643,504	3,678,248
Representing:		
Amounts due from customers for contract work	6,392,677	4,103,701
Less: Provision for impairment	(22,729)	(5,167)
Net amounts due from customers for contract work	6,369,948	4,098,534
Amounts due to customers for contract work	(726,444)	(420,286)
	5,643,504	3,678,248

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Contract revenue recognised as revenue for the six months period	4,250,497	4,665,884

15. SHARE CAPITAL

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Number of shares	2,663,160,000	2,663,160,000
Share capital (RMB'000)	2,663,160	2,663,160

16. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS

(a) State-managed retirement plan

The Chinese employees of the Group participate in employee social security plans organised and administrated by the PRC government authority. The PRC companies are required to contribute from 20% to 22%, depending on the applicable local regulations, of salaries, wages and bonuses to the state-managed retirement plans. The obligation of these PRC companies with respect to the state-managed retirement plans is to make the specified contributions.

The total cost charged to the unaudited interim condensed consolidated statements of comprehensive income during the six months ended 30 June 2016 and 2015 are as follows:

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Contributions to state-managed retirement plans	80,598	68,927

At each balance sheet date, the following amounts due in respect of the reporting period had not been paid to the state-managed retirement plans:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Amounts due to state-managed retirement plans included in trade and other payables	6,506	3,443

16. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (Continued)

(b) Early retirement and supplemental benefit obligations

The Group has implemented a supplemental defined benefit retirement scheme to certain employees who were retired on or before 31 December 2012 in the PRC. Such supplementary pension subsidies are considered to be defined benefit plans as the Group is obligated to provide post-employment benefits to these employees.

The amount of early retirement and supplemental benefit obligations recognised in the consolidated balance sheets are determined as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Current portion of defined benefits obligations	137,692	137,190
Non-current portion of defined benefits obligations	1,042,349	1,076,882
Present value of defined benefits obligation	1,180,041	1,214,072

The movements of the Group's early retirement and supplemental benefit obligations for the six months ended 30 June 2016 and 2015 are as follows:

	Six months ended 30 June	
	2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
At beginning of period	1,214,072	1,159,691
For the period		
– interest cost	17,203	20,550
– payment	(51,502)	(51,631)
– actuarial losses	134	844
– past service cost	134	22,496
– current service cost	–	145
At end of period	1,180,041	1,152,095

16. RETIREMENT AND OTHER SUPPLEMENTAL BENEFIT OBLIGATIONS (Continued)

(b) Early retirement and supplemental benefit obligations (continued)

The above obligations were determined based on actuarial valuations performed by an independent qualified actuarial firm, Towers Watson Consulting (Shenzhen) Company Limited, using the projected unit credit actuarial cost method.

The material actuarial assumptions used in valuing these obligations are as follows:

(i) Discount rates adopted (per annum):

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Discount rate	**3.00%**	3.00%

(ii) Mortality: Average life expectancy of residents in the PRC;

(iii) Average medical expense increase rate: 8%;

(iv) Cost of living adjustment (COLA) for beneficiaries: 4.5%;

(v) Medical costs paid to early retirees are assumed to continue until the death of the retirees.

17. BORROWINGS

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Bank borrowings		
– guaranteed by the Company to its subsidiaries	**4,742,065**	999,800
– secured by property, plant and equipment (i)	**415,919**	12,000
– secured by notes receivables (ii)	**100,700**	–
– unsecured	**1,539,863**	4,128,902
Short-term and long-term bonds (iii)		
– unsecured	**3,766,613**	2,329,953
Borrowings from related parties		
– unsecured (iv)	**237,000**	1,202,000
	10,802,160	8,672,655
Less: non-current portion	**(2,784,817)**	(1,210,935)
Current portion	**8,017,343**	7,461,720

The borrowings are secured by the following:

(i) Certain house property and land use rights (Note 10) of the Group.

(ii) Certain notes receivable (Note 12) of the Group.

(iii) Short-term and long-term bonds

The Company has issued the 2015-first tranche and 2015-second tranche of non-public debt financing instruments on 24 July 2015 and 5 November 2015 with issuance amounts of RMB800 million and RMB500 million respectively and with maturity period of 366 days. The unit par value is RMB100 with an interest rate of 4.70% and 4.15% per annum, respectively.

On 2 September 2015, 13 November 2015, 8 June 2016 and 21 June 2016, the Group issued the 2015-first tranche, 2015-second tranche, 2016-first tranche and 2016-second tranche of short-term and long-term financing bonds with issuance amounts of RMB200 million, RMB300 million, RMB1,000 million, and RMB900 million and with maturity periods of 366 days, 366 days, 270 days and 1,095 days, respectively. The unit par value is RMB100 with an interest rate of 3.9%, 4%, 3.5% and 4.7% per annum, respectively.

17. BORROWINGS (Continued)

(iii) Short-term and long-term bonds (continued)

Outstanding bonds as at 30 June 2016 are summarised as follows:–

	Face value (RMB'000)/ maturity	Effective interest rate	30 June 2016 (RMB'000)
2015 short-term bonds	800,000/2016	4.70%	836,169
2015 short-term bonds	200,000/2016	3.90%	206,625
2015 short-term bonds	500,000/2016	4.15%	513,890
2015 short-term bonds	300,000/2016	4.00%	307,763
2016 short-term bonds	1,000,000/2017	3.50%	1,002,166
2016 long-term bonds	900,000/2019	4.70%	900,000
			3,766,613

(iv) On 24 August 2012, the Group and Chinalco Finance Company Limited ("Chinalco Finance"), a subsidiary of Chinalco, entered into a financial service agreement, pursuant to which Chinalco Finance has agreed to provide the Group with deposit services, settlement services, credit lending services and miscellaneous financial services. The credit lending services are on normal commercial terms and do not require security or collaterals.

During the six months ended 30 June 2016, the Group borrowed RMB390,000,000 from Chinalco Finance and repaid RMB1,360,000,000.

During the six months ended 30 June 2016, the Group repaid RMB70,000,000 to Luoyang Engineering & Research Institute for Nonferrous Metals Processing (洛陽有色金屬加工設計研究院), a subsidiary of Chinalco, and borrowed RMB70,000,000 from it.

During the six months ended 30 June 2016, the Group repaid RMB20,000,000 to Guiyang Aluminum Magnesium Asset Management Ltd. (貴陽鋁鎂資產管理有限公司), a subsidiary of the Group, and then borrowed RMB25,000,000 from it.

As at 30 June 2016 and 31 December 2015, the Group's borrowings were repayable as follows:–

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	10,033,930	7,461,720
Between 1 and 2 years	113,680	1,200,935
Between 2 and 5 years	579,000	10,000
Over 5 years	75,550	–
	10,802,160	8,672,655

17. BORROWINGS (Continued)

The estimated fair values of borrowings approximate their carrying amounts.

The effective interest rates of borrowings and loans are 2.74% to 9.90% and 2.20% to 8.00% as at 30 June 2016 and 31 December 2015, respectively.

18. TRADE AND OTHER PAYABLES

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Trade and notes payables		
Trade payables	8,801,833	7,624,363
Notes payable	1,296,538	476,465
	10,098,371	8,100,828
Other payables		
Other payables and deposits	4,326,692	2,622,575
Tax payable	187,599	269,050
Amounts due to related parties (Note (i))	78,100	79,092
	4,592,391	2,970,717
Total trade and other payables	14,690,762	11,071,545
Less: Non-current portion	–	(1,431)
Current portion	14,690,762	11,070,114

Note:

(i) Amounts due to related parties are interest-free, unsecured and repayable on demand.

18. TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of the Group's trade and other payables at 30 June 2016 and 31 December 2015 approximate their fair values.

Ageing analysis of trade payables is as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	6,133,024	5,131,263
Between 1 and 2 years	1,325,981	1,331,979
Between 2 and 3 years	711,414	708,740
Over 3 years	631,414	452,381
	8,801,833	7,624,363

19. DIVIDENDS PAYABLE

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Dividends payable:		
Acquisition of subsidiary under non-common control	306	306
Dividends declared to the shareholder (i)	159,790	–
Equity owners of the subsidiaries before the transfer to the Group pursuant to the Reorganisation before the Listing (ii)	53,080	53,080
Dividends payable to non-controlling interest of a subsidiary	1,961	1,961
	215,137	55,347

(i) Pursuant to the Annual General Meeting held on 25 May 2016, a final dividend for the year of 2015 of RMB0.06 per ordinary share, totalling approximately RMB159,790,000 was declared by the Company. Dividends have been paid on 22 July 2016.

(ii) The payment plan of the dividends payable to the then equity owners of the subsidiaries before the transfer to the Group pursuant to the Reorganisation (Note 1.2), amounting to RMB53,080,000 has not yet to be agreed between the subsidiary and the then equity owner as at 30 June 2016 and 31 December 2015.

20. COMMITMENTS

(a) Capital commitments

Capital commitments for the purchase of property, plant and equipment and investment outstanding at each year/period-end not provided for in the consolidated balance sheets are as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Contracted but not provided for		
– Property, plant and equipment	**15,924**	3,280
– Investment (i)	**811,700**	811,700
Authorised but not contracted for		
– Property, plant and equipment	**–**	15,000
	827,624	829,980

Note:

(i) As at 9 October 2014, Chalieco Hong Kong Co., Ltd. (中鋁國際香港有限公司) (hereinafter "Chalieco HK"), as a limited partner, and Shanghai Ample Harvest Equity Management Company Limited (上海豐實股權管理有限公司) (hereinafter "Harvest Equity"), as a general partner, signed a partnership agreement to set up a limited partnership, named Shanghai Chalieco Fengyuan Equity Investment Fund Partnership (Limited Partner) (上海中鋁豐源股權投資基金合夥企業（有限合夥）, "Fengyuan"). According to the contract, Chalieco HK is required to subscribe USD200 million, representing 99.95% of the limited partnership subscription, which has been paid amounted to USD75 million as of 30 June 2016.

20. COMMITMENTS (Continued)

(b) Operating leasing commitments

The Group leases various offices, warehouses, residential properties and machinery under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Within 1 year	1,183	5,459
Between 1 and 5 years	162	9,866
Total	1,345	15,325

21. CONTINGENCIES

(a) Unsolved lawsuits

The Group has been named in a number of lawsuits and other legal proceedings 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 based on management's judgments and the legal advice. No provision has been made for pending lawsuits when the outcome of the lawsuits cannot be reasonably estimated or management believes the outflow of resources is not probable.

(b) Obligation of paying the outstanding balance

The Company is required to take the responsibility of paying the outstanding balance of the principal and the relevant expected earnings of Harvest Capital once Shanghai Fengtong Fund fails to make the payment in accordance with the terms of the relevant contacts. The Directors of the Company reviewed all of the relevant contacts and information, and assessed that the fair value of this obligation at the date of inception was not material, as the repayment made by Shanghai Fengtong Fund was still on schedule as at 30 June 2016 and the risk of default is remote. Therefore, no provision was made for this guarantee.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. The Group 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 known as the "state-owned enterprises").

In accordance with IAS 24 "Related Party Disclosures", other state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC government are regarded as related parties of the Group ("other state-owned enterprises"). For the purpose of related party disclosures, the Group has in place procedures to identify the immediate ownership structure of its customers and suppliers to determine whether they are state-owned enterprises. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatisation programs. Nevertheless, management believes that meaningful information relating to related party transactions has been adequately disclosed.

In addition to the related party information shown elsewhere in this report, 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 state-owned enterprises, during the six months ended 30 June 2016 and 2015, and balances as at 30 June 2016 and 31 December 2015 arising from related party transactions.

The transactions with related parties are carried out on pricing and settlement terms agreed with counter parties in the ordinary course of business.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(a) Significant related party transactions arising with Chinalco and its subsidiaries

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Sales of goods or provision of service to fellow subsidiaries	**703,833**	503,980
Purchase of goods and services from fellow subsidiaries	**116,712**	94,022
Rental expenses paid to fellow subsidiaries	**1,845**	1,638
Borrowings from related parties (Note 17(iv))	**95,000**	10,000
Borrowings from Chinalco Finance (Note 17(iv))	**390,000**	370,000
Interest received from related parties	**1,769**	760
Interest paid to related parties	**18,626**	33,362

Apart from transactions with as disclosed above, the Group has transactions with other state-owned enterprises include but not limited to the following:

– Sales and purchases of goods and services;
– Purchases of assets;
– Lease of assets; and
– Bank deposits and borrowings.

In the ordinary course of business, the Group sells goods and services to, and purchase goods and services from other state-owned enterprises based on terms as set out in the underlying agreements, market price or actual cost incurred, or as mutually agreed.

The Group places deposits with and receives loans mainly from state-owned financial institutions in the ordinary course of business. The deposits and loans are in accordance with terms as set out in the respective agreement, and the interest rates are set at prevailing market rates.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Period/year end balances arising from Chinalco, its subsidiaries and associates and joint venture of the Group

	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Trade receivables		
– Ultimate holding company	–	770
– Fellow subsidiaries	1,396,010	1,374,040
– Associates of ultimate holding company	327,280	264,450
	1,723,290	1,639,260
Prepayments to suppliers		
– Fellow subsidiaries	37,224	3,238
Other receivables		
– Fellow subsidiaries	130,430	45,338
– Associates of ultimate holding company	2,835	2,825
	133,265	48,163
Trade payables		
– Fellow subsidiaries	189,815	117,254
Advance from customers		
– Fellow subsidiaries	71,959	100,593
– Associates of ultimate holding company	13,356	11,813
	85,315	112,406
Other payables		
– Ultimate holding company	1,535	1,535
– Fellow subsidiaries	76,565	73,042
– Associates of ultimate holding company	–	4,515
	78,100	79,092
Borrowings		
– Related parties (Note 17(iv))	237,000	1,202,000

22. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Period/year end balances arising from Chinalco, and its subsidiaries and associates and joint venture of the Group (continued)

Notes:

(i) Trade receivables, prepayments and other receivables due from ultimate holding company, subsidiaries, associates of ultimate holding company are unsecured, interest free and repayable on demand.

(ii) Trade and other payables due to ultimate holding company, subsidiaries and associates of ultimate holding company are unsecured, interest free and have no fixed term of repayment.

(iii) All trade receivables and payables will be settled accordingly to the terms agreed with the parties involved.

23. BUSINESS COMBINATION

On 1 December 2015, the Group entered into an Equity Transfer Agreement with Shaanxi Jiuan Properties Co., Ltd. (陝西久安房地產有限公司) to acquire 62.5% of equity interest in No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司). The acquisition was completed on 30 June 2016.

The purchase consideration for the acquisition was in the form of cash of RMB49,980,000, of which RMB29,980,000 was paid in last year, and the remaining amount was fully settled during the period.

23. BUSINESS COMBINATION (Continued)

The provisional fair values of the identifiable assets and liabilities of No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司) as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB'000
Property, plant and equipment	263,171
Land use rights	93,756
Investment properties	7,914
Intangible assets	315
Investment accounted for using the equity method	11,900
Available-for-sale financial assets	5,000
Cash and cash equivalents	382,257
Deferred income tax assets	64,616
Other non-current assets	12,974
Inventories	47,443
Trade and notes receivables	1,217,460
Prepayments and other receivables	878,119
Amounts due from customers for contract work	2,279,225
Current income tax prepayments	228
Restricted cash	556,097
Trade and other payables	(3,827,464)
Amounts due to customers for contract work	(157,430)
Borrowings	(1,230,785)
Current income tax liabilities	(79,312)
Deferred income tax liabilities	(24,227)
Retirement and other supplemental benefit obligations	(11,977)
Deferred income	(1,000)
Total identifiable net assets at fair value	488,280
Non-controlling interests	(183,105)
	305,175
Gain on bargain purchase from business combination	(255,195)
Satisfied by cash	49,980

23. BUSINESS COMBINATION (Continued)

The initial accounting for the acquisition is incomplete by 30 June 2016 as the valuation by the Group's independent professional valuer of fair values of identifiable assets and liabilities is still in progress. The fair values of identifiable assets and liabilities as reported above are provisional amounts based on the directors' estimation. Once the valuation exercise is completed with a signed valuation report issued by the valuer during the measurement period as allowed in accordance with IFRS 3 (Revised) "Business Combination" (on or before 30 June 2017), the Group will retrospectively adjust the fair values of the identifiable assets and liabilities, recognise additional assets and liabilities (if any), and adjust the corresponding gain on bargain purchase from business combination accordingly.

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	RMB'000
Cash consideration	**(49,980)**
Consideration paid in last financial year	**29,980**
Cash and cash equivalents acquired	**382,257**
Net inflow of cash and cash equivalents included in cash flows from investing activities	**362,257**

Transaction cost of the acquisition is immaterial.

Since the acquisition, No. 9 Metallurgical Construction Co., Ltd. (九冶建設有限公司) contributed nil to the Group's revenue and nil to the consolidated profit for the six months ended 30 June 2016.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period would have been RMB10,613,214,000 and RMB415,978,000, respectively.

24. EVENTS AFTER THE BALANCE SHEET DATE

Other than the subsequent events disclosed elsewhere in the unaudited interim condensed consolidated financial information, no other significant subsequent events took place subsequent to 30 June 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has always been committed to enhancing corporate governance standard and regards corporate governance as an indispensable part in creating values for Shareholders. The Company has established a modern corporate governance structure which comprises a number of effectively balanced and independently operated bodies including general meetings of Shareholders, the Board, the supervisory board and senior management with reference to the code provisions set out in the Corporate Governance Code in Appendix 14 to the Listing Rules. The Company has also adopted the Corporate Governance Code as its own corporate governance practices.

As a company listed on the Hong Kong Stock Exchange, the Company has been striving to maintain a high standard of corporate governance. For the six months ended 30 June 2016, the Company had complied with all the code provisions set out in the Corporate Governance Code in Appendix 14 to the Listing Rules, and adopted the suggested best practices therein where appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct and rules governing dealings by all of our Directors and supervisors in the securities of the Company. Having made specific enquiries to the Directors and supervisors of the Company, all Directors and supervisors have confirmed that they had strictly complied with the required standard set out in the Model Code during the reporting period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which are on no less exacting terms than the Model Code. The Company is not aware of any breach of the guidelines by its relevant employees.

The Board will examine the corporate governance practices and operations of the Group from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect Shareholders' interests.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has appointed a sufficient number of independent non-executive Directors with appropriate professional qualifications or appropriate accounting or related financial management expertise in accordance with the requirements of the Listing Rules. The Company has appointed a total of three independent non-executive Directors, being Mr. Sun Chuanyao, Mr. Cheung Hung Kwong and Mr. Fu Jun.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with the requirements of the Listing Rules. The primary responsibilities of the Audit Committee include communication with, and supervision and inspection of, external auditor on behalf of the Company, regulation of internal audit, evaluation on and improvement of the Company's internal control system and risk analysis on the significant investment projects under operation. In performing these duties, the committee is required to make recommendation to the Board on appointment or removal of external audit firms, review and monitor the external auditor's independence and objectivity and the effectiveness of the audit procedures in accordance with applicable standards, approve the remuneration and terms of engagement of the external auditor; supervise the internal auditing mechanism of the Company and its implementation and ensure that the internal audit function is funded by adequate internal resources of the Company, review and monitor the effectiveness of the internal audit; act as the bridge of communication between the internal audit personnel and the external auditor; audit financial information of the Company and its disclosure, examine the Company's accounting practices and policies; examine the Company's internal control system and express opinion and make suggestions for the improvement and perfection of the Company's internal control system; oversee the Company's internal control and risk management system, and study important investigation results on internal control issues and the response from the management; express opinion and make suggestions on appraisal and replacement of the person in charge of the Audit Committee of the Company; review any letters issued by the external auditor to the management including any important queries raised by the auditor in respect of accounting records, financial statements or internal control systems and the management's response; determine whether the mechanism allowing employees to report on or complain about, by way of whistle-blowing, any misconduct in respect of the Company's financial reports, internal control or other matters is well established and ensure a proper arrangement of the Company which may enable fair and independent investigations and follow-up procedures for relevant issues; set up relevant procedures to deal with complaints within the scope of duties and conduct fair and independent investigations and take appropriate actions; and keep regular contact with the Board, senior management and the external auditor.

The Audit Committee consists of three Directors, being Mr. Cheung Hung Kwong (independent non-executive Director), Mr. Wang Jun (non-executive Director) and Mr. Fu Jun (independent non-executive Director). Mr. Cheung Hung Kwong serves as the chairman of the Audit Committee.

REVIEW OF INTERIM RESULTS

On 25 August 2016, the Audit Committee reviewed and confirmed the announcement of interim results for the six months ended 30 June 2016, the 2016 interim report and unaudited interim condensed consolidated financial information for the 6 months ended 30 June 2016 prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

OTHER INFORMATION

1. EQUITY INTERESTS

As at 30 June 2016, the total share capital of the Company was RMB2,663,160,000, divided into 2,663,160,000 Shares of RMB1.00 each (Domestic Shares and H Shares).

2. SUBSTANTIAL SHAREHOLDERS

As at 30 June 2016, so far as known to the Directors of the Company, the following persons (other than the Directors, supervisors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or recorded in the register required to be kept pursuant to Section 336 of the SFO, or who were directly and/or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstance at general meetings of the Company:

Name of shareholder	Class of shares	Capacity/Nature of interest	Number of Shares held (share)	Approximate percentage of shareholding in relevant class of shares (%)	Approximate percentage of shareholding in total share capital (%)
Chinalco[1]	Domestic Shares	Beneficial owner/Interest of controlled corporation	2,263,684,000 (L)	100	85.00
The Seventh Metallurgical Construction Corp. Ltd.	H Shares	Beneficial owner	69,096,000 (L)	17.30	2.60
CNMC Trade Company Limited	H Shares	Beneficial owner	59,225,000 (L)	14.83	2.22
Leading Gaining Investments Limited[2]	H Shares	Nominee of another person	29,612,000 (L)	7.41	1.11
China XD Group	H Shares	Beneficial owner	29,612,000 (L)	7.41	1.11
Yunnan Tin (Hong Kong) Yuan Xing Company Limited	H Shares	Beneficial owner	29,612,000 (L)	7.41	1.11
Global Cyber links Limited	H Shares	Beneficial owner	20,579,000 (L)	5.15	0.77

(1) Chinalco is beneficially interested in 2,176,758,534 Domestic Shares, representing approximately 81.74% of the total share capital of the Company. Luoyang Institute is a wholly-owned subsidiary of Chinalco and is interested in 86,925,466 Domestic Shares, representing approximately 3.26% of the total share capital of the Company. Chinalco is deemed to be interested in the Domestic Shares held by Luoyang Institute under the Securities and Futures Ordinance.

(2) Leading Gaining Investments Limited is the nominee holder of Beijing Jundao Technology Development Co., Ltd.

3. INTERESTS HELD BY DIRECTORS AND CHIEF EXECUTIVES

As of 30 June 2016, none of the Directors, supervisors and chief executives of the Company had any interest or short position in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Hong Kong Securities and Futures Ordinance which were required to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests and short positions which they were taken or deemed to have under such provisions of the Securities and Futures Ordinance) or which were required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to us and the Stock Exchange.

4. CHANGE OF DIRECTORS AND SUPERVISORS

On 8 March 2016, Mr. Zhang Chengzhong resigned from the chairman of the second session of the Board, non-executive Director, chairman of the Risk Management Committee and Nomination Committee.

On 8 March 2016, the 17th meeting of the second session of the Board elected Mr. He Zhihui as the chairman of the Company and the member of the Nomination Committee, and appointed him as the chairman of the Nomination Committee and the Risk Management Committee.

On 25 May 2016, the 2015 annual general meeting elected Mr. Li Yihua as non-executive Director of the Company.

On 8 August 2016, the 22th meeting of the second session of the Board elected Mr. Li Yihua as the member of the Risk Management Committee of the Board.

5. PURCHASE, SALE OR REDEMPTION OF THE LISTING SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date and up to the Latest Practicable Date.

6. LITIGATION AND ARBITRATION OF MATERIAL IMPORTANCE

As at 30 June 2016, the Group was not involved in any major legal proceedings or arbitrations. So far as the Directors are aware, no such litigation or claims are pending or threatened against the Group.

7. CONTRACT OF SIGNIFICANCE

Save for disclosed in the section headed "Significant Related Party Transactions and Balances" in this interim report, none of the Company or any of its subsidiaries entered into any contracts of significance with the Controlling Shareholder or any of its subsidiaries other than the Group, nor was there any contracts of significance between the Group and the Controlling Shareholder or any of its subsidiaries other than the Group in relation to provision of services.

8. INTERIM DIVIDEND

The Board has not made any recommendation on the payment of an interim dividend for the six months ended June 30, 2016

9. RESPONSIBILITY OF DIRECTORS IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors shall fulfill its duty to prepare the consolidated financial statements as of 30 June 2016 for the Group so as to present a true and fair view of the Group's production and operational condition, and of the business performance and cash flow of the Company.

The management has provided the Board of Directors with the necessary explanation and data to facilitate the review and approval of the Company's consolidated financial statements by the Board of Directors. The Company has provided all members of the Board of Directors with updated information on the performance situation and prospects of the Company on a monthly basis.

The Directors are not aware of any significant uncertainties, that is, events or incidents that may cause significant concern on the on-going operation of the Company.

10. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of our unaudited consolidated financial statements as of 30 June 2016 are consistent with the accounting policies for the preparation of our audited consolidated financial statements for the year ended December 31, 2015.

11. BUSINESS IN CONNECTION WITH SANCTIONED COUNTRIES

As at the Latest Practicable Date, the Risk Management Committee of the Company confirmed that the proceeds raised from the Global Offering of the Company had been deposited with a designated bank account and no such proceeds had been used in business in connection with Sanctioned Countries or used as payment for the compensation under the Iran Contracts.

From the beginning of the reporting period to the Latest Practicable Date, the Group did not enter into any new business in connection with Sanctioned Countries, nor did it have any business planning or arrangement for transactions with Sanctioned Countries. The Board has no intention to enter into any business with Sanctioned Countries.

DEFINITIONS

"A subsidiary in Hong Kong"	Chalieco Hong Kong Corporation Limited
"A subsidiary in India"	Chalieco Engineering (India) Private Limited
"A subsidiary in Venezuela"	Chalieco Venezuela C.A.
"Beijing Zichen"	Beijing Zichen Investment Development Corporation Limited
"Board"	the board of Directors of the Company
"Chinalco"	Aluminum Corporation of China (中國鋁業公司)
"Chalieco", "Company", "the Company", "we" or "us"	China Aluminum International Engineering Corporation Limited (中鋁國際工程股份有限公司), a joint stock limited company incorporated in the PRC
"Changcheng Construction"	China Aluminum Great Wall Construction Co., Ltd. (中鋁長城建設有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of our Company
"Changkan Institute"	China Nonferrous Metal Changsha Investigation and Design Research Institute Co., Ltd. (中國有色金屬長沙勘察設計研究院有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of our Company
"Changsha Institute"	Changsha Engineering & Research Institute Limited for Nonferrous Metallurgy (長沙有色冶金設計研究院有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of our Company
"China Aluminum Equipment"	China Aluminum International Engineering Equipment Co., Ltd. (中鋁國際工程設備有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of our Company
"China Aluminum Lide"	China Aluminum Lide Engineering Limited (Suzhou)
"China Aluminum Technology"	China Aluminum International Technology Development Co., Ltd. (中鋁國際技術發展有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of our Company
"CNPT"	China Nonferrous Metals Processing Technology Co., Ltd. (中色科技股份有限公司), a joint stock limited company incorporated in the PRC and a subsidiary owned as to 73.5% by our Company, and (where the context requires) its subsidiaries
"Corporate Governance Code"	the Code on Corporate Governance as set forth in Appendix 14 to the Listing Rules
"Director(s)"	director(s) of the Company

"Domestic Shares"	ordinary shares of RMB1.00 each in the share capital which are subscribed for and fully paid in Renminbi
"Duyun Tongda"	Duyun Development Zone Tongda Construction Co., Ltd. (都勻開發區通達建設有限公司), a company incorporated in the PRC with limited liability, the equity interest of which is held by our Company (as to 50%), Sixth Metallurgical Company (as to 30%) and GAMI (as to 20%)
"GAMI"	Guiyang Aluminum and Magnesium Design Institute Co., Ltd. (貴陽鋁鎂設計研究院有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of our Company, and (where the context requires) its subsidiaries
"Global Offering"	has the same meaning ascribed thereto in the Prospectus
"Group"	the Company and its subsidiaries from time to time
"H Shares"	the overseas listed foreign invested shares of RMB1.00 each in the ordinary share capital of the Company, which are subscribed for and traded in Hong Kong dollars and have been approved for the granting of listing, and permission to deal, on the Stock Exchange
"IFRSs"	International Financial Reporting Standards issued by the International Accounting Standards Board
"Iran Contracts"	has the same meaning ascribed thereto in the section headed "Iran Contracts" of the Prospectus
"Latest Practicable Date"	29 August 2016
"Listing"	Listing of the H Shares of the Company on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Luoyang Institute"	Luoyang Engineering & Research Institute for Nonferrous Metals Processing (洛陽有色金屬加工設計研究院), an enterprise incorporated in the PRC owned by the whole people, one of our Promoters and Shareholders
"Main Board"	the stock market operated by the Stock Exchange (excluding the options market), independent of the growth enterprise market of the Stock Exchange and under parallel operation with the growth enterprise market
"MIIT"	the Ministry of Industry and Information Technology of the People's Republic of China
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set forth in Appendix 10 to the Listing Rules

DEFINITIONS

"Ninth Metallurgical Company"	No. 9 Metallurgical Construction Co., Ltd.
"PRC"	the People's Republic of China
"Reporting Period"	from 1 January 2016 to 30 June 2016
"RMB" or "Renminbi"	the lawful currency of the PRC
"SAMI"	Shenyang Aluminum & Magnesium Engineering Research Institute Co., Ltd. (瀋陽鋁鎂設計研究院有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of our Company, and (where the context requires) its subsidiaries
"Sanctioned Countries"	countries which are the targets of economic sanctions imposed by the U.S. and other jurisdictions, including but not limited to Cuba, Sudan, North Korea, Iran, Syria and Myanmar
"Securities and Futures Ordinance"	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
"Share(s)"	Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Sixth Metallurgical Company"	Sixth Metallurgical Construction Company of China Nonferrous Metals Industry (中國有色金屬工業第六冶金建設有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of our Company
"Subsidiary(ies)"	has the meaning ascribed thereto in section 2 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong
"Supervisor(s)"	supervisor(s) of the Company
"Supervisory Board"	the supervisory board of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tianjin Construction"	Chalieco (Tianjin) Construction Co., Ltd.
"Twelfth Metallurgical Company"	China Nonferrous Metals Industry's 12th Metallurgical Construction Co., Ltd. (中色十二冶金建設有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of our Company
"Wenzhou Tonggang"	Wenzhou Tonggang Construction Co., Ltd.
"Wenzhou Tongrun"	Wenzhou Tongrun Construction Co., Ltd.
"Yuan"	CNY, Chinese Yuan Renminbi

CORPORATE INFORMATION

CHINESE NAME OF THE COMPANY

中鋁國際工程股份有限公司

ENGLISH NAME OF THE COMPANY

China Aluminum International Engineering Corporation Limited

LEGAL REPRESENTATIVE

Mr. He Zhihui

REGISTERED OFFICE

Building C, No.99 Xingshikou Road, Haidian District, Beijing, PRC

HEAD OFFICE IN THE PRC

Building C, No.99 Xingshikou Road, Haidian District, Beijing, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4501, Far East Finance Centre, No.16 Harcourt Road, Admiralty, Hong Kong

COMPANY'S WEBSITE

www.chalieco.com.cn

STOCK CODE

2068

INVESTORS' ENQUIRIES

Investors' hotline: 010-82406806
Fax: 010-82406797
Website: www.chalieco.com.cn
E-mail: IR-chalieco@chalieco.com.cn

THE BOARD

Executive Directors
Mr. He Zhihui (Chairman)
Mr. Zhang Jian

Non-executive Directors
Mr. Wang Jun
Mr. Li Yihua

Independent Non-executive Directors
Mr. Sun Chuanyao
Mr. Cheung Hung Kwong
Mr. Fu Jun

THE COMMITTEES OF THE BOARD

Audit Committee
Mr. Cheung Hung Kwong (Chairman)
Mr. Wang Jun
Mr. Fu Jun

Remuneration Committee
Mr. Sun Chuanyao (Chairman)
Mr. Wang Jun
Mr. Fu Jun

Nomination Committee
Mr. He Zhihui (Chairman)
Mr. Sun Chuanyao
Mr. Fu Jun

Risk Management Committee
Mr. He Zhihui (Chairman)
Mr. Li Yihua
Mr. Fu Jun

SUPERVISORS

Mr. He Bincong
Mr. Dong Hai
Mr. Ou Xiaowu

JOINT COMPANY SECRETARY

Mr. Wang Jun
Mr. Zhai Feng

AUTHORIZED REPRESENTATIVES

Mr. He Zhihui
Building C, No. 99, Xingshikou Road, Haidian District
Beijing
PRC

Mr. Zhai Feng
Building C, No. 99, Xingshikou Road, Haidian District
Beijing
PRC

AUDITOR

Domestic Auditor

WUYIGE Certified Public Accountants. LLP
15th Floor, Institute International Building, 1 chun Zhi Road, Haidian District, Beijing

International Auditor

PKF Hong Kong
26/F, Citicorp Centre, 18 Whitefield Road, Causeway Bay, Hong Kong

LEGAL ADVISORS

As to Hong Kong law

Clifford Chance, 28th Floor, Jardine House, One Connaught Place, Central
Hong Kong

As to PRC law

Jia Yuan Law Offices
F407–408, Ocean Plaza, Fuxingmennei Avenue, Beijing
PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

China Construction Bank Corporation

Beijing Jin'an Sub-branch
Wu No. 12, Fuxing Road, Haidian District, Beijing
PRC

Bank of China Limited

Beijing Finance Street Sub-branch
2nd Floor, Investment Square, No. 27, Finance Street, Xicheng District, Beijing
PRC

Bank of Communication Co., Ltd.

Beijing Branch
1st Floor, Tongtai Building, No. 33, Finance Street, Xicheng District, Beijing
PRC