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

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

H Share Stock Code: 1800

INTERIM REPORT (H Share)

2016

Contents

Performance Highlights

RMB million (except per share data)	For the six months ended 30 June **2016**	 2015	 Change (%)
Revenue	**182,313**	175,775	3.7
Gross Profit	**22,034**	18,546	18.8
Operating Profit	**13,246**	11,509	15.1
Profit attributable to owners of the parent	**7,258**	6,812	6.5
Earnings per share (RMB) (Note 1)	**0.40**	0.41	(2.4)

RMB million	As at **30 June 2016**	 31 December 2015	 Change (%)
Total assets	**758,407**	731,313	3.7
Total liabilities	**585,349**	562,307	4.1
Total equity	**173,058**	169,006	2.4
Equity attributable to owners of the parent	**149,147**	146,724	1.7

RMB million	For the six months ended 30 June **2016**	 **% of total**	 2015	 Change (%)
New Contracts	**283,795**	**100.0**	263,758	7.6
Infrastructure Construction Business	**238,627**	**84.1**	223,194	6.9
– Port Construction	**13,300**	**4.7**	22,646	(41.3)
– Road and Bridge Construction	**63,975**	**22.5**	63,780	0.3
– Railway Construction	**13,660**	**4.8**	2,204	519.8
– Investment Projects	**41,505**	**14.6**	28,400	46.1
– Overseas Projects	**83,321**	**29.4**	74,363	12.0
– Municipal and others	**22,866**	**8.1**	31,801	(28.1)
Infrastructure Design Business	**11,638**	**4.1**	11,651	(0.1)
Dredging Business	**22,496**	**7.9**	15,313	46.9
Heavy Machinery Manufacturing Business	**8,539**	**3.0**	11,595	(26.4)
Other Businesses	**2,495**	**0.9**	2,005	24.4

RMB million	As at **30 June 2016**	 **% of total**	 31 December 2015	 Change (%)
Backlog (Note 2)	**942,299**	**100.0**	867,298	8.6
Infrastructure Construction Business	**820,664**	**87.1**	757,842	8.3
Infrastructure Design Business	**47,733**	**5.1**	46,518	2.6
Dredging Business	**52,253**	**5.5**	43,341	20.6
Heavy Machinery Manufacturing Business	**19,286**	**2.0**	22,685	(15.0)
Other Businesses	**2,363**	**0.3**	1,721	37.3
Eliminations	**–**	**–**	(4,809)	–

Note 1: The interests of the medium term notes (issued by the Company on 18 December 2014) have been generated but not yet declared, and the preference shares (issued by the Company in September and October 2015) were classified as equity instruments with deferrable and non-cumulative dividend distribution and payment. As a result, a total interest/dividend of RMB868 million should be deducted from earnings when calculated the earnings per share during the six months ended 30 June 2016.

Note 2: CCCC Dredging was established as a result of successful implementation of internal restructuring for the dredging business in 2015 and the sub-contracting contracts within the Group secured by CCCC Dredging were offset on the level of consolidation.

Dear Shareholders,

In the first half of the year, the Company proactively adapted to and played a leading role in the "new normal" of economy, seized the macro development trend, focused on the strategy of "experts in five areas" and the market positioning of "a partner to share the economic and social development responsibilities of government, a participant to deeply involve in the regional economic development and a quality public service provider for government procurement", and various efforts have achieved outstanding results, which had built a solid foundation for the completion of tasks of the whole year and realised a good start to achieve the development objectives of the "Thirteenth Five-Year Plan".

In the first half of 2016, revenue of the Group was RMB182,313 million, representing a year-on-year increase of 3.7%; profit attributable to owners of the parent was RMB7,258 million, representing a year-on-year increase of 6.5%; and earnings per share was RMB0.40. New contracts amounted to RMB283,795 million, representing a year-on-year increase of 7.6%. As at 30 June 2016, the backlog of the Group amounted to RMB942,299 million, representing an increase of 8.6% compared with that as at 31 December 2015.

As an important holding subsidiary of CCCG, the Company's business performance played a decisive role in CCCG. In 2016, CCCG soared up 55 places from its ranking of last year and ranks the 110th in the Fortune Global 500. CCCG ranked 3rd in ENR's Top International Contractors and was the only Chinese enterprise ranking the Top 10. In the Operating Results Assessment of State-owned Enterprises conducted by the SASAC, CCCG achieved its best results in history that it has been rated as a Grade A enterprise for the eleventh consecutive year, being among the nine state-owned enterprises being rated as Grade A enterprises consecutively and it ranks the fourth place among the Grade A enterprises and the first place among the eight state-owned construction enterprises. In the meantime, CCCG has been designated as a pilot of state-owned asset investment company by the State Council, which has provided unprecedentedly significant development opportunities for the Company.

In front of the unfavorable situation with increasing economic downturn pressure this year, the Company has firmly advanced amid difficulties and achieved satisfactory results in various work. We are currently undergoing the critical stage of enterprise reform and development. For the purpose of building the Company into a world-class enterprise, we need to profoundly study and implement the principles and requirements of the state in regards to the reform of state-owned enterprises, and attach great importance to dealing with the relationship in three aspects, namely: relationship between enterprise reform persistence and basic function of enterprise operation management, relationship between enterprise reform objectives and reform forms, and relationship between overall importance of enterprise reform and reality of partial interests. Specifically speaking, we will focus our efforts on the following work in the second half of 2016:

I. TO ENSURE THE ACCOMPLISHMENT OF ANNUAL TARGETS

1. To further improve the assessment system, add the assessment of quality targets such as profitability and asset turnover efficiency on the basis of the assessment of the total growth target, and link up them with the performance assessment of management personnel.

2. To continue developing and optimising the investment business and overseas business so that to drive the Company's overall business to achieve great development.

3. To endeavor to break the growth difficulties of traditional businesses, and make full use of existing market advantages to seek after, guide and create the market.

4. To accelerate the cultivation of new market growth, continue reinforcing the preliminary achievements in railway, rail transit, urban comprehensive development, urban comprehensive pipe gallery, industrial park, etc., and strengthen the expansion of new industries such as urban water supply, sewage, garbage disposal, parking lot, airport, etc.

II. TO STRENGTHEN THE MANAGEMENT SO AS TO ENHANCE QUALITY AND EFFICIENCY

1. To streamline the organizational structure, flatten the enterprise management hierarchy, and define the management range scientifically to enhance the enterprise operation efficiency.

2. To further intensify the awareness of cost control, keep the subcontracting cost under strict control, accelerate settlement of completed but unsettled projects, and expand the profitability space actively.

3. To make efforts to restrain the accounts receivable and inventory from fast rise, and endeavor to make the annual growth of "accounts receivable and inventory" lower than the revenue growth of the corresponding period. To analyse the debt structure, and strictly control the scale of interest-bearing debt.

III. TO CONCENTRATE ON FUNDAMENTAL MANAGEMENT WORK

1. To concentrate on the publicizing and implementation of the "Thirteenth Five-Year Plan", the establishment of the supply chain system, risk control, informatisation construction, etc., break down work tasks according to target requirements, adopt back scheduling, and act promptly to implement the tasks.

2. To improve the management level continuously by strengthening the reform and innovation of routine work. We will improve the management level persistently since management is considered as a soft productivity for enterprise development.

3. To enhance the awareness of safety, strengthen the quality management, and make efforts to provide customers with superior, safe and efficient services.

We have made satisfactory operating achievements in the first half of 2016, for which the management personnel at various levels and all employees of the Company have done plenty of work effectively and made tremendous efforts. There are still arduous and onerous work tasks in the second half of 2016, therefore we will continue uniting all forces with strong determination, and working hard realistically with greater enthusiasm, more effective measures and in a more practical manner, in order to ensure the successful completion of annual targets, and create a new situation for promoting the development during the "Thirteenth Five-Year Plan" period and accomplishing the great goal of "building the Company into a world-class enterprise". All shareholders, people from all walks of life and friends that have cared about our Company for a long time, we hope for your continual help and support!

Liu Qitao
Chairman

Beijing, the PRC
30 August 2016

In the first half of 2016, in terms of the domestic market, China's economy maintained an overall stable growth momentum, with the GDP growth rate at 6.7% on a year-on-year basis, flat with that in the first quarter. The national investment in fixed assets grew nominally by 9.0% on a year-on-year basis, and infrastructure construction investment continued playing a critical role as the "stabilizer" of China's economy. Attributable to multiple factors such as the policy support for stable growth, the acceleration of infrastructure construction investment and the boom of real estate, the commencement progress of new projects was expedited, the railway and rail transit construction market and the urban infrastructure construction market were animated, and the scale of investment in road and bridge construction market was maintained at a high level, but the water work engineering market was highly adjusted.

In terms of the international market, due to the comprehensive advancement of "One Belt, One Road" strategy, the construction markets along the route remained buoyant, among which, China -Pakistan Economic Corridor, Southeast Asia and Central Asia Market have become the cluster regions of "Early Harvest" projects for the Company by virtue of their unique regional strengths in the "One Belt, One Road". In the meantime, based on our extraordinary business performance in Africa, the Company's brand recognition was strengthened continuously, with more and more large orders received. However, we also noticed that, arising from the continuous depression of global economy, trade and investment development as well as the recurrent fluctuations of financial market, the economic situation in Sub-saharan Africa, Middle East and North Africa, whose economy was mainly driven by export of bulk commodities, was not optimistic. The projects under construction and under preparation in these regions will be impacted to a certain extent.

In the first half of 2016, revenue of the Group was RMB182,313 million, representing a year-on-year increase of 3.7%; and the value of new contracts amounted to RMB283,795 million, representing a year-on-year increase of 7.6%. As at 30 June 2016, the backlog of the Group amounted to RMB942,299 million, representing an increase of 8.6% as compared with that as at the end of 2015.

In the first half of 2016, revenue of the Group's businesses derived from overseas markets amounted to RMB39,461 million (equivalent to approximately USD6,013 million including revenue realised from export trade of domestically manufactured industrial products and the same hereinafter), representing approximately 21.6% of the Group's revenue. The value of new contracts from overseas markets amounted to RMB89,264 million (equivalent to approximately USD14,326 million), representing approximately 31.5% of the Group's new contracts value. According to statistics, as of 30 June 2016, the Company commenced foreign contracting engineering projects in 135 countries and regions and a total of 705 foreign contracting engineering projects were under construction, with the total value of contract amounting to approximately USD63,576 million.

In the first half of 2016, the value of new contracts (budget for investment, the same hereinafter) from investment projects of all businesses of the Group amounted to RMB45,474 million, accounting for approximately 16.0% of the value of new contracts of the Group. During the process of designing and implementing the foregoing projects, the value of construction and installation contracts to be undertaken by the Group is estimated to be RMB33,241 million.

I. BUSINESS REVIEW AND MARKET STRATEGIES

1. Infrastructure Construction Business

In the first half of 2016, revenue from infrastructure construction business of the Group was RMB152,283 million, representing a year-on-year increase of 1.5%. The value of new contracts entered into by the Group amounted to RMB238,627 million, representing a year-on-year increase of 6.9%. Wherein, the value of new contracts in terms of port construction, road and bridge projects, railway construction, investment projects, overseas infrastructure construction, municipal and other projects amounted to RMB13,300 million, RMB63,975 million, RMB13,660 million, RMB41,505 million, RMB83,321 million and RMB22,866 million, respectively, representing 6%, 27%, 6%, 17%, 35% and 9% of the total value of new infrastructure construction contracts. As at 30 June 2016, the backlog was RMB820,664 million, representing an increase of 8.3% as compared with the backlog as at the end of 2015.

I. BUSINESS REVIEW AND MARKET STRATEGIES (Continued)

1. Infrastructure Construction Business (Continued)

(1) Port Construction

In the first half of 2016, the value of new contracts of the Group for port construction projects in Mainland China amounted RMB13,300 million, representing a year-on-year decrease of 41.3%, and accounting for 6% of that of the infrastructure construction business.

In the first half of 2016, according to the data of fixed assets investment in coastal water transportation construction published by the Ministry of Transport, the investment completed from January to June amounted to approximately RMB33,702 million, representing a year-on-year decrease of 19.7%. With reference to the Company's statistical data, the capacity of domestic ports encounters a certain surplus, the comprehensive port projects are scarce, the progress of some projects under construction has been slowed down, and the operation situation is severe. There are increasing inland terminal depot hydraulic projects and navigation-power junction projects with relatively more project opportunities, but the scale of investment in a single project is usually small.

Faced with the severe market situation of rapidly decreasing investment scale and gradually fierce competition in the traditional market, the Company has quickly adjusted market development strategy, and strengthened the technological demonstration, overall resource planning and bidding work of a number of key engineering projects, striving to minimize the influence of the traditional market adjustment.

(2) Road and Bridge Construction

In the first half of 2016, the value of new contracts of the Group for road and bridge construction projects in Mainland China reached RMB63,975 million, representing a year-on-year increase of 0.3%, and accounting for 27% of that of the infrastructure construction business.

In the first half of 2016, according to the data of investment in transportation fixed assets of road construction published by the Ministry of Transport, the investment completed from January to June amounted to approximately RMB646,908 million, representing a year-on-year increase of 10.2%. The monthly investment growth of the road and bridge construction market saw a slowdown, but the scale of the investment was maintained at a high level. Benefited from the working requirements for promoting investment and stabilising growth in traffic and transportation industry, the tendering and commencement of new projects were somewhat expedited in the western regions, but there were still few new construction projects in the eastern and central regions.

In May, the state promulgated "the Three-Year Action Plan for Major Transport Infrastructure Construction Projects". In the next three years, China will focus on the expressway within the areas of "three major strategies" ("One Belt, One Road", Beijing-Tianjin-Hebei Collaborative Development, Yangtze River Economic Zone), accelerate the construction of the remaining sections and the reconstruction and extension of the busy sections in national expressway network, promote the upgrading of general national highways and the construction of non-through sections. As a result, the highway construction market is expected to maintain a slow growth in the background of overall stability.

Therefore, the Company will actively follow up the market opportunities in the areas of "three major strategies" according to the changes in market segmentation in the second half of this year, and implement the bidding work of major projects, thus to ensure a steady increase in our market share.

I. BUSINESS REVIEW AND MARKET STRATEGIES (Continued)

1. Infrastructure Construction Business (Continued)

(3) Railway Construction

In the first half of 2016, the value of new contracts of the Group for railway construction projects in Mainland China reached RMB13,660 million, representing a year-on-year increase of 519.8%, and accounting for 6% of that of the infrastructure construction business.

According to the data of fixed assets investment in railway transportation industry published by the National Bureau of Statistics, the investment completed from January to June amounted to approximately RMB304,000 million, representing a year-on-year increase of 9.0%, and showing the positive development trend of railway construction.

In the first half of 2016, the bidding of new projects became intensive, working with the accelerated project progress, while in the first half of 2015, the bidding of new projects was relatively less. The company actively seized market opportunities, rapidly increased new contracts and attained leap-forward increase in the first half of this year by virtue of the good reputation achieved in the all-round construction period of high-speed rail.

In July, the state issued The Mid-and-long Term Railway Network Plan. By 2020, a number of major landmark projects will be put into operation, and the railway network scale will reach 150,000 kilometres, including 30,000 kilometres of high-speed railway which will cover more than 80% of big cities. By 2025, the railway network scale will be extended to approximately 175,000 kilometers, including approximately 38,000 kilometres of high-speed railway, with the existing “four vertical and four horizontal” railway network being upgraded to “eight vertical and eight horizontal”.

As the main force of China’s railway construction, the Company will actively seize the current opportunity of railway construction and development, further improve the market management system, lay a solid foundation, cultivate high-quality resources, strengthen the operation of local railways and special railway lines and enhance the information collection and follow-up of key projects, expecting to set a new high in market development results.

(4) Investment Projects

In the first half of 2016, the value of new contracts of the Group for investment projects in Mainland China infrastructure construction business amounted to RMB41,505 million, representing a year-on-year increase of 46.1%, and accounting for 17% of that of the infrastructure construction business. During the process of designing and implementing the foregoing projects, the value of construction and installation contracts to be undertaken by the Group is estimated to be RMB29,653 million.

In the first half of 2016, among the Company’s infrastructure construction business, the value of new contracts in terms of BOT projects, government procurement projects and urban comprehensive development projects amounted to RMB33,920 million, RMB6,419 million and RMB1,166 million, respectively, representing 82%, 15% and 3% of the value of new contracts for infrastructure construction investment projects, respectively.

I. BUSINESS REVIEW AND MARKET STRATEGIES (Continued)

1. Infrastructure Construction Business (Continued)

(4) Investment Projects (Continued)

During the period of "Eleventh Five-Year Plan", the Company commenced to dedicate to the development of investment projects aiming to obtain profits from investment activities other than from, among others, rational design and construction projects. As at 30 June 2016, according to statistics, the total contracted investment amount of the Group's BOT projects was estimated to be RMB268,530 million, wherein, the accumulative completed investment amounted to RMB171,299 million, and the uncompleted investment amounted to RMB97,231 million. The total contract value of government procurement projects entered into by the Group amounted to RMB237,061 million, wherein, the accumulative completed investment amounted to RMB80,190 million, with an investment amount of RMB62,847 million of projects having entered into the payback period and cumulatively RMB33,494 million having been recovered. The total contract value of the Group's urban comprehensive development projects was estimated to be RMB181,131 million, among which, RMB44,563 million having been completed cumulatively, RMB25,864 million sales amount having been realised and RMB18,956 million having been received by the Company.

In the first half of 2016, by adhering to the general principles of "investing prudently, mitigating risk, controlling newly-initiated projects, assuring undergoing projects, prioritising efficiency and being stronger and better", the Company concentrated on government procurement projects that were included in local fiscal budget and can satisfy the Company's investment conditions, and selected with priority the projects that were included in the government's PPP project library and in line with the Company's development strategies.

Major achievement of the Company lies in the following aspects: Firstly, the Company concentrated the advantageous resources, successfully operated a number of extra-large scale investment projects, constantly achieved the innovative breakthroughs in project investment patterns, and effectively mitigated investment risks. Secondly, the Company closely cooperated with extra-large scale enterprises to deal with the fierce market competition, effectively increasing the market share. Thirdly, the Company actively seized the market opportunities of urban comprehensive pipe gallery, successively implemented comprehensive pipe gallery projects in Siping of Jilin and Chifeng of Inner Mongolia, laying a good foundation for future full access to urban comprehensive pipe gallery fields. Fourthly, the Company adjusted the investment structure, and achieved positive results in "expanding government procurement projects, controlling own operation projects, expanding short-term investments, and controlling long-term investments". Fifthly, the Company perfected the evaluation system, timely adjusted the financial evaluation index reference value of investment project according to market changes, in order to adapt to the changing market conditions. Sixthly, the Company strengthened strategic research, conducted in-depth market research and sufficient preliminary work for entering into seven new strategic fields, including urban comprehensive pipe gallery, sponge city, eco-environmental protection, health and pension, tourism, urban utilities, and renewable new energy.

I. BUSINESS REVIEW AND MARKET STRATEGIES (Continued)

1. Infrastructure Construction Business (Continued)

(5) Overseas Construction Projects

In the first half of 2016, the value of the new contracts for overseas construction projects of the infrastructure construction business entered into by the Group amounted to RMB83,321 million (equivalent to approximately USD13,373 million), representing a year-on-year increase of 12.0%, and accounting for 35% of the infrastructure construction business. Among which, 10 new projects were signed with each contract value over USD300 million and with total contract value of USD7,867 million, accounting for 59% in the value of all new contracts from overseas construction projects.

Categorised by project type, the value of overseas new infrastructure construction contracts for ports, roads and bridges, railways, housing, airports, municipal and others accounted for 36%, 27%, 17%, 6%, 6% and 8% of the value of new contracts for overseas construction projects, respectively.

Categorised by project location, the value of new infrastructure construction contracts for Africa, Asia, Oceania, Hong Kong/Macau/Taiwan, Latin America, and Europe and other regions accounted for 49%, 20%, 13%, 12%, 3% and 3% of the value of new contracts for overseas construction projects, respectively.

In the first half of 2016, the Company's global layout capacity was further intensified. The national leaders have witnessed the signature of and inspected the Company's overseas projects during their visit for many times, and have highly praised and affirmed our achievements made on the overseas markets.

In the first half of 2016, the Company strengthened high-end marketing docking at home and abroad, and comprehensively tracked the key national strategic projects on "One Belt, One Road, and Six Corridors", intercommunication, industrial zone development, railway "Going Global", international capacity cooperation, etc. The Company also followed up closely the key markets in Kenya, Congo (Brazzaville), Cameroon, Uganda, Tanzania, Djibouti, Pakistan, Serbia, etc., as well as new market opportunities in Australia, Iran, Bolivia, Maldives, etc. Meanwhile, John Holland, which was acquired by the Company in 2015, has added assistance for the Company's domestic and overseas market expansion with a better synergy mechanism, by virtue of its professional capability in railway and rail transit construction and operation.

The Company has become one of the important pushers for implementing the strategy of "One Belt, One Road" ever since it was put forward by China. Currently, the Company has carried out businesses in 58 countries (regions) along the "One Belt, One Road", and signed the overseas engineering contracts amounting to USD6,826 million in 49 countries along the "One Belt, One Road" in the first half of this year. Ever since the strategic initiative of "One Belt, One Road" was raised, our overseas engineering contracts signed along the "One Belt, One Road" have amounted to approximately USD37,000 million in total.

(6) Municipal and Other Projects

In the first half of 2016, the value of new contracts for municipal and other projects in Mainland China entered into by the Group reached RMB22,866 million, representing a year-on-year decrease of 28.1%, and accounting for 9% of that of the infrastructure construction business.

According to the data of the National Bureau of Statistics, In the first half of 2016, the investment in public facilities management business grew by 26.6%, while the investment in water resources management business grew by 27.1%. According to market changes, the Company further strengthened market development in the fields of rail transit, municipal, comprehensive pipe gallery, airport, etc. On the one hand, the Company entered into new markets through investment; on the other hand, the Company reinforced information tracking of the bidding and tendering market.

I. BUSINESS REVIEW AND MARKET STRATEGIES (Continued)

2. Infrastructure Design Business

In the first half of 2016, revenue from the infrastructure design business of the Group was RMB9,973 million, representing a year-on-year increase of 5.0%. The value of new infrastructure design contracts entered into by the Group reached RMB11,638 million, basically flat with that in the corresponding period of last year. Wherein, the value of new contracts from overseas markets amounted to RMB287 million (equivalent to approximately USD46 million), while no new investment contract was signed. As at 30 June 2016, the backlog amounted to RMB47,733 million, representing an increase of 2.6% as compared with the backlog as at the end of 2015.

Categorised by project type, the values of new contracts for survey and design, project supervision, EPC contracts and other projects amounted to RMB4,891 million, RMB406 million, RMB4,786 million and RMB1,555 million, respectively, representing 42%, 4%, 41% and 13% of the total value of new infrastructure design contracts, respectively, as compared with 47%, 3%, 46% and 4%, respectively recorded for the corresponding period of 2015.

In the first half of 2016, the design enterprises kept a close eye on the market, tried to explore the market comprehensively, and basically stabilized the development situation. However, the design business still faced great market expansion pressure, particularly for water works survey and design projects, which saw a double- digit decline. The sharp decrease of the aforesaid projects also predicated the pessimistic industry trends of water infrastructure construction market.

3. Dredging Business

In the first half of 2016, revenue from the dredging business of the Group was RMB12,393 million, representing a year-on-year decrease of 20.1%. The value of new dredging contracts entered into by the Group reached RMB22,496 million, representing a year-on-year increase of 46.9%. Wherein, the value of new contracts from overseas markets amounted to RMB45 million (equivalent to approximately USD7 million), while the value of new investment contracts amounted to RMB3,969 million, with the value of construction and installation contracts to be undertaken by the Group being estimated to be RMB3,588 million. As at 30 June 2016, the backlog amounted to RMB52,253 million, representing an increase of 20.6% as compared with that as at the end of 2015.

In the first half of 2016, according to the vessel purchase plan, there was no large vessel constructed with special purpose to serve in the Group's dredger fleets. As at 30 June 2016, the Group's dredging capacity amounted to approximately 740 million cubic meters under standard operating conditions.

In the first half of 2016, CCCC Dredging continued consolidating the achievements of reorganization reform. It successively issued corporate bonds twice in February and July by use of good investment and financing capabilities, raising RMB6 billion in total, which effectively realized the objective of restructuring debts, optimizing financial cost and advancing the robust development of primary business.

The market development work was further strengthened: Firstly, the Company joined in the construction of key state development strategies and key engineering projects of its own accord, improved the bid-winning ability for large integrated general contracting project and large dredging project bid-winning and steadied the leading position in the domestic market. Secondly, the Company actively paid attention to the market opportunities brought by strategies like Yangtze River Economic Belt and new urbanization and developed new markets by centering on its principal business of traditional dredging. Thirdly, by the combination of investment and financing, the Company boosted to implement the infrastructure PPP project in Songshan A Section of Fujian Taiwanese Investment Zone and added new impetus to transformation, upgrading and steady growth. Fourthly, the Company upgraded the overseas strategic positioning and development objectives of dredging business and steadily advanced the engineering design and construction project of Colon Container Terminal, Panama, which is of great significance to overseas strategy implementation.

I. BUSINESS REVIEW AND MARKET STRATEGIES (Continued)

4. Heavy Machinery Manufacturing Business

In the first half of 2016, revenue from the heavy machinery manufacturing business of the Group was RMB11,938 million, representing a year-on-year increase of 9.8%. The value of new heavy machinery manufacturing contracts entered into by the Group reached RMB8,539 million, representing a year-on-year decrease of 26.4%. Wherein, the value of new contracts from overseas markets amounted to RMB5,487 million (equivalent to approximately USD881 million); and no new investment contract was signed. As at 30 June 2016, the backlog was RMB19,286 million, representing a decrease of 15.0% as compared with that as at the end of 2015.

In 2015, the global port machinery market continued to be on the rise, but the uptrend development of port machinery market suffered from significant pressure in the following several years as the major procurement tasks of numerous large-sized wharfs have been accomplished before 2015. Meanwhile, the continuous downturn of global oil price continued to affect the global offshore construction market seriously. As a result, the Company's production and operation have transferred to strengthening communication with customers, arranging production schedule reasonably, reducing default risk of customers, and maintaining normal production and operation order.

Facing severe market situations, the Company has taken multiple actions to minimize the adverse market effects as much as possible. Firstly, the Company set up the national equipment industry policy research team and grasped strategic opportunities of "Made in China 2025" and Chinese equipment manufacturing "Going Global" to seek more policy support and market opportunities. Secondly, by closely centering the development trend of intelligent equipment manufacturing, the Company intensified scientific and technological innovation, took the initiative to extend industrial chains, strengthened the integration of service, promoted the comprehensive value and competitive advantages of products and services and strived for more shares in the limited market. Thirdly, the Company utilized in-house resources and market advantages in a reasonable manner, trained and created new profit growth points, improved the cooperative interaction and realized effective breakthroughs.

II. SOME MAJOR CONTRACTS ENTERED INTO DURING THE REPORTING PERIOD *(UNIT: RMB MILLION)*

1. Infrastructure Construction Business

Port Construction

No.	Contract Name	Contract Value
1	Ship lock for comprehensive junction of Xiangjiang River Changsha Section and Zuocha bridge project in Hunan	798
2	Lot 1 of civil works for main project of Minjiang River Qianwei section navigation-power junction	724
3	Lot 1 of demonstration fast reactor offshore project in Fujian	653
4	Lot 1 of civil works for main project of second-line ship lock for Guigang navigation junction of Xijiang navigation main line in Guangxi	522
5	Coastal engineering EPC project of Datang International Leizhou Power Plant in Guangdong	438

Road and Bridge Construction

No.	Contract Name	Contract Value
1	Reconstruction and expansion project of Zibo West – Laiwu Section of Binzhou – Laiwu Highway in Shandong	3,642
2	Lot 4 of reconstruction and expansion project of Jinan-Qingdao Highway in Shandong	2,916
3	Lot ZY1 of "construction and maintenance integration" services for rural highways during the "Thirteenth Five-year Plan" period in Zunyi, Guizhou	2,798
4	Dawulan -Lengkou highway construction project in Hebei	2,087
5	Lot 2 of Phase I infrastructure project of Caofeidian District in Hebei	1,270

II. SOME MAJOR CONTRACTS ENTERED INTO DURING THE REPORTING PERIOD *(UNIT: RMB MILLION)* (Continued)

1. Infrastructure Construction Business (Continued)

Railway Construction

No.	Contract Name	Contract Value
1	Station project of Xinmin North Station of Tongliao-Beijing- Shenyang Railway	2,343
2	Coal Transportation Railway Line from western Inner Mongolia to central China	2,277
3	Station project of Henan section of Zhengzhou -Wanzhou Railway Henan Section	1,993
4	Lot EMZQ-8 of station project of Chengdu-Kunming Railway Emei-Miyi Section capacity expansion project	1,632
5	Lot JZSG-7 of Bejing-Zhangjiakou Railway station project and "three electricity" relocation and reconstruction project	1,354

Investment Projects

No.	Contract Name	Contract Value
1	BOT project of Lianzhou-Fogang Highway in Guangdong	23,800
2	BOT project of Tongren-Huaihua Highway (Tongren section) in Guizhou	4,022
3	BOT project of Wuhan-Shenzhen Highway Jiayu north section in Hubei	3,802
4	One bridge, one tunnel & two highways and supporting municipal engineering project in Xiangtan, Hunan	2,900
5	BOT project of Malong Connecting Line of Xuanwei-Qujing Highway in Yunnan	2,296

Note: For all the contracts of investment projects entered into in the first half of 2016, please refer to "section IV: INVESTMENT PROJECTS OF THE COMPANY" in this chapter.

Overseas Projects

No.	Contract Name	Contract Value (USD Million)
1	Congo (Brazzaville) Pointe-Noire New Port Project	2,300
2	Pakistan KKH Phase II (Havelian-Thakot) Project	1,315
3	Double-track Project of Abuja-Keffi Highway phase I expansion project in Nigeria	542
4	Ghana Tema Port new container harbor project	485
5	Angola Dande oil terminal project	440

2. Infrastructure Design Business

No.	Contract Name	Contract Value
1	EPC project for preliminary preparations for land reclamation of Xuwei Harbor District of Lianyungang Port in Jiangsu	884
2	EPC project for general cargo wharf in Donghai Island Harbor District of Zhanjiang Port in Guangdong	481
3	EPC project for wharf and land reclamation of Tianjin LNG Project	453
4	EPC project for reconstruction and expansion project of Luohuang work zone in Jiangjin Harbor District, Chongqing Port	425
5	Phase II EPC project of Shengsi central fishing port (new harbor district) in Zhejiang	293

3. Dredging Business

No.	Contract Name	Contract Value
1	Infrastructure project of Taiwanese Investment Zone Songshan Area in Fujian	2,660
2	Phase I land reclamation project of sedimentation promotion project for Dayushan and Xiaoyushan in Daishan, Zhoushan, Zhejiang	2,370
3	Reclamation project of the Hengsha East Shore of the Yangtze River estuary (Phase VII)	1,362
4	Breakwater channel project of Guangli Harbor District of Dongying Port in Shandong	1,309
5	Lot SJ-SG-2 of Phase II reclamation project of second harbor basin in Tongzhou Bay Harbor District in Jinagsu	1,277

II. SOME MAJOR CONTRACTS ENTERED INTO DURING THE REPORTING PERIOD *(UNIT: RMB MILLION)* (Continued)

4. Heavy Machinery Manufacturing Business

No.	Contract Name	Contract Value
1	Quayside container cranes project in Singapore	1,025
2	Quayside container cranes and tyre cranes project in India	596
3	Automated guided vehicle project for Phase IV automated terminal in Yangshan Port, Shanghai	299
4	Quayside container cranes project in Hong Kong	268
5	Nonstandard quayside container cranes project in America	218

III. BUSINESS PLAN

In the first half of 2016, according to statistics, the value of new contracts entered into by the Group amounted to RMB283,795 million, accomplishing 40% of our goal, which was in line with the Group's forecast. Revenue amounted to RMB182,313 million, accomplishing 43% of our goal, which was in line with the Group's forecast.

IV. INVESTMENT PROJECTS OF THE COMPANY *(UNIT: RMB MILLION)*

1. Investment Projects Newly Entered into during the Reporting Period

No.	Project Name	Project Type	Contract Value Entered	Expected Construction and Installation Contract Value undertaken by the Company	Construction Period (Year)	Operating project or not	Consolidated or not	Operation Period/ Development Period/ Procurement (Year)
1	Lianzhou-Fogang Highway in Guangdong	BOT	23,800	16,744	4	Yes	Yes	25
2	Tongren-Huaihua Highway (Tongren section) in Guizhou	BOT	4,022	3,136	3	Yes	Yes	30
3	BOT project of Wuhan-Shenzhen Highway Jiayu north section in Hubei	BOT	3,802	2,692	3	Yes	Yes	30
4	One bridge, one tunnel & two highways and supporting municipal engineering project in Xiangtan, Hunan	PPP	2,900	1,630	3	No	Yes	7
5	Infrastructure project of Taiwanese Investment Zone Songshan Area in Fujian	PPP	2,660	2,500	3	No	Yes	7
6	Malong Connecting Line of Xuanwei-Qujing Highway in Yunnan	BOT	2,296	1,588	2	Yes	Yes	30
7	Municipal infrastructure, new urbanization, port channel and water system renovation project of Lianshui County in Jiangsu	PPP	2,210	2,175	2	No	Yes	6
8	Breakwater channel project of Guangli Harbor District of Dongying Port in Shandong	PPP	1,309	1,088	2	No	Yes	10
9	Comprehensive project of Central China Headquarters Base in Hubei	Comprehensive urban development	1,166	699	5	No	Yes	0
10	Shantytown renovation project of Gaojian Town, Xichang City, Sichuan	PPP	929	662	5	No	Yes	12
11	Zhaonan Road and Zhanqian Road eastward extension project of the municipal road construction project of Baozhou, Inner Mongolia Autonomous Region	PPP	380	327	1.5	No	Yes	4
	Total		**45,474**	**33,241**				

Note: The information in the table is the general situation of the projects. For matters not being mentioned, the contracts shall prevail.

IV. INVESTMENT PROJECTS OF THE COMPANY *(UNIT: RMB MILLION)* (Continued)

2. Concession Investment Projects

(1) Concession Investment Projects Under Development

No.	Project Name	Contract Value Entered	Investment Amount	Accumulated Investment Value
1	New Songming-Kunming Highway, Xuanwei-Qujing Highway, and Mengzi-Wenshan-Yanshan Highway in Yunnan	33,027	6,658	19,605
2	Lianzhou-Fogang Highway in Guangdong	23,800	Construction not yet commenced	Construction not yet commenced
3	Guigang-Long'an Highway in Guangxi	19,800	Construction not yet commenced	Construction not yet commenced
4	Hechang Section of Chongqing Sanhuan Highway	10,077	112	112
5	Guiyang-Qianxi Highway in Guizhou	9,012	1,974	9,238
6	Hubei Jiatong Section of Wuhan-Shenzhen Highway	8,176	682	4,033
7	Chongqing Wanzhou-Hubei Lichuan Highway	8,128	/	(40% share participation)
8	Zhongxian-Wanzhou Highway in Chongqing	8,091	955	7,008
9	Jiulongpo-Yongchuan Highway in Chongqing	5,353	539	1,419
10	Dunkou Yangtze River bridge project in Wuhan	5,225	552	2,129
11	Weng'an-Machangping Railway project in Guizhou	4,993	/	(17% share participation)
12	Tongren-Huaihua Highway Project (Tongren Section) in Guizhou	4,022	Construction not yet commenced	Construction not yet commenced
13	BOT Project of Jiayu north section of Wuhan-Shenzhen Highway	3,802	Construction not yet commenced	Construction not yet commenced
14	Youyang-Yanhe Highway in Chongqing	3,594	/	(40% share participation)
15	Chongqing Wanzhou-Sichuan Dazhou Highway	3,316	/	(40% share participation)
16	Qingxi bridge and connecting line in Guangdong	2,827	98	333
17	Malong connecting line of Xuanwei-Qujing Highway in Yunnan	2,296	Construction not yet commenced	Construction not yet commenced
18	Fengdu-Zhongxian Highway in Chongqing	1,249	/	(40% share participation)
19	National Highway 108 Yumenkou Yellow River bridge project	850	Construction not yet commenced	Construction not yet commenced
	Total	**157,638**	**11,570**	**43,877**

Note: The information in the table is the periodic statistic data, for reference purpose only.

IV. INVESTMENT PROJECTS OF THE COMPANY *(UNIT: RMB MILLION)* (Continued)

2. Concession Investment Projects (Continued)

(2) Concession Projects In Operation Period

No.	Project Name	Accumulated Investment Value (RMB Million)	Operating Revenue during the Year	Toll Collection Rights Period (years)	Completed Toll Collection Rights Period (years)
1	Daozhen-Weng'an Highway in Guizhou	24,032	89	30	0.5
2	Jiangkou-Weng'an Highway in Guizhou	16,325	139	30	0.5
3	Yanhe-Dejiang Highway in Guizhou	10,577	25	30	0.5
4	Guiyang-Weng'an Highway in Guizhou	8,760	105	30	0.5
5	Guizhou-Douyun Highway in Guizhou	7,644	297	30	5.3
6	Fengdu-Fuling Highway in Chongqing	6,188	89	30	2.5
7	Fengdu-Shizhu Highway in Chongqing	6,047	50	30	2.5
8	Yongchuan-Jiangjin Highway in Chongqing	6,024	24	30	1.5
9	Yulin-Jiaxian Highway in Shannxi	5,917	58	30	2.5
10	Foshan-Gaoming Highway in Guangdong	5,152	122	26.5	7
11	South-North Highway in Jamaica	4,740	29	50	0.3
12	Xianning-Tongshan Highway in Hubei	3,275	33	30	2.5
13	Tongliang-Hechuan Highway in Chongqing	2,433	12	30	1.5
14	Yicheng-Houma Highway in Shanxi	2,398	27	30	8.5
15	Tongcheng-Jieshang Highway in Hubei	1,618	6	30	2.5
16	Qingshuihe-Dafanpu Section of National Highway 109 in Inner Mongolia Autonomous Region	584	28	26	6.7
17	Tongliang-Yongchuan Highway in Chongqing	(40% share participation)	/	30	0.8
18	Wangjiang-Qianjiang Highway in Anhui	(40% share participation)	/	25	0.6
	Total	**111,714**	**1,133**		

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

OVERVIEW

For the six months ended 30 June 2016, revenue of the Group amounted to RMB182,313 million, representing an increase of 3.7% from RMB175,775 million in the corresponding period of 2015. The value of the Group's new contracts for the six months ended 30 June 2016 was RMB283,795 million, representing an increase of 7.6% over the corresponding period of 2015. As at 30 June 2016, the backlog for the Group was RMB942,299 million, representing an increase of 8.6% as compared with 31 December 2015.

Gross profit for the six months ended 30 June 2016 amounted to RMB22,034 million, representing an increase of RMB3,488 million, or 18.8%, from RMB18,546 million in the corresponding period of 2015.

Mainly as a result of the growth in gross profit, operating profit for the six months ended 30 June 2016 amounted to RMB13,246 million, representing an increase of RMB1,737 million, or 15.1%, from RMB11,509 million in the corresponding period of 2015.

For the six months ended 30 June 2016, profit attributable to owners of the parent amounted to RMB7,258 million, representing an increase of RMB446 million, or 6.5%, from RMB6,812 million in the corresponding period of 2015. For the six months ended 30 June 2016, earnings per share of the Group was RMB0.40, compared with RMB0.41 in the corresponding period of 2015.

The following is a comparison of financial results between the six months ended 30 June 2016 and 2015.

CONSOLIDATED RESULTS OF OPERATIONS

Revenue

Revenue for the six months ended 30 June 2016 increased by 3.7% to RMB182,313 million, from RMB175,775 million in the corresponding period of 2015. The growth was attributable to the increase in the revenue from the infrastructure construction business, infrastructure design business, heavy machinery manufacturing business and other businesses, amounting to RMB2,234 million, RMB475 million, RMB1,065 million and RMB810 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 1.5%, 5.0%, 9.8% and 49.4%, respectively, over the corresponding period of 2015. Meanwhile, revenue from dredging business decreased by RMB3,117 million (all before elimination of inter-segment transactions), representing a decline rate of 20.1%, from the corresponding period of 2015. In addition, the increase of revenue is also partially offset by the influence of the replacement of business tax with value-added tax in the segment revenue of infrastructure construction business and dredging business.

Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2016 amounted to RMB160,279 million, representing an increase of RMB3,050 million, or 1.9%, from RMB157,229 million in the corresponding period of 2015. Increases in cost of sales from the design business, heavy machinery manufacturing business and other businesses amounted to RMB393 million, RMB521 million and RMB573 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 5.2%, 5.3% and 38.6%, respectively, over the corresponding period of 2015. Meanwhile, for the six months ended 30 June 2016, cost of sales from infrastructure construction business and dredging business decreased by RMB1,620 million and RMB2,699 million (both before elimination of inter-segment transactions), or 1.2% and 20.4%, respectively, from the corresponding period of 2015.

Cost of sales consisted mainly of cost of subcontracting costs, raw materials and consumables used, employee benefit expenses and rentals. For the six months ended 30 June 2016, subcontracting costs, cost of raw materials and consumables used and employee benefit expenses increased by 13.1%, 2.0% and 5.4%, respectively.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Cost of Sales and Gross Profit (Continued)

Gross profit for the six months ended 30 June 2016 amounted to RMB22,034 million, representing an increase of RMB3,488 million, or 18.8%, from RMB18,546 million in the corresponding period of 2015. Gross profit from infrastructure construction business, infrastructure design business, heavy machinery manufacturing and other businesses increased by 29.2%, 4.4%, 50.5% and 152.9% respectively, from the corresponding period of 2015; while the gross profit from dredging business decreased by 18.5% from the corresponding period of 2015. Gross profit margin increased to 12.1% for the six months ended 30 June 2016 from 10.6% in the corresponding period of 2015, primarily attributable to the replacement of business tax with value-added tax. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business, heavy machinery manufacturing business and other businesses were 11.2%, 19.5%, 14.8%, 13.6% and 16.0%, respectively, as compared with 8.8%, 19.7%, 14.5%, 9.9% and 9.5% in the corresponding period of 2015.

Other Income

Other income for the six months ended 30 June 2016 amounted to RMB1,902 million, representing an increase of RMB601 million, or 46.2%, from RMB1,301 million in the corresponding period of 2015. The increase was mainly due to rental income, government grants and others.

Operating Profit

Operating profit for the six months ended 30 June 2016 amounted to RMB13,246 million, representing an increase of RMB1,737 million, or 15.1%, from RMB11,509 million in the corresponding period of 2015. The increase was mainly due to the increase in gross profit.

For the six months ended 30 June 2016, operating profit from the infrastructure construction business and infrastructure design business increased by RMB2,891 million and RMB50 million (all before elimination of inter-segment transactions and unallocated costs), representing a growth rate of 37.1% and 4.8%, respectively, over the corresponding period of 2015; while operating profit from dredging business, heavy machinery manufacturing business and other businesses decreased by RMB251 million, RMB14 million and RMB111 million, or 16.4%, 1.8% and 67.7% (all before elimination of inter-segment transactions and unallocated costs), from the corresponding period of 2015. Operating profit margin increased to 7.3% for the six months ended 30 June 2016 from 6.5% for the corresponding period of 2015, which was primarily attributable to the rise of gross profit.

Finance Income

Finance income for the six months ended 30 June 2016 amounted to RMB1,769 million, representing an increase of RMB186 million, or 11.7%, from RMB1,583 million in the corresponding period of 2015.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Finance Costs, net

Net finance costs for the six months ended 30 June 2016 amounted to RMB5,291 million, representing an increase of RMB760 million, or 16.8%, from RMB4,531 million in the corresponding period of 2015. The increase was mainly due to the foreign exchange loss on borrowings incurred by some subsidiaries.

Share of Profits of Joint ventures

Share of profits of joint ventures for the six months ended 30 June 2016 amounted to RMB12 million, compared with RMB17 million in the corresponding period of 2015.

Share of Profits/Losses of Associates

Share of the losses of associates for the six months ended 30 June 2016 amounted to RMB51 million, compared with the share of the profits of associates of RMB104 million in the corresponding period of 2015.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax for the six months ended 30 June 2016 amounted to RMB9,685 million, representing an increase of RMB1,003 million, or 11.6%, from RMB8,682 million in the corresponding period of 2015.

Income Tax Expense

Income tax expense for the six months ended 30 June 2016 amounted to RMB2,273 million, representing an increase of RMB458 million, or 25.2%, from RMB1,815 million in the corresponding period of 2015. Effective tax rate for the Group for the six months ended 30 June 2016 was 23.5%, as compared with 20.9% in the corresponding period of 2015.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests for the six months ended 30 June 2016 amounted to RMB154 million, compared with the profit attributable to non-controlling interests of RMB55 million in the corresponding period of 2015.

Profit Attributable to Owners of the Parent

As a result of the foregoing factors, profit attributable to owners of the parent for the six months ended 30 June 2016 amounted to RMB7,258 million, representing an increase of RMB446 million, or 6.5%, from RMB6,812 million in the corresponding period of 2015.

Profit margin with respect to profit attributable to owners of the parent was 4.0% for the six months ended 30 June 2016, as compared with 3.9% in the corresponding period of 2015.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Discussion of Segment Operations

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the six months ended 30 June 2016 and 2015.

	Revenue		Gross Profit		Gross Profit Margin		Operating Profit/(loss)[1]		Operating Profit Margin	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
Business	**2016 (RMB million)**	2015 (RMB million)	**2016 (RMB million)**	2015 (RMB million)	**2016 (%)**	2015 (%)	**2016 (RMB million)**	2015 (RMB million)	**2016 (%)**	2015 (%)
Infrastructure Construction	**152,283**	150,049	**17,069**	13,215	**11.2**	8.8	**10,679**	7,788	**7.0**	5.2
% of total	**80.6**	79.9	**74.6**	71.2			**78.4**	68.8		
Infrastructure Design	**9,973**	9,498	**1,949**	1,867	**19.5**	19.7	**1,097**	1,047	**11.0**	11.0
% of total	**5.3**	5.1	**8.5**	10.1			**7.9**	9.3		
Dredging	**12,393**	15,510	**1,838**	2,256	**14.8**	14.5	**1,275**	1,526	**10.3**	9.8
% of total	**6.5**	8.3	**8.1**	12.1			**9.2**	13.5		
Heavy Machinery Manufacturing	**11,938**	10,873	**1,622**	1,078	**13.6**	9.9	**769**	783	**6.4**	7.2
% of total	**6.3**	5.8	**7.1**	5.8			**5.5**	6.9		
Other businesses	**2,449**	1,639	**392**	155	**16.0**	9.5	**53**	164	**2.2**	10.0
% of total	**1.3**	0.9	**1.7**	0.8			**0.4**	1.5		
Subtotal	**189,036**	187,569	**22,870**	18,571			**13,873**	11,308		
Intersegment elimination and unallocated profit/(costs)	**(6,723)**	(11,794)	**(836)**	(25)			**(627)**	201		
Total	**182,313**	175,775	**22,034**	18,546	**12.1**	10.6	**13,246**	11,509	**7.3**	6.5

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

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Infrastructure Construction Business

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

The following table sets out the principal profit and loss information for the infrastructure construction business for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Revenue	**152,283**	150,049
Cost of sales	**(135,214)**	(136,834)
Gross profit	**17,069**	13,215
Selling and marketing expenses	**(109)**	(93)
Administrative expenses	**(6,795)**	(5,600)
Other income, net	**514**	266
Segment result	**10,679**	7,788
Depreciation and amortisation	**3,147**	2,722

Revenue. Revenue from the infrastructure construction business for the six months ended 30 June 2016 was RMB152,283 million, representing a slight increase of RMB2,234 million, or 1.5%, as compared with RMB150,049 million in the corresponding period of 2015, primarily attributable to the contribution from the increased revenue from overseas projects and investment projects. However, the increase of revenue is partially offset by the influence of the replacement of business tax with value-added tax. The value of new contracts entered into for the infrastructure construction business for the six months ended 30 June 2016 was RMB238,627 million, representing an increase of RMB15,433 million, or 6.9%, compared with RMB223,194 million in the corresponding period of 2015. No single project accounted for more than 5% of the Group's total revenue for the six months ended 30 June 2016 or 2015.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business for the six months ended 30 June 2016 was RMB135,214 million, representing a decrease of RMB1,620 million, or 1.2%, as compared with RMB136,834 million in the corresponding period of 2015. Cost of sales as a percentage of revenue decreased to 88.8% for the six months ended 30 June 2016 from 91.2% in the corresponding period of 2015.

Gross profit from the infrastructure construction business for the six months ended 30 June 2016 grew by RMB3,854 million, or 29.2%, to RMB17,069 million from RMB13,215 million in the corresponding period of 2015. Gross profit margin increased to 11.2% for the six months ended 30 June 2016 from 8.8% in the corresponding period of 2015, primarily attributable to the revenue generated from certain overseas projects and investment projects that has relatively higher gross profit margin as well as the replacement of business tax with value-added tax.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business for the six months ended 30 June 2016 were RMB109 million, representing an increase of RMB16 million as compared with RMB93 million in the corresponding period of 2015.

Administrative expenses. Administrative expenses for the infrastructure construction business for the six months ended 30 June 2016 were RMB6,795 million, representing an increase of RMB1,195 million, or 21.3%, as compared with RMB5,600 million in the corresponding period of 2015, mainly attributable to the increase in cost of research & development and in provision for impairment of trade and other receivables. The growth rate of administrative expenses was higher than that of revenue during the first six months of 2015, as a result, administrative expenses as a percentage of revenue increased to 4.5% for the six months ended 30 June 2016 from 3.7% in the corresponding period of 2015.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Infrastructure Construction Business (Continued)

Other income, net. Other net income for the infrastructure construction business was RMB514 million for the six months ended 30 June 2016, as compared with other net income of RMB266 million in the corresponding period of 2015.

Segment result. As a result of the above, segment result for the infrastructure construction business for the six months ended 30 June 2016 was RMB10,679 million, representing an increase of RMB2,891 million, or 37.1%, as compared with RMB7,788 million in the corresponding period of 2015. Segment result margin increased to 7.0% for the six months ended 30 June 2016 from 5.2% in the corresponding period of 2015.

Infrastructure Design Business

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

The following table sets out the principal profit and loss information for infrastructure design business for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Revenue	**9,973**	9,498
Cost of sales	**(8,024)**	(7,631)
Gross profit	**1,949**	1,867
Selling and marketing expenses	**(108)**	(99)
Administrative expenses	**(804)**	(743)
Other income, net	**60**	22
Segment result	**1,097**	1,047
Depreciation and amortisation	**107**	110

Revenue. Revenue from the infrastructure design business for the six months ended 30 June 2016 was RMB9,973 million, representing an increase of RMB475 million, or 5.0%, as compared with RMB9,498 million in the corresponding period of 2015. The value of new contracts entered into for the infrastructure design business for the six months ended 30 June 2016 was RMB11,638 million, representing a slight decrease of RMB13 million, or 0.1%, as compared with RMB11,651 million in the corresponding period of 2015.

Cost of sales and gross profit. Cost of sales for the infrastructure design business for the six months ended 30 June 2016 was RMB8,024 million, representing an increase of RMB393 million, or 5.2%, as compared with RMB7,631 million in the corresponding period of 2015. Cost of sales as a percentage of revenue slightly increased to 80.5% for the six months ended 30 June 2016 from 80.3% in the corresponding period of 2015.

Gross profit from the infrastructure design business for the six months ended 30 June 2016 was RMB1,949 million, representing an increase of RMB82 million, or 4.4%, as compared with RMB1,867 million in the corresponding period of 2015. Gross profit margin slightly decreased to 19.5% for the six months ended 30 June 2016 from 19.7% in the corresponding period of 2015. The decrease was mainly attributable to the increased proportion of revenue generated from comprehensive contracts, which have lower gross profit margin.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Infrastructure Design Business (Continued)

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business for the six months ended 30 June 2016 were RMB108 million, representing an increase of RMB9 million as compared with RMB99 million in the corresponding period of 2015.

Administrative expenses. Administrative expenses for the infrastructure design business for the six months ended 30 June 2016 were RMB804 million, representing an increase of RMB61 million, or 8.2%, as compared with RMB743 million in the corresponding period of 2015. Administrative expenses as a percentage of revenue increased to 8.1% for the six months ended 30 June 2016 from 7.8% in the corresponding period of 2015.

Other income, net. Other net income for the infrastructure design business for the six months ended 30 June 2016 was RMB60 million, as compared with other net income of RMB22 million in the corresponding period of 2015.

Segment result. As a result of the above, segment result for the infrastructure design business for the six months ended 30 June 2016 was RMB1,097 million, representing a slight increase of RMB50 million, or 4.8%, as compared with RMB1,047 million in the corresponding period of 2015. Segment result margin of 11.0% stayed stable for the six months ended 30 June 2016 compared with the corresponding period of 2015.

Dredging Business

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

The following table sets out the principal profit and loss information for the dredging business for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Revenue	**12,393**	15,510
Cost of sales	**(10,555)**	(13,254)
Gross profit	**1,838**	2,256
Selling and marketing expenses	**(18)**	(10)
Administrative expenses	**(805)**	(1,028)
Other income, net	**260**	308
Segment result	**1,275**	1,526
Depreciation and amortisation	**465**	455

Revenue. Revenue from the dredging business for the six months ended 30 June 2016 was RMB12,393 million, representing a decrease of RMB3,117 million, or 20.1%, as compared with RMB15,510 million in the corresponding period of 2015, primarily attributable to some projects at early stage, of which the revenue has not been fully generated as well as the impact of the replacement of business tax with value-added tax. The value of new contracts entered into for the dredging business for the six months ended 30 June 2016 was RMB22,496 million, representing an increase of RMB7,183 million, or 46.9%, as compared with RMB15,313 million in the corresponding period of 2015.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Dredging Business (Continued)

Cost of sales and gross profit. Cost of sales for the dredging business for the six months ended 30 June 2016 was RMB10,555 million, representing a decrease of RMB2,699 million, or 20.4%, as compared with RMB13,254 million in the corresponding period of 2015. Cost of sales as a percentage of revenue for the dredging business for the six months ended 30 June 2016 was 85.2%, as compared with 85.5%in the corresponding period of 2015.

Gross profit from the dredging business for the six months ended 30 June 2016 was RMB1,838 million, representing a decrease of RMB418 million or 18.5%, as compared with RMB2,256 million in the corresponding period of 2015. Gross profit margin for the dredging business increased to 14.8% for the six months ended 30 June 2016 from 14.5% in the corresponding period of 2015, primarily attributable to the offset of the replacement of business tax with value-added tax against the influence of some projects at early stage with less profit generated.

Selling and marketing expenses. Selling and marketing expenses for the dredging business for the six months ended 30 June 2016 were RMB18 million, as compared with RMB10 million in the corresponding period of 2015.

Administrative expenses. Administrative expenses for the dredging business for the six months ended 30 June 2016 were RMB805 million, representing a decrease of RMB223 million, or 21.7%, as compared with RMB1,028 million in the corresponding period of 2015. Administrative expenses as a percentage of revenue was 6.5% for the six months ended 30 June 2016, which was generally in line with 6.6% in the corresponding period of 2015.

Other income, net. Other net income for the dredging business for the six months ended 30 June 2016 was RMB260 million, representing a decrease of RMB48 million from that of RMB308 million in the corresponding period of 2015, mainly attributable to the gains on disposal of available-for-sale financial assets recognised in the six months ended 30 June 2015.

Segment result. As a result of the above, segment result for the dredging business for the six months ended 30 June 2016 was RMB1,275 million, representing a decrease of RMB251 million, or 16.4%, as compared with RMB1,526 million in the corresponding period of 2015. Segment result margin increased to 10.3% for the six months ended 30 June 2016 from 9.8% in the corresponding period of 2015.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Heavy Machinery Manufacturing Business

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

The following table sets out the principal profit and loss information for the heavy machinery manufacturing business for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Revenue	**11,938**	10,873
Cost of sales	**(10,316)**	(9,795)
Gross profit	**1,622**	1,078
Selling and marketing expenses	**(73)**	(53)
Administrative expenses	**(912)**	(776)
Other income, net	**132**	534
Segment result	**769**	783
Depreciation and amortisation	**681**	675

Revenue. Revenue from the heavy machinery manufacturing business for the six months ended 30 June 2016 was RMB11,938 million, representing an increase of RMB1,065 million, or 9.8%, as compared with RMB10,873 million in the corresponding period of 2015, which was primarily due to the realised revenue from projects entered in previous years. The value of new contracts entered into for the heavy machinery manufacturing business for the six months ended 30 June 2016 was RMB8,539 million, representing a decrease of RMB3,056 million, or 26.4%, compared with RMB11,595 million in the corresponding period of 2015. The decrease of the value of new contracts was primarily due to shrunk demand for marine engineering products.

Cost of sales and gross profit. Cost of sales for the heavy machinery manufacturing business for the six months ended 30 June 2016 was RMB10,316 million, representing an increase of RMB521 million, or 5.3%, as compared with RMB9,795 million in the corresponding period of 2015. Cost of sales as a percentage of revenue decreased to 86.4% for the six months ended 30 June 2016 from 90.1% in the corresponding period of 2015.

Gross profit from the heavy machinery manufacturing business for the six months ended 30 June 2016 was RMB1,622 million, representing an increase of RMB544 million, or 50.5%, as compared with RMB1,078 million in the corresponding period of 2015. Gross profit margin increased to 13.6% for the six months ended 30 June 2016 from 9.9% in the corresponding period of 2015. The increase in gross profit margin was mainly due to fixed expenses occurred despite of the increment of revenue.

Selling and marketing expenses. Selling and marketing expenses for the heavy machinery manufacturing business for the six months ended 30 June 2016 were RMB73 million, representing an increase of RMB20 million from RMB53 million in the corresponding period of 2015.

CONSOLIDATED RESULTS OF OPERATIONS (Continued)

Heavy Machinery Manufacturing Business (Continued)

Administrative expenses. Administrative expenses for the heavy machinery manufacturing business for the six months ended 30 June 2016 were RMB912 million, representing an increase of RMB136 million, or 17.5%, as compared with RMB776 million in the corresponding period of 2015. Administrative expenses as a percentage of revenue for the heavy machinery manufacturing business increased to 7.6% for the six months ended 30 June 2016, from 7.1% in the corresponding period of 2015.

Other income, net. Other net income for the heavy machinery manufacturing business for the six months ended 30 June 2016 was RMB132 million, representing a decrease of RMB402 million from RMB534 million in the corresponding period of 2015, which was attributable to the fair value loss on forward foreign exchange contracts which are used to hedge foreign currency risk.

Segment result. As a result of the above, segment result for the heavy machinery manufacturing business for the six months ended 30 June 2016 was RMB769 million, as compared with RMB783 million in the corresponding period of 2015. Segment result margin decreased to 6.4% for the six months ended 30 June 2016 from 7.2% in the corresponding period of 2015.

Other Businesses

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

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Revenue	**2,449**	1,639
Cost of sales	**(2,057)**	(1,484)
Gross profit	**392**	155

Revenue. Revenue from the other businesses for the six months ended 30 June 2016 was RMB2,449 million, representing an increase of RMB810 million, or 49.4%, as compared with RMB1,639 million in the corresponding period of 2015, mainly due to the increase of trading business and financial leasing business in the six months ended 30 June 2016.

Cost of sales and gross profit. Cost of sales for the other businesses for the six months ended 30 June 2016 was RMB2,057 million, representing an increase of RMB573 million, or 38.6%, as compared with RMB1,484 million in the corresponding period of 2015. Cost of sales as a percentage of revenue decreased to 84.0% for the six months ended 30 June 2016 from 90.5% in the corresponding period 2015.

Gross profit from the other businesses for the six months ended 30 June 2016 was RMB392 million, representing an increase of RMB237 million, or 152.9%, as compared with RMB155 million in the corresponding period of 2015. Gross profit margin increased to 16.0% for the six months ended 30 June 2016 from 9.5% in the corresponding period of 2015, primarily attributable to the combined impact of the financial leasing business with higher gross profit margin and the trading business with lower gross profit margin.

LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before we receive payment from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 30 June 2016, the Group had unutilized credit facilities in the amount of RMB710,092 million. The Group's access to financial markets of both Hong Kong and Shanghai has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Company's consolidated interim cash flow statements for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Net cash used in operating activities	**(15,583)**	(7,876)
Net cash used in investing activities	**(23,961)**	(20,151)
Net cash generated from financing activities	**25,622**	31,970
Net (decrease)/increase in cash and cash equivalents	**(13,922)**	3,943
Cash and cash equivalents at beginning of period	**94,960**	71,823
Exchange (losses)/gains on cash and cash equivalents	**295**	(293)
Cash and cash equivalents at end of period	**81,333**	75,473

Cash flow from operating activities

During the six months ended 30 June 2016, net cash used in operating activities surged to RMB15,583 million from RMB7,876 million in the corresponding period of 2015, which was primarily attributable to changes in working capital, in particular, due to larger increase in trade and other receivables, contract work-in-progress, inventories, as well as slight decrease in trade and other payables. During the six months ended 30 June 2016, trade and other receivables, contract work-in-progress, inventories increased by RMB20,895 million, RMB9,198 million and RMB2,113 million respectively, while trade and other payables decreased by RMB1,515 million, as compared with the amount of increase of RMB15,637 million, RMB11,276 million, RMB3,975 million and RMB12,968 million, respectively, during the corresponding period of 2015.

Cash flow from investing activities

Net cash used in investing activities for the six months ended 30 June 2016 was RMB23,961 million as compared with RMB20,151 million in the corresponding period of 2015. The increase was primarily attributable to the changes in term deposits with an initial term of over three months with amount of RMB2,625 million as well as the net purchases of available-for-sale investments with amount of RMB16 million during the six months ended 30 June 2016 compared to the net proceeds of available-for-sale investment with amount of RMB3,663 million as of the same period in 2015.

Cash flow from financing activities

Net cash generated from financing activities for the six months ended 30 June 2016 was RMB25,622 million, representing a decrease of RMB6,348 million from RMB31,970 million in the corresponding period of 2015, primarily due to the proceeds from issuance of unsubordinated guaranteed perpetual securities by a subsidiary of RMB6,683 million in 2015.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipment and vessels, and the building of plants. The following table set forth the Group's capital expenditure by business for the six months ended 30 June 2016 and 2015.

	Six months ended 30 June	
	2016	2015
	(RMB million)	(RMB million)
Infrastructure Construction Business	**21,548**	30,598
– BOT projects	**16,737**	20,685
Infrastructure Design Business	**154**	141
Dredging Business	**535**	983
Heavy Machinery Manufacturing Business	**539**	948
Other Businesses	**49**	64
Total	**22,825**	32,734

Capital expenditure for the six months ended 30 June 2016 was RMB22,825 million, compared with RMB32,734 million in the corresponding period of 2015. The decrease of RMB9,909 million or 30.3% was primarily attributable to the decrease of capital expenditure in BOT projects of infrastructure construction business as well as the decrease in purchases in property, plant and equipment in infrastructure construction business, dredging business and heavy machinery manufacturing business.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Working Capital

Trade and bills receivables and trade and bills payables

The following table sets forth the turnover of the Group's average trade and bills receivable and average trade and bills payable for the six months ended 30 June 2016 and the year ended 31 December 2015.

	As at	
	Six months ended 30 June 2016 (Number of days)	Twelve months ended 31 December 2015 (Number of days)
Turnover of average trade and bills receivables[1]	**66**	56
Turnover of average trade and bills payables[2]	**176**	154

(1) For the six months ended 30 June 2016, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the six-month period plus trade and bills receivables net of provisions at the end of the six-month period divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 180. For the twelve months ended 31 December 2015, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.

(2) For the six months ended 30 June 2016, average trade and bills payables equals trade and bills payables at the beginning of the six-month period plus trade and bills payables at the end of the six-month period divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 180. For the twelve months ended 31 December 2015, average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Working Capital (Continued)

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

The following table sets forth an ageing analysis of trade and bills receivables as at 30 June 2016 and 31 December 2015.

	As at	
	30 June 2016 (Unaudited) (RMB million)	31 December 2015 (Audited) (RMB million)
Less than 6 months	**47,094**	45,508
6 months to 1 year	**12,200**	6,976
1 year to 2 years	**9,822**	9,191
2 years to 3 years	**4,565**	3,827
Over 3 years	**5,947**	4,944
Total	**79,628**	70,446

The Group's credit terms with its customers for the six months ended 30 June 2016 remained the same as that in the year ended 31 December 2015. Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 30 June 2016, the Group had a provision for impairment of RMB8,231 million, as compared with RMB7,156 million as at 31 December 2015.

The following table sets forth an ageing analysis of trade and bills payables as at 30 June 2016 and 31 December 2015.

	As at	
	30 June 2016 (Unaudited) (RMB million)	31 December 2015 (Audited) (RMB million)
Within 1 year	**145,447**	141,231
1 year to 2 years	**7,743**	9,683
2 years to 3 years	**2,759**	2,504
Over 3 years	**1,770**	2,861
Total	**157,719**	156,279

The Group's credit terms with its suppliers for the six months ended 30 June 2016 remained the same as that in the year ended 31 December 2015. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Retentions

The following table sets forth the carrying amounts of the retentions as at 30 June 2016 and 31 December 2015.

	As at 30 June 2016 (Unaudited) (RMB million)	31 December 2015 (Audited) (RMB million)
Current	**23,729**	25,379
Non-current	**29,386**	28,576
Total	**53,115**	53,955

INDEBTEDNESS

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 30 June 2016 and 31 December 2015.

	As at 30 June 2016 (Unaudited) (RMB million)	31 December 2015 (Audited) (RMB million)
Within 1 year	**96,243**	86,605
Between 1 year and 2 years	**29,814**	38,938
Between 2 years and 5 years	**52,037**	37,905
Over 5 years	**105,652**	91,735
Total borrowings	**283,746**	255,183

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Hong Kong dollars and Japanese Yen. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 30 June 2016 and 31 December 2015.

	As at 30 June 2016 (Unaudited) (RMB million)	31 December 2015 (Audited) (RMB million)
Renminbi	**256,153**	227,699
U.S. dollar	**20,864**	21,918
Japanese Yen	**3,331**	2,388
Euro	**2,130**	1,565
Hong Kong dollar	**829**	1,141
Others	**439**	472
Total borrowings	**283,746**	255,183

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 30 June 2016 was 53.9%, compared with 48.7% as at 31 December 2015. The increase of gearing ratio was primarily due to the increase in borrowings.

INDEBTEDNESS (Continued)

Contingent Liabilities

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

	As at 30 June 2016 (Unaudited) (RMB million)	31 December 2015 (Audited) (RMB million)
Pending lawsuits[1]	**2,867**	3,091
Outstanding loan guarantees[2]	**1,170**	895
Total	**4,037**	3,986

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

During the year ended 31 December 2013, a subsidiary of the Company was involved in a product quality dispute arising from the ordinary course of business. In September 2014, the contractor instituted a proceeding against the subsidiary, to claim a compensation relating to the product quality dispute, totalling GBP250 million (equivalent to approximately RMB2,230 million). As at 30 June 2016, the subsidiary was unable to ascertain the likelihood and reasonably estimate the outcome of the lawsuit based on advice of legal counsel.

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

MARKET RISKS

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

Marco-economy Risk

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

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

Market Risk

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

MARKET RISKS (Continued)

Interest rate risk

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

The Group's exposure to changes in interest rates is mainly due to the Group's borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. As at 30 June 2016, approximately RMB171,051 million (as at 31 December 2015: RMB134,970 million) of the Group's borrowings were at variable rates.

Foreign exchange risk

The Group's functional currency of a majority of the entities within the Group is Renminbi with most of the Group's transactions settled in Renminbi. The Group uses, however, foreign currencies to settle the Group's invoices from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers and certain expenses. In addition, the Group generates revenue from certain construction contracts denominated in foreign currencies and a significant proportion of the Group's bank borrowings are denominated in foreign currencies, particularly the U.S. dollar, the Japanese Yen and the Euro. Renminbi is not freely convertible into other foreign currencies and conversion of the Renminbi into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. In July 2005, the PRC government introduced a managed floating exchange rate system to allow Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of Renminbi appreciated by approximately 2% against the U.S. dollar. As at 30 June 2016, Renminbi had depreciated by around 6.7% against the U.S. dollar since July 2005. The PRC government may in the future make further adjustments to the exchange rate system. When Renminbi appreciates, the value of foreign currency denominated assets will decline against Renminbi.

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

During the six month ended 30 June 2016 and the year ended 31 December 2015, certain subsidiaries within the Group used foreign currency forward contracts for transactions with domestic and overseas registered banks, to hedge the Group's exposure to foreign currency risk on individual transactions primarily vis-a-vis U.S. dollar, the Euro, and Japanese Yen.

22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong
Phone: (852) 2846 9888
Fax: (852) 2868 4432
www.ey.com

To the board of directors of China Communications Construction Company Limited
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 34 to 77, which comprises the condensed consolidated statement of financial position of China Communications Construction Company Limited (the "Company") and its subsidiaries as at 30 June 2016 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months then ended, and explanatory notes. The Main Board Listing 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" ("IAS 34").

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made 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 IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
30 August 2016

Interim condensed consolidated statement of profit or loss

For the six months ended 30 June 2016

	Notes	For the six months ended 30 June **2016** **Unaudited** **RMB million**	2015 Unaudited RMB million
Revenue	4	**182,313**	175,775
Cost of sales	5	**(160,279)**	(157,229)
Gross profit		**22,034**	18,546
Other income	4	**1,902**	1,301
Other gains, net	4	**148**	683
Selling and marketing expenses	5	**(347)**	(284)
Administrative expenses	5	**(10,047)**	(8,445)
Other expenses		**(444)**	(292)
Operating profit	3	**13,246**	11,509
Finance income	6	**1,769**	1,583
Finance costs, net	7	**(5,291)**	(4,531)
Share of profits of joint ventures		**12**	17
Share of profits and losses of associates		**(51)**	104
Profit before income tax		**9,685**	8,682
Income tax expense	8	**(2,273)**	(1,815)
Profit for the period		**7,412**	6,867
Attributable to:			
– Owners of the parent		**7,258**	6,812
– Non-controlling interests		**154**	55
		7,412	6,867
Earnings per share for profit attributable to ordinary equity holders of the parent (expressed in RMB per share)			
– Basic	10	**0.40**	0.41
– Diluted	10	**0.40**	0.41

	For the six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
	RMB million	RMB million
Profit for the period	**7,412**	6,867
Other comprehensive income		
Other comprehensive income not to be reclassified subsequently to profit or loss in subsequent periods (net of tax):		
Actuarial (losses)/gains on retirement benefit obligations	**(9)**	1
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):		
Changes in fair value of available-for-sale investments		
– (Losses)/gains arising during the period	**(1,194)**	1,486
– Release of investment revaluation reserve upon disposal of available-for-sale investments	**(43)**	(522)
Cash flow hedges	**3**	14
Share of other comprehensive income of a joint venture	**4**	(1)
Exchange differences on translation of foreign operations	**498**	(275)
Other comprehensive income for the period, net of tax	**(741)**	703
Total comprehensive income for the period	**6,671**	7,570
Attributable to:		
– Owners of the parent	**6,520**	7,538
– Non-controlling interests	**151**	32
	6,671	7,570

Interim condensed consolidated statement of financial position

30 June 2016

	Notes	30 June 2016 Unaudited RMB million	31 December 2015 Audited RMB million
Non-current assets			
Property, plant and equipment	11	**69,439**	67,973
Prepaid land lease payments		**10,048**	10,036
Investment properties		**1,986**	2,045
Intangible assets	12	**155,784**	141,345
Investments in joint ventures		**2,098**	1,967
Investments in associates		**10,923**	10,622
Deferred tax assets		**4,551**	4,169
Available-for-sale investments	13	**20,722**	22,322
Trade and other receivables	14	**70,091**	77,816
Held-to-maturity investments		**286**	280
Total non-current assets		**345,928**	338,575
Current assets			
Inventories		**54,017**	51,904
Trade and other receivables	14	**188,809**	167,914
Amounts due from contract customers	15	**81,292**	74,645
Financial assets at fair value through profit or loss		**109**	143
Available-for-sale investments	13	**100**	46
Derivative financial instruments	16	**46**	9
Pledged deposits and term deposits with an initial term of over three months	17	**6,773**	3,117
Cash and cash equivalents		**81,333**	94,960
Total current assets		**412,479**	392,738
Current liabilities			
Trade and other payables	19	**255,864**	257,379
Amounts due to contract customers	15	**22,948**	25,499
Current income tax liabilities		**2,531**	3,197
Interest-bearing bank and other borrowings	18	**96,243**	86,605
Derivative financial instruments	16	**131**	134
Retirement benefit obligations		**99**	113
Provisions		**167**	153
Total current liabilities		**377,983**	373,080
Net current assets		**34,496**	19,658
Total assets less current liabilities		**380,424**	358,233

	Notes	**30 June 2016 Unaudited RMB million**	31 December 2015 Audited RMB million
Total assets less current liabilities		**380,424**	358,233
Non-current liabilities			
Interest-bearing bank and other borrowings	18	**187,503**	168,578
Deferred income		**2,996**	4,396
Deferred tax liabilities		**7,352**	7,543
Retirement benefit obligations		**1,553**	1,589
Trade and other payables	19	**7,962**	7,121
Total non-current liabilities		**207,366**	189,227
Net assets		**173,058**	169,006
Equity			
Equity attributable to owners of the parent			
Share capital		**16,175**	16,175
Share premium		**19,656**	19,656
Financial instruments classified as equity		**19,431**	19,431
Reserves	20	**93,885**	91,462
		149,147	146,724
Non-controlling interests		**23,911**	22,282
Total equity		**173,058**	169,006

Interim condensed consolidated statement of changes in equity

For the six months ended 30 June 2016

	Attributable to owners of the parent							
	Share capital RMB million	Share premium RMB million	Financial instruments classified as equity RMB million	Other reserve RMB million	Retained earnings RMB million	Total RMB million	Non-controlling interests RMB million	Total equity RMB million
As at 1 January 2016	**16,175**	**19,656**	**19,431**	**21,935**	**69,527**	**146,724**	**22,282**	**169,006**
Profit for the period	–	–	–	–	7,258	7,258	154	7,412
Other comprehensive income for the period:								
Changes in fair value of available-for-sale investments, net of tax	–	–	–	(1,182)	–	(1,182)	(12)	(1,194)
Release of investment revaluation reserve upon disposal of available-for-sale investments, net of tax	–	–	–	(43)	–	(43)	–	(43)
Cash flow hedges, net of tax	–	–	–	3	–	3	–	3
Share of other comprehensive income of a joint venture	–	–	–	4	–	4	–	4
Actuarial losses on retirement benefit obligations, net of tax	–	–	–	(9)	–	(9)	–	(9)
Exchange differences on translation of foreign operations	–	–	–	489	–	489	9	498
Total comprehensive income for the period	–	–	–	(738)	7,258	6,520	151	6,671
Final 2015 dividend declared	–	–	–	–	(3,079)	(3,079)	–	(3,079)
Interests on perpetual medium-term notes	–	–	–	–	(300)	(300)	–	(300)
Dividends on preference shares	–	–	–	–	(718)	(718)	–	(718)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(216)	(216)
Capital contribution from non-controlling interests	–	–	–	–	–	–	1,707	1,707
Acquisition of a subsidiary	–	–	–	–	–	–	75	75
Disposal of subsidiaries	–	–	–	–	–	–	(88)	(88)
Transfer to safety production reserve	–	–	–	240	(240)	–	–	–
As at 30 June 2016 (unaudited)	**16,175**	**19,656**	**19,431**	**21,437**	**72,448**	**149,147**	**23,911**	**173,058**

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

Interim condensed consolidated statement of cash flows

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
	RMB million	RMB million
Cash flows from operating activities		
Cash used in operations	**(12,305)**	(4,924)
Income tax paid	**(3,278)**	(2,952)
Net cash flows used in operating activities	**(15,583)**	(7,876)
Cash flows from investing activities		
Purchases of items of property, plant and equipment	**(4,610)**	(3,917)
Additions to prepaid land lease payments	**(145)**	(562)
Purchases of intangible assets	**(16,970)**	(16,874)
Purchase of investment properties	**–**	(2)
Proceeds from disposal of items of property, plant and equipment	**185**	234
Proceeds from disposal of prepaid land lease payments	**83**	123
Proceeds from disposal of intangible assets	**1**	7
Purchases of available-for-sale investments	**(546)**	(4,120)
Purchases of senior perpetual capital securities	**(663)**	–
Purchases of financial assets at fair value through profit or loss	**(1)**	–
Transaction with non-controlling interests resulting from acquisition of equity interests of certain subsidiaries	**–**	(55)
Acquisition of subsidiaries	**(77)**	(3,735)
Additional investments in associates	**(403)**	(426)
Additional investments in joint ventures	**(7)**	(40)
Proceeds from disposal of available-for-sale investments	**530**	7,783
Proceeds from disposal of associates	**–**	88
Disposal of subsidiaries	**(127)**	–
Interest received	**343**	472
Proceeds from disposal of financial assets at fair value through profit or loss	**–**	39
Proceeds from withdrawal upon maturity of held-to-maturity investments	**18**	–
Changes in term deposits with an initial term of over three months	**(2,625)**	–
Receipt of government grants	**724**	743
Dividends received	**329**	91
Net cash flows used in investing activities	**(23,961)**	(20,151)
Cash flows from financing activities		
Proceeds from borrowings	**100,322**	93,362
Repayments of borrowings	**(70,770)**	(63,463)
Interest paid	**(4,281)**	(6,076)
Changes in pledged deposits	**(863)**	92
Dividends paid to equity holders of the parent	**(269)**	(245)
Dividends paid to non-controlling interests of subsidiaries	**(223)**	(139)
Proceeds from issuance of unsubordinated guaranteed perpetual securities by a subsidiary	**–**	6,683
Capital contribution from non-controlling interests	**1,706**	540
Cash contribution from the government	**–**	1,216
Net cash flows generated from financing activities	**25,622**	31,970
Net (decrease)/increase in cash and cash equivalents	**(13,922)**	3,943
Cash and cash equivalents at 1 January	**94,960**	71,823
Effect of foreign exchange rate changes, net	**295**	(293)
Cash and cash equivalents at 30 June	**81,333**	75,473

1. CORPORATE AND GROUP INFORMATION

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

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

The interim condensed consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim financial reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new and revised standards effective as of 1 January 2016. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

The Group has adopted the following new and revised standards for the first time for the financial statements.

	Effective for accounting periods beginning on or after
IFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendment to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*	1 January 2016
Amendment to IAS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Annual Improvements 2012-2014 Cycle	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to IAS 1 *Disclosure Initiative*	1 January 2016

Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

2.2 CHANGES IN ACCOUNTING POLICIES (Continued)

IFRS 14 *Regulatory Deferral Accounts*

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRSs. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and the statement of comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 *Business Combinations* principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any material impact on the Group.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any material impact on the Group.

Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not have any bearer plants.

2.2 CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments to IAS 27 *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRSs and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRSs electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendments clarify that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendments must be applied prospectively.

IFRS 7 *Financial Instruments: Disclosures*

(i) Servicing contracts

The amendments clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendments clarify that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. The amendments must be applied retrospectively.

IAS 19 *Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 *Interim Financial Reporting*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments do not have any material impact on the Group.

2.2 CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any material impact on the Group.

Amendments to IAS 1 *Disclosure Initiative*

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- the materiality requirements in IAS 1
- that specific line items in the statement of profit or loss, the statement of comprehensive income and the statement of financial position may be disaggregated
- that entities have flexibility as to the order in which they present the notes to financial statements
- that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position, the statement of profit or loss and the statement of other comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

3. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

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

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

Sales between operating segments are carried out on terms with reference to the selling prices used for sales made to third parties. The revenue from external parties reported to the President Office is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss.

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

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

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

Capital expenditure comprises mainly additions to property, plant and equipment (Note 11), prepaid land lease payments, investment properties and intangible assets (Note 12).

3. OPERATING SEGMENT INFORMATION (Continued)

The segment results for the six months ended 30 June 2016 and other segment information included in the unaudited interim condensed consolidated financial statements are as follows:

	For the six months ended 30 June 2016						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Eliminations RMB million	Total RMB million
Total gross segment revenue	152,283	9,973	12,393	11,938	2,449	(6,723)	182,313
Inter-segment revenue	(2,109)	(1,140)	(1,944)	(855)	(675)	6,723	–
Revenue	150,174	8,833	10,449	11,083	1,774	–	182,313
Segment results	10,679	1,097	1,275	769	53	(771)	13,102
Unallocated income							144
Operating profit							13,246
Finance income							1,769
Finance costs, net							(5,291)
Share of profits of joint ventures							12
Share of losses of associates							(51)
Profit before income tax							9,685
Income tax expense							(2,273)
Profit for the period							7,412
Other segment information							
Depreciation	2,757	89	453	621	66	–	3,986
Amortisation	390	18	12	60	37	–	517
Reversal of provision against inventories	–	–	–	(35)	–	–	(35)
Provision for foreseeable losses on construction contracts	141	–	–	195	–	–	336
Provision for impairment of trade and other receivables	482	47	42	93	439	–	1,103
Capital expenditure	21,548	154	535	539	49	–	22,825

3. OPERATING SEGMENT INFORMATION (Continued)

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

	For the six months ended 30 June 2015						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Eliminations RMB million	Total RMB million
Total gross segment revenue	150,049	9,498	15,510	10,873	1,639	(11,794)	175,775
Inter-segment revenue	(2,167)	(256)	(8,808)	(269)	(294)	11,794	–
Revenue	147,882	9,242	6,702	10,604	1,345	–	175,775
Segment results	7,788	1,047	1,526	783	164	(25)	11,283
Unallocated income							226
Operating profit							11,509
Finance income							1,583
Finance costs, net							(4,531)
Share of profits of joint ventures							17
Share of profits of associates							104
Profit before income tax							8,682
Income tax expense							(1,815)
Profit for the period							6,867
Other segment information							
Depreciation	2,440	96	441	629	17	–	3,623
Amortisation	282	14	14	46	23	–	379
Write-down of inventories	–	–	–	18	–	–	18
Provision for foreseeable losses on construction contracts	41	–	21	142	–	–	204
Provision for impairment of trade and other receivables	65	53	379	87	6	–	590
Provision for impairment of fixed assets	5	–	–	–	–	–	5
Capital expenditure	30,598	141	983	948	64	–	32,734

3. OPERATING SEGMENT INFORMATION (Continued)

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

The segment assets and liabilities at 30 June 2016 are as follows:

	As at 30 June 2016						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Eliminations RMB million	Total RMB million
Segment assets	536,737	25,799	61,916	59,430	25,946	(28,533)	681,295
Investments in joint ventures							2,098
Investments in associates							10,923
Unallocated assets							64,091
Total assets							758,407
Segment liabilities	256,519	16,579	24,956	15,076	775	(28,444)	285,461
Unallocated liabilities							299,888
Total liabilities							585,349

Segment assets and liabilities at 30 June 2016 are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	681,295	285,461
Investments in joint ventures	2,098	–
Investments in associates	10,923	–
Unallocated:		
Deferred income tax assets/liabilities	4,551	7,352
Current income tax liabilities	–	2,531
Current borrowings	–	96,243
Non-current borrowings	–	187,503
Available-for-sale investments	20,822	–
Held-to-maturity investments	286	–
Financial assets at fair value through profit or loss	109	–
Derivative financial instruments	46	131
Cash and other corporate assets/corporate liabilities	38,277	6,128
Total	758,407	585,349

3. OPERATING SEGMENT INFORMATION (Continued)

The segment assets and liabilities at 31 December 2015 are as follows:

	As at 31 December 2015						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Others RMB million	Eliminations RMB million	Total RMB million
Segment assets	502,171	22,931	61,320	58,323	20,747	(24,419)	641,073
Investments in joint ventures							1,967
Investments in associates							10,622
Unallocated assets							77,651
Total assets							731,313
Segment liabilities	255,770	15,219	24,061	14,826	1,338	(23,969)	287,245
Unallocated liabilities							275,062
Total liabilities							562,307

Segment assets and liabilities at 31 December 2015 are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	641,073	287,245
Investments in joint ventures	1,967	–
Investments in associates	10,622	–
Unallocated:		
Deferred income tax assets/liabilities	4,169	7,543
Current income tax liabilities	–	3,197
Current borrowings	–	86,605
Non-current borrowings	–	168,578
Available-for-sale investments	22,368	–
Financial assets at fair value through profit or loss	143	–
Derivative financial instruments	9	134
Cash and other corporate assets/corporate liabilities	50,962	9,005
Total	731,313	562,307

3. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Mainland China	**142,852**	143,736
Other regions (primarily including Australia and countries in Africa, Middle East and South East Asia)	**39,461**	32,039
	182,313	175,775

The revenue information above is based on the locations of the customers.

Revenue from the individual countries or regions other than the PRC was not material during the six months ended 30 June 2016 and 2015.

(b) Non-current assets

	30 June 2016	31 December 2015
	RMB million	RMB million
Mainland China	**221,422**	207,392
Other regions (primarily including Australia and countries in Africa, Middle East and South East Asia)	**15,835**	14,007
	237,257	221,399

The non-current asset information above is based on the locations of the assets and exclude financial instruments, investments in joint ventures, investments in associates and deferred tax assets.

Non-current assets in the individual countries or regions other than the PRC are not material as at 30 June 2016 and 31 December 2015.

Information about a major customer

No revenue was derived from services or sales to a single customer accounted for 10% or more of the Group's revenue, including services or sales to a group of entities which are known to be under common control with that customer during the six months ended 30 June 2016 and 2015.

4. REVENUE, OTHER INCOME AND OTHER GAINS, NET

Revenue represents: (1) revenue from construction contracts; (2) the values of services rendered; (3) the net invoiced value of goods sold, after allowances for returns and trade discounts and excludes intra-group transactions.

An analysis of revenue, other income and other gains, net is as follows:

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Revenue		
Construction	**152,283**	150,049
Design	**9,973**	9,498
Dredging	**12,393**	15,510
Heavy Machinery	**11,938**	10,873
Others	**2,449**	1,639
Eliminations	**(6,723)**	(11,794)
	182,313	175,775
Other income		
Rental income	**298**	175
Dividend income on available-for-sale investments		
– Listed equity securities	**313**	415
– Unlisted equity investments	**5**	6
Government grants	**276**	146
Income from sale of waste and materials	**279**	359
Others	**731**	200
	1,902	1,301
Other gains, net		
Gains on disposal of available-for-sale investments	**84**	982
Gains on disposal of items of property, plant and equipment	**–**	23
Losses on disposal of prepaid land lease payments	**–**	(2)
Gains on disposal of associates	**7**	74
(Losses)/gains on derivative financial instruments:		
– Foreign exchange forward contracts	**(33)**	96
Net foreign exchange gains/(losses)	**51**	(551)
Others	**39**	61
	148	683

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Cost of sales		
Construction	**135,214**	136,834
Design	**8,024**	7,631
Dredging	**10,555**	13,254
Heavy Machinery	**10,316**	9,795
Others	**2,057**	1,484
Eliminations	**(5,887)**	(11,769)
	160,279	157,229
Subcontracting costs	**61,966**	54,783
Raw materials and consumables used	**51,557**	50,538
Employee benefit expenses	**19,044**	18,061
Lease expenses under operating lease	**6,050**	8,750
Fuel	**1,825**	2,817
Business tax and other transaction tax	**617**	4,397
Depreciation of property, plant and equipment and investment properties	**3,986**	3,623
Amortisation of intangible assets	**397**	275
Amortisation of prepaid land lease payments	**120**	104
Provision for impairment of trade and other receivables	**1,103**	590
(Reversal)/write-down of inventories	**(35)**	18
Provision for foreseeable losses on construction contracts	**336**	204
Research and development costs	**2,312**	1,752
Repair and maintenance expenses	**713**	1,525
Interest income	**(1,373)**	(1,483)
Government grant	**(276)**	(146)
Dividend income on available-for-sale investments	**(318)**	(421)
Gain on disposal of available- for-sale investments	**(84)**	(982)
Gain on disposal of associates	**(7)**	(74)
Foreign exchange differences, net	**330**	437

6. FINANCE INCOME

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Interest income:		
– Bank deposits	**351**	314
– Unwinding of discount of long-term receivables	**1,022**	1,169
Others	**396**	100
	1,769	1,583

7. FINANCE COSTS, NET

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Total interest expense	**6,428**	5,992
Less: Interest capitalised	**(1,736)**	(1,522)
Net interest expense	**4,692**	4,470
Net foreign exchange losses/(gains) on borrowings	**381**	(114)
Others	**218**	175
	5,291	4,531

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. Borrowing costs of RMB1,736 million (six months ended 30 June 2015: RMB1,522 million) were capitalised in the six months ended 30 June 2016, of which approximately RMB673 million was charged to contract work-in-progress, approximately RMB996 million was included in the cost of concession assets, and approximately RMB67 million was included in the cost of construction-in-progress (six months ended 30 June 2015: RMB451 million was charged to contract work-in-progress, approximately RMB1,004 million was included in the cost of concession assets, and approximately RMB67 million was included in the cost of construction-in-progress). A general capitalisation rate of 4.84% per annum (six months ended 30 June 2015: 5.30%) was used, representing the costs of the borrowings used to finance the qualifying assets.

8. INCOME TAX

Most of the companies of the Group are subject to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% (2015: 25%) of the assessable income of each of these companies during the period as determined in accordance with the relevant PRC income tax rules and regulations, except for certain subsidiaries of the Company, which were exempted from tax or taxed at a preferential rate of 15% (2015: 15%).

Certain of the companies of the Group are subject to Hong Kong profits tax, which has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the period.

Taxation for other companies of the Group has been calculated on the estimated assessable profit for the six months ended 30 June 2016 at the appropriate rates of taxation prevailing in the jurisdictions in which these companies operate.

The amount of income tax expense charged to the interim condensed consolidated statement of profit or loss represents:

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Current income tax		
– PRC enterprise income tax	**2,217**	2,136
– Others	**232**	121
	2,449	2,257
Deferred income tax	**(176)**	(442)
Income tax expense	**2,273**	1,815

9. DIVIDENDS

A dividend in respect of the year ended 31 December 2015 of RMB0.19037 (including tax) per ordinary share, totalling RMB3,079 million was approved by the Company's shareholders in the annual general meeting on 16 June 2016.

The above approval has triggered the mandatory clauses about distribution of interest/dividend relating to perpetual medium-term notes and preference shares issued by the Company, totalling RMB300 million and RMB718 million respectively.

No interim dividend for the six months ended 30 June 2016 was declared by the Board of Directors (six months ended 30 June 2015: nil).

10. EARNINGS PER SHARE

(a) Basic

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

	For the six months ended 30 June	
	2016	2015
Profit attributable to ordinary equity holders of the parent (RMB million)	**7,258**	6,812
Less: Distribution relating to perpetual medium-term notes (RMB million) (Note i)	**(150)**	(150)
Distribution relating to preference share (RMB million) (Note ii)	**(718)**	–
Profit used to determine basic earnings per share (RMB million)	**6,390**	6,662
Weighted average number of ordinary shares in issue (million)	**16,175**	16,175
Basic earnings per share (RMB per share)	**0.40**	0.41

(i) The medium-term notes (the "MTN") issued by the Company on 18 December 2014 were classified as equity instruments with deferrable accumulative interest distribution and payment. Interest on the MTN which has been generated but not declared from 1 January 2016 to 30 June 2016 was deducted from earnings when calculating the earnings per share amount for the six months ended 30 June 2016.

(ii) The preference shares issued by the Company in September 2015 and October 2015 were classified as equity instruments with deferrable and non-cumulative dividend distribution and payment. Dividend of RMB718 million on the preference shares was deducted from earnings when calculating the earnings per share amount for the six months ended 30 June 2016.

(b) Diluted

The diluted earnings per share amount was the same as the basic earnings per share amount as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2016 and 2015.

11. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June 2016					
	Land and buildings RMB million	Machinery RMB million	Vessels and vehicles RMB million	Other equipment RMB million	Construction-in-progress RMB million	Total RMB million
At 1 January 2016, net of accumulated depreciation and impairment	**15,693**	**12,361**	**23,742**	**2,985**	**13,192**	**67,973**
Additions	**259**	**924**	**311**	**870**	**2,954**	**5,318**
Disposals	**(5)**	**(47)**	**(34)**	**(27)**	**(161)**	**(274)**
Acquisition of a subsidiary	**65**	**–**	**–**	**–**	**112**	**177**
Transfer	**266**	**382**	**525**	**37**	**(1,210)**	**–**
Transferred from investment properties	**164**	**–**	**–**	**–**	**–**	**164**
Depreciation provided during the period	**(356)**	**(1,452)**	**(1,032)**	**(1,121)**	**–**	**(3,961)**
Exchange realignment	**7**	**19**	**14**	**2**	**–**	**42**
At 30 June 2016, net of accumulated depreciation and impairment	**16,093**	**12,187**	**23,526**	**2,746**	**14,887**	**69,439**
At 30 June 2016						
Cost	**21,796**	**28,516**	**46,937**	**11,079**	**14,887**	**123,215**
Accumulated depreciation and impairment	**(5,703)**	**(16,329)**	**(23,411)**	**(8,333)**	**–**	**(53,776)**
Net carrying amount	**16,093**	**12,187**	**23,526**	**2,746**	**14,887**	**69,439**

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

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Bank borrowings were secured by certain property, plant and equipment with an aggregate carrying amount of approximately RMB590 million (31 December 2015: RMB772 million) (Note 18(a)).

As at 30 June 2016, the Group is in the process of applying for the registration of the ownership certificates for certain of its properties with an aggregate carrying amount of approximately RMB4,208 million (31 December 2015: RMB3,931 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

The net carrying amount of the Group's fixed assets held under finance leases in the carrying amount of vessels and machinery at 30 June 2016 was RMB4,178 million (31 December 2015: RMB4,379 million).

12. INTANGIBLE ASSETS

	For the six months ended 30 June 2016					
	Concession assets RMB million	Goodwill RMB million	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Others RMB million	Total RMB million
At 1 January 2016, net of accumulated amortisation and impairment	**134,056**	**6,016**	**913**	**235**	**125**	**141,345**
Additions	**16,737**	**–**	**3**	**84**	**37**	**16,861**
Transfer out/ disposals	**(2,229)**	**–**	**–**	**(5)**	**–**	**(2,234)**
Amortisation provided during the period (Note 5)	**(328)**	**–**	**(8)**	**(39)**	**(22)**	**(397)**
Exchange realignment	**–**	**209**	**–**	**–**	**–**	**209**
At 30 June 2016, net of accumulated amortisation and impairment	**148,236**	**6,225**	**908**	**275**	**140**	**155,784**
At 30 June 2016						
Cost	**150,020**	**6,275**	**1,107**	**531**	**316**	**158,249**
Accumulated amortisation and impairment	**(1,784)**	**(50)**	**(199)**	**(256)**	**(176)**	**(2,465)**
Net carrying amount	**148,236**	**6,225**	**908**	**275**	**140**	**155,784**

12. INTANGIBLE ASSETS (Continued)

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

As at 30 June 2016, concession assets represent assets under "Build-Operate-Transfer" service concession arrangements and mainly consist of toll roads in Mainland China. Certain concession projects have been put into operations, the cost of the related concession assets amounted to RMB103,886 million (31 December 2015: RMB60,002 million). The cost of the concession assets where the related projects were under construction amounted to RMB46,134 million (31 December 2015: RMB75,559 million).

As at 30 June 2016, certain bank borrowings were secured by concession assets with a carrying amount of approximately RMB123,825 million (31 December 2015: RMB103,565 million) (Note 18(a)).

13. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2016 RMB million	31 December 2015 RMB million
Non-current		
Listed equity investments, at fair value (Note b)		
– Mainland China	**17,995**	20,025
– Hong Kong	**665**	642
Unlisted equity investments, at cost (Note c)	**2,062**	1,655
	20,722	22,322
Current		
Other unlisted investments, at fair value (Note d)	**100**	46
	20,822	22,368

(a) During the six months ended 30 June 2016, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to RMB1,577 million (six months ended 30 June 2015: gain of RMB1,894 million), of which RMB43 million, net of tax (six months ended 30 June 2015: RMB522 million) was reclassified from other comprehensive income to the statement of profit or loss upon disposal of the relevant investments.

(b) These securities primarily represented promoter's shares listed and traded in stock markets, of which no securities were subject to trading restrictions at the end of the reporting period. The fair value of these securities was based on the quoted market prices at the end of the reporting period.

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

(d) Other unlisted instruments represented wealth management products issued by financial institutions. Major investment targets of these products are bills issued by the People's Bank of China, debt securities issued by policy banks, debt securities issued by the Chinese government in the national financial market for institutional investors, and other financial instruments.

(e) During the six months ended 30 June 2016, none of the above investments was transferred out to other categories of investments. During the six months ended 30 June 2015, certain investments of RMB900 million were transferred to investments in associates.

14. TRADE AND OTHER RECEIVABLES

	30 June 2016 RMB million	31 December 2015 RMB million
Trade and bills receivables (Note a)	**79,628**	70,446
Impairment	**(8,231)**	(7,156)
Trade and bills receivables – net	**71,397**	63,290
Prepayments	**20,050**	20,530
Retention money	**53,115**	53,955
Deposits	**23,013**	20,810
Other receivables	**34,150**	29,841
Long-term receivables	**57,175**	57,304
	258,900	245,730
Less: non-current portion		
– Retention money	**(29,386)**	(28,576)
– Deposits	**(2,335)**	(1,939)
– Long-term receivables	**(37,445)**	(46,179)
– Prepayments for equipment	**(925)**	(1,122)
	(70,091)	(77,816)
Current portion	**188,809**	167,914

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

	30 June 2016 RMB million	31 December 2015 RMB million
Within 6 months	**47,094**	45,508
6 months to 1 year	**12,200**	6,976
1 year to 2 years	**9,822**	9,191
2 years to 3 years	**4,565**	3,827
Over 3 years	**5,947**	4,944
	79,628	70,446

Majority of the Group's revenues are generated through construction, design, dredging and heavy machinery contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions.

(b) The carrying amounts of trade and other receivables approximate to their fair values.

(c) The Group has entered into certain recourse and non-recourse factoring agreements with certain banks so as to obtain bank advances. As at 30 June 2016, the relevant outstanding trade receivables, with recourse factoring clauses in the agreements, amounted to RMB4,815 million (31 December 2015: RMB1,885 million). In the opinion of the Directors, such transactions did not qualify for derecognition of receivables and were accounted for as secured borrowings (Note 18(a)). In addition, as at 30 June 2016, outstanding trade receivables of RMB10,564 million (31 December 2015: RMB11,683 million) had been transferred to the banks in accordance with the relevant non-recourse factoring agreements. The relevant receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.

14. TRADE AND OTHER RECEIVABLES (Continued)

(d) As at 30 June 2016, outstanding bills receivable – bank acceptance notes of RMB10 million (31 December 2015: RMB61 million) were endorsed to suppliers with rights of recourse. In the opinion of the Directors, such transactions did not qualify for derecognition. In addition, as at 30 June 2016, outstanding bills receivable – bank acceptance and commercial acceptance notes of RMB1,215 million (31 December 2015: RMB1,958 million) were endorsed to suppliers, and RMB152 million (31 December 2015: RMB418 million) were discounted with banks. The relevant bills receivable were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.

15. CONTRACT WORK-IN-PROGRESS

	30 June 2016	31 December 2015
	RMB million	RMB million
Contract costs incurred and recognised profits (less recognised losses)	**1,909,561**	1,741,664
Less: progress billings	**(1,851,217)**	(1,692,518)
	58,344	49,146
Representing:		
Amounts due from contract customers	**81,292**	74,645
Amounts due to contract customers	**(22,948)**	(25,499)
	58,344	49,146

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Contract revenue recognised as revenue in the period	**167,919**	163,062

16. DERIVATIVE FINANCIAL INSTRUMENTS

	30 June 2016		31 December 2015	
	Assets	**Liabilities**	Assets	Liabilities
	RMB million	**RMB million**	RMB million	RMB million
Forward foreign exchange contracts (Note a)				
– Held for trading	**2**	**(123)**	1	(122)
– Cash flow hedges	**8**	**(8)**	8	(12)
Total return swap (Note b)	**36**	**–**	–	–
	46	**(131)**	9	(134)

(a) The notional principal amount of the outstanding forward foreign exchange contracts at 30 June 2016 was RMB3,801 million (31 December 2015: RMB2,443 million).

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

16. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(b) On 31 March 2016, CCCC International Holding Limited ("CCCI") (a subsidiary of the Company) entered into several financial contracts with independent financial institutions ("Subscribers"), who agreed to subscribe for the senior perpetual capital securities, in the aggregate principal amount of US$400 million ("Nominal Amount"), which were issued by a wholly-owned subsidiary ("Issuer") of Greentown China Holding Limited ("Greentown China") and were guaranteed by Greentown China (a fellow subsidiary of the Company).

According to the agreements, CCCI has paid a margin (the "Margin") of US$100 million, to the Subscribers on the effective date of the financial contract. Each Subscriber shall pay CCCI any amount of distribution by reference to the applicable Notional Amount on a semi-annual basis (the "Total Return Amount"). CCCI shall pay each Subscriber a fixed amount on a semi-annual basis, which is calculated at not more than 4% per annum with reference to the difference between the applicable notional amount and the applicable margin amount ("Fixed Amount").

In the event that the issuer redeems the securities on or before the scheduled termination date, (i) each subscriber shall pay CCCI the gains from such redemption (if any), any accrued but unpaid Total Return Amount due and the applicable margin; and (ii) CCCI shall pay each subscriber any loss from such redemption (if any), any accrued but unpaid Fixed Amount and any applicable costs.

In the event that the issuer fails to redeem the securities on the scheduled termination date, the subscribers will attempt to obtain bid quotations for such securities, then (i) each subscriber shall pay CCCI the amount at the respective reference obligation value (determined by reference to the highest quotation for the sale of the corresponding amount of the reference obligation; if no quotation, the value shall be zero), any accrued but unpaid Total Return Amount due, the applicable margin and any gains (after deducting applicable expenses); and (ii) CCCI shall pay each subscriber the respective notional amount, any accrued but unpaid Fixed Amount due, any applicable costs.

Greentown China is a non-wholly-owned subsidiary of CCCG, therefore Greentown China and the issuer are related parties of the Company, and the total return swap arrangement under the financial contracts in relation to the securities constitutes a related party transaction of the Company.

17. PLEDGED DEPOSITS AND TERM DEPOSITS WITH AN INITIAL TERM OF OVER THREE MONTHS

	30 June 2016 **RMB million**	31 December 2015 RMB million
Restricted bank deposits	**4,148**	2,438
Term deposits with initial term of over three months	**2,625**	679
	6,773	3,117

As at 30 June 2016, restricted bank deposits mainly included deposits for issuance of bank acceptance notes, performance bonds, letters of credit to customers, and mandatory reserve deposits placed with the People's Bank of China by CCCC Finance Company Limited ("CCCC Finance"), a subsidiary of the Company.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2016 RMB million	31 December 2015 RMB million
Non-current			
Long-term bank borrowings			
– secured	(a)	**96,849**	79,124
– unsecured	(b)	**55,206**	53,287
		152,055	132,411
Other borrowings			
– secured	(a)	**770**	700
– unsecured		**1,044**	1,451
Corporate bonds	(c)	**21,854**	19,857
Non-public debt instruments	(f)	**10,194**	12,192
Financial lease liabilities	(h)	**1,586**	1,967
		35,448	36,167
Total non-current borrowings		**187,503**	168,578
Current			
Current portion of long-term bank borrowings			
– secured	(a)	**1,741**	1,965
– unsecured	(b)	**15,134**	13,330
		16,875	15,295
Short-term bank borrowings			
– secured	(a)	**433**	2,215
– unsecured	(b)	**64,543**	58,637
		64,976	60,852
Other borrowings			
– secured	(a)	**45**	–
– unsecured		**562**	221
Corporate bonds	(c)	**881**	374
Medium-term notes	(d)	**–**	3,989
Debentures	(e)	**10,129**	5,023
Non-public debt instruments	(f)	**2,323**	308
Finance lease liabilities	(h)	**452**	543
		14,392	10,458
Total current borrowings		**96,243**	86,605
Total borrowings		**283,746**	255,183

(a) As at 30 June 2016, these borrowings were secured by the Group's property, plant and equipment (Note 11), prepaid land lease payments, concession assets (Note 12), trade receivables (Note 14(c)), properties under development and held for sale and completed properties held for sale (31 December 2015: secured by the Group's property, plant and equipment, prepaid land lease payments, concession assets, trade receivables, properties under development and held for sale and completed properties held for sale).

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

(c) As approved by China Securities Regulatory Commission document [2009] No. 761, the Company issued domestic corporate bonds with an aggregate principal amount of RMB7,900 million in August 2009. These corporate bonds bear interest at a rate of 5.2% per annum with maturity through 2019. The Company raised net proceeds in total of RMB7,829 million from the issue date. These corporate bonds are guaranteed by CCCG.

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

As approved by China Securities Regulatory Commission document [2016] No. 162, one subsidiary of the Company issued corporate bonds with an aggregate principal amount of RMB2,000 million in February 2016, with maturity of five years from the issue date and an interest rate of 2.99% per annum. The subsidiary raised net proceeds in total of RMB1,991 million from the issue date.

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

(d) As approved by the National Association of Financial Market Institutional Investors ("NAFMII") of the PRC, the Group issued medium-term notes with a nominal value of RMB3,800 million in February 2011, with maturity of five years from the issue date, bearing interest at a rate of 5.85% per annum. The medium-term notes of RMB3,800 million have been fully repaid during the period.

(e) The Group issued the following debentures:

- As approved by NAFMII, two tranches of debentures were issued in October and November 2015, respectively, at nominal values of RMB3,000 million and RMB2,000 million, respectively, with maturity of 270 days and 360 days from the issue date respectively. The interest rates are 3.24% and 3.50% per annum, respectively. The debentures are stated at amortised cost with effective interest rates ranging from 3.25% to 3.76%.

- As approved by NAFMII, two tranches of debentures were issued in April and May 2016, respectively, at nominal values of RMB2,000 million and RMB3,000 million, respectively, with maturity of 360 days and 270 days from the issue date respectively. The interest rates are 3.70% and 2.99% per annum. The debentures are stated at amortised cost with effective interest rates ranging from 3.00% to 3.91%.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

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

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

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

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

- A tranche of non-public debt instrument with a nominal value of RMB2,000 million was issued in August 2015, with maturity of five years from the issue date, bearing interest at a rate of 4.80% per annum.

The non-public debt instruments are stated at amortised cost with effective rates ranging from 4.95% to 7.10%. Interest is payable once a year. The accrued interest is included in current borrowings.

(g) The carrying amounts of the current portion of long-term borrowings and the current portion of short-term borrowings approximate to their fair values, as the impact of discounting is not significant.

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

	30 June 2016 RMB million	31 December 2015 RMB million
Carrying amount		
– Bank borrowings	**152,055**	132,411
– Other borrowings	**1,814**	2,151
– Corporate bonds	**21,854**	19,857
– Finance lease liabilities	**1,586**	1,967
– Non-public debt instruments	**10,194**	12,192
	187,503	168,578
Fair value		
Level 1		
– Corporate bonds	**22,406**	20,418
Level 2		
– Bank borrowings	**155,714**	133,352
– Other borrowings	**1,887**	1,987
– Finance lease liabilities	**1,586**	1,967
– Non-public debt instruments	**10,633**	13,048
	192,226	170,772

The fair values of borrowings included in level 2 are based on cash flows discounted using the prevailing market rates available to the Group for financial instruments with similar terms and characteristics at the end of the respective reporting periods.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

(h) Finance lease liabilities:

The rights to the leased assets are reverted to the lessor in the event of default of the lease liabilities by the Group.

	30 June 2016 RMB million	31 December 2015 RMB million
Gross finance lease liabilities – minimum lease payments		
– No later than 1 year	**524**	656
– Later than 1 year and no later than 5 years	**1,505**	1,806
– Later than 5 years	**260**	385
	2,289	2,847
Future finance charges on finance leases	**(251)**	(337)
Present value of finance lease liabilities	**2,038**	2,510
Representing:		
– No later than 1 year	**452**	543
– Later than 1 year and no later than 5 years	**1,380**	1,592
– Later than 5 years	**206**	375
	2,038	2,510

19. TRADE AND OTHER PAYABLES

	30 June 2016 RMB million	31 December 2015 RMB million
Trade and bills payables (Note a)	**157,719**	156,279
Advances from customers	**56,311**	57,752
Deposits from suppliers	**13,868**	13,250
Retention money	**10,703**	9,706
Deposits from CCCG and fellow subsidiaries	**5,231**	7,237
Other taxes	**2,199**	7,090
Social security	**809**	1,268
Accrued payroll	**1,006**	752
Accrued expenses	**277**	242
Others	**15,703**	10,924
	263,826	264,500
Less: non-current portion		
– Retention money	**(7,962)**	(7,121)
Current portion	**255,864**	257,379

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

	30 June 2016 RMB million	31 December 2015 RMB million
Within 1 year	**145,447**	141,231
1 year to 2 years	**7,743**	9,683
2 years to 3 years	**2,759**	2,504
Over 3 years	**1,770**	2,861
	157,719	156,279

20. RESERVES

	Capital reserve RMB million	Statutory surplus reserve RMB million	General Reserve RMB million	Remeasurement reserve RMB million	Investment revaluation reserve RMB million	Hedging Reserve RMB million	Safety reserve RMB million	Exchange reserve RMB million	Retained earnings RMB million	Total RMB million
At 1 January 2016	**3,463**	**3,768**	**389**	**(119)**	**12,467**	**(2)**	**1,552**	**417**	**69,527**	**91,462**
Profit for the period	–	–	–	–	–	–	–	–	7,258	7,258
Changes in fair value of available-for-sale investments, net of tax	–	–	–	–	(1,182)	–	–	–	–	(1,182)
Release of investment revaluation reserve upon disposal of available-for-sale investments, net of tax	–	–	–	–	(43)	–	–	–	–	(43)
Cash flow hedges, net of tax	–	–	–	–	–	3	–	–	–	3
Share of other comprehensive income of a joint venture	–	–	–	–	4	–	–	–	–	4
Actuarial losses on retirement benefit obligations, net of tax	–	–	–	(9)	–	–	–	–	–	(9)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	489	–	489
Final 2015 dividend declared	–	–	–	–	–	–	–	–	(3,079)	(3,079)
Interests on perpetual medium-term notes	–	–	–	–	–	–	–	–	(300)	(300)
Dividends on preference shares	–	–	–	–	–	–	–	–	(718)	(718)
Transfer to safety production reserve	–	–	–	–	–	–	240	–	(240)	–
At 30 June 2016	**3,463**	**3,768**	**389**	**(128)**	**11,246**	**1**	**1,792**	**906**	**72,448**	**93,885**

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

21. CONTINGENCIES

	30 June 2016 RMB million	31 December 2015 RMB million
Pending lawsuits (Note a)	**2,867**	3,091
Outstanding loan guarantees (Note b)	**1,170**	895
	4,037	3,986

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

During the year ended 31 December 2013, a subsidiary of the Company was involved in a product quality dispute arising from the ordinary course of business. In September 2014, the contractor instituted a proceeding against the subsidiary, to claim a compensation relating to the product quality dispute, totalling GBP250 million (equivalent to approximately RMB2,230 million). As at 30 June 2016, the subsidiary was unable to ascertain the likelihood and reasonably estimate the outcome of the lawsuit based on advice of the legal counsel.

(b) The Group has acted as the guarantors for various external borrowings made by certain joint ventures and associates of the Group (refer to details in Note 23(c)) and a third party.

22. CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet incurred at the end of the reporting period was as follows:

	30 June 2016 RMB million	31 December 2015 RMB million
Intangible assets – concession assets	**96,127**	104,154
Property, plant and equipment	**3,257**	3,819
	99,384	107,973

23. RELATED PARTY TRANSACTIONS

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

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

23. RELATED PARTY TRANSACTIONS (Continued)

In addition to the related party information disclosed elsewhere in the unaudited interim condensed consolidated financial statements, the following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties, including other government-related entities, during the six months ended 30 June 2016 and balances arising from related party transactions as at 30 June 2016.

(a) Related party transactions

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

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Transactions with CCCG		
– Rental expenses	**49**	47
– Deposits placed with CCCC Finance and interest income	**4,363**	–
Transactions with fellow subsidiaries		
– Revenue from the provision of construction services	**–**	26
– Deposits placed with CCCC Finance and interest income	**8,983**	4,618
– Other income	**20**	–
– Other costs	**1**	3
Transactions with joint ventures and associates		
– Revenue from the provision of construction services	**2,748**	3,880
– Sales of goods	**16**	36
– Subcontracting fee charges	**290**	162
– Purchase of materials	**142**	43
– Services charges	**16**	28
– Other costs	**43**	16
– Revenue from rental income	**85**	2
– Deposits placed with CCCC Finance and interest income	**490**	–

These transactions were carried out on terms agreed with the counterparties in the ordinary course of business.

(b) Key management compensation

	For the six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Basic salaries, housing allowances and other allowances	**3,449**	3,068
Contributions to pension plans	**279**	299
Others	**42**	502
	3,770	3,869

23. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties

	30 June 2016 RMB million	31 December 2015 RMB million
Trade and other receivables		
Trade receivables due from		
– Fellow subsidiaries	**–**	514
– Joint ventures and associates	**1,030**	486
	1,030	1,000
Long-term trade receivables due from		
– Fellow subsidiaries	**108**	106
– Joint ventures and associates	**756**	343
	864	449
Prepayments to		
– Joint ventures and associates	**13**	11
Other receivables due from		
– Fellow subsidiaries	**–**	–
– Joint ventures and associates	**2,674**	488
	2,674	488
	4,581	1,948

The receivables are unsecured in nature and bear no interest. No provisions are made against receivables from related parties during the six months ended 30 June 2016 and 2015.

Long-term receivables are expected to be received beyond one year. The remaining trade and other receivables are expected to be received within one year.

	30 June 2016 RMB million	31 December 2015 RMB million
Trade and other payables		
Trade and bills payables due to		
– Joint ventures and associates	**933**	730
Advances from customers		
– Fellow subsidiaries	**–**	220
– Joint ventures and associates	**945**	513
	945	733
Dividend payables due to		
– CCCG	**1,966**	–
Other payables due to		
– CCCG	**3,560**	4,219
– Fellow subsidiaries	**1,730**	3,018
– Joint ventures and associates	**62**	24
	5,352	7,261
	9,196	8,724

23. RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

	30 June 2016 RMB million	31 December 2015 RMB million
Amounts due from contract customers		
– Joint ventures and associates	**287**	2,114
Amounts due to contract customers		
– Joint ventures and associates	**45**	225
– Fellow subsidiaries	**–**	286
Outstanding loan guarantees provided to		
– Joint ventures	**191**	182
– Associates	**960**	694
	1,151	876
Outstanding guarantees provided by CCCG	**20,723**	20,231

The payables are not secured and bear no interest. They are expected to be repaid within one year.

(d) Commitments with related parties

	30 June 2016 RMB million	31 December 2015 RMB million
Provision of construction services		
– Joint ventures and associates	**17,910**	27,503
Purchase of services		
– Joint ventures and associates	**94**	1,108
Operating lease		
– CCCG	**134**	269

(e) Transactions and balances with other government-related entities

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

23. RELATED PARTY TRANSACTIONS (Continued)

(e) Transactions and balances with other government-related entities (Continued)

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

	For the six months ended 30 June	
	2016	2015
	RMB million	RMB million
Transactions with other government-related entities		
– Interest from bank deposits	**278**	266
– Interest on bank borrowings	**4,439**	4,485
– Proceeds from borrowings	**90,167**	84,160

	30 June 2016	31 December 2015
	RMB million	RMB million
Balances with other government-related entities		
– Restricted bank deposits	**2,608**	2,012
– Terms deposits with an initial term of over 3 months	**1,996**	250
– Cash and cash equivalents	**72,513**	82,076
– Borrowings	**224,390**	178,800
	301,507	263,138

24. FINANCIAL RISK MANAGEMENT

24.1 Financial risk factors

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

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

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

24. FINANCIAL RISK MANAGEMENT (Continued)

24.1 Financial risk factors (Continued)

(a) Liquidity risk

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

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

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million	Total RMB million
As at 30 June 2016					
Borrowings (excluding finance lease liabilities)	**121,047**	**36,854**	**70,180**	**148,362**	**376,443**
Finance lease liabilities	**524**	**564**	**941**	**260**	**2,289**
Trade and other payables (excluding statutory and non-financial liabilities)	**196,811**	**5,948**	**1,612**	**825**	**205,196**
Financial guarantee contracts	**1,170**	**–**	**–**	**–**	**1,170**
Net-settled derivative financial instruments	**60**	**3**	**–**	**–**	**63**
Gross-settled derivative financial instruments outflows					
– Cash flow hedges	**243**	**43**	**13**	**–**	**299**
Gross-settled derivative financial instruments inflows					
– Cash flow hedges	**(237)**	**(43)**	**(15)**	**–**	**(295)**
	319,618	**43,369**	**72,731**	**149,447**	**585,165**
As at 31 December 2015					
Borrowings (excluding finance lease liabilities)	94,779	44,667	56,529	151,928	347,903
Finance lease liabilities	656	626	1,180	385	2,847
Trade and other payables (excluding statutory and non-financial liabilities)	190,517	8,668	–	–	199,185
Financial guarantee contracts	895	–	–	–	895
Net-settled derivative financial instruments	8	7	–	–	15
Gross-settled derivative financial instruments outflows					
– Held for trading	1,753	–	–	–	1,753
– Cash flow hedges	635	–	–	–	635
Gross-settled derivative financial instruments inflows					
– Held for trading	(1,754)	–	–	–	(1,754)
– Cash flow hedges	(2)	–	–	–	(2)
	287,487	53,968	57,709	152,313	551,477

24. FINANCIAL RISK MANAGEMENT (Continued)

24.1 Financial risk factors (Continued)

(a) Liquidity risk (Continued)

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

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

(b) Business environment in emerging economies

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

As at 30 June 2016, the balances of contract work-in-progress relating to existing construction projects and bank deposits in these countries in Africa, the Middle East and South Asia represent less than 6.0% and 3.0% (31 December 2015: less than 2.0% and 1.0%), of the Group's respective balances on the unaudited interim condensed consolidated statement of financial position. Management continuously monitors the development and changes in political, social and economic environments of these countries. Whenever there is any indication of impairment exists, management will perform impairment assessment of the outstanding assets. Based on current assessment, management does not expect any material losses on the outstanding assets in these countries. Future environment may differ from management's current assessment.

24.2 Fair value estimation

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

24. FINANCIAL RISK MANAGEMENT (Continued)

24.2 Fair value estimation (Continued)

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

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
Assets				
Financial assets at fair value through profit or loss	**109**	**–**	**–**	**109**
Derivative financial instruments				
– Forward foreign exchange contract	**–**	**10**	**–**	**10**
– Total revenue swap	**–**	**36**	**–**	**36**
Available-for-sale investments				
– Equity securities and other investments	**18,628**	**–**	**32**	**18,660**
– Other unlisted instruments	**–**	**100**	**–**	**100**
Total assets	**18,737**	**146**	**32**	**18,915**
Liabilities				
Derivative financial instruments				
– Forward foreign exchange contract	**–**	**(131)**	**–**	**(131)**
Total liabilities	**–**	**(131)**	**–**	**(131)**

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

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
Assets				
Financial assets at fair value through profit or loss	143	–	–	143
Derivative financial instruments				
– Forward foreign exchange contract	–	9	–	9
Available-for-sale investments				
– Equity securities and other investments	20,253	–	414	20,667
– Other unlisted instruments	–	46	–	46
Total assets	20,396	55	414	20,865
Liabilities				
Derivative financial instruments				
– Forward foreign exchange contract	–	(134)	–	(134)
Total liabilities	–	(134)	–	(134)

For the six months ended 30 June 2016 and 2015, there were no transfers of fair value measurements between level 1 and level 2 and no transfers in or out of level 3 for the Group's financial assets and liabilities.

For the six months ended 30 June 2016 and 2015, there were no changes in valuation techniques and no reclassifications of financial assets.

25. EVENTS AFTER THE REPORTING PERIOD

(a) As approved by China Securities Regulatory Commission, CCCC Dredging (Group) Co., Ltd. ("CCCC Dredging"), a subsidiary of the Company, issued two tranches of domestic corporate bonds on 7 July 2016. The first tranche is with a nominal amount of RMB3,000 million, interest rate of 3.01% per annum and with maturities of 5 years from issuance. The second tranche is with a nominal amount of RMB1,000 million, interest rate of 3.35% per annum and with maturities of 5 years from issuance, while CCCC Dredging has the right to adjust the nominal interest rate and the investors could sell back part or all of the bonds at the end of the third year.

(b) On 23 August 2016, the directors of the Company have approved the dividend distribution of approximately RMB718 million on the preference shares issued by the Company in September 2015 and October of 2015.

26. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the six months ended 30 June 2016 have been approved for issue by the Board of Directors on 30 August 2016.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period from 1 January 2016 to 30 June 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

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

As at 30 June 2016, none of the Directors, Supervisors or the Chief Executive Officer of the Company had any interest or short position in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

As at 30 June 2016, the Company had not granted its Directors, Supervisors or the Chief Executive Officer, or their respective spouses or children below the age of 18, any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them had ever exercised any such right to subscribe for shares or debentures.

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

As at 30 June 2016, based on the disclosure information filed with the Hong Kong Stock Exchange on its website in accordance with the requirement of the Securities and Futures Commission of Hong Kong, and so far as the Company is aware of the interests or short positions of shareholders (other than Directors, Supervisors and chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed by the Company as recorded in the register required to be maintained under Section 336 of the SFO were as follows:

Name of shareholder(Note 1)	Number of shares held	Type of shares	Percentage of the respective type of shares(Note 2) (%)	Percentage of the total number of shares in issue(Note 3) (%)	Capacity in which the shares are held
CCCG	10,325,207,306	A shares	87.89	63.84	Beneficial owner
Merrill Lynch (Asia Pacific) Limited(Note 4)	525,000,000 (Long position)	H shares	11.86	3.25	Interest of controlled corporation
	528,912,000 (Short position)	H shares	11.95	3.27	Interest of controlled corporation
Merrill Lynch Far East Limited(Note 5)	525,000,000 (Long position)	H shares	11.86	3.25	Interest jointly held with another person
	528,912,000 (Short position)	H shares	11.95	3.27	Interest jointly held with another person
Merrill Lynch International Holdings Inc.(Note 6)	525,000,000 (Long position)	H shares	11.86	3.25	Interest of controlled corporation
	528,912,000 (Short position)	H shares	11.95	3.27	Interest of controlled corporation

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

Name of shareholder(Note 1)	Number of shares held	Type of shares	Percentage of the respective type of shares(Note 2) (%)	Percentage of the total number of shares in issue(Note 3) (%)	Capacity in which the shares are held
Merrill Lynch International Incorporated(Note 7)	525,000,000 (Long position)	H shares	11.86	3.25	Interest of controlled corporation
	528,912,000 (Short position)	H shares	11.95	3.27	Interest of controlled corporation
BlackRock, Inc.(Note 8)	366,651,899 (Long position)	H shares	8.28	2.27	Interest of controlled corporation
JPMorgan Chase & Co.(Note 9)	308,469,996 (Long position)	H shares	6.96	1.91	Beneficial owner Investment manager Custodian corporation/ approved lending agent
	9,748,849 (Short position)	H shares	0.22	0.06	Beneficial owner
	155,205,210 (Lending pool)	H shares	3.50	0.96	Custodian corporation/ approved lending agent

Note 1: Except for the number of shares held by CCCG, the table is prepared based on the disclosure of interest fillings of the substantial shareholders published on the website of the Hong Kong Stock Exchange for the relevant events as of 30 June 2016.

Note 2: The percentage of respective type of shares is based on 11,747,235,425 A shares and 4,427,500,000 H shares of the Company as at 30 June 2016, respectively.

Note 3: The percentage of total number of shares in issue is based on 16,174,735,425 shares of the total issued share capital of the Company as at 30 June 2016.

Note 4: The number of shares held is based on the disclosure of interest fillings of Merrill Lynch (Asia Pacific) Limited on 15 December 2006.

Note 5: The number of shares held is based on the disclosure of interest fillings of Merrill Lynch Far East Limited on 15 December 2006.

Note 6: The number of shares held is based on the disclosure of interest fillings of Merrill Lynch International Holdings Inc. on 15 December 2006.

Note 7: The number of shares held is based on the disclosure of interest fillings of Merrill Lynch International Incorporated on 15 December 2006.

Note 8: The number of shares held is based on the disclosure of interest fillings of BlackRock, Inc. on 30 June 2016.

Note 9: The number of shares held is based on the disclosure of interest fillings of JPMorgan Chase & Co. on 30 May 2016.

Save as stated above, as at 30 June 2016, in the register required to be maintained under Section 336 of the SFO, no other persons were recorded to hold any interests or short positions in the shares or underlying shares of the Company that would fall to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO.

Other Information

EMPLOYEES

As at 30 June 2016, the Company had 127,006 employees that had signed labour contracts with the Company.

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules for the six months ended 30 June 2016.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as set out in Appendix 10 to the Hong Kong Listing Rules to govern securities transactions by Directors and Supervisors. Having made specific enquiry to all Directors and Supervisors of the Company, the Company confirms that the Directors and Supervisors have complied with the Model Code throughout the period from 1 January 2016 to 30 June 2016.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee of the Board currently comprises LIU Zhangmin, LEUNG Chong Shun and HUANG Long, all of whom are independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2016. The Audit Committee has also discussed matters such as the accounting policies and practices adopted by the Company and internal control with the senior management of the Company.

DIVIDEND

On 23 August 2016, the Board approved the dividend distribution plan for the preference shares issued by the Company in the PRC. For the 90,000,000 preference shares of the Company issued in September 2015, the dividend is RMB5.1 per share (tax inclusive) and for the 55,000,000 preference shares of the Company issued in October 2015, the dividend is RMB4.7 per share (tax inclusive). For details of the distribution plan, please refer to the announcement of the Company dated 23 August 2016 in relation to the distribution of dividend for the preference shares issued in the PRC.

Save as disclosed above, the Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2016.

"A Shares"	domestic shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"Articles of Association"	the articles of associations of the Company, approved on 8 October 2006, and as amended thereafter
"Board"	the board of directors of the Company
"BOT"	build, operate and transfer
"Company" or "CCCC"	China Communications Construction Company Limited, a joint stock limited company with limited liability incorporated under the laws of the PRC on 8 October 2006, and except where the context requires otherwise, all of its subsidiaries
"CCCC Dredging"	CCCC Dredging (Group) Co., Ltd., a subsidiary of the Company
"CCCG"	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 63.84% equity interest in the Company
"Director(s)"	the director(s) of the Company
"experts in five areas"	the strategy of being is the optimisation and re-building of the Company based on our existing businesses, markets and resources. That is, to build the Company to be a world-famous engineering contractor, an urban complex developer and operator, a distinctive real estate developer, an integrated infrastructure investor and a general contractor of offshore heavy equipment and port machinery manufacturing and system integration
"EPC"	Engineering-Procurement-Construction
"Group"	the Company itself and all of its subsidiaries
"Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	International Financial Reporting Standards promulgated by the International Accounting Standard Board ("IASB"). IFRS includes International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations
"John Holland"	John Holland Group Pty Ltd.

Terms & Glossaries

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"PPP"	Public-Private-Partnership
"PRC" or "China" or "Mainland China"	the People's Republic of China excluding, for the purposes of this interim report only, Hong Kong, Macau and Taiwan
"RMB" or "Renminbi"	the lawful currency of the PRC
"SFO"	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholders"	the shareholders of the Company
"State Council"	the State Council of the PRC
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council
"Supervisor(s)"	the supervisor(s) of the Company
"terminal"	an assigned area in which containers and cargo are prepared for loading onto a vessel, train, truck or plane or are stacked immediately after discharge from the vessel, train, truck or plane
"Thirteenth Five-Year Plan"	the Thirteenth Five-Year Plan for National Economic and Social Development (2016-2020) promulgated by the State Council on the National People's Congress and the Chinese People's Political Consultative Conference in 2016
"U.S."	United States of America
"U.S. dollars" or "USD"	United States dollars, the lawful currency of the U.S.

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

I. CORPORATE INFORMATION

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

II. CONTACT PERSON AND CONTACT DETAILS

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

III. BASIC INFORMATION

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

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

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

IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

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

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

V. BASIC INFORMATION ON SHARES OF THE COMPANY

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

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

VI. OTHER INFORMATION OF THE COMPANY

Domestic Auditors:
Ernst & Young Hua Ming LLP
Level 16, Ernst & Young Tower, Oriental Plaza, No. 1 East Chang An Avenue,
Dong Cheng District, Beijing, China
Signing auditors: WANG Pengcheng and ZHANG Yiqiang

International Auditors:
Ernst & Young
22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong

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

Period of continuous supervision: 16 March 2016 to 31 December 2017

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

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

Authorised representatives of H Shares: FU Junyuan, LIU Wensheng

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

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

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

www.ccccltd.cn