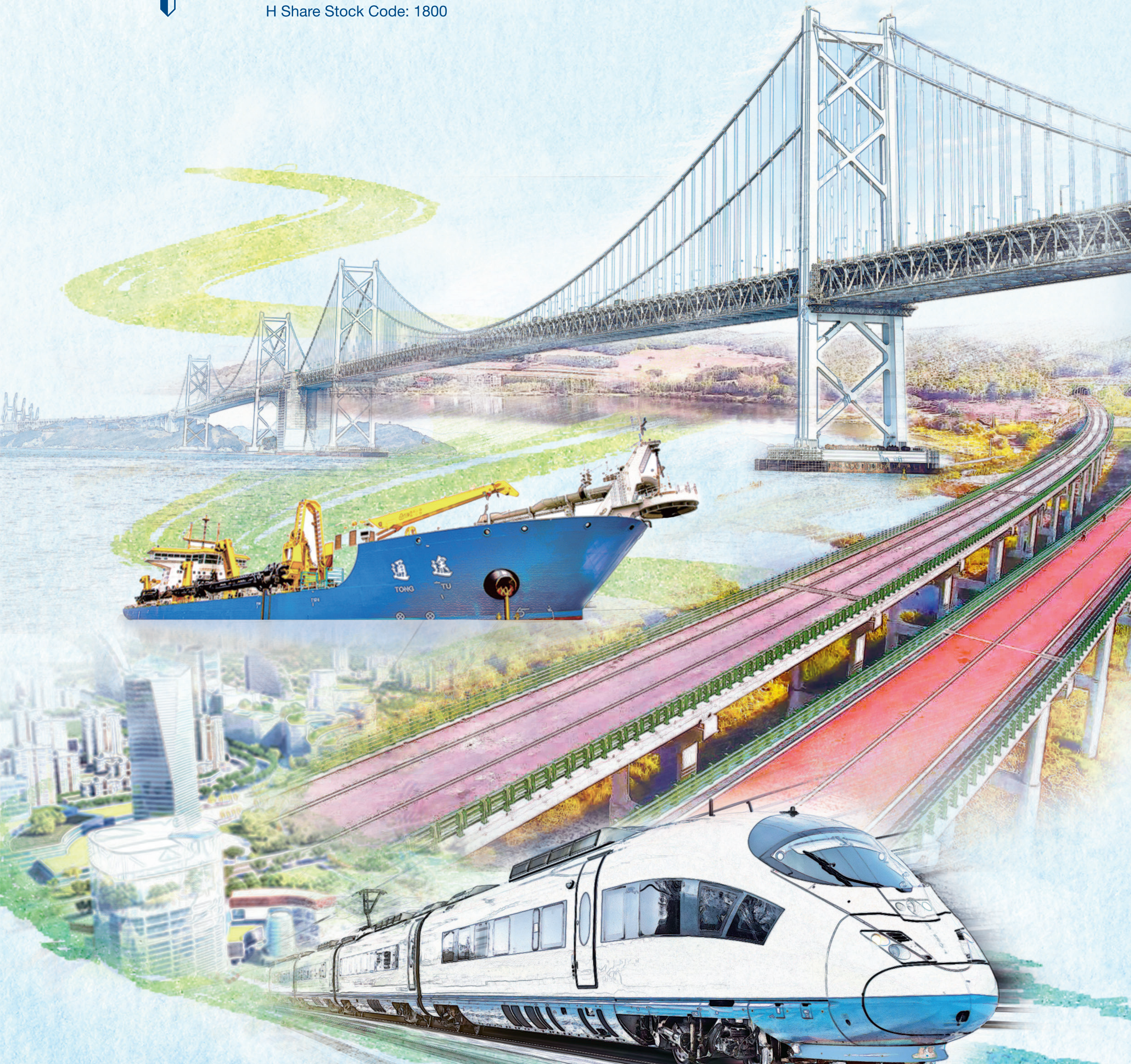
中國交通建設股份有限公司
CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
H Share Stock Code: 1800



2020
INTERIM REPORT
(H Share)

Contents

PERFORMANCE HIGHLIGHTS

RMB million (except per share data)	For the six months ended 30 June 2020	2019	Change (%)
Revenue	**245,410**	239,461	2.5
Gross Profit	**28,511**	28,100	1.5
Operating Profit	**13,543**	15,726	(13.9)
Profit attributable to owners of the parent	**5,517**	8,781	(37.2)
Basic earnings per share (RMB)	**0.28**	0.48	(41.7)

RMB million	As at 30 June 2020	31 December 2019	Change (%)
Total assets	**1,232,556**	1,123,414	9.7
Total liabilities	**925,322**	827,004	11.9
Total equity	**307,234**	296,410	3.7
Equity attributable to owners of the parent	**228,056**	229,916	(0.8)

RMB million	For the six months ended 30 June 2020	% of total	2019	Change (%)
New Contracts	**533,094**	**100.0**	496,975	7.3
Infrastructure Construction Business	**478,051**	**89.7**	440,729	8.5
– Port Construction	**22,032**	**4.2**	12,155	81.3
– Road and Bridge Construction	**117,430**	**22.0**	138,303	(15.1)
– Railway Construction	**1,164**	**0.2**	2,879	(59.6)
– Municipal and Environmental Projects, etc.	**222,329**	**41.7**	181,650	22.4
– Overseas Projects	**115,096**	**21.6**	105,742	8.8
Infrastructure Design Business	**15,888**	**3.0**	19,328	(17.8)
Dredging Business	**34,735**	**6.5**	30,854	12.6
Other Businesses	**4,420**	**0.8**	6,064	(27.1)

RMB million	As at 30 June 2020	% of total	31 December 2019	Change (%)
Backlog	**2,259,504**	**100.0**	2,001,886	12.9
Infrastructure Construction Business	**2,050,029**	**90.7**	1,810,347	13.2
Infrastructure Design Business	**85,852**	**3.8**	85,062	0.9
Dredging Business	**113,330**	**5.0**	95,017	19.3
Other Businesses	**10,293**	**0.5**	11,460	(10.2)

Notes:

1. Due to the adjustment of shareholding, the results of CCCC Tianhe were consolidated into the consolidated financial statements of the Company in June 2020, and included under other businesses segment. Meanwhile, the Company has made the adjustments to the data for the same period of last year, to show a year-on-year analysis.

2. In calculating the amount of basic earnings per share for the six months ended 30 June 2020, the 9,024,000 H shares repurchased in the first half of the year have been excluded, and the interests/dividends with an aggregate amount of approximately RMB1,050 million shall be excluded from earnings.

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of the year, the Company stood the severe test of the epidemic, pushed work and production resumption in an orderly manner and achieved a steady rise in the gross profit margin of the principal business of domestic engineering projects. The Group recorded the operating revenue of RMB245,410 million, representing a year-on-year increase of 2.5%. From the perspective of quarter-on-quarter growth rate, the growth rate of the operating revenue for the second quarter increased significantly as compared with the first quarter. However, as affected by the suspension of work and production of some projects and the impact of free passage of domestic toll roads on the Company's investments in concession projects in the early stage of the epidemic, net profit attributable to the shareholders of the Company amounted to RMB5,517 million, representing a year-on-year decrease of 37.2%, and earnings per share was RMB0.28. As the epidemic prevention and control has achieved substantial results, domestic projects have basically returned to normal operation since May. Market expansion was carried out smoothly with sufficient order backlog, and new contracts value amounted to RMB533,094 million, representing a year-on-year increase of 7.3%. As of 30 June 2020, the backlog amounted to RMB2,259,504 million, providing strong support and guarantee for sustained and steady development of the Company.

As an important holding subsidiary of CCCG, the Company played a decisive role in the business performance of CCCG. In 2020, CCCG ranked the 78th in the Fortune Global 500. In the Operating Results Assessment of Centrally-administered State-owned Enterprises conducted by the SASAC, CCCG has been rated as a Grade A enterprise for the 15th consecutive years, also the only one centrally-administered state-owned enterprise in the construction industry that has been rated as a Grade A enterprise for the 15th consecutive years. CCCG ranked the 4th in ENR's Top International Contractors and remained the first among the Chinese enterprises in such global ranking for the 14th consecutive years.

In the first half of the year, there were still some issues restricting the high-quality development of the Company's production and operation, which was due to the new problems brought about by the epidemic, and also the "old problems" accumulated in development or the new development of the "old problems". Firstly, it was due to the impact of the epidemic. In the early stage of the epidemic, some projects under construction experienced construction suspension or semi-suspended construction, the road tolls of the concession projects significantly decreased, and the overseas business suffered a significant decline due to the global epidemic. Secondly, it was due to the overweight asset structure. The operational assets have a longer cycle, the highways and mid-and-long term investment have a higher proportion, and some ship machinery equipment and old equipment are idle or inefficient. Thirdly, it was due to disproportionate profit structure. The traditional businesses have higher proportion but lower profit margin, while emerging businesses still have not become new profit growth points, and the high finance costs of investment business have squeezed the profit space of the principal business. Fourthly, it was due to a lack of vitality. System and mechanism reforms have not yet achieved substantial breakthroughs, the concept of "waiting, relying and taking" still exists, and the vitality of development is to be released at a faster pace.

In the second half of the year, the Company still faces many internal and external challenges and undertakes multiple tasks including epidemic prevention and control, poverty alleviation and growth stabilization. The Company will adhere to the general keynote of seeking progress while maintaining stability and the main line of high-quality development, and implement the requirements of "two strivings" of the SASAC, aiming to accomplish the target for the year with unwavering faith. The Company will make plan coordinately, grasp the key points and take targeted measures, striving to obtain good performance in the second half of the year and ensure a successful conclusion of the Thirteenth Five-Year Plan. The main measures and requirements are as follows:

The first is to uphold the "double bottom lines" thinking for overall planning and consolidate a "stable" foundation for achieving the target for the year and promoting high-quality development. Risk prevention and stable growth will be placed in an equally important position, the responsibility as a central enterprise will be performed earnestly, and stable operation in general will be maintained, so as to provide strong support to social and economic development with the Company's stable and healthy development. The Company will adhere to its strategies, focus on the strategy of being "experts in five areas" and the positioning of playing "three roles" to stride forward with full confidence and all efforts and boost confidence in growth with all employees' support. More efforts will be put on risk prevention, and epidemic risks, financial risks, investment and operation risks, safety, environmental protection and stability risks, Sino-US economic and trade frictions and other risks will be actively and properly coped with, making sure that no material and systematic risks will be incurred.

CHAIRMAN'S STATEMENT

The second is to take multiple measures to win the "two battles" of epidemic prevention and control as well as production and operation, and develop an "up" momentum for achieving the target for the year and promoting high-quality development. The Company will conduct epidemic prevention and control at home and abroad with consistent prudence. Overseas epidemic prevention and control will be carried out in a solid and meticulous manner adhering to the principle of "good planning, precise prevention and long-term development". For domestic epidemic prevention and control, regular prevention and control measures will be adopted under the principle of "preventing imported cases and the resurgence of domestic epidemic". All efforts should be exerted to accomplish the target for the year and promote stable development of high quality. The Company will put more emphasis on quality and efficiency enhancement, conduct stronger and better investment, grasp market increment, spare no effort to step up the pace and improve productivity, and highlight the guiding role of appraisal. Meanwhile, the Company will strengthen strategic planning and develop the Fourteenth Five-Year Plan with high quality, aiming to marking more forward-looking strategies and consolidating and expanding the leading position in strategy.

The third is to coordinately and orderly speed up the "two-wheel drive" of reform and innovation, and build an "excellent" mechanism for achieving the target for the year and promoting high-quality development. Efforts should be made to rapidly and steadily advance the effective implementation of the reform, further clarify the division of authority and responsibility of the headquarters reform, promote the delegation of authority to subsidiaries, and improve the Company's operation efficiency. Overseas reform will be conducted in a steady and orderly way under the principle of "practice and progressivity". The market-oriented operational mechanism will be improved constantly with a focus on the improvement on the corporate governance structure, mixed ownership reform and the three system reform. The Company will focus on promoting substantial results of innovation, and highlight scientific and technological innovation, comprehensive digital transformation, and institutional and mechanism innovation in the field of science and technology.

The fourth is to firmly facilitate the "two-way integration" of Party building and business operation so as to create "dynamic" joint forces for achieving the target for the year and promoting high-quality development. Leveraging the special program of "Year for Strengthening and Deepening the Party Building of Central Enterprises" and guided by the contact points for the Party building of state-owned enterprises, the Company will perform its duty well. Being true to the original aspiration and direction and armed with political awareness and strict implementation, the Company will march toward its mission unswervingly. Adhering to the two "consistent implementation principles", the Company will undertake the mission and responsibility as a central enterprise earnestly, striving to ensure the effective implementation of each job with persistent hard work and dedication as well as improved working practices and status.

2020 is a year to build a moderately prosperous society in all respects and the concluding year of the Thirteenth Five-Year Plan, and also a key stage for the Company's high-quality development. The Company will rally more closely around the Party Central Committee with Comrade Xi Jinping as the core, and make every effort to firmly accomplish the target for the year so as to make greater contribution to the building of a moderately prosperous society in all respects, the centenary of the founding of the Party and the "Two Centenary Goals". All shareholders, people from all walks of life and friends that have cared about our Company for a long time, we hope for your continued help and support!

Liu Qitao
Chairman

Beijing, the PRC
28 August 2020

BUSINESS OVERVIEW

MAIN BUSINESS

The Company is a leading transportation infrastructure enterprise in the PRC and its core businesses are infrastructure construction, infrastructure design and dredging. Its scope of business mainly consists of the investment, design, construction, operation and management of port, waterway, river basin, road and bridge, railway, tunnel, rail transit, municipal infrastructure, housing construction, environmental protection and land reclamation at home and abroad. The Company is engaged in providing customers with integrated solutions services for each stage of the infrastructure projects leveraging on its extensive operating experience, expertise and know-how accumulated from projects undertaken in a wide range of areas over the decades.

BUSINESS MODEL

The business operation process of the Company mainly includes collecting project information, pre-qualification, bidding, executing projects, and delivering projects to customers after completion. The Company has formulated a comprehensive project management system that covers the entire contract process, including the preparation of tenders, bidding price, project organization planning, budget management, contract management, contract performance, project supervision, contract changes, and project completion and delivery. Among which, the Company's infrastructure construction, infrastructure design and dredging business all fall within the scope of the construction industry, and the main project operation process is basically consistent with the above description.

When the Company prepares the project quotation, it carries out a detailed study on the proposed bidding project, including technical and commercial conditions and requirements of the tender followed by a site visit. The Company also invites quotations from suppliers and sub-contractors for various items or activities in respect of the tender. The Company analyses and collects the above information to calculate the costs of each item in the project lists and then marks up gross profit to be obtained according to a certain percentage to calculate the bidding price to the client.

After the project is awarded and the contract is signed, the Company usually collects prepayment at 10% to 30% of the total contract amount before the project commences, and then settles the payment on a monthly or regular basis according to the progress. Payments from customers are usually settled within 1 to 3 months.

At the same time as the above business was carried out, the Company began to develop infrastructure investment projects in 2007 to obtain investment profits apart from those from reasonable design and construction, so as to realize the transformation and upgrading from contractors and manufacturers to investors and operators. After years of development, the scale of investment business has steadily expanded, and the investment returns have increased year by year, which is driving the Company's sustainable and healthy development. For details, please refer to the section headed "Management's Discussion and Analysis".

BUSINESS OVERVIEW

CORE COMPETITIVENESS DURING THE REPORTING PERIOD

(I) Strong Advantages in the Fields of Principal Businesses

The Group is the world's largest port, road and bridge design and construction company, the world's largest dredging company. It is also the largest international contractor and the largest highway investor in China, and owns the largest engineering fleet in the world. The Group has 37 principal wholly-owned or holding subsidiaries, and operates businesses in China's all provinces, cities, autonomous regions, Hong Kong Special Administrative Region and Macau Special Administrative Region and 139 countries and regions across the world.

The Group is the world's largest port design and construction company and has a leading professional ability and a complete industry chain. It undertakes the design and construction of most of medium and large ports in coastal zones since the founding of PRC, and participates in the design and construction of many large ports overseas, fostering a strong competitiveness and brand influence. In China, there are limited market players that can compete with the Group.

The Group is the world's largest road and bridge design and construction company and realizes the infrastructure industry layout with full lifecycle, whole-process and integrated services, covering from single industry chain to whole industry chain (planning, feasibility study, investment and financing, survey and design, project construction, operation and maintenance, and asset disposal), from domestic market to overseas market and from road to civil engineering industry. In the field of design and construction of expressways, high-grade highways as well as river-crossing and sea-crossing bridges, the Group has leading technologies, adequate financial capacity, outstanding project performance, abundant resource reserves and a good reputation. As social capitals are entering the infrastructure industry at a faster pace amid the country's greater efforts to deepen the reform of investment and financing circulation system, competitors of the Group are not limited to large central enterprises and local based state-owned infrastructure enterprises only, and strong private enterprises, financial institutions and other social capitals will also participate in the competition.

The Group is one of the largest railway construction company in China and has developed into the main force of China's railway construction by virtue of its outstanding construction level and excellent management capability, but a large gap still exists between the Company and the two traditional railway infrastructure enterprises – China Railway Group Limited and China Railway Construction Limited in terms of market shares in China. However, as to the overseas market, the Company has successfully entered the railway construction markets in Africa and Southeast Asia, and several major railway projects have been completed or operated or are under construction, becoming a heavyweight in the market. With regard to the railway infrastructure design, the Group entered the market during the "Eleventh Five-Year" period and it is now making efforts to further improve the market influence and stays in the market cultivation stage currently.

The Group is the world's largest dredging company and enjoys absolute influence in China's coastal dredging market. After years of development, it has strong competitiveness in core equipment, professional advantage, technological strength, credit rating, public image and industry brand, and builds a full industry chain of planning, consultation, investment, design, construction and operation in the fields of port dredging, channel dredging, land reclamation, pre-dredging and post-dredging services and environmental protection. Currently, the Group has the largest and most advanced dredging team in China and ranks the first in the global market in terms of the total capacity of trailing suction hopper dredgers and total installed power of cutter suction dredgers.

CORE COMPETITIVENESS DURING THE REPORTING PERIOD (CONTINUED)

(II) Core Competitiveness Improvement Driven by Technological Innovation

The Company attaches great importance to technological innovation, continuously improves the technological innovation system and strengthens efforts to achieve breakthrough in core technologies. It is committed to improving the independent innovation capability, continuously deepening the technology system reform, enhancing technological innovation incentive and talent pool construction, taking multiple measures to promote the strategy of innovation-driven development and staying determined to advancing the high-quality development by technological innovation.

The Company has established the leading group for technological innovation and core technology breakthrough and puts great efforts to overcome technology bottleneck. It has a "three-level and three-type" platform system that integrates fundamental application research, technology research and development, and engineering and industrialization research. Meanwhile, the Company builds the high-end technology think tank comprised of academicians of Chinese Academy of Engineering, to serves as the brain trust of the Company and the platform for introducing external high-end technology and promoting technology cooperation.

The Company makes significant breakthrough in technologies regarding road construction and maintenance under complicated natural conditions, expressway in high-cold permafrost regions, long-span bridge, long and large mountain tunnel, underwater tunnel, highway-railway bridge, offshore deep-water port, rapid island building in open seas, deep-water submerged tube tunnel, installation and construction of wind power infrastructure, and ranks among the top in the international market. The core technology of super-large diameter tunnel shield machine manufacturing breaks the foreign technology blockade, realizes the domestication and industrialization of the whole machine, and is comparable to top-ranking enterprises of European and American markets. Applied technologies including BIM, Beidou satellite and high-resolution remote sensing witness rapid development and maintain the leading position in the industry domestically.

(III) New Achievements in Business Qualification

The Group obtains several extra-grade, grade A and comprehensive grade A qualifications for the main businesses.

The Group has obtained a total of 33 extra-grade qualifications, including 9 extra-grade qualifications for general contracting of port and waterway engineering construction, 22 extra-grade qualifications for general contracting of road project construction, 1 extra-grade qualification for general contracting of architectural engineering construction and 1 extra-grade qualification for general contracting of municipal utilities project construction. The Group now has obtained more than 750 qualifications for major engineering contracting and more than 200 qualifications for engineering consulting, survey and design, including 8 comprehensive grade A qualifications for engineering design, and several qualifications for business such as supervision, surveying and mapping, testing, and external operations.

BUSINESS OVERVIEW

BUSINESS OVERVIEW

In the first half of 2020, the Company coordinated epidemic prevention and work resumption under the impact of COVID-19. With the encouragement to face difficulties and the determination to forge ahead, it endeavored to nurture new opportunities amid crises and usher in new pages in the changing environment, and made every attempt to minimize the impact of COVID-19. Owning to these arduous efforts, all works were promoted in an orderly manner, and the business operation indicators recovered gradually since the second quarter and took on the trend of steady growth.

In the first half of 2020, the value of new contracts of the Group amounted to RMB533,094 million, representing a year-on-year increase of 7.3%. As at 30 June 2020, the backlog of the Group amounted to RMB2,259,504 million.

In the first half of 2020, the value of new contracts from overseas markets of the Group amounted to RMB116,338 million (equivalent to approximately USD16,880 million), representing a year-on-year increase of 3.7% and accounting for 22% of the Group's new contract value. Statistics showed that as at 30 June 2020, the Company operated businesses in 139 countries and regions, in which, a total of 855 foreign contracting engineering projects were under construction, with a total contract value of approximately USD141,100 million.

In the first half of 2020, the confirmed contract value from PPP investment projects of the Group amounted to RMB77,777 million (wherein: the contract value of share-participation projects recognized in proportion of shareholding amounted to RMB24,975 million), representing a year-on-year increase of 15.7% and accounting for 15% of the Group's new contract value. The value of construction and installation contracts to be undertaken by the Group was estimated to be RMB87,484 million.

I. BUSINESS REVIEW AND MARKET STRATEGIES

(I) Domestic Market

In the first half of 2020, the whole country promoted the epidemic prevention and the economic and social development in a coordinated manner. China's economy witnessed a rebound from the previous slowdown, and returned to positive growth in the second quarter from a negative one; major economic indicators got back on the track of growth, and the economy recovered steadily. The GDP recorded a year-on-year decline of 1.6% in the first half of 2020, rebounding by 5.2 percentage points from the first quarter. Fixed asset investment in infrastructure declined by 2.7%, and the decline was 3.6 percentage points lower than that from January to May. Specifically, investment in road transport business and railway transport business grew by 0.8% and 2.6% respectively, while such investment from January to May decreased by 2.9% and 8.8% respectively. Investment in water management grew by 0.4%, compared to the decline of 2.0% from January to May. Investment in public facility management decreased by 6.2%, and the decrease contracted by 2.1 percentage points.

To cope with the impact of COVID-19 and the economic slowdown pressure, the country announced a series of favorable policies in the first half of 2020, including special local government bonds, tax cuts and fee reductions, reducing the proportion of capital in PPP projects and encouraging infrastructure REITs pilot program, all of which brought new opportunities to the industry. Owning to the implementation of reverse stimulation policies including national fiscal and financial policies and multiple measures adopted by local governments to ensure steady growth and the vigorous promotion of new infrastructure construction, new urbanization, major transportation and water projects, new industries, new segments and new growth drivers are taking shape and developing rapidly, and the construction market embraces opportunities to grow for recovering from and offsetting the negative impact and opens greater space for development.

In the first half of 2020, the Company adhered to the principle of seeking progress while ensuring stability and promoted all works in an orderly manner by centering on two themes, epidemic prevention and work resumption. As the epidemic control maintained a stable development in the country, the Company focused on key projects to meet production objectives, and work resumption recorded progress month on month, with the "Super Project" completing the installation of the first submerged tube of Shenzhen-Zhongshan Bridge, Yongding River Beijing Section realizing water supply along the whole line for the first time in 25 years and Xinjiang Wuyu Project Tianshan Tunnel getting ready for the main construction. In market operation and development, the Company centered on the core of high-quality development and focused on the five major directions, "overseas development", "bay area layout", "urbanization", "network building" and "people orientation", to seize new opportunities for each segment to develop. While conducting careful analysis on the existing markets for seizing opportunities to grow for recovering from and offsetting negative impacts and consolidating the shares in traditional advantageous markets, the Company leveraged relevant supporting policies of the country to explore potential opportunities and to vigorously develop market space in new fields of urban construction, eco-environment protection, "new infrastructure" and public health.

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(II) Overseas Market

In the first half of 2020, the COVID-19 pandemic spread rapidly across the world, forcing many countries to suspend nearly all kinds of activities, greatly affecting all parts of the global industry chain and increasing the default risk of certain countries. International tendering activities and international exchange activities were delayed to different extent, which postponed or dragged the progress of international cooperation projects and subjected projects to greater risk. The overseas operation was faced with greater uncertainty due to the most serious China-US tension since the establishment of diplomatic relations, which was aggravated by increasing geopolitical conflicts. Despite of these, major economies across the world still adopted investment and infrastructure development as the important solution to boost economy. China offered stronger support to the construction of "Belt and Road Initiative". Currently, 138 countries and over 30 international organizations have signed 200 cooperation documents with China to promote the "Belt and Road Initiative". Accelerating the facilities connectivity becomes the key area and the core of "Belt and Road Initiative"; the financial integration of domestic and overseas financial institutions achieves notable results; the going out strategy and the high-quality development is in a period of important strategic opportunities, which shows a bright prospect.

In the first half of 2020, the Company was committed to two major tasks, stabilizing production and operation and implementing epidemic prevention and control. On the one hand, it strengthened the joint prevention mechanism for fighting the virus, conducted regular epidemic prevention and organized construction and production in an orderly manner. On the other hand, it focused on interconnection, overseas railway business and international cooperation in production capacity, and was awarded by a number of large projects with value exceeding USD300 million, including Singapore Tuas Integrated Waste Treatment Plant EPC Project Section I – Phase I, the ARC Construction Project of the Airside Connecting Channel of Singapore Changi Airport Terminal 5 and Cambodia Sihanoukville Land Reclamation Project. The value of new contracts from overseas market remained basically the same as the level of the corresponding period of last year. In addition, the Company developed and carried out the overall plan of "Overseas Reform Year", and introduced a series of reform measures promoting the incremental development of overseas business to continuously boost the high quality development of overseas market.

(III) Business Summary

1. Infrastructure Construction Business

The scope of infrastructure construction business mainly consists of the construction of port, road and bridge, railway, tunnel, rail transit, and the investment, design, construction, operation and management of other municipal infrastructure at home and abroad. Categorised by project type, it specifically covers port construction, road and bridge construction, railway construction, municipal and environmental projects, etc., and overseas projects, etc..

In the first half of 2020, the value of new infrastructure construction contracts entered into by the Group amounted to RMB478,051 million, representing a year-on-year increase of 8.5%. Wherein, the value of new contracts from overseas markets amounted to RMB115,096 million (equivalent to approximately USD16,700 million); the confirmed value of new contracts from PPP investment projects amounted to RMB75,864 million, and the value of construction and installation contracts to be undertaken by the Group was estimated to be RMB85,661 million. As at 30 June 2020, the backlog amounted to RMB2,050,029 million.

Categorised by project type and location, the value of new contracts in terms of port construction, road and bridge construction, railway construction, municipal and environmental projects, etc., and overseas projects amounted to RMB22,032 million, RMB117,430 million, RMB1,164 million, RMB222,329 million and RMB115,096 million, representing 5%, 25%, 0.2%, 46% and 24% of the total value of new infrastructure construction contracts, respectively.

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

1. Infrastructure Construction Business (continued)

(1) Port Construction

In the first half of 2020, the value of new contracts of the Group for port construction projects in Mainland China amounted to RMB22,032 million, representing a year-on-year increase of 81.3%, and accounting for 5% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from PPP investment projects amounted to RMB3,029 million. The increase in the value of new contracts was mainly attributable to the increased demand for coastal and inland water transportation construction and the increase of participation in construction in relation to regional ports under PPP model.

In the first half of 2020, according to the data published by the Ministry of Transport, fixed assets investment in coastal and inland water transportation construction completed amounted to approximately RMB56,827 million, representing a year-on-year increase of 6.8%. Driven by such policies as construction of a strong transportation network, water transportation investment has shown a slight growth. The Company devotes to developing the inland water market, deeply cultivates the national strategic area, and promotes the construction of a powerful transportation country in terms of water transportation under the assistance of dual engine of "market stock + investment", thus consolidating its leading position in port and waterway projects. The Company successfully entered into agreements in relation to the Huanghua Port Ore Terminal Project, the PPP Project of Huangma Work Zone and Lingang New City Work Zone (Phase I) in the Urban Harbor District of Huai'an Port in Jiangsu Province and the Zaozhuang Section of the Class II Navigation Channel Renovation Project of the Beijing – Hangzhou Grand Canal, etc..

In the second half of 2020, the water transportation investment is expected to continue its good momentum and play an important role in the steady growth of transportation construction. The coastal markets are mainly concentrated in the Yangtze River Delta, the Pearl River Delta, Fujian province and Hainan province, with opportunities ermerging on the fields of hub ports, LNG terminal construction and smart port upgrades. Inland water market opportunities will mainly come from subdivisions such as the upgrading of waterway, artificial canals, new sea channels and navigation hubs.

(2) Road and Bridge Construction

In the first half of 2020, the value of new contracts of the Group for road and bridge construction projects in Mainland China reached RMB117,430 million, representing a decrease of 15.1%, and accounting for 25% of that of the infrastructure construction business. Wherein, the confirmed contract value from PPP investment projects amounted to RMB26,136 million. The decrease in the value of new contracts was mainly attributable to the slowdown in bidding of some large-scale projects and the control of number of long-term investment projects such as concession projects newly entered into by the Company as a result of the COVID-19 epidemic.

In the first half of 2020, according to the data published by the Ministry of Transport, the fixed assets investment in road transport construction amounted to approximately RMB1,014,800 million, representing an increase of 6.8%. Highway construction is key to transportation infrastructure. However, due to the impact of COVID-19 epidemic, bidding activities in the first quarter were delayed to varying degrees. In the second quarter, the resumption of work and production increased significantly, and reserve projects have been gradually conducted. Backed by the encouragement of counter-cyclical policies, a combination of "construction of a strong transportation network", "fixing weakness" and "new infrastructure" has been launched, policies such as the reduction of the proportion of project capital and the new regulations on special debt have effectively expanded the financing channels for transportation infrastructure, therefore further enhanced the growth rate of expressway investment projects led by local governments.

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

1. Infrastructure Construction Business (continued)

(2) Road and Bridge Construction (continued)

In the first half of 2020, the Company carried out in-depth brand management, fine management and high-end management, and acquired various representative highway projects including the Reconstruction and Expansion Project of Nanjing Section of Provincial Highway 126, the main project of the Hebei Section of the Beijing-Xiongan New Area Expressway, and the BOT Project of Guiyang-Jinsha-Gulin (Guizhou and Sichuan Conjunction) Highway in Guizhou Province, thereby further strengthened our competitive advantages in the traditional main business. At the same time, with overall planning, we won the bid of the super-long-span G228 Dandong Line Rushankou Bridge and the super-long-span Dianxihe Bridge over Miyu Expressway in Yunnan province, which further highlighted our market position in the field of long and large bridges.

The planned annual investment on highway was basically the same as last year and planned to remain stable. With the improvement of the epidemic prevention situation, investment in the highway industry will remain high in the second half of 2020. Investment will mainly focus on new types of bridges such as road network encryption, long tunnels on mountain roads, river and sea crossing bridges, road-rail bridges.

(3) Railway Construction

In the first half of 2020, the value of new contracts of the Group for railway construction projects in Mainland China reached RMB1,164 million, representing a decrease of 59.6%, and accounting for 0.2% of that of the infrastructure construction business. In particular, the confirmed value of contracts from PPP investment projects amounted to RMB1,040 million.

According to the plan of China Railway Group, the fixed-assets investment in railway in 2020 will be RMB800,000 million, and the completed fixed-assets investment in railway in the first half of 2020 amounted to approximately RMB325,900 million, representing an year-on-year increase of 1.2%. In the second half of 2020, most of the high-speed railways in the "eight verticals and eight horizontals" key projects will start construction successively, and the super project Sichuan-Tibet Railway will also be fully implemented. In addition, in August, China Railway introduced the Program of Building National Strength in Railway Transportation in the New Era, which sets out the development targets and main tasks of the Chinese railway in 2035 and 2050, and describes the blueprint for the development of the Chinese railway in the new Era. The Company will enhance the development of the railway market, improve the layout and business planning of key projects, striving to gain breakthroughs in performance.

(4) Municipal and Environmental Projects, etc.

The Group actively participated in urban infrastructure construction for rail transit, ecological and environmental protection, urban comprehensive pipe gallery, housing construction, sponge city, etc., extensively, with considerable influence in the market.

In the first half of 2020, the value of new contracts of the Group for municipal and environmental projects, etc. in Mainland China reached RMB222,329 million, representing a year-on-year increase of 22.4%, and accounting for 46% of that of the infrastructure construction business. Wherein, the confirmed value of contracts from PPP investment projects was RMB41,057 million. The increase in the value of new contracts was mainly attributable to emerging sectors including rail transit, ecological and environmental protection, municipal construction and housing construction.

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

1. Infrastructure Construction Business (continued)

(4) Municipal and Environmental Projects, etc. (continued)

In the first half of 2020, the Company, with a focus on whole transportation, whole city and whole water transport, successfully captured the best market share by leveraging the advantages of the entire industry chain and integrated services, seized the opportunities for development of new urbanization and rail transit construction, deeply integrated urban areas development, infrastructure construction, ecological and environmental protection construction, municipal public services, investment and financing and other fields. The Company's new business showed outstanding performance. We completed urban complex projects with CCCC's characteristics such as the Northern New City in Wanzhou District, Chongqing City, the Project in Zaoyuan Region of Linyi West Town in Shandong Province, and the Yinhu Resettlement Housing Project in Fuyang District, Hangzhou City, which further enhanced the brand influence of "CCCC Urban". We successfully won the bid for Chengdu Rail Transit Line 30 Project, realizing the sustainable development of the rail transit business in Chengdu, and contributing to the Company's stronger and better growth in rail transit business. We successively implemented comprehensive water environment improvement projects in provinces including Hubei, Hebei and Henan, practiced the concept of ecological civilization construction to build a beautiful China, and promoted the rapid development of environmental business.

(5) Overseas Projects

In the first half of 2020, the value of new contracts of the Group for overseas projects in the infrastructure construction business amounted to RMB115,096 million (equivalent to approximately USD16,700 million), representing a year-on-year increase of 8.8%, and accounting for 24% of that of the infrastructure construction business. In particular, the confirmed value of contracts from PPP investment projects amounted to RMB4,602 million, and in the first half of the year,15 new projects were entered into with each contract value of over USD300 million and a total contract value of USD9,939 million, accounting for 59% of total value of all overseas new contracts of the Group.

Categorised by project type, the value of overseas new infrastructure construction contracts for municipal and environmental, roads and bridges, port construction, rail transit and housing, etc accounted for 37%, 36%, 15%, 10% and 2% of the value of new contracts for overseas projects, respectively.

Categorised by project location, the value of new infrastructure construction contracts for Africa, Southeast Asia, Oceania, Hong Kong/Macau/Taiwan, South America and other regions accounted for 34%, 24%, 10%, 8%, 1% and 23% of the value of new contracts for overseas projects, respectively.

In the first half of 2020, the Company unswervingly adhered to the concept of high-quality joint construction of the "Belt and Road Initiative" and high standards, people's livelihood, and sustainable development, deepened the business expansion of the territorial market, detailed research on the layout of professional fields, and analyzed market developments at each stages, thus major progress has been made in the promotion of large-scale projects. Kenya's first highway investment project agreement was signed, which further expanded the connotation of the China-Africa Development Community. The Company successfully won the bid of the Project for the First Section of Maya Railway in Mexico, which became a model for third-party market cooperation between China and Europe.

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

2. Infrastructure Design Business

The scope of infrastructure design business mainly includes consulting and planning service, feasibility study, survey and design, engineering consultancy, engineering measurement and technical research, project management, project supervision, general project contracting, compilation of industry standards and codes, etc..

In the first half of 2020, the value of new contracts of the Group in infrastructure design business reached RMB15,888 million, representing a year-on-year decrease of 17.8%. Wherein, the value of new contracts from overseas markets amounted to RMB434 million (equivalent to approximately USD63 million), the confirmed contract value from PPP investment projects amounted to RMB823 million, and the value of construction and installation contracts to be undertaken by the Group was estimated to be RMB790 million. As at 30 June 2020, the backlog amounted to RMB85,852 million.

Categorised by project type, the value of new contracts for survey and design, project supervision, EPC general contracting, and other projects (including PPP projects) amounted to RMB5,099 million, RMB307 million, RMB8,076 million and RMB2,406 million, representing 32%, 2%, 51% and 15% of the value of new contracts for infrastructure design business, respectively, as compared with 42%, 2%, 54% and 2%, respectively recorded for the corresponding period of 2019.

In the first half of 2020, the scale of domestic survey and design projects obtained by the Company increased when compared with the same period of 2019, mainly due to the rapid launch of new infrastructure projects that owns higher growth space for infrastructure design and benefits first as the effects of a series of policies to maintain steady growth released gradually. As a leading transportation infrastructure design group in the industry, the Company undertaken the survey and design tenders for large passage projects in the central and western regions and certain urbanization construction projects, and continuously promoted planning, consulting and design with the trend of full-process consulting and high-quality services and an integrated mode of project management, aiming to improve design benefit increment.

3. Dredging Business

The scope of dredging business mainly includes infrastructure dredging, maintenance dredging, environmental dredging, and reclamation, as well as supporting projects related to dredging and land reclamation.

In the first half of 2020, the value of new contracts of the Group in dredging business reached RMB34,735 million, representing a year-on-year increase of 12.6%. Wherein, the value of new contracts from overseas markets amounted to RMB765 million (equivalent to approximately USD111 million), the confirmed contract value from PPP investment projects amounted to RMB1,090 million, and the value of construction and installation contracts to be undertaken by the Group was estimated to be RMB1,033 million. As at 30 June 2020, the backlog amounted to RMB113,330 million.

In the first half of 2020, according to the vessel purchase plan, no large vessel was newly constructed with special purpose to serve in the Group's dredger fleets. As at 30 June 2020, the Group's dredging capacity amounted to approximately 785 million cubic meters under standard operating conditions.

In the first half of 2020, the Company put considerable inputs in fields of whole transportation and whole water transport and achieved satisfactory results. Its position in the traditional dredging market was strengthened by a number of contracts, including Zhanjiang Port 300,000-ton Channel Reconstruction and Expansion Project, Panjin Port Rongxing Port Area 100,000-ton Channel Project and Guangzhou Port Deepwater Channel Expansion Project. With the further improvement of CCCC model highlighting "driving watershed management integration by investor integration", the Company promoted the watershed management, actively explored the "comprehensive development of large watershed + comprehensive management of reclaimed water + comprehensive urban development" EOD model, continuously expanded the industrial development of watershed management, carried a number of signature environmental projects including Heze Black and Odorous Water Treatment Project and Tangshan Clean Water Project. As a result, the market share witnessed a significant improvement. The environmental protection upgrading still had a great impact on the land reclamation business, but relevant major projects that are in compliance with national policies and regulations, including Donghaidao Industrial Land Soft Foundation Project (Phase II), are now in progress.

BUSINESS OVERVIEW

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

3. Dredging Business (continued)

In June, the National Development and Reform Commission and the Ministry of Natural Resources jointly released the Overall Plan for National Important Ecosystem Protection and Restoration Projects (2021–2035) (《全國重要生態系統保護和修復重大工程總體規劃（2021–2035年）》), which is determined to comprehensively strengthen ecosystem protection and restoration work in key areas of Yellow River, Yangtze River and coastal zones. According to the plan, markets will be in active regions including the Guangdong-Hong Kong-Macau Greater Bay Area and the Yangtze River Delta and in some cities in the upper reaches of the Yangtze River and along the Yellow River; industry trends will emerge from areas of comprehensive watershed management and development, city black and odorous water treatment, urban wastewater treatment plant standard improvement and upgrading and supporting pipe network construction and operation.

4. Other Businesses

In the first half of 2020, the value of new other business contracts entered into by the Group amounted to RMB4,420 million, representing a year-on-year decrease of 27.1%. As at 30 June 2020, the backlog amounted to RMB10,293 million.

Some Major Contracts Entered into during the Reporting Period *(Unit: RMB million)*

1. Infrastructure Construction Business

Port Construction

No.	Contract Name	Contract Value
1	PPP Project of Huangma Work Zone and Lingang New City Work Zone (Phase I) in the Urban Harbor District of Huai'an Port in Jiangsu Province	3,029
2	Lot A and Lot B of EPC Project for Western Port Pool Terminal 8~11# of Lusi Work Zone of Nantong Port in Jiangsu Province	2,129
3	Project for Public Entrance Channel of Dananhai Eastern Bank and Breakwater of Public Wharf in Jieyang Port, Guangdong Province	1,231
4	Water Transportation Project of Phase I of Metal Ores Terminal (Continued Construction) in the Bulk Cargo Area of Huanghua Port, Hebei Province	1,200
5	EPC Project of Embankment and Breakwater of Supporting Terminal for Vinyl Oil Refining Expansion Project in Hainan Province	1,050

Road and Bridge Construction

No.	Contract Name	Contract Value
1	BOT Project of Guiyang-Jinsha-Gulin (Guizhou and Sichuan Conjunction) Highway in Guizhou Province	9,999
2	BOT Project of Chongqing-Hunan Parallel Line (City Center to Youyang Section) and Wulong – Daozhen (Chongqing Section) Highway in Chongqing	9,687
3	"Construction and maintenance integration" services for rural highways in Jingzhou, Hubei Province (second tranche)	3,429
4	Construction Project of Reconstruction and Expansion Works (Jiangning Section) of Nanjing Section of Provincial Highway 126 in Jiangsu Province	2,962
5	EPC Project of the Baiyinchagan-Anye section of the Jining- Arongqi connecting line of Erenhot-Guangzhou Expressway, in Mongolia Autonomous Region	2,405

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

1. Infrastructure Construction Business (continued)

Railway Construction

No.	Contract Name	Contract Value
1	PPP Project of High-speed East Station and Supporting Road Construction in Changzhi, Shanxi Province	1,040

Municipal and Environmental Projects, etc.

No.	Contract Name	Contract Value
1	EPC Project of Connection Works for Coastal Expressway Qianhai Section and Nanping Expressway in Shenzhen	15,900
2	EPC Project of Infrastructure Construction for Zaoyuan Region of Linyi West Town in Shandong Province	13,900
3	PPP Project of New Urbanization Construction for Northern New City in Wanzhou District in Chongqing	13,647
4	Comprehensive Urban Development Project in Yongning Area (Zone B of Medical City), Wenjiang District, Chengdu, Sichuan Province	7,447
5	Lot I of Intensive Construction for the Offshore Wind Power Project in Guangdong Province	5,899

Overseas Projects

No.	Contract Name	Contract Value
1	Phase I of Lot 1 of EPC Project for Tuas Comprehensive Waste Treatment Plant in Singapore	7,512
2	Water Conservancy Project in Moamba, Mozambique	5,713
3	Reclamation Project in Manila Bay, Philippines	5,038
4	BOT Project of Expressway in Nairobi, Kenya	4,602
5	ARC Construction Project of the Airside Connecting Channel of Singapore Changi Airport Terminal 5	3,711

BUSINESS OVERVIEW

I. BUSINESS REVIEW AND MARKET STRATEGIES (CONTINUED)

(III) Business Summary (continued)

2. Infrastructure Design Business

No.	Contract Name	Contract Value
1	Comprehensive Remediation and Phase II Project of the North Coast Zone in Xiaodao Bay, Qingdao, Shandong Province	910
2	General Contracting for the Survey, Design and Construction of the Lot 1 of the Infrastructure Project (Phase I) of the Eastern Industrial Park in Yibin Lingang Economic and Technological Development Zone, Sichuan Province	720
3	EPC General Contracting Project for Water Environment Comprehensive Treatment of Yiai Lake in Huanggang, Hubei Province	538
4	PPP Project for National and Provincial Highway Surface Reconstruction (in Linfen) in Shanxi Province	496
5	EPC Project for Wind Tower Tubes and Supporting Equipment of Heavy Equipment Base in Yangkou Town, Rudong County, Jiangsu Province	352

3. Dredging Business

No.	Contract Name	Contract Value
1	Construction Project for Building Heze as A Model City on Urban Black-odor Water Treatment in Shandong Province	2,176
2	Project (Phase I) for Comprehensive Water Treatment, Ecosystem Restoration, Environment Improvement and Integrated Industry Development of Ji Canal River (Jizhou Section) in Tianjin	1,556
3	EPC Project of River Improvement and Supporting Construction for Wanfu River Comprehensive Water Treatment Project Phase I in Heze, Shandong Province	1,524
4	EPC Project (Lot II) of Water Ecological Treatment (Phase I) Project for Jin River in Chengdu, Sichuan Province	1,475
5	PPP Project for Urban Sewage System Improvement (Phase II) in Wuhu, Anhui Province	1,344

II. BUSINESS PLAN AND PROSPECT

According to statistics, the value of new contracts of the Group reached RMB533,094 million in the first half of 2020, indicating 51% of the annual target has been realized and meeting expectations. The revenue amounted to RMB245,410 million, indicating 41% of annual target has been realized and meeting expectations.

In the second half of 2020, domestically, the pandemic prevention and control will become regular, and there is the possibility of resurgence of the outbreak, which will have a great impact on the business operation of enterprises, but will not change the basic fact that "opportunities co-exist with and outweigh challenges". To guard against economic downturn, China continues to strengthen the ability of macro policy in making the counter-cyclical adjustment, promote the policies for ensuring stability on the six fronts and security in the six areas, carry out a series of major reform initiatives, make full use of the advantages of China's super-large market and domestic demand potential to create a new development pattern where domestic and foreign markets can boost each other and domestic market dominates, and take multiple measures to consolidate the positive momentum of economic recovery.

II. BUSINESS PLAN AND PROSPECT (CONTINUED)

Globally, development of the pandemic in the world is of great uncertainty, and the world's economy is in a deep recession. Many countries will adopt infrastructure construction to stimulate and boost economic development in the first place, but deglobalization and trade protectionism escalate further. The relationship between China and the United State is subject to the most serious challenge since the establishment of diplomatic relations; geopolitical conflicts intensify; the industry chain and supply chain cycle is blocked. The international environment to which China's enterprises are faced with are more complex, and the overseas development is subject to increasing uncertainty and instability.

In the second half of 2020, the Company will actively respond to the country's strategic arrangement of boosting domestic demands and make the domestic market as the primary market for hedging the impact of the pandemic and promoting high-quality and steady growth. While strengthening the core competitiveness of traditional businesses to maintain the leading position in the market, it will respond to the local demands and invest more resources in national central cities, metropolitan circles and city clusters. The Company will take an active part in national strategies including protection of the Yangtze River and the Yellow River and Baiyangdian and Huai River watershed management, and vigorously promote the development of new businesses of eco-environment protection and ocean engineering. It will step up efforts to develop the spot exchange market, and, particularly, invest more in emerging businesses including house building and municipal works to seize more growth opportunities and further improve the proportion of spot items, thus reducing the core businesses' dependence on investment. In the course of developing overseas market, the Company will comprehensively review the existing overseas development layout, re-assess, further improve and upgrade the overseas risk management system by taking account of the current situation, and prevent and control risks while ensuring "stability", so that it will firmly hold the bottom line of high-quality development and effectively prevent uncontrollable events and disruptive risks.

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)*

(I) Completed and Accepted Projects during the Reporting Period

Total number of projects	N/A
Total contract value	163,550

		Number	Contract Value
Categorised by region	Domestic	N/A	140,231
	Overseas	N/A	23,319
Categorised by business type	Infrastructure construction	399	132,780
	Infrastructure design	1,247	9,882
	Dredging	160	12,175
	Others	N/A	8,713

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)* (CONTINUED)

(II) Projects under Construction during the Reporting Period

Total number of projects			N/A
Total value of projects			3,584,921
		Number	**Contract Value**
Categorised by region	Domestic	N/A	2,752,538
	Overseas	N/A	832,383
Categorised by business type	Infrastructure construction	4,727	3,223,821
	Infrastructure design	20,011	187,928
	Dredging	1,961	159,511
	Others	N/A	13,661

Note: In order to improve management efficiency, the Company has amended and optimized the statistic specification of the statistical system of operating data in the first half of the year. During the Reporting Period, the statistical data of projects under construction has excluded the projects which have completed and entered their final stage.

(III) Investment Projects

Investment business links both sides of supply and demand, and is closely related to the macro situation, policy changes and market trends. Affected by the changes in investment environment across China, PPP has gradually moved from a rational return to a standardized and high-quality development stage along with policy adjustments in the past two years. The percentage of projects in line with the essence of PPP mode and green and people-benefit projects increased significantly. In the first half of 2020, the approval on investment projects slowed down as a result of the pandemic. However, a variety of countercyclical policy tools have been implemented, such as the special debt quotas issued by the Ministry of Finance in advance and reduced project capital, which expanded business financing channels.

In the first half of 2020, staying focused on the creation of project lifecycle value and overall value, the Company took investment as an important means for maximizing the overall value, constantly accelerated the adjustment and upgrading of regional layout, resource layout and industry layout, and made significant breakthrough. On the basis of consolidating the traditional advantage in transportation infrastructure, it took multiple measures to develop new fields, new segments and new models, including health and wellness tourism, characteristic town, cold chain logistics and intelligent parking, and promoted the implementation of Yichang Tourism Town Project, the project of cold chain area of Guangzhou railway container central station, and Hainan Sanya Blue Line Project, all of which served as an important driver for accelerating new and old growth engine conversion and realizing multi-dimension development.

At the beginning of August, the National Development and Reform Commission and the China Securities Regulatory Commission released the Notice of Promoting the Reporting Work Related to the Pilot Program of Real Estate Investment Trusts (REITs) in the Infrastructure Field (the "Notice") and the Guidelines for Publicly Offered Infrastructure Securities Investment Funds (for Trial Implementation) in succession, which indicated that China's infrastructure REITs officially set sail. The Notice underlines the focus on key regions and key industries and requires that project investments should generate good returns. According to statistics, as at 30 June 2020, 20 toll road projects within the scope of consolidated financial statements of the Company were in the operation period, and after operation and cultivation, some of these projects have met the requirements of the Notice on the REITs pilot program. In the second half of 2020, the Company will actively submit applications to participate in the first round of infrastructure REITs pilot program. On the one hand, it will make good use of the existing assets, improve the asset structure, reduce finance charges and raise funds to invest in new infrastructure projects. On the other hand, it will leverage the demonstration effect of an infrastructure-focused state-owned enterprise, make efforts to build a model for PPP+REITs operation which other market players can draw lessons from, thereby making contribution to the long-term and healthy development of infrastructure REITs market.

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)* (CONTINUED)

(III) Investment Projects (continued)

1. Investment Projects Newly Entered into

In the first half of 2020, the Company strengthened rigid management on investments, made reasonable allocation of long-term, mid-term and short-term investments, concentrated in advantageous regions such as national central cities, metropolitan areas and urban agglomerations, aiming to create a more scientific and reasonable investment layout. The confirmed value of contracts from PPP investment projects was RMB77,777 million. The value of construction and installation contracts to be undertaken was estimated to be RMB87,484 million, among which, the confirmed values of contracts from BOT projects, government paid projects and urban comprehensive development projects were RMB26,356 million, RMB41,846 million and RMB9,575 million respectively, accounting for 34%, 54% and 12% of that from PPP investment projects respectively.

2. Government Paid Projects and Urban Comprehensive Development Projects

The total value of contracts for government paid projects entered into by the Group amounted to RMB543,453 million, wherein, the accumulative completed investment amounted to RMB206,250 million with cumulatively RMB60,529 million have been recovered.

The total investment value of contracts for urban comprehensive development projects entered into by the Group was estimated to be RMB317,440 million, among which, RMB82,308 million of investment amount had been completed cumulatively, RMB70,043 million of sales amount had been realised and RMB48,770 million had been received by the Group.

3. Concession Projects

As at 30 June 2020, according to statistics (the consolidated items contracted and financed by the Group, and the latest statistics shall prevail if there was any change), the total investment amount of the Group's contracted BOT projects was estimated to be RMB442,476 million, wherein, the accumulative completed investment amounted to RMB232,006 million. 20 concession projects together with 12 share-participation projects had been put into operations. Due to the impact of free passage of domestic toll roads in the early stage of the epidemic, the operating revenue and the net loss in the first half of 2020 was RMB1,401 million and RMB2,720 million, respectively.

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)* (CONTINUED)

(III) Investment Projects (continued)

3. Concession Projects (continued)

(1) Investment Projects Newly Entered into in the First Half of 2020

No.	Project Name	Project Type	Total Investment Budget Estimate	Contract Value Confirmed according to Shareholding Ratio of CCCC	Expected Construction and Installation Contract Value	Operating Project or Not	Consolidated or Not	Construction Period *(Year)*	Toll Collection/ Operation Period *(Year)*
1	PPP Project of New Urbanization Construction for Northern New City in Wanzhou District in Chongqing	PPP	18,197	13,647	12,508	No	Yes	8	12
2	BOT Project of Guiyang-Jinsha-Gulin (Guizhou and Sichuan Conjunction) Highway in Guizhou Province	BOT	32,493	9,999	23,511	Yes	No	4	30
3	BOT Project of Chongqing-Hunan Parallel Line (City Center to Youyang Section) and Wulong - Daozhen (Chongqing Section) Highway in Chongqing	BOT	64,577	9,687	10,937	Yes	No	5	35
4	Comprehensive Urban Development Project in Yongning Area (Zone B of Medical City), Wenjiang District, Chengdu, Sichuan Province	Comprehensive urban development	8,274	7,447	4,691	No	Yes	5	10
5	BOT Project of Expressway in Nairobi, Kenya	BOT	4,602	4,602	4,602	Yes	Yes	3	27
6	PPP Project of Huangma Work Zone and Lingang New City Work Zone (Phase I) in the Urban Harbor District of Huai'an Port in Jiangsu Province	PPP	3,564	3,029	2,017	No	Yes	3	21
7	Others		67,000	29,366	29,218				
	Total		198,707	77,777	87,484				

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)* (CONTINUED)

(III) Investment Projects (continued)

3. Concession Projects (continued)

(2) Concession Projects under Development[Note]

No.	Project Name	Total Investment Budget Estimate	Contract Value Confirmed according to Shareholding Ratio	Investment Amount in the first half of 2020	Accumulated Investment Value
1	Lianzhou-Fogang Highway in Guangdong Province	41,096	41,096	3,262	17,751
2	Taihangshan Highway in Hebei Province	47,000	14,570	–	Share participation
3	Phnom Penh-Port of Sihanoukville Expressway in Cambodia	13,643	13,643	1,241	2,732
4	Kaiping-Yangchun Expressway in Guangdong Province	13,711	12,740	–	Share participation
5	Shiqian-Yuping (Dalong) Expressway in Guizhou Province	12,407	12,407	1,029	5,738
6	CCCC Jiangyu Expressway in Guizhou	11,019	11,019	1,396	6,089
7	Jianhe-Rongjiang Section of Yanhe-Rongjiang Expressway in Guizhou Province	17,816	10,672	–	Share participation
8	Highways including Urumchi-Yuli Highway in Xinjiang	70,841	10,616	–	Share participation
9	Phase I of PPP Project of Urumchi Rail Transit Line 4	16,249	8,287	–	Share participation
10	West Line of Urumqi Ring Expressway in Xinjiang	15,300	7,803	–	69
11	PPP Project for Fangcheng-Tanghe Section of Jiaozuo-Tanghe Highway in Henan Province	7,788	7,009	–	–
12	CCCC Yulin-Zhanjiang Expressway in Guangdong Province	6,842	6,842	5,854	5,802
13	Libo-Rongjiang Expressway in Guizhou Province	10,480	6,288	–	Share participation
14	G575 Expressway in Xinjiang	6,017	6,017	266	1,368
15	Hechang Section of Sanhuan Expressway in Chongqing	10,077	5,139	1,704	8,678
16	Quanzhou Section of Quanzhou-Xiamen-Zhangzhou City Alliance Highway in Fujian Province	4,708	4,708	423	4,422
17	Hefei-Zongyang Section of G3W Dezhou-Shangrao Expressway in Anhui Province	9,228	4,522	–	Share participation
18	South Section of Ring Expressway in Wanzhou, Chongqing	4,151	4,151	245	470
19	Project of West Tianjin Section of Tianjin-Shijiazhuang Expressway	3,165	3,165	203	1,157
	Others	137,841	44,980	2,717	10,140
	Total	459,379	235,674	18,340	64,416

Note: The breakdown of concession projects under development do not include the concession projects acquired overseas.

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)* (CONTINUED)

(III) Investment Projects (continued)

3. Concession Projects (continued)

(3) Concession Projects in Operation Period

No.	Project Name	Accumulated Investment Value	Operating Revenue During the Period	Toll Collection Rights Period *(Year)*	Completed Toll Collection Rights Period *(Year)*
1	New Songming-Kunming Expressway, Xuanwei-Qujing Expressway, and Mengzi- Wenshan-Yanshan Expressway in Yunnan Province	27,225	177	30	2.5
2	Daozhen-Weng'an Expressway in Guizhou Province	26,499	164	30	4.5
3	Guigang-Longan Highway in Guangxi Province	17,695	89	30	1.0
4	Jiangkou-Weng'an Expressway in Guizhou Province	14,251	174	30	4.5
5	Guiyang-Qianxi Expressway in Guizhou Province	9,200	116	30	3.5
6	Hubei Jiatong Section Project of Wuhan-Shenzhen Expressway in Hubei Province	8,972	100	30	3.8
7	Zhongxian-Wanzhou Expressway in Chongqing	7,603	13	30	3.5
8	Yanhe-Dejiang Expressway in Guizhou Province	7,566	20	30	4.5
9	Guiyang-Duyun Expressway in Guizhou Province	7,424	153	30	9.3
10	Tongzhou-Daxing Section Project of the Capital Region Ring Expressway	6,294	39	25	2.0
11	Yongchuan-Jiangjin Expressway in Chongqing	5,997	13	30	5.5
12	Jiulongpo-Yongchuan Highway in Chongqing	5,222	26	30	2.5
13	South-North Highway in Jamaica	5,132	88	50	4.5
14	Zhuankou Yangtze River Bridge Project in Wuhan, Hubei Province	4,829	23	30	2.5
15	Xianning-Tongshan Expressway in Hubei Province	3,128	30	30	6.5
16	Qingxi Bridge and Connecting Line in Guangdong Province	2,888	85	25	1.8
17	Jiayu North Section of Wuhan-Shenzhen Expressway in Hubei Province	2,622	41	30	1.5
18	Yicheng-Houma Expressway in Shanxi Province	2,405	39	30	12.5
19	Malong Connecting Line of Xuanwei-Qujing Expressway in Yunnan Province	2,050	5	30	2.5
20	Qingshuihe-Dafanpu Section of National Highway G109 in Inner Mongolia Autonomous Region	588	6	26	11.5
21	Fengdu-Zhongxian Expressway in Chongqing	Share participation	–	30	2.5
22	Youyang-Yanhe Expressway in Chongqing	Share participation	–	30	3.5

III. MAJOR PRODUCTION AND OPERATIONAL DATA *(Unit: RMB million)* (CONTINUED)

(III) Investment Projects (continued)

3. Concession Projects (continued)

(3) Concession Projects in Operation Period (continued)

No.	Project Name	Accumulated Investment Value	Operating Revenue During the Period	Toll Collection Rights Period *(Year)*	Completed Toll Collection Rights Period *(Year)*
23	Wangjiang-Qianjiang Expressway in Anhui Province	Share participation	–	25	3.5
24	Tongliang-Yongchuan Expressway in Chongqing	Share participation	–	30	3.2
25	Chongqing Wanzhou-Sichuan Dazhou, Wanzhou-Hubei Lichuan Expressways	Share participation	–	30	4.5
26	Tongliang-Hechuan Expressway in Chongqing	Share participation	–	30	4.5
27	Fengdu-Fuling Expressway in Chongqing	Share participation	–	30	5.5
28	Fengdu-Shizhu Expressway in Chongqing	Share participation	–	30	5.5
29	Foshan-Guangming Expressway in Guangdong Province	Share participation	–	27	10.5
30	Yulin-Jiaxian Expressway in Shaanxi Province	Share participation	–	30	5.5
31	Guiyang-Weng'an Expressway in Guizhou Province	Share participation	–	30	3.5
32	Tongcheng-Jieshang Expressway in Hubei Province	Share participation	–	30	4.8
	Total	167,590	1,401	/	/

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

OVERVIEW

For the six months ended 30 June 2020, revenue of the Group amounted to RMB245,410 million, representing an increase of 2.5% from RMB239,461 million in the corresponding period of 2019. Among which, revenue derived from overseas markets amounted to RMB37,939 million, accounted for 15.5% of the total revenue, representing a year-on-year decrease of 16.2%. Infrastructure construction business, infrastructure design business, dredging business and other businesses accounted for 86.3%, 5.4%, 6.4% and 1.9% (all before elimination of inter-segment transactions) of the total revenue for the six months ended 30 June 2020, respectively.

Gross profit for the six months ended 30 June 2020 amounted to RMB28,511 million, representing an increase of 1.5% from RMB28,100 million in the corresponding period of 2019. Gross profit margin decreased to 11.6% for the six months ended 30 June 2020 as compared to 11.7% for the six months ended 30 June 2019.

Operating profit for the six months ended 30 June 2020 amounted to RMB13,543 million, representing a decrease of 13.9%, from RMB15,726 million in the corresponding period of 2019.

For the six months ended 30 June 2020, profit attributable to owners of the parent amounted to RMB5,517 million, representing a decrease of 37.2% from RMB8,781 million in the corresponding period of 2019. For the six months ended 30 June 2020, earnings per share of the Group was RMB0.28, compared with RMB0.48 in the corresponding period of 2019.

For the second quarter result of 2020, revenue, gross profit and operating profit from Mainland China are significantly increased, comparing with the first quarter result of 2020.

The following is a comparison of financial results between the six months ended 30 June 2020 and 2019.

CONSOLIDATED RESULTS OF OPERATIONS

Revenue

Revenue for the six months ended 30 June 2020 increased by 2.5% to RMB245,410 million from RMB239,461 million in the corresponding period of 2019. Revenue from infrastructure construction business, infrastructure design business, dredging business and other businesses amounted to RMB218,839 million, RMB13,628 million, RMB16,122 million and RMB4,791 million (all before elimination of inter-segment transactions), representing an increase of 3.0%, 3.1%, 3.3% and 1.0% respectively.

Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2020 amounted to RMB216,899 million, representing an increase of 2.6%, from RMB211,361 million in the corresponding period of 2019. Cost of sales from infrastructure construction business, infrastructure design business, dredging business and other businesses amounted to RMB194,834 million, RMB11,690 million, RMB14,079 million and RMB4,312 million (all before elimination of inter-segment transactions) respectively, representing an increase of 3.3%, 6.1%, 1.3% and a decrease of 0.0%, respectively.

Cost of sales consisted mainly of cost of raw materials and consumables used, subcontracting costs and employee benefit expenses. For the six months ended 30 June 2020, cost of raw materials and consumables used, subcontracting costs and employee benefit expenses increased by 2.3%, 3.9% and 2.3%, respectively.

As a result of the increase in both revenue and cost of sales for the six months ended 30 June 2020, gross profit for the six months ended 30 June 2020 amounted to RMB28,511 million, representing an increase of 1.5% from RMB28,100 million in the corresponding period of 2019. Gross profit from infrastructure construction business, dredging business and other business increased by 0.9%, 19.1% and 10.9% respectively, while gross profit from infrastructure design business decreased by 12.0%, from the corresponding period of 2019. Gross profit margin decreased to 11.6% for the six months ended 30 June 2020 as compared to 11.7% for the six months ended 30 June 2019. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business and other businesses were 11.0%, 14.2%, 12.7% and 10.0%, respectively, as compared with 11.2%, 16.7%, 11.0% and 9.1% in the corresponding period of 2019.

CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

Administrative Expenses

Administrative expenses for the six months ended 30 June 2020 amounted to RMB14,288 million, representing an increase of 2.4% from RMB13,947 million in the corresponding period of 2019. This growth was primarily attributable to the increase in employee benefit expenses and research and development costs.

Other Income

Other income for the six months ended 30 June 2020 amounted to RMB2,323 million, representing a decrease of 7.3% from RMB2,505 million in the corresponding period of 2019. This decrease was primarily attributable to the decrease in dividend income.

Other Gains, Net

Other gains for the six months ended 30 June 2020 amounted to RMB246 million, representing a decrease of 80.5% from RMB1,260 million in the corresponding period of 2019. This decrease was primarily attributable to the decrease in gains on disposal of subsidiaries.

Impairment Losses on Financial and Contract Assets, Net

Impairment losses on financial and contract assets for the six months ended 30 June 2020 amounted to RMB1,985 million, representing an increase of 120.1% from RMB902 million in the corresponding period of 2019. This growth was primarily attributable to the longer aging of trade and other receivables.

Operating Profit

Operating profit for the six months ended 30 June 2020 amounted to RMB13,543 million, representing a decrease of 13.9% from RMB15,726 million in the corresponding period of 2019. The decrease was mainly due to the decrease in other gains and increase in impairment losses on financial and contract assets.

For the six months ended 30 June 2020, operating profit from infrastructure construction business, infrastructure design business, dredging business and other businesses decreased by 11.1%, 29.0%, 24.6% and 62.9% (all before elimination of inter-segment transactions and unallocated cost) respectively from the corresponding period of 2019.

Due to decrease in other gains and increase in impairment losses on financial and contract assets, operating profit margin decreased to 5.5% for the six months ended 30 June 2020 from 6.6% in the corresponding period of 2019.

Finance Income and Costs, Net

Finance income for the six months ended 30 June 2020 amounted to RMB5,143 million, representing an increase of 42.2% as compared with RMB3,616 million in the corresponding period of 2019. Net finance costs amounted to RMB8,615 million, representing an increase of 13.0% as compared with RMB7,627 million in the corresponding period of 2019.

As of 30 June 2020, the net finance income and costs amounted to RMB3,472 million, representing a decrease of 13.4% as compared with RMB4,011 million in the corresponding period of 2019. The decrease was mainly attributable to the larger increase in interest of investment projects over the increase in the interest expenses of borrowings as the business expands.

Share of Loss of Joint Ventures

Share of loss of joint ventures for the six months ended 30 June 2020 amounted to RMB395 million, as compared with share of profit of RMB286 million in the corresponding period of 2019. The loss was mainly due to the increased loss of expressway concession projects influenced by COVID-19.

CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

Share of Loss of Associates

Share of loss of associates for the six months ended 30 June 2020 amounted to RMB138 million, as compared with share of profit of RMB46 million in the corresponding period of 2019. The loss was mainly due to the increased loss of expressway concession projects influenced by COVID-19.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax for the six months ended 30 June 2020 amounted to RMB9,538 million, representing a decrease of 20.8% from RMB12,047 million in the corresponding period of 2019.

Income Tax Expense

Income tax expense for the six months ended 30 June 2020 amounted to RMB2,692 million, representing an increase of 18.5% from RMB2,271 million in the corresponding period of 2019. Effective tax rate for the Group for the six months ended 30 June 2020 increased to 28.2% from 18.9% in the corresponding period of 2019, mainly due to a decrease in deferred income tax assets recognized for concession projects, an increase in tax for certain urban comprehensive development projects and an increase in non-taxable share of losses from joint ventures and associates.

Profit Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests for the six months ended 30 June 2020 amounted to RMB1,329 million compared with RMB995 million in the corresponding period of 2019. The increase is mainly due to the increasing interest from perpetual bonds and dividend for non-controlling shareholders.

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 2020 and 2019.

	Revenue Six months ended 30 June		**Gross Profit Six months ended 30 June**		**Gross Profit Margin Six months ended 30 June**		**Operating Profit(1) Six months ended 30 June**		**Operating Profit Margin Six months ended 30 June**	
Business	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	(RMB million)	*(RMB million)*	***(RMB million)***	*(RMB million)*	***(%)***	*(%)*	***(RMB million)***	*(RMB million)*	***(%)***	*(%)*
Infrastructure Construction	**218,839**	212,434	**24,005**	23,787	**11.0**	11.2	**11,980**	13,473	**5.5**	6.3
% of total	**86.3**	86.4	**84.3**	84.6	**–**	–	**89.6**	86.0	**–**	–
Infrastructure Design	**13,628**	13,220	**1,938**	2,203	**14.2**	16.7	**663**	934	**4.9**	7.1
% of total	**5.4**	5.4	**6.8**	7.8	**–**	–	**5.0**	6.0	**–**	–
Dredging	**16,122**	15,614	**2,043**	1,715	**12.7**	11.0	**522**	692	**3.2**	4.4
% of total	**6.4**	6.3	**7.2**	6.1	**–**	–	**3.9**	4.4	**–**	–
Other businesses	**4,791**	4,745	**479**	432	**10.0**	9.1	**206**	556	**4.3**	11.7
% of total	**1.9**	1.9	**1.7**	1.5	**–**	–	**1.5**	3.6	**–**	–
Subtotal	**253,380**	246,013	**28,465**	28,137	**–**	–	**13,371**	15,655	**–**	–
Intersegment elimination and unallocated profit/ (costs)	**(7,970)**	(6,552)	**46**	(37)	**–**	–	**172**	71	**–**	–
Total	**245,410**	239,461	**28,511**	28,100	**11.6**	11.7	**13,543**	15,726	**5.5**	6.6

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

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 costs.

The following table sets out the principal profit and loss information for the infrastructure construction business for the six months ended 30 June 2020 and 2019.

	Six months ended 30 June	
	2020	2019
	(RMB million)	*(RMB million)*
Revenue	**218,839**	212,434
Cost of sales	**(194,834)**	(188,647)
Gross profit	**24,005**	23,787
Selling and marketing expenses	**(161)**	(159)
Administrative expenses	**(12,651)**	(11,749)
Other income, net	**787**	1,594
Segment result	**11,980**	13,473
Depreciation and amortisation	**4,754**	4,611

Revenue. Revenue from the infrastructure construction business for the six months ended 30 June 2020 was RMB218,839 million, representing an increase of 3.0% from RMB212,434 million in the corresponding period of 2019.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business for the six months ended 30 June 2020 was RMB194,834 million, representing an increase of 3.3% from RMB188,647 million in the corresponding period of 2019. Cost of sales as a percentage of revenue slightly increased to 89.0% for the six months ended 30 June 2020 from 88.8% in the corresponding period of 2019.

Gross profit from the infrastructure construction business for the six months ended 30 June 2020 grew by 0.9% to RMB24,005 million from RMB23,787 million in the corresponding period of 2019, mainly attributable to increase of revenue from mainland China projects. Gross profit margin decreased to 11.0% for the six months ended 30 June 2020 from 11.2% in the corresponding period of 2019, primarily due to the suspension of some domestic and overseas projects and the impact of free passage of domestic toll roads as a result of the epidemic, as well as the estimated losses recognized for certain overseas projects.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business for the six months ended 30 June 2020 were RMB161 million, as compared with RMB159 million in the corresponding period of 2019.

Administrative expenses. Administrative expenses including impairment losses on financial and contract assets for the infrastructure construction business were RMB12,651 million for the six months ended 30 June 2020, representing an increase of 7.7% from RMB11,749 million in the corresponding period of 2019, mainly attributable to increase of employee benefit expenses, research and development costs and impairment losses. Administrative expenses including impairment losses on financial and contract assets as a percentage of revenue increased to 5.8% for the six months ended 30 June 2020 from 5.5% in the corresponding period of 2019.

CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

Infrastructure Construction Business (continued)

Other income, net. Other net income for the infrastructure construction business decreased to RMB787 million for the six months ended 30 June 2020 from RMB1,594 million in the corresponding period of 2019, mainly attributable to gains on disposal of subsidiaries in 2019.

Segment result. As a result of the above, segment result for the infrastructure construction business for the six months ended 30 June 2020 was RMB11,980 million, representing a decrease of 11.1% from RMB13,473 million in the corresponding period of 2019. Segment result margin decreased to 5.5% for the six months ended 30 June 2020 from 6.3% in the corresponding period of 2019.

Infrastructure Design Business

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

The following table sets out the principal profit and loss information for infrastructure design business for the six months ended 30 June 2020 and 2019.

	Six months ended 30 June	
	2020	2019
	(RMB million)	*(RMB million)*
Revenue	**13,628**	13,220
Cost of sales	**(11,690)**	(11,017)
Gross profit	**1,938**	2,203
Selling and marketing expenses	**(140)**	(137)
Administrative expenses	**(1,270)**	(1,269)
Other income, net	**135**	137
Segment result	**663**	934
Depreciation and amortization	**212**	213

Revenue. Revenue from the infrastructure design business for the six months ended 30 June 2020 was RMB13,628 million, representing an increase of 3.1% from RMB13,220 million in the corresponding period of 2019, mainly attributable to growing scale of comprehensive contracts.

Cost of sales and gross profit. Cost of sales for the infrastructure design business for the six months ended 30 June 2020 was RMB11,690 million, representing an increase of 6.1% from RMB11,017 million in the corresponding period of 2019. Cost of sales as a percentage of revenue increased to 85.8% for the six months ended 30 June 2020 from 83.3% in the corresponding period of 2019.

Gross profit from the infrastructure design business for the six months ended 30 June 2020 decreased to RMB1,938 million from RMB2,203 million in the corresponding period of 2019. Gross profit margin decreased to 14.2% for the six months ended 30 June 2020 from 16.7% in the corresponding period of 2019, 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 2020 increased to RMB140 million from RMB137 million in the corresponding period of 2019.

Administrative expenses. Administrative expenses including impairment losses on financial and contract assets for the infrastructure design business for the six months ended 30 June 2020 were RMB1,270 million, representing an increase of 0.1% from RMB1,269 million in the corresponding period of 2019. Administrative expenses including impairment losses on financial and contract assets as a percentage of revenue decreased to 9.3% for the six months ended 30 June 2020 from 9.6% in the corresponding period of 2019.

Other income, net. Other net income for the infrastructure design business for the six months ended 30 June 2020 was RMB135 million, as compared with RMB137 million in the corresponding period of 2019.

Segment result. As a result of the above, segment result for the infrastructure design for the six months ended 30 June 2020 was RMB663 million, representing a decrease of 29.0% from RMB934 million in the corresponding period of 2019. Segment result margin decreased to 4.9% for the six months ended 30 June 2020 from 7.1% in the corresponding period of 2019.

Dredging Business

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

The following table sets out the principal profit and loss information for the dredging business for the six months ended 30 June 2020 and 2019.

	Six months ended 30 June	
	2020	2019
	(RMB million)	*(RMB million)*
Revenue	**16,122**	15,614
Cost of sales	**(14,079)**	(13,899)
Gross profit	**2,043**	1,715
Selling and marketing expenses	**(63)**	(65)
Administrative expenses	**(1,652)**	(1,320)
Other income, net	**194**	362
Segment result	**522**	692
Depreciation and amortisation	**606**	611

Revenue. Revenue from the dredging business for the six months ended 30 June 2020 was RMB16,122 million, representing an increase of 3.3% from RMB15,614 million in the corresponding period of 2019.

Cost of sales and gross profit. Cost of sales for the dredging business for the six months ended 30 June 2020 was RMB14,079 million, representing an increase of 1.3% as compared with RMB13,899 million in the corresponding period of 2019. Cost of sales as a percentage of revenue for the dredging business for the six months ended 30 June 2020 decreased to 87.3% from 89.0% in the corresponding period of 2019.

Gross profit from the dredging business for the six months ended 30 June 2020 was RMB2,043 million, representing an increase of 19.1% from RMB1,715 million in the corresponding period of 2019. Gross profit margin for the dredging business increased to 12.7% for the six months ended 30 June 2020 from 11.0% in the corresponding period of 2019, mainly attributable to decreased proportion of lower gross profit margin business.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONSOLIDATED RESULTS OF OPERATIONS (CONTINUED)

Dredging Business (continued)

Selling and marketing expenses. Selling and marketing expenses for the dredging business for the six months ended 30 June 2020 were RMB63 million, as compared with RMB65 million in the corresponding period of 2019.

Administrative expenses. Administrative expenses including impairment losses on financial and contract assets for the dredging business for the six months ended 30 June 2020 were RMB1,652 million, representing an increase of 25.2% from RMB1,320 million in the corresponding period of 2019, mainly due to individual loss allowance for certain customers with credit risk increased significantly. Administrative expenses including impairment losses on financial and contract assets as a percentage of revenue increased to 10.2% for the six months ended 30 June 2020 from 8.5% in the corresponding period of 2019.

Other income, net. Other net income for the dredging business for the six months ended 30 June 2020 decreased to RMB194 million from RMB362 million in the corresponding period of 2019, mainly attributable to the decrease in dividend income.

Segment result. As a result of the above, segment result for the dredging business for the six months ended 30 June 2020 was RMB522 million, representing a decrease of 24.6% from RMB692 million in the corresponding period of 2019. Segment result margin decreased to 3.2% for the six months ended 30 June 2020 from 4.4% in the corresponding period of 2019.

Other Businesses

The financial information for the other businesses presented in this section is before elimination of inter-segment transactions and unallocated 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 2020 and 2019.

	Six months ended 30 June	
	2020	2019
	(RMB million)	*(RMB million)*
Revenue	**4,791**	4,745
Cost of sales	**(4,312)**	(4,313)
Gross profit	**479**	432

Revenue. Revenue from the other businesses for the six months ended 30 June 2020 was RMB4,791 million, representing an increase of 1.0% from RMB4,745 million in the corresponding period of 2019.

Cost of sales and gross profit. Cost of sales for the other businesses for the six months ended 30 June 2020 was RMB4,312 million, compared with RMB4,313 million in the corresponding period of 2019. Cost of sales as a percentage of revenue decreased to 90.0% for the six months ended 30 June 2020 from 90.9% in the corresponding period of 2019.

Gross profit from the other businesses for the six months ended 30 June 2020 was RMB479 million, representing an increase of 10.9% from RMB432 million in the corresponding period of 2019. Gross profit margin increased to 10.0% for the six months ended 30 June 2020 from 9.1% in the corresponding period of 2019.

LIQUIDITY AND CAPITAL RESOURCES

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 30 June 2020, the Group had unutilized credit facilities in the amount of RMB1,018,126 million. The Group's access to financial markets since its public offering in Hong Kong Stock Exchange and Shanghai Stock Exchange has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Group's consolidated cash flow statements for the six months ended 30 June 2020 and 2019.

	Six months ended 30 June	
	2020	2019
	(RMB million)	*(RMB million)*
Net cash used in operating activities	**(40,565)**	(40,304)
Net cash used in investing activities	**(42,226)**	(29,014)
Net cash generated from financing activities	**84,520**	44,169
Net increase/(decrease) in cash and cash equivalents	**1,729**	(25,149)
Cash and cash equivalents at beginning of period	**118,908**	127,811
Exchange gains on cash and cash equivalents	**236**	35
Cash and cash equivalents at end of period	**120,873**	102,697

Cash flow from operating activities

For the six months ended 30 June 2020, net cash used in operating activities increased to RMB40,565 million from RMB40,304 million in the corresponding period of 2019.

Cash flow from investing activities

Net cash used in investing activities for the six months ended 30 June 2020 increased to RMB42,226 million from RMB29,014 million in the corresponding period of 2019. The increase of 45.5% was primarily attributable to the increase in expenditure from purchases of intangible assets and long-term assets, and purchases of financial assets at fair value through profit or loss.

Cash flow from financing activities

Net cash generated from financing activities for the six months ended 30 June 2020 was RMB84,520 million, representing an increase of 91.4% from RMB44,169 million in the corresponding period of 2019. The increase was primarily attributable to the increase in proceeds from perpetual securities and proceeds from bank and other borrowings.

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 2020 and 2019.

	Six months ended 30 June	
	2020	2019
	(RMB million)	*(RMB million)*
Infrastructure Construction Business	**21,418**	19,128
– BOT projects	**15,730**	12,695
Infrastructure Design Business	**232**	333
Dredging Business	**658**	476
Other	**517**	853
Total	**22,825**	20,790

Capital expenditure for the six months ended 30 June 2020 was RMB22,825 million, as compared with RMB20,790 million in the corresponding period of 2019. The increase of 9.8% was primarily attributable to the increase of capital expenditure in infrastructure construction business.

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 2020 and the year ended 31 December 2019.

	As at	
	Six months ended 30 June 2020	Twelve months ended 31 December 2019
	(Number of days)	*(Number of days)*
Turnover of average trade and bills receivables[1]	**75**	62
Turnover of average trade and bills payables[2]	**227**	196

(1) For the six months ended 30 June 2020, 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 2019, 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 2020, 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 2019, 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, net of provision, as at 30 June 2020 and 31 December 2019.

	As at	
	30 June 2020 ***(RMB million)***	31 December 2019 *(RMB million)*
Less than 6 months	**67,256**	67,623
6 months to 1 year	**14,374**	8,305
1 year to 2 years	**11,808**	13,914
2 years to 3 years	**7,029**	5,433
Over 3 years	**4,424**	4,136
Total	**104,891**	99,411

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 2020, the Group had a provision for impairment of RMB14,868 million, as compared with RMB13,904 million as at 31 December 2019.

The following table sets forth an ageing analysis of trade and bills payables as at 30 June 2020 and 31 December 2019.

	As at	
	30 June 2020 ***(RMB million)***	31 December 2019 *(RMB million)*
Within 1 year	**238,981**	241,739
1 year to 2 years	**15,875**	20,813
2 years to 3 years	**7,510**	9,903
Over 3 years	**6,001**	5,504
Total	**268,367**	277,959

The Group's credit terms with its suppliers for the six months ended 30 June 2020 remained the same as that for the year ended 31 December 2019. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

Retentions

The following table sets forth the fair value of the retentions as at 30 June 2020 and 31 December 2019.

	As at	
	30 June 2020 ***(RMB million)***	31 December 2019 *(RMB million)*
Current	**18,600**	19,472
Non-current	**30,966**	30,265
Total	**49,566**	49,737

INDEBTEDNESS

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 30 June 2020 and 31 December 2019.

	As at	
	30 June 2020 ***(RMB million)***	31 December 2019 *(RMB million)*
Within 1 year	**120,952**	76,379
1 year to 2 years	**53,457**	43,362
2 years to 5 years	**74,454**	64,382
Over 5 years	**187,024**	157,304
Total borrowings	**435,887**	341,427

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Japanese Yen, Euro, Hong Kong dollars and others. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 30 June 2020 and 31 December 2019.

	As at	
	30 June 2020 ***(RMB million)***	31 December 2019 *(RMB million)*
Renminbi	**415,821**	319,288
U.S. dollar	**12,594**	14,537
Japanese Yen	**4,131**	3,892
Euro	**1,887**	1,490
Hong Kong dollar	**517**	1,169
Others	**937**	1,051
Total borrowings	**435,887**	341,427

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 2020 was 50.6%, as compared with 42.9% as at 31 December 2019.

INDEBTEDNESS (CONTINUED)

Contingent Liabilities

	As at 30 June 2020 (RMB million)	31 December 2019 (RMB million)
Pending lawsuits[(1)]	**1,273**	1,201
Outstanding loan guarantees[(2)]	**7,347**	6,944
Total	**8,620**	8,145

(1) The Group has been named defendants in a number of lawsuits arising in the ordinary course of business. Provision has been made for the probable losses to the Group on those claims when management can reasonably estimate the outcome of the lawsuits taking into account of the legal advice. No provision has been made for the above pending lawsuits of RMB1,273 million (31 December 2019: RMB1,201 million), mainly related to disputes with customers and subcontractors, 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 lawsuits in the contingent liabilities disclosed if the probability of loss is remote or the claim amount is insignificant to the Group.

(2) The Group has acted as the guarantor for several external borrowings made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the financial guarantee.

After the assessment of the financial position of these joint ventures and associates, the directors of the Company concluded there is no significant default risk and no provision for such guarantees is required.

The companies in the Group which are engaged in the real estate business provide guarantees to banks for the mortgage loans of the property buyers. As at 30 June 2020, the outstanding balance of guarantees provided by the Group was approximately RMB3,776 million (31 December 2019: RMB3,994 million).

(3) The Group has entered into certain agreements with certain financial institution so as to establish asset-backed securities (ABS) and asset-backed notes (ABN). As at 30 June 2020, certain of the ABS and ABN in issue with an aggregate amount of RMB10,857 million (31 December 2019: RMB10,387 million) included the ABS and ABN issued to preferential investors of an aggregate amount of RMB8,367 million (31 December 2019: RMB7,919 million). Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and fixed return at the due date is not sufficient. The directors of the Company evaluated the possibilities and assumed that the obligations of liquidity supplementary payments is low.

MARKET RISKS

The Group is exposed to various types of market risks, including macro-economy risk, price risk, 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 and infrastructure construction 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 stable 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 were in the down cycle or the national economic growth speed significantly slowed down, there would be a gliding risk in the operation performance of the Group.

MARKET RISKS (CONTINUED)

Market Risk

The Group conducts its business in 139 countries and regions, with major overseas business in Africa, Southeast Asia, Oceania, Hong Kong, Macao, Taiwan and South America. If the political and economic conditions of such countries and regions changed adversely, daily operation of the Group in those regions could be affected, and the overseas business of the Group in such countries and regions would be exposed to certain risks.

Interest Rate Risk

The Group's interest rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. During the six months ended 30 June 2020 and 2019, the Group's borrowings at variable rates were mainly denominated in RMB, USD, JPY, Euro and Hong Kong dollars.

Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Increases in interest rates will increase the cost of new borrowings and the interest expense with respect to the Group's outstanding floating rate borrowings, and therefore could have an adverse effect on the Group's financial position. Management continuously monitors the interest rate position of the Group, and makes decisions with reference to the latest market conditions. From time to time, the Group may enter into interest rate swap agreements to mitigate its exposure to interest rate risks in connection with the floating rate borrowings.

Foreign Exchange Risk

The functional currency of the majority of the entities within the Group is RMB. Most of the Group's transactions are based and settled in RMB. Foreign currencies are used to settle the Group's revenue from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers, and certain expenses.

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC Government.

To manage the impact of currency exchange rate fluctuations, the Group continually assesses its exposure to currency risks, and a portion of those risks is hedged by using derivative financial instruments when management considers necessary.

Price Risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified in the consolidated statement of financial position either as equity investments designated at fair value through other comprehensive income, or other financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Force Majeure Risks

The infrastructure construction business and dredging business principally engaged by the Group are mostly outdoor work. Natural disasters including rainstorm, flooding, earthquake, typhoon, tsunami and fire and public health emergency such as epidemic occurred on the construction sites may cause damages to the site workers as well as property, and adversely affect the quality and progress of relevant businesses of the Group. Thus, force majeure may cause risks on affecting regular productions and operations or on increasing the operation costs.

Since the outbreak of the COVID-19 epidemic in January 2020, Mainland China and other countries and regions have adopted measures to prevent and control the epidemic. The impact of the COVID-19 epidemic on the Group's operations was mainly reflected in the slowdown of project progress as a result of the delay in project resumption caused by the epidemic. The extent of the impact will depend on factors such as the situation of the epidemic, macro policies and the progress of work and production resumption of enterprises, etc..

The Group has strengthened its efforts on the prevention and control of the COVID-19 epidemic through implementing various policies and arrangements of the central government, and meanwhile steadily promoted the resumption of the projects. The Group will closely monitor the situation of the epidemic and continuously assess its impact on the financial positions and operating results of the Group in the future.

INDEPENDENT REVIEW REPORT

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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 38 to 96, which comprises the interim condensed consolidated statement of financial position of China Communications Construction Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2020 and the related interim 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 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") issued by the International Accounting Standards Board. 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* issued by the International Auditing and Assurance Standards Board. 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
28 August 2020

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

		For the six months ended 30 June	
		2020	2019
		Unaudited	Unaudited
	Notes	***RMB million***	*RMB million*
Revenue	*4*	**245,410**	239,461
Cost of sales		**(216,899)**	(211,361)
Gross profit		**28,511**	28,100
Other income	*4*	**2,323**	2,505
Other gains, net	*4*	**246**	1,260
Selling and marketing expenses		**(449)**	(458)
Administrative expenses		**(14,288)**	(13,947)
Impairment losses on financial and contract assets, net		**(1,985)**	(902)
Other expenses		**(815)**	(832)
Operating profit		**13,543**	15,726
Finance income	*6*	**5,143**	3,616
Finance costs, net	*7*	**(8,615)**	(7,627)
Share of profits and losses of:			
– Joint ventures		**(395)**	286
– Associates		**(138)**	46
Profit before tax	*5*	**9,538**	12,047
Income tax expense	*8*	**(2,692)**	(2,271)
Profit for the period		**6,846**	9,776
Attributable to:			
– Owners of the parent		**5,517**	8,781
– Non-controlling interests		**1,329**	995
		6,846	9,776
Earnings per share attributable to ordinary equity holders of the parent			
Basic	*10*	**RMB0.28**	RMB0.48
Diluted	*10*	**RMB0.28**	RMB0.48

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Profit for the period	**6,846**	9,776
Other comprehensive income/(loss)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods, net of tax:		
Actuarial losses on retirement benefit obligations	**(1)**	(21)
Share of other comprehensive loss of joint ventures and associates	**–**	(2)
Changes in fair value of equity investments designated at fair value through other comprehensive income	**(1,010)**	5,257
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**(1,011)**	5,234
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods, net of tax:		
Cash flow hedges	**4**	2
Share of other comprehensive loss of joint ventures and associates	**(7)**	(180)
Exchange differences on translation of foreign operations	**(847)**	(36)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(850)**	(214)
Other comprehensive income/(loss) for the period, net of tax	**(1,861)**	5,020
Total comprehensive income for the period	**4,985**	14,796
Attributable to:		
– Owners of the parent	**3,652**	13,794
– Non-controlling interests	**1,333**	1,002
	4,985	14,796

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2020

	Notes	**30 June 2020 Unaudited *RMB million***	31 December 2019 Audited *RMB million*
Non-current assets			
Property, plant and equipment	*11*	**60,828**	60,400
Investment properties		**4,140**	3,973
Right-of-use assets		**14,356**	13,623
Intangible assets	*12*	**236,802**	219,227
Investments in joint ventures		**26,987**	24,715
Investments in associates		**30,331**	26,683
Financial assets at fair value through profit or loss	*13*	**7,235**	6,723
Debt investments at amortised cost		**162**	111
Equity investments designated at fair value through other comprehensive income	*14*	**24,238**	25,018
Contract assets	*16*	**30,966**	30,265
Trade and other receivables	*17*	**210,595**	178,037
Deferred tax assets		**6,219**	5,270
Total non-current assets		**652,859**	594,045
Current assets			
Inventories	*15*	**70,173**	62,613
Trade and other receivables	*17*	**244,296**	223,768
Contract assets	*16*	**132,748**	116,236
Financial assets at fair value through profit or loss	*13*	**3,363**	415
Debt investments at amortised cost		**24**	–
Derivative financial instruments		**665**	799
Restricted bank deposits and time deposits with an initial term of over three months	*18*	**7,555**	6,630
Cash and cash equivalents	*18*	**120,873**	118,908
Total current assets		**579,697**	529,369
Current liabilities			
Trade and other payables	*19*	**369,809**	362,901
Contract liabilities	*16*	**79,370**	82,992
Tax payable		**4,439**	5,929
Derivative financial instruments		**2**	12
Interest-bearing bank and other borrowings	*20*	**120,952**	76,379
Retirement benefit obligations		**126**	126
Total current liabilities		**574,698**	528,339
Net current assets		**4,999**	1,030
Total assets less current liabilities		**657,858**	595,075

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2020

	Notes	30 June 2020 Unaudited RMB million	31 December 2019 Audited RMB million
Total assets less current liabilities		**657,858**	595,075
Non-current liabilities			
Trade and other payables	*19*	**25,002**	23,743
Interest-bearing bank and other borrowings	*20*	**314,935**	265,048
Deferred income		**1,088**	1,111
Deferred tax liabilities		**6,245**	6,345
Retirement benefit obligations		**957**	993
Provisions		**2,397**	1,425
Total non-current liabilities		**350,624**	298,665
Net assets		**307,234**	296,410
Equity			
Equity attributable to owners of the parent			
Share capital		**16,175**	16,175
Share premium		**19,656**	19,656
Treasury shares		**(40)**	–
Financial instruments classified as equity		**30,423**	30,423
Reserves		**161,842**	163,662
		228,056	229,916
Non-controlling interests		**79,178**	66,494
Total equity		**307,234**	296,410

Liu Qitao
Director

Song Hailiang
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Attributable to owners of the parent								
	Share capital Unaudited *RMB million*	Share premium Unaudited *RMB million*	Treasury shares Unaudited *RMB million*	Financial instruments classified as equity Unaudited *RMB million*	Other reserves (note 21) Unaudited *RMB million*	Retained earnings Unaudited *RMB million*	Total Unaudited *RMB million*	Non-controlling interests Unaudited *RMB million*	Total equity Unaudited *RMB million*
As at 31 December 2019	**16,175**	**19,656**	**–**	**30,423**	**35,316**	**128,583**	**230,153**	**66,226**	**296,379**
Business combination under common control	–	–	–	–	(49)	(188)	(237)	268	31
As at 31 December 2019	**16,175**	**19,656**	**–**	**30,423**	**35,267***	**128,395***	**229,916**	**66,494**	**296,410**
Profit for the period	–	–	–	–	–	5,517	5,517	1,329	6,846
Other comprehensive income/ (loss) for the period:									
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	(1,010)	–	(1,010)	–	(1,010)
Cash flow hedges, net of tax	–	–	–	–	4	–	4	–	4
Share of other comprehensive loss of joint ventures and associates	–	–	–	–	(7)	–	(7)	–	(7)
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	–	(1)	–	(1)	–	(1)
Exchange differences on translation of foreign operations	–	–	–	–	(851)	–	(851)	4	(847)
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**(1,865)**	**5,517**	**3,652**	**1,333**	**4,985**
Final 2019 dividend declared	–	–	–	–	–	(3,765)	(3,765)	–	(3,765)
Interests on perpetual securities (i)	–	–	–	–	–	(663)	(663)	(1,470)	(2,133)
Dividends on preference shares	–	–	–	–	–	(718)	(718)	–	(718)
Dividends to non-controlling shareholders	–	–	–	–	–	–	–	(969)	(969)
Shares repurchased (ii)	–	–	(40)	–	–	–	(40)	–	(40)
Share of other reserves of joint ventures and associates	–	–	–	–	(2)	–	(2)	–	(2)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	1,074	1,074
Acquisition of subsidiaries	–	–	–	–	–	–	–	1,706	1,706
Issuance of perpetual securities	–	–	–	–	–	–	–	17,715	17,715
Redemption of perpetual securities	–	–	–	–	–	–	–	(6,706)	(6,706)
Transaction with non-controlling interests	–	–	–	–	(1)	–	(1)	1	–
Transfer to safety production reserve	–	–	–	–	395	(395)	–	–	–
Transfer to retained earnings due to disposal of equity investments designated at fair value through other comprehensive income	–	–	–	–	(3)	3	–	–	–
Others	–	–	–	–	(42)	(281)	(323)	–	(323)
As at 30 June 2020	**16,175**	**19,656**	**(40)**	**30,423**	**33,749***	**128,093***	**228,056**	**79,178**	**307,234**

* As at 30 June 2020, these reserve accounts comprise the consolidated reserves of RMB161,842 million (31 December 2019: RMB163,662 million) in the interim condensed consolidated statement of financial position.

(i) The Company accrued interest on perpetual securities totalling RMB702 million, of which RMB39 million was distributed to CCCC Finance Company Limited ("CCCC Finance"), a subsidiary of the Company.

(ii) From 28 May 2020 to 9 June 2020, the Company repurchased a total of 9,024,000 H shares. As at 30 June 2020, the repurchased shares have not been cancelled and are accounted for as treasury shares.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2020

	Attributable to owners of the parent							
	Share capital Unaudited *RMB million*	Share premium Unaudited *RMB million*	Financial instruments classified as equity Unaudited *RMB million*	Other reserves (note 21) Unaudited *RMB million*	Retained earnings Unaudited *RMB million*	Total Unaudited *RMB million*	Non-controlling interests Unaudited *RMB million*	Total equity Unaudited *RMB million*
As at 31 December 2018	16,175	19,656	24,426	26,312	110,609	197,178	42,504	239,682
Business combination under common control	–	–	–	(49)	(93)	(142)	270	128
As at 31 December 2018	16,175	19,656	24,426	26,263	110,516	197,036	42,774	239,810
Profit for the period	–	–	–	–	8,781	8,781	995	9,776
Other comprehensive income/(loss) for the period:								
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	5,257	–	5,257	–	5,257
Cash flow hedges, net of tax	–	–	–	2	–	2	–	2
Share of other comprehensive loss of joint ventures and associates	–	–	–	(182)	–	(182)	–	(182)
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(21)	–	(21)	–	(21)
Exchange differences on translation of foreign operations	–	–	–	(43)	–	(43)	7	(36)
Total comprehensive income for the period	–	–	–	5,013	8,781	13,794	1,002	14,796
Final 2018 dividend declared	–	–	–	–	(3,733)	(3,733)	–	(3,733)
Interests on perpetual securities	–	–	–	–	(528)	(528)	(1,136)	(1,664)
Dividends on preference shares	–	–	–	–	(718)	(718)	–	(718)
Dividends to non-controlling shareholders	–	–	–	–	–	–	(30)	(30)
Share of other reserves of joint ventures and associates	–	–	–	1	–	1	–	1
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	407	407
Acquisition of subsidiaries	–	–	–	–	–	–	70	70
Disposal of subsidiaries	–	–	–	–	–	–	(10)	(10)
Issuance of perpetual securities	–	–	–	–	–	–	998	998
Transaction with non-controlling interests	–	–	–	(16)	–	(16)	(65)	(81)
Transfer to safety production reserve	–	–	–	180	(180)	–	–	–
Transfer to retained earnings due to disposal of equity investments designated at fair value through other comprehensive income	–	–	–	(242)	242	–	–	–
As at 30 June 2019	16,175	19,656	24,426	31,199	114,380	205,836	44,010	249,846

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

		For the six months ended 30 June	
		2020	2019
		Unaudited	Unaudited
	Notes	***RMB million***	*RMB million*
Cash flows from operating activities			
Profit before tax		**9,538**	12,047
Adjustments for:			
– Depreciation of property, plant and equipment and investment properties	*5*	**4,265**	4,242
– Amortisation of right-of-use assets	*5*	**787**	642
– Amortisation of intangible assets	*5*	**803**	877
– Gains on disposal of items of property, plant and equipment	*4*	**(46)**	(29)
– Gains on disposal of joint ventures and associates	*4*	**(9)**	–
– Fair value gains on financial assets at fair value through profit or loss	*4*	**(172)**	(26)
– Losses/(gains) on derivative financial instruments	*4*	**188**	(328)
– Gains on disposal of financial assets at fair value through profit or loss	*4*	**(1)**	(6)
– Gains on disposal of subsidiaries	*4*	**(2)**	(740)
– Dividend income from financial assets at fair value through profit or loss	*4*	**(60)**	(67)
– Dividend income from equity investments designated at fair value through other comprehensive income	*4*	**(682)**	(884)
– Dividend income from derivative financial instruments		**(105)**	–
– Other income from investing activities		**(2)**	(51)
– Share of losses/(profits) of joint ventures and associates		**533**	(332)
– Write-down of inventories to net realisable value	*5*	**–**	1
– Provision for impairment of contract assets	*5*	**60**	197
– Provision for impairment of trade and other receivables	*5*	**1,925**	705
– Interest income	*6*	**(5,143)**	(3,616)
– Interest expenses	*7*	**7,923**	6,619
– Net foreign exchange losses/(gains) on borrowings	*7*	**49**	(13)
		19,849	19,238
Increase in inventories		**(11,624)**	(6,191)
Increase in contract assets		**(17,973)**	(18,113)
(Increase)/decrease in restricted bank deposits		**(104)**	31
Increase in trade and other receivables		**(30,557)**	(15,494)
Increase/(decrease) in trade and other payables		**5,309**	(516)
Decrease in contract liabilities		**(3,197)**	(17,956)
Decrease in retirement benefit obligations		**(36)**	(55)
Increase/(decrease) in provisions		**972**	(114)
(Decrease)/increase in deferred income		**(23)**	71
Cash used in operations		**(37,384)**	(39,099)
Interest income from operating activities		**1,658**	1,758
Income tax paid		**(4,839)**	(2,963)
Net cash flows used in operating activities		**(40,565)**	(40,304)

continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2020

	Notes	For the six months ended 30 June **2020** **Unaudited** ***RMB million***	 2019 Unaudited *RMB million*
Net cash flows used in operating activities		**(40,565)**	(40,304)
Cash flows from investing activities			
Purchases of items of property, plant and equipment		**(5,125)**	(4,428)
Additions to right-of-use assets		**(982)**	(965)
Purchases of investment properties		**(90)**	–
Purchases of intangible assets		**(14,122)**	(12,838)
Purchases of other long-term assets		**(13,157)**	(6,248)
Proceeds from disposal of items of property, plant and equipment		**279**	594
Proceeds from disposal of right-of-use assets		**7**	14
Proceeds from disposal of intangible assets		**2,710**	13
Additional investments in associates		**(4,943)**	(3,504)
Additional investments in joint ventures		**(2,055)**	(1,415)
Net (outflow)/inflow of cash in respect of the acquisition of subsidiaries	*23*	**(303)**	75
Net inflow/(outflow) of cash in respect of the disposal of subsidiaries		**137**	(14)
Net inflow of cash in respect of the disposal of joint ventures and associates		**127**	6
Purchases of equity investments designated at fair value through other comprehensive income		**(328)**	(17)
Purchases of financial assets at fair value through profit or loss		**(4,026)**	(932)
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		**59**	281
Proceeds from disposal of financial assets at fair value through profit or loss		**811**	98
Loans to joint ventures, associates and a third party		**(4,094)**	(2,718)
Repayment of loans from joint ventures and associates		**1,600**	2,019
Interest received		**432**	280
Changes in time deposits with an initial term of over three months		**(821)**	(1,580)
Cash consideration received for concession assets		**1,028**	1,727
Dividends received		**630**	538
Net cash flows used in investing activities		**(42,226)**	(29,014)
Cash flows from financing activities			
Capital contribution from non-controlling shareholders		**1,074**	407
Dividends paid to non-controlling shareholders		**(172)**	(7)
Dividends paid to equity holders of the parent		**(2,736)**	–
Proceeds from perpetual securities		**17,715**	998
Interest paid for perpetual securities		**(378)**	(344)
Withdrawal of perpetual securities		**(6,748)**	–
Proceeds from bank and other borrowings		**157,485**	94,928
Repayment of bank and other borrowings		**(73,705)**	(44,269)
Interest paid for bank and other borrowings		**(7,242)**	(6,827)
Transaction with non-controlling interests		**–**	(81)
H share repurchase		**(40)**	–
Principal portion of lease payments		**(733)**	(636)
Net cash flows from financing activities		**84,520**	44,169
Net increase/(decrease) in cash and cash equivalents		**1,729**	(25,149)
Cash and cash equivalents at beginning of period	*18*	**118,908**	127,811
Effect of foreign exchange rate changes, net		**236**	35
Cash and cash equivalents at end of period	*18*	**120,873**	102,697

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2020

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 (Limited) ("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 and dredging businesses.

In the opinion of the directors, the immediate and ultimate holding company of the Company is CCCG, which was established in the PRC.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 has been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does 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 2019, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

The interim condensed consolidated financial information is presented in Renminbi ("RMB"), and all values are rounded to the nearest million except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions* (early adopted)
Amendments to IAS 1 and IAS 8	*Definition of Material*

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the revised IFRSs are described below:

(a) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1 January 2020. The amendments did not have any impact on the financial position and performance of the Group.

(b) Amendments to IFRS 9, IAS 39 and IFRS 7 address the effects of interbank offered rate reform on financial reporting. The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedge relationships.

(c) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted.

During the period ended 30 June 2020, certain monthly lease payments for the leases of the Group's office buildings have been reduced or waived by the lessors as a result of the covid-19 pandemic and there are no other changes to the terms of the leases. The Group has early adopted the amendment on 1 January 2020 and elected not to apply lease modification accounting for all rent concessions granted by the lessors as a result of the covid-19 pandemic during the period ended 30 June 2020. The amount of reduction in the lease payments arising from rent concessions was not material. The amendment did not have significant impact on the Group's interim condensed consolidated financial information.

(d) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. The amendments did not have any impact on the Group's interim condensed consolidated financial information.

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 four operating segments:

(a) infrastructure construction of ports, roads, bridges, railways, municipal and environmental engineering and others (the "Construction");

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

(c) dredging (the "Dredging");

(d) others

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

Sales between 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 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, investment properties, right-of-use assets, intangible assets, inventories, receivables, contract assets, equity investments designated at fair value through other comprehensive income, debt investments at amortised cost, financial assets at fair value through profit or loss, derivative financial instruments, and cash and cash equivalents. They exclude deferred tax assets, investments in joint ventures and associates, the assets of the headquarters of the Company and the assets of CCCC Finance, a subsidiary of the Company.

Segment liabilities comprise primarily payables, derivative financial instruments, and contract liabilities. They exclude deferred tax liabilities, tax payable, borrowings, the liabilities of the headquarters of the Company and the liabilities of CCCC Finance.

Capital expenditure comprises mainly additions to property, plant and equipment (note 11), investment properties, right-of-use assets and intangible assets (note 12).

3. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2020 and other segment information included in the unaudited interim condensed consolidated financial statements are as follows:

	For the six months ended 30 June 2020					
	Construction	**Design**	**Dredging**	**Others**	**Eliminations**	**Total**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
	RMB million	***RMB million***	***RMB million***	***RMB million***	***RMB million***	***RMB million***
Total gross segment revenue	**218,839**	**13,628**	**16,122**	**4,791**	**(7,970)**	**245,410**
Intersegment sales	**(2,331)**	**(1,698)**	**(308)**	**(3,633)**	**7,970**	**–**
Revenue	**216,508**	**11,930**	**15,814**	**1,158**	**–**	**245,410**
Segment results	**11,980**	**663**	**522**	**206**	**102**	**13,473**
Unallocated income						**70**
Operating profit						**13,543**
Finance income						**5,143**
Finance costs, net						**(8,615)**
Share of profits and losses of joint ventures and associates						**(533)**
Profit before tax						**9,538**
Income tax expense						**(2,692)**
Profit for the period						**6,846**
Other segment information						
Depreciation	**3,438**	**134**	**463**	**230**	**–**	**4,265**
Amortisation	**1,316**	**78**	**143**	**53**	**–**	**1,590**
Impairment losses recognised/ (reversed) in the statement of profit or loss:						
Trade and other receivables	**1,339**	**176**	**400**	**10**	**–**	**1,925**
Contract assets	**40**	**(2)**	**22**	**–**	**–**	**60**
Capital expenditure	**21,418**	**232**	**658**	**517**	**–**	**22,825**

3. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment results for the six months ended 30 June 2019 and other segment information included in the unaudited interim condensed consolidated financial statements are as follows:

	For the six months ended 30 June 2019					
	Construction	Design	Dredging	Others	Eliminations	Total
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Total gross segment revenue	212,434	13,220	15,614	4,745	(6,552)	239,461
Intersegment sales	(1,900)	(1,513)	(229)	(2,910)	6,552	–
Revenue	210,534	11,707	15,385	1,835	–	239,461
Segment results	13,473	934	692	556	(27)	15,628
Unallocated income						98
Operating profit						15,726
Finance income						3,616
Finance costs, net						(7,627)
Share of profits and losses of joint ventures and associates						332
Profit before tax						12,047
Income tax expense						(2,271)
Profit for the period						9,776
Other segment information						
Depreciation	3,357	127	478	280	–	4,242
Amortisation	1,254	86	133	46	–	1,519
Write-down of inventories	1	–	–	–	–	1
Impairment losses recognised/ (reversed) in the statement of profit or loss:						
Trade and other receivables	607	145	95	(142)	–	705
Contract assets	166	4	26	1	–	197
Capital expenditure	19,128	333	476	853	–	20,790

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 those of the interim condensed consolidated financial statements. These assets and liabilities are presented based on the operating segments with which they are associated.

The segment assets and liabilities as at 30 June 2020 are as follows:

	As at 30 June 2020					
	Construction	**Design**	**Dredging**	**Others**	**Eliminations**	**Total**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
	RMB million	***RMB million***	***RMB million***	***RMB million***	***RMB million***	***RMB million***
Segment assets	**946,618**	**49,545**	**96,681**	**83,747**	**(85,932)**	**1,090,659**
Investments in joint ventures						**26,987**
Investments in associates						**30,331**
Other unallocated assets						**84,579**
Total assets						**1,232,556**
Segment liabilities	**441,134**	**25,255**	**44,131**	**6,022**	**(60,854)**	**455,688**
Unallocated liabilities						**469,634**
Total liabilities						**925,322**

Segment assets and liabilities as at 30 June 2020 are reconciled to total assets and liabilities as follows:

	Assets	**Liabilities**
	Unaudited	**Unaudited**
	RMB million	***RMB million***
Segment assets/liabilities	**1,090,659**	**455,688**
Investments in joint ventures	**26,987**	–
Investments in associates	**30,331**	–
Unallocated:		
Deferred tax assets/liabilities	**6,219**	**6,245**
Tax payable	–	**4,439**
Current borrowings	–	**120,952**
Non-current borrowings	–	**314,935**
Other corporate assets/corporate liabilities	**78,360**	**23,063**
Total assets/liabilities	**1,232,556**	**925,322**

3. OPERATING SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities as at 31 December 2019 are as follows:

	As at 31 December 2019					
	Construction	Design	Dredging	Others	Eliminations	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Segment assets	856,078	46,613	96,232	72,271	(85,350)	985,844
Investments in joint ventures						24,715
Investments in associates						26,683
Other unallocated assets						86,172
Total assets						1,123,414
Segment liabilities	437,713	28,753	40,463	5,368	(52,447)	459,850
Unallocated liabilities						367,154
Total liabilities						827,004

Segment assets and liabilities as at 31 December 2019 are reconciled to total assets and liabilities as follows:

	Assets	Liabilities
	RMB million	*RMB million*
Segment assets/liabilities	985,844	459,850
Investments in joint ventures	24,715	–
Investments in associates	26,683	–
Unallocated:		
Deferred tax assets/liabilities	5,270	6,345
Tax payable	–	5,929
Current borrowings	–	76,379
Non-current borrowings	–	265,048
Other corporate assets/corporate liabilities	80,902	13,453
Total assets/liabilities	1,123,414	827,004

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Mainland China	**207,471**	194,202
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	**37,939**	45,259
	245,410	239,461

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

(b) Non-current assets

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Mainland China	**292,063**	275,510
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	**30,784**	26,080
	322,847	301,590

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

Information about major customers

No revenue was derived from services or sales to a single customer which accounted for 10% or more of the Group's revenue, including the provision of services or sales to a group of entities which are known to be under common control with any single customer, during the six months ended 30 June 2020 and 2019.

4. REVENUE, OTHER INCOME AND OTHER GAINS, NET

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Revenue from contracts with customers		
Construction	**218,839**	212,434
Design	**13,628**	13,220
Dredging	**16,122**	15,614
Others	**4,791**	4,745
Intersegment eliminations	**(7,970)**	(6,552)
	245,410	239,461

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended 30 June 2020

Segments	**Construction**	**Design**	**Dredging**	**Others**	**Total**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**
	RMB million	***RMB million***	***RMB million***	***RMB million***	***RMB million***
Type of goods or services					
Infrastructure construction services	**205,788**	**7,457**	**–**	**10**	**213,255**
Infrastructure design services	**365**	**4,233**	**247**	**5**	**4,850**
Dredging services	**–**	**–**	**14,831**	**–**	**14,831**
Others	**10,355**	**240**	**736**	**1,143**	**12,474**
Total revenue from contracts with customers	**216,508**	**11,930**	**15,814**	**1,158**	**245,410**
Geographical markets					
Mainland China	**180,844**	**11,511**	**13,958**	**1,158**	**207,471**
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	**35,664**	**419**	**1,856**	**–**	**37,939**
Total revenue from contracts with customers	**216,508**	**11,930**	**15,814**	**1,158**	**245,410**
Timing of revenue recognition					
Services transferred over time	**206,212**	**11,690**	**15,074**	**15**	**232,991**
Services transferred at a point in time	**2,639**	**–**	**–**	**–**	**2,639**
Merchandise transferred at a point in time	**7,657**	**240**	**740**	**1,143**	**9,780**
Total revenue from contracts with customers	**216,508**	**11,930**	**15,814**	**1,158**	**245,410**

4. REVENUE, OTHER INCOME AND OTHER GAINS, NET (CONTINUED)

Revenue from contracts with customers (continued)

Disaggregated revenue information (continued)

For the six months ended 30 June 2019

Segments	Construction Unaudited *RMB million*	Design Unaudited *RMB million*	Dredging Unaudited *RMB million*	Others Unaudited *RMB million*	Total Unaudited *RMB million*
Type of goods or services					
Infrastructure construction services	200,895	6,429	–	175	207,499
Infrastructure design services	567	5,233	258	27	6,085
Dredging services	–	–	12,651	–	12,651
Others	9,072	45	2,476	1,633	13,226
Total revenue from contracts with customers	210,534	11,707	15,385	1,835	239,461
Geographical markets					
Mainland China	167,293	11,187	13,887	1,835	194,202
Other regions (primarily including Australia, Hong Kong, and countries in Africa, Middle East and South East Asia)	43,241	520	1,498	–	45,259
Total revenue from contracts with customers	210,534	11,707	15,385	1,835	239,461
Timing of revenue recognition					
Services transferred over time	201,752	11,664	12,949	213	226,578
Services transferred at a point in time	3,192	–	–	–	3,192
Merchandise transferred at a point in time	5,590	43	2,436	1,622	9,691
Total revenue from contracts with customers	210,534	11,707	15,385	1,835	239,461

4. REVENUE, OTHER INCOME AND OTHER GAINS, NET (CONTINUED)

Revenue from contracts with customers (continued)

Disaggregated revenue information (continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the six months ended 30 June 2020

Segments	**Construction** **Unaudited** ***RMB million***	**Design** **Unaudited** ***RMB million***	**Dredging** **Unaudited** ***RMB million***	**Others** **Unaudited** ***RMB million***	**Total** **Unaudited** ***RMB million***
Revenue from contracts with customers					
External customers	**216,508**	**11,930**	**15,814**	**1,158**	**245,410**
Intersegment sales	**2,331**	**1,698**	**308**	**3,633**	**7,970**
	218,839	**13,628**	**16,122**	**4,791**	**253,380**
Intersegment adjustments and eliminations	**(2,331)**	**(1,698)**	**(308)**	**(3,633)**	**(7,970)**
Total revenue from contracts with customers	**216,508**	**11,930**	**15,814**	**1,158**	**245,410**

For the six months ended 30 June 2019

Segments	Construction Unaudited *RMB million*	Design Unaudited *RMB million*	Dredging Unaudited *RMB million*	Others Unaudited *RMB million*	Total Unaudited *RMB million*
Revenue from contracts with customers					
External customers	210,534	11,707	15,385	1,835	239,461
Intersegment sales	1,900	1,513	229	2,910	6,552
	212,434	13,220	15,614	4,745	246,013
Intersegment adjustments and eliminations	(1,900)	(1,513)	(229)	(2,910)	(6,552)
Total revenue from contracts with customers	210,534	11,707	15,385	1,835	239,461

4. REVENUE, OTHER INCOME AND OTHER GAINS, NET (CONTINUED)

Other income

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Rental income	**319**	430
Revenue from consulting services	**168**	167
Dividend income from equity investments designated at fair value through other comprehensive income		
– Listed equity instruments	**632**	841
– Unlisted equity instruments	**50**	43
Government grants	**318**	170
Dividend income from financial assets at fair value through profit or loss	**60**	67
Income from sale of scraps	**55**	53
Others	**721**	734
	2,323	2,505

Other gains, net

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Gains on disposal of items of property, plant and equipment	**46**	29
Gains on disposal of subsidiaries	**2**	740
Gains on disposal of joint ventures and associates	**9**	–
Fair value gains/(losses), net:		
– Financial assets at fair value through profit or loss	**172**	26
– Derivative financial instruments – transactions not qualifying as hedges	**(188)**	328
Foreign exchange difference, net	**428**	131
Gains on disposal of financial assets at fair value through profit or loss	**1**	6
Losses on derecognition of financial assets at amortised cost	**(224)**	–
	246	1,260

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Raw materials and consumables used*	**72,627**	70,983
Cost of goods sold	**7,890**	6,855
Subcontracting costs	**85,147**	81,912
Employee benefit expenses*:		
– Salaries, wages and bonuses	**14,978**	13,561
– Pension costs – defined contribution plans	**1,189**	1,628
– Housing benefits	**997**	909
– Welfare, medical and other expenses	**8,274**	8,756
	25,438	24,854
Equipment and plant usage costs	**5,733**	5,921
Business tax and other transaction tax	**634**	688
Fuel	**1,333**	1,457
Research and development costs (including raw materials and consumables used, employee benefit expenses, depreciation and amortisation)	**5,565**	5,232
Repair and maintenance expenses	**976**	877
Utilities	**684**	748
Depreciation of property, plant and equipment and investment properties*	**4,265**	4,242
Amortisation of right-of-use assets	**787**	642
Amortisation of intangible assets*	**803**	877
Write-down of inventories to net realisable value	**–**	1
Impairment of financial and contract assets, net:		
– Impairment of trade and other receivables	**1,925**	705
– Impairment of contract assets	**60**	197

* Including the raw materials and consumables used, employee benefit expenses, depreciation and amortisation charged for research and development activities, and those cost and expenses are also summarised in the item of "Research and development costs".

6. FINANCE INCOME

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Interest income from:		
– Bank deposits	**370**	376
– Receivables from Public-Private-Partnership ("PPP") contracts	**2,343**	1,388
– Loan receivables	**1,292**	570
– Others	**1,138**	1,282
	5,143	3,616

7. FINANCE COSTS, NET

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Total interest expense	**9,421**	7,568
Less: Interest capitalised (note a)	**(1,498)**	(949)
Net interest expense	**7,923**	6,619
Net foreign exchange losses/(gains) on borrowings	**49**	(13)
Loss on derecognition of financial assets at amortised cost	**–**	360
Others	**643**	661
	8,615	7,627

(a) Interest capitalised

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Inventories	**433**	222
Concession assets	**1,015**	696
Construction-in-progress	**50**	31
	1,498	949

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% (six months ended 30 June 2019: 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 PRC subsidiaries of the Company, which were taxed at a preferential rate of 15% (six months ended 30 June 2019: 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% (six months ended 30 June 2019: 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 2020 and 2019 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	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Current income tax		
– PRC enterprise income tax	**3,047**	1,921
– Others	**302**	352
	3,349	2,273
Deferred income tax	**(657)**	(2)
Total tax charge for the period	**2,692**	2,271

9. DIVIDENDS

A dividend in respect of the year ended 31 December 2019 of RMB0.23276 (including tax) per ordinary share, totalling RMB3,765 million was approved by the Company's shareholders in the annual general meeting on 17 June 2020.

The above approval has triggered the mandatory clauses about the distribution of interest relating to perpetual securities and the distribution of dividends relating to preference shares issued by the Company, totalling RMB663 million and RMB718 million respectively.

No interim dividend for the six months ended 30 June 2020 was declared by the Board of Directors (six months ended 30 June 2019: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(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	
	2020	2019
	Unaudited	Unaudited
Profit attributable to ordinary equity holders of the parent *(RMB million)*	**5,517**	8,781
Less: Interest on perpetual securities *(RMB million)* (i)	**(332)**	(264)
Dividend relating to preference shares *(RMB million)* (ii)	**(718)**	(718)
	4,467	7,799
Weighted average number of ordinary shares in issue *(million)* (iii)	**16,174**	16,175
Basic earnings per share *(RMB per share)*	**0.28**	0.48

(i) The perpetual securities issued by the Company were classified as equity instruments with deferrable accumulative dividend distribution and payment. Interest of RMB332 million on the perpetual securities which has been generated but not declared from 1 January 2020 to 30 June 2020 was deducted from earnings when calculating the earnings per share amount for the six months ended 30 June 2020.

(ii) The preference shares issued by the Company 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 2020.

(iii) The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

(b) Diluted

The diluted earnings per share amounts were the same as the basic earnings per share amounts as there were no potentially dilutive ordinary shares outstanding during the six months ended 30 June 2020 and 2019.

11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Unaudited *RMB million*	Machinery Unaudited *RMB million*	Vessels and vehicles Unaudited *RMB million*	Other equipment Unaudited *RMB million*	Construction In progress Unaudited *RMB million*	Total Unaudited *RMB million*
30 June 2020						
At 31 December 2019, net of accumulated depreciation and impairment	12,486	14,697	18,655	3,540	11,022	60,400
Additions	135	1,054	785	1,135	1,957	5,066
Disposals	(2)	(149)	(72)	(14)	(86)	(323)
Acquisition of subsidiaries	74	51	10	–	10	145
Disposal of subsidiaries	–	–	(1)	–	–	(1)
Transfer from/(to) construction in progress	128	573	74	21	(796)	–
Transfer from investment properties	24	–	–	–	–	24
Transfer to investment properties	(75)	–	–	–	–	(75)
Transfer from inventories	2	–	–	1	36	39
Transfer to inventories	–	–	–	–	(285)	(285)
Depreciation provided during the period	(305)	(1,707)	(716)	(1,451)	–	(4,179)
Exchange realignment	10	8	(4)	3	–	17
At 30 June 2020, net of accumulated depreciation and impairment	12,477	14,527	18,731	3,235	11,858	60,828
At 30 June 2020						
Cost	17,032	34,352	41,857	15,262	11,858	120,361
Accumulated depreciation and impairment	(4,555)	(19,825)	(23,126)	(12,027)	–	(59,533)
Net carrying amount	12,477	14,527	18,731	3,235	11,858	60,828

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	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*
31 December 2019						
At 1 January 2019 (restated):						
Cost	16,345	30,794	39,522	13,535	7,970	108,166
Accumulated depreciation and impairment	(3,849)	(16,422)	(21,434)	(9,787)	–	(51,492)
Net carrying amount	12,496	14,372	18,088	3,748	7,970	56,674
At 31 December 2018, net of accumulated depreciation and impairment	12,496	14,631	19,566	3,748	7,970	58,411
Effect of adoption of IFRS 16	–	(259)	(1,478)	–	–	(1,737)
	12,496	14,372	18,088	3,748	7,970	56,674
At 1 January 2019 (restated)						
Additions	420	2,331	863	2,746	7,250	13,610
Disposals	(163)	(550)	(385)	(199)	(320)	(1,617)
Acquisition of subsidiaries	39	–	1	3	–	43
Disposal of subsidiaries	(1)	(18)	(1)	(17)	–	(37)
Transfer from/(to) construction in progress	576	1,809	1,435	66	(3,886)	–
Transfer from investment properties	15	–	–	–	–	15
Transfer to investment properties	(305)	–	–	–	(3)	(308)
Transfer from inventories	18	–	–	–	321	339
Transfer to inventories	–	–	–	–	(310)	(310)
Transfer from right-of-use assets	–	253	504	–	–	757
Depreciation provided during the year	(634)	(3,499)	(1,949)	(2,811)	–	(8,893)
Exchange realignment	25	(1)	99	4	–	127
At 31 December 2019, net of accumulated depreciation and impairment	12,486	14,697	18,655	3,540	11,022	60,400
At 31 December 2019						
Cost	16,758	33,500	41,214	14,660	11,022	117,154
Accumulated depreciation and impairment	(4,272)	(18,803)	(22,559)	(11,120)	–	(56,754)
Net carrying amount	12,486	14,697	18,655	3,540	11,022	60,400

As at 30 June 2020, the Group was in the process of applying for the registration of the ownership certificates for certain of its properties with an aggregate carrying amount of approximately RMB3,043 million (31 December 2019: RMB3,588 million). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupyor use these properties.

12. INTANGIBLE ASSETS

	Concession assets Unaudited *RMB million*	Goodwill Unaudited *RMB million*	Trademarks, patent, proprietary technologies and copyrights Unaudited *RMB million*	Computer software Unaudited *RMB million*	Others Unaudited *RMB million*	Total Unaudited *RMB million*
30 June 2020						
Cost at 1 January 2020, net of accumulated amortisation and impairment	**212,122**	**5,371**	**1,223**	**473**	**38**	**219,227**
Additions	**15,810**	**–**	**3**	**36**	**13**	**15,862**
Acquisition of subsidiaries	**7,853**	**27**	**–**	**–**	**–**	**7,880**
Disposal of subsidiaries	**(1,749)**	**–**	**–**	**–**	**–**	**(1,749)**
Disposals	**(3,592)**	**–**	**(3)**		**–**	**(3,595)**
Amortisation provided during the period	**(689)**	**–**	**(14)**	**(86)**	**(14)**	**(803)**
Exchange realignment	**–**	**(20)**	**–**	**–**	**–**	**(20)**
At 30 June 2020	**229,755**	**5,378**	**1,209**	**423**	**37**	**236,802**
At 30 June 2020						
Cost	**236,138**	**5,428**	**1,450**	**1,149**	**294**	**244,459**
Accumulated amortisation and impairment	**(6,383)**	**(50)**	**(241)**	**(726)**	**(257)**	**(7,657)**
Net carrying amount	**229,755**	**5,378**	**1,209**	**423**	**37**	**236,802**

12. INTANGIBLE ASSETS (CONTINUED)

	Concession assets *RMB million*	Goodwill *RMB million*	Trademarks, patents, proprietary technologies and copyrights *RMB million*	Computer software *RMB million*	Others *RMB million*	Total *RMB million*
31 December 2019						
Cost at 1 January 2019, net of accumulated amortisation and impairment	181,460	5,161	1,234	349	166	188,370
Additions	31,840	–	11	293	7	32,151
Acquisition of subsidiaries	539	139	–	3	–	681
Disposal of subsidiaries	–	–	–	(3)	–	(3)
Disposal	–	–	–	(1)	(123)	(124)
Amortisation provided during the year	(1,717)	–	(22)	(168)	(12)	(1,919)
Exchange realignment	–	71	–	–	–	71
At 31 December 2019	212,122	5,371	1,223	473	38	219,227
At 31 December 2019						
Cost	217,816	5,421	1,466	1,139	406	226,248
Accumulated amortisation and impairment	(5,694)	(50)	(243)	(666)	(368)	(7,021)
Net carrying amount	212,122	5,371	1,223	473	38	219,227

12. INTANGIBLE ASSETS (CONTINUED)

As at 30 June 2020, concession assets represented assets under "Build-Operate-Transfer" service concession arrangements and mainly consisted of toll roads in Mainland China.

As at 30 June 2020, the Group recognised an accumulated impairment of RMB334 million (31 December 2019: RMB334 million), provided for concession assets (two toll roads) in the infrastructure construction segment.

As at 30 June 2020, certain bank and other borrowings were secured by concession assets and trade receivables from PPP projects with a carrying amount of approximately RMB217,218 million (31 December 2019: RMB183,235 million) (note 20(d) and note 26).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020 **Unaudited** ***RMB million***	31 December 2019 Audited *RMB million*
Listed equity investments (note a)	**550**	383
Unlisted investments and financial products (note b)	**10,048**	6,755
	10,598	7,138
Less: non-current portion		
Unlisted investments (note b)	**7,235**	6,723
Current portion	**3,363**	415

(a) The listed equity investments at 30 June 2020 were classified as financial assets at fair value through profit or loss as they were held for trading. The fair values of these investments were based on the quoted market prices at the end of the reporting period.

(b) The unlisted investments at 30 June 2020 mainly included unlisted equity investments, which were classified at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

14. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Non-current		
Listed equity instruments		
– China Merchants Bank Co., Ltd.	**14,256**	15,888
– China Merchants Securities Co., Ltd.	**4,641**	3,867
– Zhengzhou Yutong Bus Co., Ltd.	**499**	583
– China Everbright Bank Co., Ltd.	**267**	329
– CECEP Environmental Protection Equipment Co., Ltd.	**180**	214
– China Development Bank Financial Leasing Co., Ltd.	**146**	207
– Bank of Communications Co., Ltd.	**155**	170
– Beijing OriginWater PureTech Co., Ltd.	**105**	–
– Others	**315**	498
	20,564	21,756
Unlisted equity instruments		
– Lunan High Speed Railway Co., Ltd.	**1,398**	1,398
– Tianjin CCCC Greentown City Construction Development Co., Ltd.	**1,014**	1,014
– Hubei Jiaotou Shiwu Expressway Co., Ltd.	**345**	136
– Beijing CEDC Ltd.	**303**	303
– China-ASEAN Investment Cooperation Fund	**116**	113
– Others	**498**	298
	3,674	3,262
	24,238	25,018

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

15. INVENTORIES

	30 June 2020 Unaudited *RMB million*	31 December 2019 Audited *RMB million*
Raw materials	**22,168**	18,667
Work in progress	**2,063**	1,187
Properties under development	**39,514**	35,537
Completed properties held for sale	**4,911**	5,944
Finished goods	**1,333**	1,070
Others	**184**	208
	70,173	62,613

As at 30 June 2020, certain of the Group's properties under development and completed properties held for sale with an aggregate carrying amount of RMB1,611 million (31 December 2019: RMB2,408 million) were pledged to secure the Group's bank loans (note 20(d) and note 26).

16. CONTRACT ASSETS AND CONTRACT LIABILITIES

	30 June 2020 Unaudited *RMB million*	31 December 2019 Audited *RMB million*
Contract assets arising from:		
Infrastructure construction	**144,531**	129,595
Infrastructure design	**5,416**	5,464
Dredging	**15,142**	12,783
Others	**8**	29
	165,097	147,871
Impairment	**(1,383)**	(1,370)
	163,714	146,501
Portion classified as non-current	**30,966**	30,265
Current portion	**132,748**	116,236

	30 June 2020 Unaudited *RMB million*	31 December 2019 Audited *RMB million*
Contract liabilities arising from:		
Infrastructure construction	**71,437**	74,015
Infrastructure design	**4,927**	6,211
Dredging	**2,271**	2,064
Others	**735**	702
	79,370	82,992

17. TRADE AND OTHER RECEIVABLES

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Trade and bills receivables (note a)	**119,759**	113,315
Impairment	**(14,868)**	(13,904)
	104,891	99,411
Long-term receivables (note b)	**253,420**	217,812
Impairment	**(3,301)**	(2,788)
	250,119	215,024
Other receivables:		
Prepayments	**25,291**	26,091
Deposits (note c)	**24,397**	23,093
Others	**52,847**	40,641
	102,535	89,825
Impairment	**(2,654)**	(2,455)
	99,881	87,370
	454,891	401,805
Portion classified as non-current		
Long-term receivables	**202,353**	172,224
Other receivables:		
Prepayments	**3,599**	4,319
Deposits	**1,522**	1,446
Others	**3,121**	48
	210,595	178,037
Current portion	**244,296**	223,768

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) The majority of the Group's revenues are generated through infrastructure construction, infrastructure design and dredging contracts and settlements are made in accordance with the terms specified in the contracts governing the relevant transactions. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

An aging analysis of trade and bills receivables as at the end of the reporting period, net of provisions, is as follows:

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Within 6 months	**67,256**	67,623
6 months to 1 year	**14,374**	8,305
1 year to 2 years	**11,808**	13,914
2 years to 3 years	**7,029**	5,433
Over 3 years	**4,424**	4,136
	104,891	99,411

The movements in provision for impairment of trade and bills receivables are as follows:

	For the six months ended 30 June 2020	Year ended 31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
At beginning of period/year	**13,904**	12,405
Impairment losses, net	**1,208**	2,611
Acquisition of subsidiaries	**–**	5
Disposal of subsidiaries	**–**	(58)
Amount written off as uncollectible	**(265)**	(841)
Others	**21**	(218)
At the end of period/year	**14,868**	13,904

(b) Long-term receivables mainly represented amounts due from customers for PPP projects and certain construction works with payment periods over one year.

(c) Deposits mainly represented tender and performance bonds due from customers.

(d) As at 30 June 2020, certain of the Group's outstanding trade and other receivables (excluding PPP projects) with a net carrying amount of approximately RMB6,642 million (31 December 2019: RMB15,989 million) were pledged to secure general banking facilities granted to the Group (note 20(d) and note 26).

18. CASH AND BANK BALANCES

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Restricted bank deposits (note a)	**4,412**	4,308
Time deposits with an initial term of over three months (note b)	**3,143**	2,322
	7,555	6,630
Cash and cash equivalents	**120,873**	118,908
	128,428	125,538

(a) As at 30 June 2020 and 31 December 2019, 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.

(b) Time deposits with an initial term of over three months are excluded from cash and cash equivalents, as management is of the opinion that these time deposits are not readily convertible to known amounts of cash without significant risk of changes in value.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to RMB84,525 million (31 December 2019: RMB82,534 million). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

As at 30 June 2020, less than 3% (31 December 2019: less than 3%) of the cash and bank balances denominated in currencies other than RMB were deposited in banks in certain countries which are subject to foreign exchange control and the currencies are not freely convertible into other currencies or remitted out of those countries.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

19. TRADE AND OTHER PAYABLES

	30 June 2020 Unaudited *RMB million*	31 December 2019 Audited *RMB million*
Trade and bills payables (note a)	**268,367**	277,959
Deposits from suppliers	**28,994**	27,984
Retentions	**30,533**	28,042
Deposits in CCCC Finance (note b)	**11,697**	5,374
Other taxes	**23,668**	22,637
Payroll and social security	**2,525**	2,625
Accrued expenses and others	**29,027**	22,023
	394,811	386,644
Portion classified as non-current		
Retentions	**21,506**	20,016
Other taxes	**132**	153
Others	**3,364**	3,574
	25,002	23,743
Current portion	**369,809**	362,901

(a) The ageing analysis of trade and bills payables is as follows:

	30 June 2020 Unaudited *RMB million*	31 December 2019 Audited *RMB million*
Within 1 year	**238,981**	241,739
1 year to 2 years	**15,875**	20,813
2 years to 3 years	**7,510**	9,903
Over 3 years	**6,001**	5,504
	268,367	277,959

(b) CCCC Finance, a subsidiary of the Company, accepted deposits from CCCG and fellow subsidiaries. These deposits were due within one year with an average annual interest rate of 0.6% (2019: 0.8%).

20. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2020 Unaudited RMB million	31 December 2019 Audited RMB million
Non-current			
Long-term bank borrowings			
– secured	(d)	**195,849**	167,364
– unsecured	(e)	**79,310**	59,238
		275,159	226,602
Long-term other borrowings			
– secured	(d)	**4,330**	1,170
– unsecured	(e)	**1,481**	1,648
		5,811	2,818
Corporate bonds		**21,622**	23,729
Non-public debt instruments		**11,020**	10,518
Lease liabilities		**1,323**	1,381
Total non-current borrowings		**314,935**	265,048
Current			
Current portion of long-term bank borrowings			
– secured	(d)	**5,871**	4,653
– unsecured	(e)	**13,220**	15,151
		19,091	19,804
Short-term bank borrowings			
– secured	(d)	**8,196**	2,270
– unsecured	(e)	**67,677**	49,614
		75,873	51,884

20. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

	Notes	**30 June 2020** **Unaudited** ***RMB million***	31 December 2019 Audited *RMB million*
Current portion of long-term other borrowings			
– secured	*(d)*	**139**	4
– unsecured	*(e)*	**74**	634
		213	638
Short-term other borrowings			
– secured	*(d)*	**45**	100
– unsecured	*(e)*	**560**	195
		605	295
Corporate bonds		**2,798**	275
Debentures		**19,821**	1,009
Non-public debt instruments		**1,474**	1,356
Lease liabilities		**1,077**	1,118
Total current borrowings		**120,952**	76,379
Total borrowings		**435,887**	341,427

(a) The Group's borrowings (excluding lease liabilities) were repayable as follows:

	30 June 2020 **Unaudited** ***RMB million***	31 December 2019 Audited *RMB million*
Bank borrowings		
– Within one year or on demand	**94,964**	71,688
– In the second year	**36,575**	33,271
– In the third to fifth years, inclusive	**59,303**	43,999
– Beyond five years	**179,281**	149,332
	370,123	298,290
Others, excluding lease liabilities		
– Within one year or on demand	**24,911**	3,573
– In the second year	**15,559**	8,710
– In the third to fifth years, inclusive	**15,151**	20,383
– Beyond five years	**7,743**	7,972
	63,364	40,638
	433,487	338,928

20. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

(b) The carrying amounts of the borrowings were denominated in the following currencies:

	30 June 2020 Unaudited *RMB million*	31 December 2019 Audited *RMB million*
Renminbi	**415,821**	319,288
United States dollar	**12,594**	14,537
Japanese Yen	**4,131**	3,892
Euro	**1,887**	1,490
Hong Kong dollar	**517**	1,169
Others	**937**	1,051
	435,887	341,427

(c) Borrowings of the Group, excluding corporate bonds, debentures, non-public debt instruments and lease liabilities, bear interest at effective rates ranging from 0.21% to 8.34% (2019: 0.30% to 8.34%) per annum at the end of the reporting period and excluding the borrowings bearing interest rates of 10.99% and 11.36%, respectively, for a Columbia subsidiary of the Company.

(d) As at 30 June 2020 and 31 December 2019, these borrowings were secured by the Group's investment properties, right-of-use assets, intangible assets (note 12), inventories (note 15), and trade and other receivables (note 17(d)).

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

21. OTHER RESERVES

	Capital reserve Unaudited *RMB million*	Statutory surplus reserve Unaudited *RMB million*	General reserve Unaudited *RMB million*	Retirement benefit obligation remeasurement reserve Unaudited *RMB million*	Investment revaluation reserve Unaudited *RMB million*	Hedging reserve Unaudited *RMB million*	Safety production reserve Unaudited *RMB million*	Exchange reserve Unaudited *RMB million*	Total Unaudited *RMB million*
At 31 December 2019	10,798	5,945	957	(82)	14,210	2	2,341	1,145	35,316
Business combination under common control	(52)	–	–	–	–	–	3	–	(49)
At 31 December 2019	10,746	5,945	957	(82)	14,210	2	2,344	1,145	35,267
Changes in fair values of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	(1,010)	–	–	–	(1,010)
Cash flow hedges, net of tax	–	–	–	–	–	4	–	–	4
Share of other comprehensive loss of joint ventures and associates	–	–	–	–	(7)	–	–	–	(7)
Share of other reserves of joint ventures and associates	(2)	–	–	–	–	–	–	–	(2)
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(1)	–	–	–	–	(1)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(851)	(851)
Transaction with non-controlling interests	(1)	–	–	–	–	–	–	–	(1)
Transfer to safety production reserve	–	–	–	–	–	–	395	–	395
Transfer to retained earnings due to disposal of equity investments designated at fair value through other comprehensive income	–	–	–	–	(3)	–	–	–	(3)
Others	(42)	–	–	–	–	–	–	–	(42)
At 30 June 2020	10,701	5,945	957	(83)	13,190	6	2,739	294	33,749

21. OTHER RESERVES (CONTINUED)

	Capital reserve Unaudited *RMB million*	Statutory surplus reserve Unaudited *RMB million*	General reserve Unaudited *RMB million*	Retirement benefit obligation remeasurement reserve Unaudited *RMB million*	Investment revaluation reserve Unaudited *RMB million*	Hedging reserve Unaudited *RMB million*	Safety production reserve Unaudited *RMB million*	Exchange reserve Unaudited *RMB million*	Total Unaudited *RMB million*
At 31 December 2018	4,850	5,242	1,088	(97)	12,105	(1)	2,355	770	26,312
Business combination under common control	(52)	–	–	–	–	–	3	–	(49)
At 31 December 2018	4,798	5,242	1,088	(97)	12,105	(1)	2,358	770	26,263
Changes in fair values of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	5,257	–	–	–	5,257
Cash flow hedges, net of tax	–	–	–	–	–	2	–	–	2
Share of other comprehensive loss of joint ventures and associates	–	–	–	–	(182)	–	–	–	(182)
Share of other reserves of joint ventures and associates	1	–	–	–	–	–	–	–	1
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(21)	–	–	–	–	(21)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(43)	(43)
Transaction with non-controlling interests	(16)	–	–	–	–	–	–	–	(16)
Transfer to safety production reserve	–	–	–	–	–	–	180	–	180
Transfer to retained earnings due to disposal of equity investments designated at fair value through other comprehensive income	–	–	–	–	(242)	–	–	–	(242)
At 30 June 2019	4,783	5,242	1,088	(118)	16,938	1	2,538	727	31,199

22. CONTINGENT LIABILITIES

The Group has contingent liabilities in the ordinary course of business to the extent as follows:

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Pending lawsuits (note a)	**1,273**	1,201
Outstanding loan guarantees (note b)	**7,347**	6,944
	8,620	8,145

(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 of RMB1,273 million (31 December 2019: RMB1,201 million), mainly related to disputes with customers and subcontractors, 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 lawsuits in the contingent liabilities disclosed if the probability of loss is remote or the claim amount is insignificant to the Group.

(b) The Group has acted as the guarantor for several external borrowings made by certain joint ventures and associates of the Group. The above amount represents the maximum exposure to default risk under the financial guarantee.

After the assessment of the financial position of these joint ventures and associates, the directors of the Company concluded there is no significant default risk and no provision for such guarantees is required.

The companies in the Group which are engaged in the real estate business provide guarantees to banks for the mortgage loans of the property buyers. As at 30 June 2020, the outstanding balance of guarantees provided by the Group was approximately RMB3,776 million(31 December 2019: RMB3,994 million).

(c) The Group has entered into certain agreements with certain financial institution so as to establish asset-backed securities (ABS) and asset-backed notes (ABN). As at 30 June 2020, certain of the ABS and ABN in issue with an aggregate amount of RMB10,857 million (31 December 2019: RMB10,387 million) included the ABS and ABN issued to preferential investors of an aggregate amount of RMB8,367 million (31 December 2019: RMB7,919 million). Under the clauses of the agreements, the Group is subject to the obligations of liquidity supplementary payments to preferential investors when the cash available for distribution of the principal and return for preferential investors at the due date is not sufficient. The directors of the Company evaluated the possibilities and assumed that the probability to execute obligations of liquidity supplementary payments is low.

23. BUSINESS COMBINATION

(a) Acquisition of subsidiaries not under common control

During the six months ended 30 June 2020, the Group obtained control over several companies from certain independent third parties, with a total consideration of RMB2,583 million.

The fair value and book value of assets and liabilities of these companies at the date of acquisition were as follows:

	Acquisition date Fair value Unaudited *RMB million*	**Acquisition date Book value Unaudited** *RMB million*
Non-current assets		
Property, plant and equipment	**145**	**142**
Investment properties	**136**	**136**
Intangible assets	**7,853**	**7,104**
Investment in joint ventures and associates	**8**	**8**
Financial assets at fair value through profit or loss	**106**	**106**
Equity instruments designated at fair value through other comprehensive income	**173**	**173**
Trade and other receivables	**261**	**261**
Deferred tax assets	**156**	**156**
	8,838	**8,086**
Current assets		
Inventories	**151**	**151**
Trade and other receivables	**1,632**	**1,632**
Contract assets	**28**	**28**
Financial assets at fair value through profit or loss	**82**	**82**
Cash and cash equivalents	**1,897**	**1,897**
	3,790	**3,790**
Current liabilities		
Trade and other payables	**(1,110)**	**(1,110)**
Contract liabilities	**(58)**	**(58)**
Interest-bearing bank and other borrowings	**(250)**	**(250)**
	(1,418)	**(1,418)**
Non-current liabilities		
Trade and other payables	**(201)**	**(201)**
Interest-bearing bank and other borrowings	**(6,747)**	**(6,747)**
	(6,948)	**(6,948)**
Net assets	**4,262**	**3,510**
Non-controlling interests	**(1,706)**	
Goodwill on acquisition	**27**	
Consideration	**2,583**	

23. BUSINESS COMBINATION (CONTINUED)

(a) Acquisition of subsidiaries not under common control (continued)

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

	For the six months ended 30 June 2020 Unaudited *RMB million*
Total consideration	**2,583**
Cash paid for acquisition of subsidiaries	**(2,200)**
Cash and bank balances of subsidiaries acquired	**1,897**
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	**(303)**

Since the acquisition, the acquirees contributed a profit of RMB1 million to the consolidated profit for the period ended 30 June 2020.

Had the combination taken place at the beginning of the period, the revenue of the Group and the profit of the Group for the period ended 30 June 2020 would have been RMB245,901 million and RMB6,826 million, respectively.

(b) Business combinations under common control

In June 2020, the Company, together with its subsidiaries CCCC Tianjin Dredging Co., Ltd. ("CCCC Tianjin Dredging") and Chuwa Bussan Company Limited ("Chuwa Bussan"), entered into an agreement with Shanghai Zhenhua Heavy Industries Co., Ltd. ("ZPMC"), a fellow subsidiary of the Company, pursuant to which the Company will increase the equity investment to CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd. ("CCCC Tianhe"), a subsidiary of ZPMC, by RMB1 billion. Upon the completion of the investment, the Company held 61.12% and the Group totally held 83.48% of equity interests in CCCC Tianhe, the Company and the Group then obtained control over CCCC Tianhe.

Since the Company, CCCC Tianjin Dredging, Chuwa Bussan, ZPMC and CCCC Tianhe are ultimately controlled by CCCG both before and after the above acquisition, the acquisition of CCCC Tianhe is regarded as business combination involving enterprises under common control. The Group accounts for the combination applying the pooling of interest method, which means the assets and liabilities of CCCC Tianhe are consolidated by the Group using the existing book values from the controlling parties' perspective, as if the current group structure had been in existence throughout the periods presented, or since the date when the companies first came under the control of ultimate controlling party, whichever is a shorter period.

The comparative figures of this interim condensed consolidated financial information have been restated. Inter-company transactions, balances and unrealised gains/losses on transactions between the Group and CCCC Tianhe have been eliminated on consolidation.

23. BUSINESS COMBINATION (CONTINUED)

(b) Business combinations under common control (continued)

The book values of CCCC Tianhe's assets and liabilities as at the acquisition date and 31 December 2019 were as follows:

	Acquisition date Book value Unaudited *RMB million*	31 December 2019 Book value Unaudited *RMB million*
Non-current assets		
Property, plant and equipment	2,774	2,666
Intangible assets	83	83
Investment in joint ventures and associates	47	47
Contract assets	–	29
Trade and other receivables	1	1
Deferred tax assets	31	31
	2,936	2,857
Current assets		
Inventories	1,145	989
Trade and other receivables	1,321	1,243
Financial assets at fair value through profit or loss	39	22
Cash and cash equivalents	1,244	220
	3,749	2,474
Current liabilities		
Trade and other payables	(1,140)	(1,645)
Contract liabilities	(570)	(571)
Tax payable	–	(1)
Derivative financial instruments	–	(7)
Interest-bearing bank and other borrowings	(1,879)	(1,492)
	(3,589)	(3,716)
Non-current liabilities		
Trade and other payables	(1)	(1)
Interest-bearing bank and other borrowings	(1,124)	(645)
Deferred income	(61)	(62)
	(1,186)	(708)
Net assets	1,910	907
Non-controlling interests	(316)	
Incorporating price difference	20	
Consideration	1,614	

24. DISPOSAL OF SUBSIDIARIES

(a) In March 2020, CCCC First Harbour Engineering Co., Ltd. ("CCCC First Harbour") disposed of 70% equity interests in Yulin CCCC Urban Utility Tunnel Investment Co., Ltd. ("Yulin CCCC") to Beijing CCCC Road and Bridge Phase IV Investment Fund LLP for a consideration of RMB106 million. Upon the completion of equity transfer, CCCC First Harbour no longer has control over Yulin CCCC.

(b) In March 2020, CCCC First Harbour disposed of 70% equity interests in Guangxi CCCC Puqing Highway Co., Ltd. ("Guangxi Puqing") to Beijing CCCC Road and Bridge Phase I Investment Fund LLP for a consideration of RMB140 million. Upon the completion of equity transfer, CCCC First Harbour no longer has control over Guangxi Puqing.

(c) In April 2020, CFHCC City Investment Development (Tianjin) Co., Ltd. ("CFHCC City Investment"), a subsidiary of the Company, together with another subsidiary of the Company, entered into an agreement with CCCG Real Estate Corporation Limited ("CCCG Real Estate"), a fellow subsidiary of the Company, pursuant to which CCCG Real Estate will invest Guangxi CCCC Urban Investment Development Co., Ltd. ("Guangxi CCCC Urban Investment") to acquire 40% equity interest in Guangxi CCCC Urban Investment. Both CCCG Real Estate and Guangxi CCCC Urban Investment are engaged in real estate development. Upon the completion of capital increase of Guangxi CCCC Urban Investment in May, the aggregate interests of the Group in Guangxi CCCC Urban Investment decreased from 100% to 60%. In April 2020, CFHCC City Investment also signed a shareholders voting agreement with CCCG Real Estate, whereby CFHCC City Investment has agreed to vote unanimously with the CCCG Real Estate. Considering the above mentioned factors, the directors of Company are of the opinion that the Group no longer has control over Guangxi CCCC Urban Investment.

(d) In April 2020, China Communications Construction Bank (Xiamen) Equity Investment Fund Management Co., Ltd. ("CCCB Xiamen Equity Investment Fund"), an associate of the Group, invested in Haikou CCCC Guoxing Industrial Co., Ltd. ("Haikou CCCC Guoxing"), a real estate development company indirectly controlled by the Company, to acquire 49% equity interest in Haikou CCCC Guoxing. Upon the completion of capital increase of Haikou CCCC Guoxing in April 2020, the Group no longer has control over Haikou CCCC Guoxing, Haikou CCCC Guoxing was jointly controlled by the Group and CCCB Xiamen Equity Investment Fund.

(e) In June 2020, Huizhou Kehui Investment Development Co., Ltd. invested in Huizhou Huitong Real Estate Co., Ltd. ("Huizhou Huitong"), a real estate development company indirectly controlled by the Company, to acquire 51% equity interest in Huizhou Huitong. Upon the completion of capital increase of Huizhou Huitong in June 2020, the Group no longer has control over Huizhou Huitong, Huizhou Huitong was jointly controlled by the Group and Huizhou Kehui Investment Development Co., Ltd..

(f) In June 2020, Shenzhen China Merchants Real Estate Co., Ltd. and Shenzhen Jindi Shengan Real Estate Development Co., Ltd. invested in Huizhou Zhaole Real Estate Co., Ltd. ("Huizhou Zhaole"), a real estate development company indirectly controlled by the Company, to acquire 70% equity interest in Huizhou Zhaole. Upon the completion of capital increase of Huizhou Zhaole in June 2020, the Group no longer has control over Huizhou Zhaole, Huizhou Zhaole was jointly controlled by the Group, Shenzhen China Merchants Real Estate Co., Ltd. and Shenzhen Jindi Shengan Real Estate Development Co., Ltd..

24. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(g) The aggregate financial information of the subsidiaries mentioned above and other subsidiaries disposed of by the Group during the period and as at the date of disposal, is as follows:

	Total **Unaudited** *RMB million*
Non-current assets	2,964
Current assets	4,802
Current liabilities	(6,982)
Non-current liabilities	(412)
	372
Non-controlling interests	–
	372
Gains on disposal of subsidiaries	2
	374
Represented by:	
Residual interests in joint ventures	116
Residual interests in an associate	12
Cash consideration	246
	374

An analysis of the cash flows in respect of the disposal of subsidiaries is as follows:

	Total **Unaudited** *RMB million*
Consideration	246
Cash received from disposal of subsidiaries	246
Cash and bank balances of subsidiaries disposed of	(109)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	137

25. COMMITMENTS

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

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Intangible assets – concession assets	**143,697**	100,846
Property, plant and equipment	**1,247**	1,231
	144,944	102,077

26. PLEDGE OF ASSETS

(a) As at 30 June 2020, the restricted deposits were RMB4,412 million (31 December 2019: RMB4,308 million).

(b) Details of the Group's interest-bearing bank and other borrowings, which are secured by the assets of the Group, are as follows:

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Property, plant and equipment	**96**	110
Investment properties	**1,041**	1,079
Right-of-use-assets	**6,347**	6,040
Concession assets and trade receivables from PPP projects (note 12)	**217,218**	183,235
Inventories (note 15)	**1,611**	2,408
Trade and other receivables (excluding PPP projects) (note 17)	**6,642**	15,989
	232,955	208,861

27. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB million	*RMB million*
Transactions with CCCG		
– Revenue from the provision of construction services	**1,161**	–
– Rental income	**2**	–
– Rental fee	**91**	65
– Interest expenses on deposits placed in CCCC Finance	**6**	6
– Loans to CCCG by CCCC Finance	**–**	700
– Interest income from loans	**–**	2
– Interest expenses on loans	**2**	4
Transactions with fellow subsidiaries		
– Revenue from the provision of construction services and construction related services	**1,757**	1,372
– Revenue from sale of goods	**369**	182
– Rental income	**3**	1
– Rental fee	**10**	25
– Interest expenses on deposits placed in CCCC Finance	**21**	21
– Purchase of materials	**373**	763
– Subcontracting fee and service charges	**1,137**	65
– Loans to fellow subsidiaries by CCCC Finance	**1,300**	–
– Interest income from loans	**16**	1
– Factoring to fellow subsidiaries	**83**	–
– Interest income from factoring	**6**	–
– Finance lease loans to fellow subsidiaries	**473**	306
– Interest income from finance lease loans	**31**	66
– Loans from fellow subsidiaries	**3,959**	1,024
– Interest expenses on loans	**3**	2
Transactions with fellow subsidiaries' joint ventures and associates		
– Revenue from the provision of construction services	**180**	48
– Revenue from sale of goods	**2**	–
– Service charges	**–**	9
– Factoring to fellow subsidiaries' joint ventures and associates	**1,302**	–
– Interest income from factoring	**47**	–
– Finance lease loans to fellow subsidiaries' joint ventures and associates	**420**	–
– Interest income from finance lease loans	**11**	–
Transactions with joint ventures and associates		
– Revenue from the provision of construction services and construction related services	**22,208**	19,891
– Revenue from sale of goods	**653**	592
– Purchase of materials	**776**	327
– Subcontracting fee charges	**385**	331
– Rental income	**–**	1
– Interest expenses on deposits placed in CCCC Finance	**2**	–
– Loans to a joint venture by CCCC Finance	**138**	–
– Loans to joint ventures and associates	**3,764**	2,674
– Interest income from loans	**283**	166
– Factoring to joint ventures and associates	**50**	30
– Interest income from factoring	**8**	30
– Finance lease loans to joint ventures and associates	**414**	1,308
– Interest income from finance lease loans	**97**	18
– Loans from joint ventures and associates	**2,941**	3,940
– Interest expenses on loans	**6**	5

During the period, CCCC Finance accepted the commission of CCCG and lent amount of RMB500 million to ZPMC.

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

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties

Balances with related parties other than government-related entities:

	30 June 2020 Unaudited RMB million	31 December 2019 Audited RMB million
Trade and bills receivables		
– CCCG	**956**	178
– Fellow subsidiaries	**2,089**	1,913
– Joint ventures and associates	**6,388**	5,000
– Fellow subsidiaries' joint ventures and associates	**106**	58
	9,539	7,149
Long-term trade receivables and long-term contract assets		
– CCCG	**114**	–
– Fellow subsidiaries	**2,125**	3,258
– Joint ventures and associates	**19,078**	14,916
– Fellow subsidiaries' joint ventures and associates	**781**	197
	22,098	18,371
Prepayments		
– Fellow subsidiaries	**1,471**	2,075
– Joint ventures and associates	**303**	220
	1,774	2,295
Other receivables		
– CCCG	**4**	8
– Fellow subsidiaries	**996**	1,825
– Joint ventures and associates	**5,853**	2,569
– Fellow subsidiaries' joint ventures and associates	**1,265**	–
	8,118	4,402
Contract assets		
– CCCG	**91**	169
– Fellow subsidiaries	**651**	246
– Joint ventures and associates	**4,832**	3,006
– Fellow subsidiaries' joint ventures and associates	**118**	35
	5,692	3,456
	47,221	35,673

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balances with related parties (continued)

	30 June 2020 **Unaudited** ***RMB million***	31 December 2019 Audited *RMB million*
Trade and bills payables		
– CCCG	**2**	–
– Fellow subsidiaries	**3,917**	4,155
– Joint ventures and associates	**2,056**	1,861
– Fellow subsidiaries' joint ventures and associates	**25**	–
	6,000	6,016
Long-term trade payables		
– Fellow subsidiaries	**1,515**	1,458
– Joint ventures and associates	**659**	639
	2,174	2,097
Contract liabilities		
– CCCG	**2**	–
– Fellow subsidiaries	**523**	438
– Joint ventures and associates	**11,947**	12,250
– Fellow subsidiaries' joint ventures	**12**	12
	12,484	12,700
Deposits		
– CCCG	**5,079**	1,338
– Fellow subsidiaries	**6,340**	3,444
– Joint ventures and associates	**278**	580
	11,697	5,362
Other payables		
– CCCG	**353**	307
– Fellow subsidiaries	**887**	1,212
– Joint ventures and associates	**2,104**	2,706
– Fellow subsidiaries' joint ventures	**3**	3
	3,347	4,228
Other borrowings		
– CCCG	**60**	560
Lease liabilities		
– Fellow subsidiaries	**–**	1
– Joint ventures and associates	**20**	30
	20	31
	35,782	30,994

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Guarantees with related parties

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Outstanding loan guarantees provided to		
– Joint ventures	**1,746**	1,196
– Associates	**1,765**	1,755
– Fellow subsidiaries	**60**	–
	3,571	2,951
Outstanding loan guarantees provided by CCCG	**6,301**	6,148

(d) Commitments with related parties

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Provision of construction and construction related services		
– CCCG	**2,998**	321
– Fellow subsidiaries	**7,339**	3,032
– Joint ventures and associates	**161,769**	114,218
– Fellow subsidiaries' joint ventures and associates	**369**	53
	172,475	117,624
Purchase of services		
– Joint ventures and associates	**113**	80
– Fellow subsidiaries	**1,467**	1,067
	1,580	1,147

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Key management compensation

	For the six months ended 30 June	
	2020	2019
	Unaudited	Unaudited
	RMB'000	*RMB'000*
Basic salaries, housing allowances and other allowances	**6,317**	4,293
Contributions to pension plans	**158**	329
	6,475	4,622

(f) Equity transactions with related parties

(i) During the six months ended 30 June 2020, the subscribed capital contribution of the Group's equity investments together with the fellow subsidiaries, the fellow subsidiaries' joint ventures and the fellow subsidiaries' associates totally amounted to RMB6,934 million.

27. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Equity transactions with related parties (continued)

(ii) Details of the Group's other equity transactions with related parties are set below:

(a) In January 2020, CCCC First Highway Engineering Group Co., Ltd. and CCCC Beijing-Tianjin-Hebei Investment and Development Co., Ltd., two subsidiaries of the Company, acquired 20% and 10% equity interest in CRED (Tianjin) Real Estate Development Ltd., respectively, from CCCG Property Co., Ltd., a fellow subsidiary of the Company at a total consideration of RMB840 million.

(b) In April 2020, CFHCC City Investment, a subsidiary of the Company, together with another subsidiary of the Company, entered into an agreement with CCCG Real Estate, a fellow subsidiary of the Company, pursuant to which CCCG Real Estate will invest Guangxi CCCC Urban Investment to acquire 40% equity interest in Guangxi CCCC Urban Investment. Both CCCG Real Estate and Guangxi CCCC Urban Investment are primarily engaged in real estate development. Upon the completion of capital increase of Guangxi CCCC Urban Investment in May, the aggregate interests of the Group in Guangxi CCCC Urban Investment decreased from 100% to 60%. In April 2020, CFHCC City Investment also signed a shareholders voting agreement with CCCG Real Estate, whereby CFHCC City Investment has agreed to vote unanimously with the CCCG Real Estate. Considering the above mentioned factors, the directors of Company are of the opinion that the Group no longer has control over Guangxi CCCC Urban Investment.

(c) In April 2020, CCCB Xiamen Equity Investment Fund, an associate of the Group, invested in Haikou CCCC Guoxing, a real estate development company indirectly controlled by the Company, to acquire 49% equity interest in Haikou CCCC Guoxing. Upon the completion of capital increase of Haikou CCCC Guoxing in April 2020, the Group no longer has control over Haikou CCCC Guoxing, Haikou CCCC Guoxing was jointly controlled by the Group and CCCB Xiamen Equity Investment Fund.

(d) In June 2020, the Company, together with its subsidiaries CCCC Tianjin Dredging and Chuwa Bussan, entered into an agreement with ZPMC, a fellow subsidiary of the Company and CCCC Tianhe, a subsidiary of ZPMC, pursuant to which the Company will increase the equity investment to CCCC Tianhe, by RMB1 billion. Upon the completion of the investment, the Company held 61.12% and the Group totally held 83.48% of equity interests in CCCC Tianhe, the Company and the Group then obtained control over CCCC Tianhe.

(g) Other transactions with related parties

In December 2018, Greentown China Holdings Limited ("Greentown"), a fellow subsidiary of the Company entered into a subscription agreement with several financial institutions (the "Subscribers") to issue principal amount of US$500 million (the "Principal Amount") senior perpetual securities. As one of the conditions precedent of the subscription agreement, CCCI Treasure Limited ("CCCI Treasure") entered into several agreements (the "Agreements 2018") with the each of the Subscribers. Under the Agreements 2018, CCCI Treasure paid a total of US$125 million as deposit, (the "Deposit Amount") each of the Subscribers shall pass through the distribution of the Securities to CCCI Treasure, and CCCI Treasure shall pay each of the Subscribers a fixed amount of distribution with reference to the different between the Principal Amount and the Deposit Amount. The whole arrangement constitutes a related party transaction of the Company. During the period, the fair value losses and investment gains on the total return swap are RMB182 million and RMB105 million, respectively (for the six months ended 30 June 2019: fair value gains of RMB185 million and investment gains of RMB143 million).

ZPMC is an associate and also a fellow subsidiary of the Group. The transaction with ZPMC and its subsidiaries for the six months ended 30 June 2020 and 30 June 2019, and the outstanding balances with ZPMC and its subsidiaries as at 30 June 2020 and 31 December 2019 were included within the category of transactions and balances with fellow subsidiaries.

28. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

30 June 2020

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	
	Debt investments	Equity investments	Held for trading	cost	Total
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Financial assets at fair value through profit or loss	–	–	10,598	–	10,598
Equity investments designated at fair value through other comprehensive income	–	24,238	–	–	24,238
Derivative financial instruments	–	–	665	–	665
Debt investments at amortised cost	–	–	–	186	186
Trade and other receivables excluding prepayments and other non-financial assets	2,803	–	–	399,443	402,246
Cash and bank balances	–	–	–	128,428	128,428
	2,803	24,238	11,263	528,057	566,361

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Unaudited	Unaudited	Unaudited
	RMB million	*RMB million*	*RMB million*
Borrowings (excluding lease liabilities)	–	433,487	433,487
Lease liabilities	–	2,400	2,400
Derivative financial instruments	2	–	2
Trade and other payables excluding statutory and other non-financial liabilities	–	368,447	368,447
	2	804,334	804,336

28. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

31 December 2019

Financial assets

	Financial assets at fair value through other comprehensive income		Financial assets at fair value through profit or loss	Financial assets at amortised cost	
	Debt investments	Equity investments	Held for trading	cost	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Financial assets at fair value through profit or loss	–	–	7,138	–	7,138
Equity investments designated at fair value through other comprehensive income	–	25,018	–	–	25,018
Derivative financial instruments	–	–	799	–	799
Debt investments at amortised cost	–	–	–	111	111
Trade and other receivables excluding prepayments and other non-financial assets	2,086	–	–	353,059	355,145
Cash and bank balances	–	–	–	125,538	125,538
	2,086	25,018	7,937	478,708	513,749

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB million	*RMB million*	*RMB million*
Borrowings (excluding lease liabilities)	–	338,928	338,928
Lease liabilities	–	2,499	2,499
Derivative financial instruments	12	–	12
Trade and other payables excluding statutory and other non-financial liabilities	–	361,389	361,389
	12	702,816	702,828

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those measured at fair values or with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 June 2020	31 December 2019	**30 June 2020**	31 December 2019
	Unaudited	Audited	**Unaudited**	Audited
	RMB million	*RMB million*	***RMB million***	*RMB million*
Financial instruments				
Non-current				
Bank borrowings	**275,159**	226,602	**275,173**	226,682
Other borrowings	**5,811**	2,818	**5,811**	2,818
Corporate bonds	**21,622**	23,729	**21,623**	23,730
Non-public debt instruments	**11,020**	10,518	**11,067**	10,518
	313,612	263,667	**313,674**	263,748

Management has assessed that the fair values of cash and bank balances, financial assets included in trade and other receivables, and financial liabilities included in trade and other payables approximate to their carrying amounts.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of lease liabilities, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for lease liabilities, and interest-bearing bank and other borrowings as at 30 June 2020 and 31 December 2019 was assessed to be insignificant.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include future cash flow, PBR (price/book ratio) of companies in same category and unit price of comparable property.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts and total return swaps, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts and total return swaps are the same as their fair values.

As at 30 June 2020, the market to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Fair value measurement categorised within level 3 adopts discounted cash flow method. The unobservable inputs are weighted average capital costs and long-term growth rate.

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments, have been estimated by the most appropriate valuation techniques based on assumptions that are not supported by observable market prices or rates, including: (i) market approach by using initial cost of the investment itself or a multiple of earnings, or of revenue depending on the stage of development of an enterprise; and (ii) income approach by using the discounted cash flows or earnings of underlying business based on reasonable assumptions and estimations of expected future cash flows (or expected future earnings), the terminal value, and the appropriate risk-adjusted rate that captures the risk inherent in the projections.

The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by financial institutions in Mainland China. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

As at 30 June 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	RMB million	***RMB million***	***RMB million***	***RMB million***
Assets				
Bills receivables	–	2,803	–	2,803
Equity investments designated at fair value through other comprehensive income	20,564	–	3,674	24,238
Financial assets at fair value through profit or loss	3,363	–	7,235	10,598
Derivative financial instruments	–	–	–	–
– Forward foreign exchange contracts	–	12	–	12
– Total return swap	–	–	47	47
– Forward equity contracts	–	–	204	204
– Foreign exchange option	–	–	402	402
	23,927	2,815	11,562	38,304
Liabilities				
Derivative financial instruments				
– Forward foreign exchange contracts	–	2	–	2

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Assets and liabilities measured at fair value: (continued)

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB million	*RMB million*	*RMB million*	*RMB million*
Assets				
Bills receivables	–	2,086	–	2,086
Equity investments designated at fair value through other comprehensive income	21,756	–	3,262	25,018
Financial assets at fair value through profit or loss	415	–	6,723	7,138
Derivative financial instruments	–			
– Forward currency contracts	–	9	–	9
– Total return swap	–	–	224	224
– Forward equity contracts	–	–	233	233
– Foreign exchange option	–	–	333	333
	22,171	2,095	10,775	35,041
Liabilities				
Derivative financial instruments				
– Forward currency contracts	–	12	–	12

The movements in fair value measurements within Level 3 during the period/year are as follows:

	For the six months ended 30 June	
	2020	2019
	Unaudited	Audited
	RMB million	*RMB million*
At the end of prior period/year	**10,775**	8,115
Total (losses)/gains recognised in the statement of profit or loss included in other gains	**(195)**	734
Total gains/(losses) recognised in other comprehensive income	**9**	(81)
Purchases	**1,023**	3,892
Disposals	**(50)**	(1,885)
At the end of period/year	**11,562**	10,775

For the six months ended 30 June 2020, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2019: Nil).

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 30 June 2020

	Fair value measurement using			
	Quoted prices in active markets (Level 1) Unaudited *RMB million*	**Significant observable inputs (Level 2) Unaudited** *RMB million*	**Significant unobservable inputs (Level 3) Unaudited** *RMB million*	**Total Unaudited** *RMB million*
Bank borrowings	**–**	**275,173**	**–**	**275,173**
Other borrowings	**–**	**5,811**	**–**	**5,811**
Corporate bonds	**5,995**	**15,628**	**–**	**21,623**
Non-public debt instruments	**–**	**11,067**	**–**	**11,067**
	5,995	**307,679**	**–**	**313,674**

As at 31 December 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1) *RMB million*	Significant observable inputs (Level 2) *RMB million*	Significant unobservable inputs (Level 3) *RMB million*	Total *RMB million*
Bank borrowings	–	226,682	–	226,682
Other borrowings	–	2,818	–	2,818
Corporate bonds	5,995	17,735	–	23,730
Non-public debt instruments	–	10,518	–	10,518
	5,995	257,753	–	263,748

30. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. 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 less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt. The Group aims to maintain the gearing ratio at a reasonable level.

	30 June 2020	31 December 2019
	Unaudited	Audited
	RMB million	*RMB million*
Total borrowings (note 20)	**435,887**	341,427
Less: Cash and cash equivalents (note 18)	**(120,873)**	(118,908)
Net debt	**315,014**	222,519
Total equity	**307,234**	296,410
Total capital	**622,248**	518,929
Gearing ratio	**50.6%**	42.9%

The gearing ratio as at 30 June 2020 increased by 7.7% compared with that at the end of 2019.

31. EVENT AFTER THE REPORTING PERIOD

On 8 July 2020, the Board of Directors of the Company has reviewed and approved the proposal on the full redemption of the 2015 non-public issuance of preferred shares of RMB14.5 billion. According to this proposal, the Company intended to redeem the first tranche of preferred shares issued in August 2015 on 26 August 2020, with a par value of RMB9 billion, and to redeem the second tranche of preferred shares issued in October 2015 on 16 October 2020, with a par value of RMB5.5 billion. The redemption price of the preferred shares is the face value of the preferred shares plus the current dividends that have been decided to be paid but not yet paid.

On 26 August 2020, the Company has redeemed the first tranche of preferred shares issued in August 2015. The redemption price of the preferred shares is RMB9,459 million, including the face value of RMB9 billion and the current dividends of RMB459 million.

32. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information for the six months ended 30 June 2020 was approved for issue by the Board of Directors on 28 August 2020.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period from 1 January 2020 to 30 June 2020, the Company repurchased a total of 9,024,000 H shares on the Hong Kong Stock Exchange at an aggregate consideration of approximately HKD44.19 million (excluding commission and other expenses), pursuant to the general mandate granted to the Board at the 2019 second extraordinary general meeting, 2019 first A shareholders' class meeting and 2019 first H shareholders' class meeting held by the Company on 15 November 2019. Details of the repurchase are as follows:

Month/year	Number of H shares purchased	Price paid per H share Highest	Lowest	Aggregate consideration
		HKD	*HKD*	*HKD*
05/2020	5,000,000	4.93	4.77	24,206,700
06/2020	4,024,000	4.99	4.94	19,983,645
Total	9,024,000	/	/	44,190,345

Save as disclosed above, during the period from 1 January 2020 to 30 June 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

On 8 July 2020, the Board considered and approved the proposal on the full redemption of the 2015 non-publicly issued preference shares of RMB14.5 billion. Pursuant to this proposal, the Company intended to redeem the first tranche of preference shares issued in August 2015 on 26 August 2020, with a par value of RMB9 billion, and to redeem the second tranche of preference shares issued in October 2015 on 16 October 2020, with a par value of RMB5.5 billion. The redemption price of the preference shares is the face value of the preference shares plus the current dividends that have been declared but not yet paid.

On 26 August 2020, the Company has redeemed the first tranche of preference shares issued in August 2015. The redemption price of the preference shares is RMB9,459 million, including the face value of RMB9 billion and the current dividends of RMB459 million.

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

As at 30 June 2020, none of the Directors, Supervisors or chief executive 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 Securities and Futures Ordinance (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 2020, the Company had not granted the Directors, or Supervisors or the chief executive of the Company, 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.

OTHER INFORMATION

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

As at 30 June 2020, 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 are as follows:

Name of shareholder*(Note 1)*	Number of shares held	Type of shares	Percentage of the respective type of shares *(%)*	Percentage of the total number of shares in issue *(%)*	Capacity in which the shares are held
CCCG	9,374,616,604 (Long position)	A shares	79.80	57.96	Beneficial owner
	2,570,234,680 (Short position)	A shares	21.88	15.89	Beneficial owner
The Bank of New York Mellon Corporation*(Note 2)*	262,533,917 (Long position)	H shares	5.93	1.62	Interest of controlled corporation
	255,151,772 (Lending pool)	H shares	5.76	1.58	Approved lending agent

Note 1: 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 at 30 June 2020.

Note 2: The number of shares held is based on the disclosure of interest fillings of The Bank of New York Mellon Corporation on 29 June 2020.

Save as stated above, as at 30 June 2020, 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.

EMPLOYEES

As at 30 June 2020, the Company had 147,298 employees that had signed labour contracts with the Company.

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

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Hong Kong Listing Rules for the six months ended 30 June 2020.

CHANGE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

On 13 February 2020, due to change of work, Mr. Qi Xiaofei reported to the Board to resign as a non-executive Director of the Company and cease to be a member of the strategy and investment committee of the Board, which has taken effect on the same day. For details, please refer to the announcement of the Company dated 13 February 2020.

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, the Company confirms that the Directors and Supervisors have complied with the Model Code throughout the period from 1 January 2020 to 30 June 2020.

REVIEW BY THE AUDIT AND INTERNAL CONTROL COMMITTEE

The audit and internal control committee of the Board currently comprises NGAI Wai Fung, LIU Maoxun, HUANG Long and ZHENG Changhong, and is chaired by NGAI Wai Fung. The audit and internal control committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2020. The audit and internal control committee has also discussed matters such as the accounting policies and practices adopted by the Company and internal control with the senior management of the Company.

INTERIM DIVIDEND

On 8 July 2020, 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 RMB5.10 per share (tax inclusive) and for the 55,000,000 preference shares of the Company issued in October 2015, the dividend is RMB4.70 per share (tax inclusive). For details of the distribution plan, please refer to the announcement of the Company dated 17 August 2020 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 2020.

OTHER INFORMATION

CONNECTED TRANSACTIONS

The Company has entered into the following connected transactions during the period from 1 January 2020 to 30 June 2020:

Formation of A Project Company

On 23 January 2020, certain subsidiaries of the Company (i.e. CCCC Haosheng City Construction Development Co., Ltd., CCCC Fourth Harbour Engineering Co., Ltd., CCCC East China Investment Limited and CCCC Highway Consultants Co., Ltd.) and CCCG Real Estate (being a subsidiary of CCCG) entered into the cooperative development contract for the formation of the project company and joint development of the project land parcel. Pursuant to the cooperative development contract, the registered capital of the project company is RMB800 million, of which RMB320 million will be contributed by the subsidiaries of the Company in aggregate, accounting for 40% of the total registered capital of the project company, and RMB480 million will be contributed by CCCG Real Estate, accounting for 60% of the total registered capital of the project company.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 23 January 2020.

Acquisition of 30% Equity Interest in CRED Tianjin

On 23 January 2020, CCCC First Highway Engineering Group Co., Ltd. ("CFHEC", a subsidiary of the Company), CCCC Beijing-Tianjin-Hebei Investment and Development Co., Ltd. ("CCCC Beijing-Tianjin-Hebei", a subsidiary of the Company), CCCG Property Co., Ltd. ("CCCG Property", a subsidiary of CCCG) and CRED (Tianjin) Real Estate Development Ltd. ("CRED Tianjin") entered into the equity transfer agreement, pursuant to which CFHEC has conditionally agreed to acquire and CCCG Property has conditionally agreed to sell 20% equity interest in CRED Tianjin at the consideration of RMB560,001,100, and CCCC Beijing-Tianjin-Hebei has conditionally agreed to acquire and CCCG Property has conditionally agreed to sell 10% equity interest in CRED Tianjin at the consideration of RMB280,000,550.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 23 January 2020.

Formation of A Project Company

On 31 March 2020, CCCC Kunming Construction Development Co., Ltd., CCCC Second Harbour Engineering Co., Ltd. (both being subsidiaries of the Company) and CCCG Real Estate (being a subsidiary of CCCG) entered into the cooperation agreement for the formation of the project company and joint development of the project land parcel. Pursuant to the cooperation agreement, the registered capital of the project company is RMB2,080.0 million, of which RMB166.4 million, RMB624.0 million and RMB1,289.6 million will be contributed by each of the aforementioned parties, respectively, accounting for 8%, 30% and 62% of the total registered capital of the project company, respectively. As a result, the project company will become a subsidiary of CCCG Real Estate, and its financial results will be consolidated into the financial results of CCCG Real Estate.

Capital requirements for subsequent development of the project land parcel shall be financed by the project company independently. In the external financing of the project company, each party shall make necessary capital increase to the project company based on bank's requirements or actual conditions. If the external financing requires guarantees, each of the aforementioned parties shall provide guarantees proportionally by 8%, 30% and 62%. The Company will fulfil the obligation of further disclosure in due course according to requirements as set out in the Hong Kong Listing Rules (if applicable).

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 31 March 2020.

Formation of A Joint Venture

On 27 April 2020, to jointly invest in the project of cold chain area and second express area of Guangzhou railway container central station, CCCC Fourth Harbour Engineering Co., Ltd. (being a subsidiary of the Company) and CCCC Industrial Investment Holding Limited (being a subsidiary of CCCG) entered into the shareholders' cooperation agreement for the formation of the joint venture. Pursuant to the shareholders' cooperation agreement, the registered capital of the joint venture is RMB100 million, of which RMB80 million and RMB20 million will be contributed by each of the aforementioned parties, respectively, accounting for 80% and 20%of the total registered capital of the joint venture, respectively.

Upon establishment of the joint venture, each party will make additional capital contributions to the joint venture (which will be included in capital reserve) in proportion to their respective shareholding in the joint venture in accordance with the actual situation. The aggregate capital contribution amount of CCCC Fourth Harbour Engineering Co., Ltd. will be approximately RMB827.41 million.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 27 April 2020.

Formation of A Project Company

On 12 May 2020, in order to jointly invest in the PPP project of new urbanization in North New Town, Wanzhou District, Chongqing City, CCCC Fourth Harbour Engineering Co., Ltd., Road & Bridge International Co., Ltd., CCCC First Highway Consultants Co., Ltd. (all being subsidiaries of the Company) entered into the shareholders' agreement with Southwest Municipal Engineering Design and Research Institute of China (being a subsidiary of CCCG), Changjiang Survey, Planning, Design and Research Co., Ltd. and Chongqing Wanzhou Sanxia Pinghu Co., Ltd. for the formation of the project company. Pursuant to the shareholders' agreement, the registered capital of the project company is RMB500,000,000, of which RMB307,469,470, RMB56,265,000, RMB7,502,000, RMB3,751,000, RMB112,530, RMB124,900,000 will be contributed by each of the aforementioned parties, respectively, accounting for 61.4939%, 11.2530%, 1.5004%, 0.7502%, 0.0225% and 24.9800% of the total registered capital of the project company, respectively.

Upon formation of the project company, each of the parties will make additional capital contributions to the project company in proportion to their respective shareholdings in the project company in accordance with the actual situation. The total capital contribution to be made by the subsidiaries of the Company will be approximately RMB2,972,197,800.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 12 May 2020.

Capital Increase in Hubei CUR

On 15 May 2020, CCCC Second Highway Engineering Co., Ltd. ("CCCC Second Highway Engineering", a subsidiary of the Company) and CCCC Fourth Highway Engineering Co., Ltd. ("CCCC Fourth Highway Engineering", a subsidiary of the Company) entered into the capital increase agreement with CCCG Urban and Rural Development and Construction Co., Ltd. ("CCCG Urban and Rural", a subsidiary of CCCG). Pursuant to the capital increase agreement, CCCC Second Highway Engineering, CCCC Fourth Highway Engineering and CCCG Urban and Rural agreed to make a capital contribution of RMB490,000,000.00, RMB490,000,000.00 and RMB409,774,780.14 to Hubei CUR Xiangyue Real Estate Development Co., Ltd. ("Hubei CUR") in cash, respectively.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 15 May 2020.

Capital Increase in CCCC Tianhe

On 4 June 2020, the Company, CCCC Tianjin Dredging Co., Ltd., Chuwa Bussan Company Limited (both being subsidiaries of the Company), ZPMC (being a subsidiary of CCCG) and CCCC Tianhe entered into the capital increase agreement. Pursuant to the capital increase agreement, the Company agreed to make a capital increase of RMB1,000,000,000 in CCCC Tianhe in cash, of which RMB659,675,300 will be included in the registered capital and RMB340,324,700 will be included in the capital reserve.

For details of the aforesaid connected transaction, please refer to the announcement of the Company dated 4 June 2020.

CONTINUING CONNECTED TRANSACTIONS

During the period from 1 January 2020 to 30 June 2020, the Group carried out continuing connected transactions with CCCG and CCCC Leasing. CCCG is the controlling Shareholder of the Company holding approximately 57.96% interests in the issued ordinary shares of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. CCCC Leasing is a subsidiary of the Company and is held as to 30% interests by ZPMC, which is a connected person of the Company by virtue of being a subsidiary of CCCG. Thus, CCCC Leasing is a connected subsidiary of the Company under Rule 14A.16 of the Hong Kong Listing Rules.

OTHER INFORMATION

The annual caps for the continuing connected transactions of the Company for the year ending 31 December 2020 as compared with the actual transaction amounts for the first half of 2020 are set out as follows:

		Annual cap for 2020 *(RMB million)*	Actual amount for the first half of 2020 *(RMB million)*
1.	**Mutual Project Contracting Framework Agreement**		
	Project contracting service fees receivable by the Group from CCCG Group	16,000	2,918
	Labour and subcontracting service fees payable by the Group to CCCG Group	4,500	1,143
2.	**Mutual Product Sales and Purchase Agreement**		
	Aggregate amount for the fees receivable by the Group from CCCG Group	900	369
	Aggregate amount for the fees payable by the Group to CCCG Group	3,500	369
3.	**Leasing and Asset Management Services Framework Agreement**		
	Leasing of buildings, plants, auxiliary facilities and equipment for production and operation and other products by CCCG Group to the Group	380	91
4.	**Financial Services Agreement**		
	Maximum daily loan balance (including the interests accrued thereon) provided by CCCC Finance to CCCG Group	2,431	1,483
5.	**Finance Lease and Commercial Factoring Agreement**		
	Aggregate amount of the finance lease services provided by CCCC Leasing to CCCG Group	5,000	933
	Aggregate amount of the commercial factoring services provided by CCCC Leasing to CCCG Group	5,000	1,422
6.	**Finance Lease and Commercial Factoring Framework Agreement**		
	Aggregate amount of the finance lease services provided by CCCC Leasing to the Group	23,250	2,182
	Aggregate amount of the commercial factoring services provided by CCCC Leasing to the Group	23,250	5,788

Control Mechanism for Continuing Connected Transactions

The Company has effective and sufficient control mechanism in place to control the annual caps of continuing connected transactions and ensure such caps will not be exceeded. The control measures adopted by the Company are as follows:

(i) leveraging historical experience and operation plans, the Company enters into continuing connected transaction framework agreements for a term of three years and set annual caps on the basis of the assessment on necessity and fairness of potential connected transactions. These agreements and proposed annual caps are subject to necessary decision-making and approval procedures, including but not limited to review and consideration by independent directors, the Audit and Internal Control Committee under the Board, the Board, the Supervisory Committee and the Shareholders' general meeting of the Company pursuant to their respective authorisation. Implementation will be organized upon approval after review and consideration;

(ii) the Company carries out daily supervision on the overall implementation and actual transaction amounts of continuing connected transactions. For financial services agreement and finance lease and commercial factoring agreement, CCCC Finance and CCCC Leasing (subsidiaries of the Company), as non-bank financial institutions, report actual maximum daily loan balance (including the interests accrued thereon) and actual aggregate amount of finance lease services and commercial factoring services provided on a monthly basis, and predict the transaction amount of the outstanding period of the relevant year on a quarterly basis. For other continuing connected transaction agreements, the subsidiaries of the Company report actual transaction amount (including the actual transaction amount of the relevant quarter and accumulated actual transaction amount) and predict the transaction amount of the outstanding period of the relevant year on a quarterly basis. Meanwhile, the Company will allocate the caps of continuing connected transactions for the next year to the implementers of relevant transactions at the end of every year;

(iii) the implementers shall bring forward the need for increasing the caps of continuing connected transactions in time when it occurs during implementation based on changes in business development. The Company will start decision-making procedures for revising caps in due course after assessing necessity and fairness of the continuing connected transactions;

(iv) whenever the actual transaction amount of relevant continuing connected transaction reaches 80% of the existing annual caps, the transaction implementers shall make a new prediction on whether the transaction amount of the outstanding period of the relevant year will satisfy operation needs and shall provide the Company with relevant transaction information so that the Company can realize better supervision and start decision-making procedures for revising caps in time after assessing necessity and fairness; and

(v) by the end of every year, the Company will make a new prediction about the proposed caps of continuing connected transaction for the next year based on the latest actual situation of the relevant transaction of the current year, and re-assess the plan for the continuing connected transaction for next year after evaluating the necessity and fairness. If the re-assessment is consistent with the existing annual caps, the transactions shall be implemented following above procedures, and if it is expected to exceed the caps, the decision-making procedure for revising caps shall be started.

Explanation on the Continuing Connected Transactions of CCCC Finance and CCCC Leasing

CCCC Finance is a non-bank financial institution established in July 2013 with the approval of the China Banking Regulatory Commission. CCCC Finance is jointly funded by CCCG and the Company (5% of CCCG, 95% of CCCC) with a registered capital of RMB3.5 billion.

As a specialized financial services company, CCCC Finance provides various professional financial services such as fund settlement, deposits, credit, entrusted loans, financial leasing, financial and financing consultants. The deposit and loan connected transactions between CCCC Finance and its connected persons are one of its main businesses. By absorbing the deposits of the members of CCCG and granting loans with reference to market pricing to improve the efficiency of capital use, which will have positive significance for the development of the Company and benefit the interests of the Company and all shareholders.

1. Pricing Principle

The financial services provided by CCCC Finance to connected persons adopted a market-based fair pricing principle. When providing deposit service, the interest rate of deposit interest received by CCCG and its subsidiaries is not higher than the interest rate range set by the People's Bank of China for similar deposits during the same period, nor higher than the interest rate of similar deposit provided by CCCC Finance to other member of the Group during the same period. When providing loan services, the daily average amount of loan to CCCG and its subsidiaries is no more than 75% of the daily average deposit balance in CCCC Finance. The loan interest rate is implemented with reference to the price of similar products of the bank without violating the relevant policies of the People's Bank of China.

2. Risk Management and Review Process

CCCC Finance has established certain internal rules and policies related to the management and control of operational risks and credit risks in accordance with relevant PRC laws and regulations regarding financial services, with a relatively complete internal control system. CCCC Finance has established a standardized corporate governance structure to ensure effective internal control, including the implementation of the general manager responsibility system under the leadership of the board of directors, established an organizational structure based on decision-making, implementation and regulatory regime, and formulated different work procedures and risk control systems based on different duties. CCCC Finance monitored transactions in a timely manner through centralized management, safe and effective business system.

CCCC Finance conducts credit review before conducting business, and perform credit rating and credit asset rating based on internal rating standards, and regularly arrange post-loan inspections (every six months).

The decision-making process of CCCC Finance is a three-tier structure of the shareholders' meeting, the board of directors and the general manager's office. CCCC Finance has four professional committees, namely the Audit and Internal Control Committee, the Risk Management Committee, the Credit Review Committee and the Investment Decision Committee, which manage and control the business, risks, internal control and major investments of CCCC Finance.

OTHER INFORMATION

3. Risk Control Measures of CCCC over CCCC Finance

The Company requires CCCC Finance to submit to the Company a monthly report on the provision of deposit services and loan services to CCCG and its subsidiaries, provide its financial statements on a quarterly basis, and provide a copy of the regulatory report submitted to the Bank of China Insurance Regulatory Commission. The independent non-executive directors and auditors of the Company will conduct an annual review on the continuing connected transactions under the Financial Services Agreement.

4. Deposit and Loan Business of CCCC Finance in the First Half of 2020

In the first half of 2020, the amount of deposits from connected persons to CCCC Finance amounted to approximately RMB11,419 million, accounting for 22.45% of the total deposit of CCCC Finance, with interest of RMB27 million payable to connected persons. The maximum daily average loan balance to connected persons and corresponding interests amounted to RMB1,483 million.

CCCC Leasing was established in Shanghai Free-Trade Zone in May 2014 with registered capital of RMB5 billion. The shareholding structure is as follows: 70% in total held by CCCC and its subsidiaries (45% by CCCC, 15% by Chuwa Bussan, 10% by CCCI), and 30% held by ZPMC. From 2017 to 2019, CCCC Leasing's corporate credit rating was AAA.

CCCC Leasing devotes itself to developing industry and finance, and provides comprehensive investment and financing services including finance leases, operating leases, and commercial factoring, expanding the financing channels for the principal business for CCCC. To expand business, CCCC Leasing offers finance leases to CCCG and its subsidiaries at the same time and gains the profit. The above businesses are in the interests of the Company and the Shareholders as a whole.

1. Pricing Principle

CCCC Leasing provides CCCG with finance leases and commercial factoring services. Finance leases include, without limitation, direct leases, after-sale leaseback and other forms. Fixed assets under the finance leases service mainly includes construction equipment, hotel equipment and device, and commercial properties and its equipment. Commercial factoring includes, without limitation, recourse factoring agreements and non-recourse factoring agreements and other forms. The finance leases between CCCC Leasing and connected persons (CCCG and its subsidiaries) adopted a market-based fair pricing principle. CCCC Leasing entered into the finance lease transactions with connected persons at the interest rate which increased certain percentage according to the loan rates of the bank in the corresponding period (specific percentage depends on the credit information of the lessee) and is negotiated by CCCC Leasing and the lease. CCCC Leasing provided CCCG with the pricing principle of commercial factoring service, the quoted price of which is offered by CCCC Leasing and determined by CCCG after negotiation with CCCC Leasing with reference to the quoted price for the factoring service of same type offered by the independent third parties and with consideration for relevant factors. Designated departments and personnel of CCCG are responsible for reviewing the quoted price of the factoring of same type by the independent third parties and market trading price.

2. Risk Control and Audit Procedures

CCCC Leasing formulated certain internal rules and policies for managing and controlling the operating risks with a comprehensive internal control system. CCCC Leasing has established standardized corporate governance structure to ensure the effectiveness of its internal control, including the implementation of the general manager responsibility system under the leadership of the board of directors, established an organizational structure based on decision-making, implementation and regulatory regime, and formulated different work procedures and risk control systems based on different duties. CCCC Leasing monitored transactions in a timely manner through centralized management, safe and effective business system.

3. Finance Leases and Commercial Factoring Business of CCCC Leasing in the First Half of 2020

In the first half of 2020, CCCC Leasing entered into 7 finance lease transactions with the connected persons with the total amount of RMB893 million, accounting for 9.94% of the total amount of the finance leases of CCCC Leasing incurred during the first half of 2020; the Group entered into 36 finance lease transactions with CCCC Leasing with the total amount of RMB1,827 million, accounting for 19.31% of the total amount of the finance leases of CCCC Leasing incurred during the first half of 2020.

In the first half of 2020, CCCC Leasing entered into 5 commercial factoring transactions with the connected persons with the total amount of RMB1,385 million, accounting for 20.01% of the total amount of the commercial factoring of CCCC Leasing incurred during the first half of 2020; the Group entered into 67 commercial factoring transactions with CCCC Leasing with the total amount of RMB5,425 million, accounting for 78.36% of the total amount of the commercial factoring of CCCC Leasing incurred during the first half of 2020.

Except the aforesaid connected transactions, during the period from 1 January 2020 to 30 June 2020, the Group did not enter into any other connected transactions or continuing connected transactions which should comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

TERMS & GLOSSARIES

DEFINITIONS

In this report, unless the content otherwise requires, the following expressions have the following meanings:

"Board"	the board of directors of the Company
"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 Finance"	CCCC Finance Company Limited (中交財務有限公司), a subsidiary of the Company
"CCCC Leasing"	CCCC Financial Leasing Co., Ltd. (中交融資租賃有限公司, formerly known as 中交建融租賃有限公司), a subsidiary of the Company
"CCCC Tianhe"	CCCC Tianhe Machinery and Equipment Manufacturing Co., Ltd. (中交天和機械設備製造有限公司), a subsidiary of the Company as at the date of this report
"CCCG"	China Communications Construction Group (Limited), a wholly state-owned company incorporated on 8 December 2005 in the PRC which currently holds approximately 57.96% equity interest in the Company
"CCCG Group"	CCCG and its subsidiaries, excluding the Group
"CCCG Real Estate"	CCCG Real Estate Corporation Limited* (中交地產股份有限公司), a subsidiary of CCCG
"Director(s)"	the director(s) of the Company
"experts in five areas"	the strategy of being "experts in five areas" proposed by CCCG, is the optimisation and re-building of CCCG based on its existing businesses, markets and resources. That is, to build CCCG 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. As an important holding subsidiary of CCCG, CCCC is the significant implementor of such strategy
"Group"	the Company itself and all of its subsidiaries
"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
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers
"PRC"	the People's Republic of China, for the purpose of this report, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"RMB" or "Renminbi"	the lawful currency of the PRC

TERMS & GLOSSARIES

"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council
"Supervisor(s)"	the supervisor(s) of the Company
"three roles"	the positioning of playing "three roles" proposed by CCCG, including being responsible for government and economic and social development, taking deep participation in regional economic development and serving as a quality provider of government procurement of public services
"two strivings"	striving for the continuous and rapid increase in the performance of most central enterprises and striving for the positive increase in the performance of central enterprises in general which were clearly proposed by the SASAC at a meeting for arranging the work in the second half of 2020
"USD"	United States dollars, the lawful currency of the United States of America
"ZPMC"	Shanghai Zhenhua Heavy Industries Co., Ltd. (上海振華重工(集團)股份有限公司), a company incorporated on 14 February 1992 in the PRC and listed on the Shanghai Stock Exchange, and a non-wholly owned subsidiary of CCCG
"%"	percent

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: ZHOU Changjiang
Address: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Tel: 8610-82016562
Fax: 8610-82016524
E-mail: ir@ccccltd.cn

III. BASIC INFORMATION

Registered address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Postal code: 100088
Office address of the Company: 85 De Sheng Men Wai Street, Xicheng District, Beijing, China
Postal code: 100088
Company website: http://www.ccccltd.cn
E-mail: ir@ccccltd.cn

IV. INFORMATION DISCLOSURE AND PLACE AVAILABLE FOR INSPECTION

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

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

CORPORATE INFORMATION

V. BASIC INFORMATION ON SHARES OF THE COMPANY

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

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

VI. OTHER INFORMATION OF THE COMPANY

Domestic Auditors:
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: ZHANG Yiqiang and ZHANG Ningning

International Auditors:
Ernst & Young (Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance)
22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong
Signing auditor: CHEONG Ming Yik, Hoffman

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: LIU Yan and YE Jianzhong

Period of continuous supervision: 16 March 2016 to 31 December 2020

Hong Kong legal advisors:
Baker & Mckenzie
14/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

PRC legal advisors:
Guantao Law Firm
18/F, Tower B, Xinsheng Plaza, 5 Finance Street, Xicheng District, Beijing, China

Authorised representatives of H Shares: SONG Hailiang, ZHOU Changjiang

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

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

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