

# Unaudited Condensed Consolidated Interim Balance Sheet

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

**Unaudited Condensed Consolidated  
Interim Balance Sheet (Continued)**

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

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

# Unaudited Condensed Consolidated Interim Income Statement

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

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

# Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

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

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

# Unaudited Condensed Consolidated Interim Statement of Changes in Equity

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

**Unaudited Condensed Consolidated  
Interim Statement of Changes in Equity (Continued)**

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

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

# Unaudited Condensed Consolidated Interim Statement of Cash Flows

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

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

# Notes to the Unaudited Condensed Consolidated Interim Financial Information

## 1. GENERAL INFORMATION

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

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

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

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

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

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

## 2. BASIS OF PREPARATION

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



### 3. ACCOUNTING POLICIES

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

**(a) Amendments to standards adopted by the Group**

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

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

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

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

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

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

**3. ACCOUNTING POLICIES (Continued)**

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

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

- IFRS 15, "Revenue from Contracts with Customers", establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) identify the contracts with customer; (2) identify separate performance obligations in a contract; (3) determine the transaction price; (4) allocate transaction price to performance obligations and (5) recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an 'earnings processes' to an 'asset-liability' approach based on transfer of control. IFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue and IAS 11 Construction Contracts, and the related Interpretations on revenue recognition. The standard is not effective until 1 January 2018. As the implementation of IFRS 15 is complex, the Group is yet to assess IFRS 15's full impact and will apply the new standard when it becomes effective.
- IFRS 9, "Financial instruments", replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it includes an expected credit losses model that replaces the incurred loss impairment model used today; it also includes an improved hedge accounting model to better align hedge accounting with the risk management activities. The standard is not effective until 1 January 2018. The Group is yet to assess IFRS 9's full impact and will apply the new standard when it becomes effective.

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

**4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

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

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

## 5. FINANCIAL RISK MANAGEMENT

### 5.1 Financial risk factors

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

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

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

#### (a) Liquidity risk

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

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

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

**5. FINANCIAL RISK MANAGEMENT (Continued)**

**5.1 Financial risk factors (Continued)**

**(a) Liquidity risk (Continued)**

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

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

**(b) Business environment in emerging economies**

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

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

**5.2 Fair value estimation**

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

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

**5. FINANCIAL RISK MANAGEMENT (Continued)**

**5.2 Fair value estimation (Continued)**

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

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

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

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

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

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

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

**5. FINANCIAL RISK MANAGEMENT (Continued)**

**5.3 Valuation techniques used to derive Level 2 fair values**

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

**6. SEGMENT INFORMATION**

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

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

- (a) infrastructure construction of ports, roads, bridges, and railways (the "Construction Segment");
- (b) infrastructure design of ports, roads and bridges (the "Design Segment");
- (c) dredging (the "Dredging Segment");
- (d) manufacturing of heavy machinery (the "Heavy Machinery Segment"); and
- (e) others (the "Others Segment").

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

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

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

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

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

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

**6. SEGMENT INFORMATION (Continued)**

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

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

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

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

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

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 6. SEGMENT INFORMATION (Continued)

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

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



**6. SEGMENT INFORMATION (Continued)**

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

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

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

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

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 6. SEGMENT INFORMATION (Continued)

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

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

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

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

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

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

**6. SEGMENT INFORMATION (Continued)**

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

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

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

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

**7. PROPERTY, PLANT AND EQUIPMENT**

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

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

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

- (a) Bank borrowings are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB235 million (31 December 2014: RMB240 million) (Note 15(a)).
- (b) As at 30 June 2015, the Group is in the process of applying for registration of the ownership certificates for certain of its properties with an aggregate book carrying amount of approximately RMB4,111 million (31 December 2014: RMB4,383 million). The Directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.
- (c) Vessels and machinery include the following amounts where the Group is a lessee under finance leases:

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

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

**8. INTANGIBLE ASSETS**

For the six months ended 30 June 2015 (Unaudited)						
	Concession assets RMB million	Goodwill RMB million	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Others RMB million	Total RMB million
<b>At 1 January 2015</b>						
Opening net book amount	88,382	1,537	198	125	136	90,378
Additions	20,685	-	1	30	-	20,716
Acquisition of a subsidiary (Note 31)	-	4,719	743	112	23	5,597
Disposals	-	-	-	(5)	(2)	(7)
Amortisation charge (Note 17)	(228)	-	(11)	(23)	(13)	(275)
Currency translation differences	-	(302)	(51)	(8)	(2)	(363)
Transferred to assets of disposal group classified as held-for-sale (Note 14(a))	-	-	-	(1)	-	(1)
<b>Closing net book amount</b>	<b>108,839</b>	<b>5,954</b>	<b>880</b>	<b>230</b>	<b>142</b>	<b>116,045</b>
<b>At 30 June 2015</b>						
Cost	110,110	5,954	1,059	434	282	117,839
Accumulated amortisation	(1,271)	-	(179)	(204)	(140)	(1,794)
<b>Net book amount</b>	<b>108,839</b>	<b>5,954</b>	<b>880</b>	<b>230</b>	<b>142</b>	<b>116,045</b>

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

- (a) As at 30 June 2015, concession assets represent assets under "Build-Operate-Transfer" service concession arrangements and mainly consist of toll roads in the PRC, with cost of RMB45,703 million (31 December 2014: RMB45,300 million) generating operating income, and RMB64,407 million (31 December 2014: RMB44,125 million) under construction.
- (b) As at 30 June 2015, certain bank borrowings are secured by concession assets with carrying amount of approximately RMB81,597 million (31 December 2014: RMB57,388 million) (Note 15(a)).

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**9. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

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

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

Available-for-sale financial assets include the following:

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

- (a) The Group reclassified available-for-sale investment gains, net of deferred tax, of RMB522 million (six months ended 30 June 2014: RMB195 million) upon disposal from other comprehensive income into the condensed consolidated interim income statement.
- (b) Management is of the opinion that the range of reasonable fair value estimate for the unlisted equity investments is significant and the probabilities of various estimates cannot be reasonably assessed. Accordingly, such financial assets are carried out at cost less accumulated impairment losses, if any.

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

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

**10. TRADE AND OTHER RECEIVABLES**

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

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

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

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

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 10. TRADE AND OTHER RECEIVABLES (Continued)

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

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

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

- (c) The Group has entered into certain recourse and non-recourse factoring agreements with certain banks so as to obtain bank advances. As at 30 June 2015, relevant trade receivables, with recourse factoring clauses in the agreements, amounted to RMB9,984 million (31 December 2014: RMB1,374 million). In the opinion of Directors, such transactions did not qualify for derecognition of receivables and were accounted as secured borrowings (Note 15(a)). In addition, as at 30 June 2015, trade receivables of RMB13,289 million (31 December 2014: RMB13,058 million) had been transferred to the banks in accordance with relevant non-recourse factoring agreements. Relevant receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.
- (d) As at 30 June 2015, bills receivables – bank acceptance notes of RMB75 million (31 December 2014: RMB22 million) were endorsed to suppliers with rights of recourse. In the opinion of the Directors, such transactions did not qualify for derecognition. In addition, as at 30 June 2015, bills receivables – bank acceptance notes of RMB1,677 million (31 December 2014: RMB2,057 million) were endorsed to suppliers, and RMB728 million (31 December 2014: RMB860 million) were discounted with banks. Relevant bills receivables were derecognised as the Directors are of the opinion that the substantial risks and rewards associated with those bank acceptance notes have been transferred and therefore qualified for derecognition.



## 11. CONTRACT WORK-IN-PROGRESS

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

  

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

## 12. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**13. RESTRICTED BANK DEPOSITS**

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

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

**14. DISPOSAL GROUP HELD-FOR-SALE**

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

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

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

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

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

	<b>As at</b> <b>30 June 2015</b>
	<b>RMB million</b>
	<b>(Unaudited)</b>
<b>Liabilities</b>	
Trade and other payables	<b>28</b>
<b>Total liabilities</b>	<b>28</b>

**15. BORROWINGS**

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

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

**15. BORROWINGS (Continued)**

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

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

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

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

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

- Medium term notes with a nominal value of RMB3,800 million issued in February 2011, with a maturity of five years from issuance, bearing interest at a rate of 5.85% per annum.
- No medium term notes were issued during this period.

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

(e) The Group issued the following debentures:

- As approved by NAFMII, three tranches of debentures were issued in April and June 2014, respectively, at nominal values of RMB3,000 million, RMB3,000 million and RMB3,000 million, respectively, totalling RMB9,000 million, with maturities of 270 days, 270 days and 270 days from issuance respectively. The interest rate is 5.20%, 5.05% and 4.80% per annum, respectively. As at 30 June 2015, these debentures have been fully paid off.
- As approved by NAFMII, two tranches of debentures were issued in January and March 2015, respectively, at nominal values of RMB3,000 million and RMB3,000 million, respectively, totalling RMB6,000 million, with maturities of 270 days, 270 days from issuance respectively. The interest rate is 4.70% and 4.60% per annum, respectively.

The debentures are stated at amortised cost.

**15. BORROWINGS (Continued)**

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

- A tranche of non-public debt instrument with a nominal value of RMB1,500 million in October 2012, with a maturity of five years from issuance, bearing interest at a rate of 5.80% per annum.
- Two tranches of non-public debt instruments were issued in April and one tranche of non-public debt instrument was issued in October 2013, respectively, at nominal values of RMB1,500 million, RMB800 million and RMB500 million, respectively, totalling RMB2,800 million, with maturities of five years, five years and five years from issuance, respectively. The interest rate is 5.10%, 6.00% and 6.65% per annum, respectively.
- Ten tranches of non-public debt instruments were issued in March, May, June, August, and September 2014, respectively, at nominal values of RMB500 million, RMB800 million, RMB800 million, RMB700 million, RMB500 million, RMB500 million, RMB500 million, RMB1,000 million, RMB500 million and RMB100 million, respectively, totalling RMB5,900 million, with maturities of three years, three years, three years, three years, three years, three years, five years, five years, three years and three years from issuance, respectively. The interest rate is 7.10%, 6.35%, 7.00%, 6.50%, 6.60%, 6.30%, 7.00%, 6.00%, 6.40%, and 5.60% per annum, respectively.
- No non-public debt instruments were issued during this period.

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

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

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

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**15. BORROWINGS (Continued)**

(h) Finance lease liabilities

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

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

(i) Movement in borrowings is analysed as follows:

	<b>RMB million</b>
	<b>(Unaudited)</b>
<b>Six months ended 30 June 2015</b>	
Opening amount as at 1 January 2015	228,835
Proceeds from borrowings	93,362
Finance lease liabilities	421
Repayments of borrowings, interests and finance lease liabilities	(64,287)
Net foreign exchange gains on borrowings (Note 22)	(114)
Accrued interest on borrowings	1,092
<b>Closing amount as at 30 June 2015</b>	<b>259,309</b>
	<b>RMB million</b>
	<b>(Unaudited)</b>
<b>Six months ended 30 June 2014</b>	
Opening amount as at 1 January 2014	186,975
Proceeds from borrowings	100,119
Finance lease liabilities	3,015
Repayments of borrowings, interests and finance lease liabilities	401
Disposal of a subsidiary	(58,078)
Net foreign exchange losses on borrowings (Note 22)	175
Accrued interest on borrowings	1,044
<b>Closing amount as at 30 June 2014</b>	<b>233,651</b>

**15. BORROWINGS (Continued)**

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

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

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

The Group has the following undrawn borrowing facilities:

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

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**16. TRADE AND OTHER PAYABLES**

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

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

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

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



**17. EXPENSES BY NATURE**

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

**18. OTHER INCOME**

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

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**19. OTHER GAINS, NET**

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

**20. OTHER EXPENSES**

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

**21. FINANCE INCOME**

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

## 22. FINANCE COSTS, NET

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

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

## 23. TAXATION

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

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

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

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 23. TAXATION (Continued)

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

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

### 24. EARNINGS PER SHARE

#### (a) Basic

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

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

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

#### (b) Diluted

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

**25. OTHER RESERVES**

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

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 25. OTHER RESERVES (Continued)

#### (a) Capital Reserve

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

### 26. DIVIDENDS

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

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

### 27. NON-CONTROLLING INTERESTS

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

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

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

#### (a) Cash flows from operating activities:

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

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

**(b) Cash flows from investing activities:**

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

**(c) Cash flows from financing activities:**

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 29. CONTINGENCIES

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

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

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

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

### 30. CAPITAL COMMITMENTS

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

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

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

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



### 31. BUSINESS COMBINATIONS

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

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

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

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

#### (a) Acquisition of John Holland

	<b>At 20 April 2015 RMB million</b>
Purchase consideration	
– cash paid	<b>3,954</b>
Amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	<b>219</b>
Trade and other receivables	<b>1,683</b>
Investments in associates	<b>127</b>
Inventories	<b>71</b>
Derivative financial instruments – assets	<b>2</b>
Property, plant and equipment (Note 7)	<b>1,062</b>
Intangible assets (Note 8)	<b>878</b>
Deferred income tax assets	<b>778</b>
Trade and other payables	<b>(5,495)</b>
Derivative financial instruments – liabilities	<b>(5)</b>
Current income tax liabilities	<b>(22)</b>
Deferred income tax liabilities	<b>(63)</b>
<b>Total identifiable net liabilities</b>	<b>(765)</b>
<b>Goodwill (Note 8)</b>	<b>4,719</b>
	<b>3,954</b>

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

## Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)

### 31. BUSINESS COMBINATIONS (Continued)

#### (a) Acquisition of John Holland (Continued)

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

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

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

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

### 32. RELATED-PARTY TRANSACTIONS

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

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

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

**32. RELATED-PARTY TRANSACTIONS (Continued)**

**(a) Related party transactions**

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

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

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

**(b) Key management compensation**

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

**Notes to the Unaudited Condensed Consolidated Interim Financial Information (Continued)**

**32. RELATED-PARTY TRANSACTIONS (Continued)**

**(c) Balances with related parties**

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

**32. RELATED-PARTY TRANSACTIONS (Continued)**

**(d) Guarantees**

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

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

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

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

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

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