Unaudited Condensed Consolidated Interim Balance Sheet

As at 30 June 2011

	Note	**Unaudited 30 June 2011 RMB million**	Audited 31 December 2010 (Restated) RMB million
ASSETS			
Non-current assets			
Property, plant and equipment	*7*	**52,914**	52,973
Lease prepayments		**8,129**	7,380
Investment properties		**409**	387
Intangible assets	*8*	**19,062**	15,906
Investments in jointly controlled entities		**885**	857
Investments in associates		**3,027**	2,830
Available-for-sale financial assets	*9*	**15,261**	15,452
Deferred income tax assets		**1,823**	1,602
Trade and other receivables	*10*	**23,963**	22,176
		125,473	119,563
Current assets			
Inventories		**23,859**	21,528
Trade and other receivables	*10*	**98,070**	86,424
Amounts due from customers for contract work	*11*	**57,470**	43,458
Derivative financial instruments	*12*	**57**	48
Other financial assets at fair value through profit or loss		**60**	67
Restricted cash		**1,577**	719
Cash and cash equivalents		**38,947**	38,826
		220,040	191,070
Total assets		**345,513**	310,633

Unaudited Condensed Consolidated Interim Balance Sheet (continued)

As at 30 June 2011

	Note	Unaudited 30 June 2011 RMB million	Audited 31 December 2010 (Restated) RMB million
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	*23*	**14,825**	14,825
Share premium		**13,853**	13,853
Other reserves	*24*	**37,435**	31,940
Proposed final dividend	*25*	**—**	2,372
		66,113	62,990
Non-controlling interests		**10,559**	10,931
Total equity		**76,672**	73,921
LIABILITIES			
Non-current liabilities			
Borrowings	*13*	**48,585**	38,569
Deferred income		**511**	554
Deferred income tax liabilities		**2,727**	2,360
Early retirement and supplemental benefit obligations		**2,095**	2,184
Trade and other payables	*14*	**2,181**	1,929
		56,099	45,596
Current liabilities			
Trade and other payables	*14*	**147,108**	131,625
Amounts due to customers for contract work	*11*	**13,371**	14,204
Current income tax liabilities		**1,587**	2,091
Borrowings	*13*	**50,258**	42,760
Derivative financial instruments	*12*	**71**	71
Early retirement and supplemental benefit obligations		**200**	214
Provisions		**147**	151
		212,742	191,116
Total liabilities		**268,841**	236,712
Total equity and liabilities		**345,513**	310,633
Net current assets/(liabilities)		**7,298**	(46)
Total assets less current liabilities		**132,771**	119,517

The notes on page 40 to 82 form an integral part of this unaudited condensed consolidated interim financial information

Unaudited Condensed Consolidated Interim Income Statement

For the six months ended 30 June 2011

		Unaudited	
		Six months ended 30 June	
		2011	2010
			(Restated)
	Note	**RMB million**	RMB million
Revenue	*6*	**138,925**	120,154
Cost of sales	*15*	**(126,911)**	(110,480)
Gross profit		**12,014**	9,674
Other income	*16*	**1,129**	645
Other gains/(losses), net	*17*	**66**	(162)
Selling and marketing expenses	*15*	**(286)**	(276)
Administrative expenses	*15*	**(5,163)**	(4,042)
Other expenses	*18*	**(311)**	(235)
Operating profit	*6*	**7,449**	5,604
Finance income	*19*	**1,348**	331
Finance costs, net	*20*	**(1,553)**	(981)
Share of profit of jointly controlled entities		**42**	30
Share of profit of associates		**24**	42
Profit before income tax		**7,310**	5,026
Income tax expense	*21*	**(1,519)**	(1,127)
Profit for the period		**5,791**	3,899
Attributable to:			
— equity holders of the Company		**5,829**	3,840
— non-controlling interests		**(38)**	59
		5,791	3,899
Earnings per share for profit attributable to equity holders of the Company (expressed in RMB)			
— basic	*22*	**0.39**	0.26
— diluted	*22*	**0.39**	0.26
Dividends	*25*	**—**	—

The notes on page 40 to 82 form an integral part of this unaudited condensed consolidated interim financial information

Unaudited Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30 June 2011

	Unaudited Six months ended 30 June 2011 RMB million	2010 (Restated) RMB million
Profit for the period	**5,791**	3,899
Other comprehensive income/(expenses)		
Fair value losses on available-for-sale financial assets, net of deferred tax		
— Losses arising during the period	**(369)**	(2,899)
— Less: fair value revaluation reserve transferred to income statement	**(24)**	(2)
Currency translation differences	**31**	(46)
Other comprehensive expenses for the period, net of tax	**(362)**	(2,947)
Total comprehensive income for the period	**5,429**	952
Total comprehensive income/(expenses) attributable to:		
— equity holders of the Company	**5,484**	912
— non-controlling interests	**(55)**	40

The notes on page 40 to 82 form an integral part of this unaudited condensed consolidated interim financial information

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30 June 2011

	Note	Share Capital RMB million	Share Premium RMB million	Capital Reserve RMB million	Statutory Surplus Reserve RMB million	Investment Revaluation Reserve RMB million	Safety Reserve RMB million	Exchange Reserve RMB million	Retained Earnings RMB million	Total RMB million	Non-controlling Interests RMB million	Total Equity RMB million
		For the six months ended 30 June 2011 (Unaudited)										
		Attributable to equity holders of the Company										
Balance at 1 January 2011, as previously reported		14,825	13,853	(3,070)	760	8,722	741	56	24,255	60,142	10,938	71,080
Adjustments for adoption of IFRS 1 (Amendment) *(note 3(a))*		–	–	5,313	–	–	–	–	(2,465)	2,848	(7)	2,841
Balance at 1 January 2011, as restated		14,825	13,853	2,243	760	8,722	741	56	21,790	62,990	10,931	73,921
Profit/(loss) for the period		–	–	–	–	–	–	–	5,829	5,829	(38)	5,791
Other comprehensive income												
Changes in fair value of available-for-sale financial assets, net of deferred tax		–	–	–	–	(350)	–	–	–	(350)	(19)	(369)
Fair value revaluation reserve transferred to income statement, net of deferred tax		–	–	–	–	(24)	–	–	–	(24)	–	(24)
Currency translation differences		–	–	–	–	–	–	29	–	29	2	31
Total comprehensive (expenses)/ income for the period ended 30 June 2011		–	–	–	–	(374)	–	29	5,829	5,484	(55)	5,429
2010 final dividend		–	–	–	–	–	–	–	(2,372)	(2,372)	–	(2,372)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	–	(90)	(90)
Contribution from non-controlling interests		–	–	–	–	–	–	–	–	–	13	13
Transaction with non-controlling interests resulting from acquisition of equity interests in certain subsidiaries		–	–	11	–	–	–	–	–	11	(240)	(229)
Appropriations to safety reserve	24	–	–	–	–	–	129	–	(129)	–	–	–
Balance at 30 June 2011		14,825	13,853	2,254	760	8,348	870	85	25,118	66,113	10,559	76,672

Unaudited Condensed Consolidated Interim Statement of Changes in Equity (continued)

For the six months ended 30 June 2011

		For the six months ended 30 June 2010 (Unaudited) (Restated)										
		Attributable to equity holders of the Company										
	Note	Share Capital RMB million	Share Premium RMB million	Capital Reserve RMB million	Statutory Surplus Reserve RMB million	Investment Revaluation Reserve RMB million	Safety Reserve RMB million	Exchange Reserve RMB million	Retained Earnings RMB million	Total RMB million	Non-controlling Interests RMB million	Total Equity RMB million
Balance at 1 January 2010, as previously reported		14,825	13,853	(3,073)	495	11,309	557	83	16,565	54,614	11,615	66,229
Adjustments for adoption of IFRS 1 (Amendment)		—	—	5,303	—	—	—	—	(2,200)	3,103	(8)	3,095
Balance at 1 January 2010, as restated		14,825	13,853	2,230	495	11,309	557	83	14,365	57,717	11,607	69,324
Profit for the period		—	—	—	—	—	—	—	3,840	3,840	59	3,899
Other comprehensive income												
Changes in fair value of available-for-sale financial assets, net of deferred tax		—	—	—	—	(2,899)	—	—	—	(2,899)	—	(2,899)
Fair value revaluation reserve transferred to income statement, net of deferred tax		—	—	—	—	(2)	—	—	—	(2)	—	(2)
Currency translation differences		—	—	—	—	—	—	(27)	—	(27)	(19)	(46)
Total comprehensive (expenses)/ income for the period ended 30 June 2010		—	—	—	—	(2,901)	—	(27)	3,840	912	40	952
2009 final dividend		—	—	—	—	—	—	—	(1,720)	(1,720)	—	(1,720)
Dividends paid to non-controlling interests		—	—	—	—	—	—	—	—	—	(49)	(49)
Contribution from non-controlling interests		—	—	—	—	—	—	—	—	—	11	11
Transaction with non-controlling interests resulting from acquisition of equity interests in certain subsidiaries		—	—	20	—	—	—	—	—	20	(656)	(636)
Appropriations to safety reserve	*24*	—	—	—	—	—	208	—	(208)	—	—	—
Balance at 30 June 2010		14,825	13,853	2,250	495	8,408	765	56	16,277	56,929	10,953	67,882

The notes on page 40 to 82 form an integral part of this unaudited condensed consolidated interim financial information

Unaudited Condensed Consolidated Interim Cash Flow Statement

For the six months ended 30 June 2011

		Unaudited	
		Six months ended 30 June	
		2011	2010
	Note	**RMB million**	RMB million
Net cash used in operating activities	*26(a)*	**(9,336)**	(5,397)
Net cash used in investing activities	*26(b)*	**(6,471)**	(7,367)
Net cash generated from financing activities	*26(c)*	**15,947**	6,703
Net increase/(decrease) in cash and cash equivalents		**140**	(6,061)
Cash and cash equivalents at 1 January		**38,826**	33,817
Exchange losses on cash and cash equivalents		**(19)**	(88)
Cash and cash equivalents at 30 June		**38,947**	27,668

The notes on page 40 to 82 form an integral part of this unaudited condensed consolidated interim financial information

Notes to the Unaudited Condensed Consolidated Interim Financial Information

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

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 (Limited) ("CCCG") in preparation for a listing of the Company's H shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Company completed its global initial public offering in December 2006. The address of its 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.

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

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2011 has been approved for issue by the Board of Directors on 30 August 2011.

2. Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim financial reporting". It should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010, 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 2010, as described in those annual financial statements.

(a) The following amendments to standards are mandatory for the financial year beginning 1 January 2011 and relevant to the Group:

	Effective for accounting periods beginning on or after
IFRS 3 (Revised), "Business combinations"	1 July 2010
IFRS 1 (Amendment), "First time adoption of international financial reporting standards" — "Revaluation basis as deemed cost"	1 January 2011
IFRS 7 (Amendment), "Financial instruments: Disclosures"	1 January 2011
IAS 1 (Amendment), "Presentation of financial statements"	1 January 2011
IAS 24 (Revised), "Related party disclosures"	1 January 2011
IAS 27 (Amendment), "Consolidated and separate financial statements"	1 January 2011
IAS 34 (Amendment), "Interim financial reporting"	1 January 2011

Except for the following amendments to existing standards as described below, the adoption of the above amendments in the current period did not have any material effect on the unaudited condensed consolidated interim financial information or result in any significant changes in the Group's significant accounting policies.

- IFRS 1 (Amendment), "First time adoption of international financial reporting standards" — "Revaluation basis as deemed cost". IFRS 1 (Amendment) allows first-time adopters to use an event-driven fair value as deemed cost for assets and liabilities, even if the event occurs after the date of transition to IFRS, but before the first set of IFRS financial statements are issued. When such re-measurement occurs after the date of transition to IFRS, but during the period covered by its first set of IFRS financial statements, any subsequent adjustment to that event-driven fair value is recognised in equity.

  Upon the incorporation of the Company on 8 October 2006, the assets and liabilities transferred to the Company have been stated at historical carrying amounts of the predecessor company. As the IFRS 1 (Amendment) provides a limited time frame for reporting entities that have previously applied IFRS 1 to retrospectively apply this amendment, the Group has opted to apply this amendment in the year ending 31 December 2011, and therefore the assets and liabilities of the Group have been restated at revalued amounts as deemed cost since the transition to IFRS.

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

3. Accounting policies (Continued)

(a) The following amendments to standards are mandatory for the financial year beginning 1 January 2011 and relevant to the Group (continued):

The adjustments for adoption of IFRS 1 (Amendment) are as follows:

	As at 30 June 2011 (Unaudited)		
	Balances before adjustments RMB million	Adjustments for adoption of IFRS 1 (Amendment) RMB million	Balances after adjustments RMB million
Property, plant and equipment	52,436	478	52,914
Lease prepayments	5,372	2,757	8,129
Investment properties	393	16	409
Investments in associates	3,023	4	3,027
Available-for-sale financial assets	15,211	50	15,261
Deferred income tax assets	2,411	(588)	1,823
Inventories	23,831	28	23,859
Other assets	240,091	—	240,091
Total assets	342,768	2,745	345,513
Capital and reserves attributable to equity holders of the Company	63,359	2,754	66,113
Non-controlling interests	10,566	(7)	10,559
Total equity	73,925	2,747	76,672
Deferred income tax liabilities	2,729	(2)	2,727
Other liabilities	266,114	—	266,114
Total liabilities	268,843	(2)	268,841

3. Accounting policies (Continued)

(a) The following amendments to standards are mandatory for the financial year beginning 1 January 2011 and relevant to the Group (continued):

	As at 31 December 2010 (Audited)		
	Balances as previously reported RMB million	Adjustments for adoption of IFRS 1 (Amendment) RMB million	Balances as restated RMB million
Property, plant and equipment	52,438	535	52,973
Lease prepayments	4,583	2,797	7,380
Investment properties	370	17	387
Investments in associates	2,826	4	2,830
Available-for-sale financial assets	15,402	50	15,452
Deferred income tax assets	2,221	(619)	1,602
Inventories	21,473	55	21,528
Other assets	208,481	—	208,481
Total assets	307,794	2,839	310,633
Capital and reserves attributable to equity holders of the Company	60,142	2,848	62,990
Non-controlling interests	10,938	(7)	10,931
Total equity	71,080	2,841	73,921
Deferred income tax liabilities	2,362	(2)	2,360
Other liabilities	234,352	—	234,352
Total liabilities	236,714	(2)	236,712

3. Accounting policies (Continued)

(a) The following amendments to standards are mandatory for the financial year beginning 1 January 2011 and relevant to the Group (continued):

	As at 1 January 2010 (Audited)		
	Balances as previously reported RMB million	Adjustments for adoption of IFRS 1 (Amendment) RMB million	Balances as restated RMB million
Property, plant and equipment	47,351	801	48,152
Lease prepayments	3,689	2,863	6,552
Investment properties	332	18	350
Investments in associates	2,650	4	2,654
Available-for-sale financial assets	17,650	50	17,700
Deferred income tax assets	1,944	(728)	1,216
Inventories	18,835	85	18,920
Other assets	171,607	—	171,607
Total assets	264,058	3,093	267,151
Capital and reserves attributable to equity holders of the Company	54,614	3,103	57,717
Non-controlling interests	11,615	(8)	11,607
Total equity	66,229	3,095	69,324
Deferred income tax liabilities	3,420	(2)	3,418
Other liabilities	194,409	—	194,409
Total liabilities	197,829	(2)	197,827

3. Accounting policies (Continued)

(a) The following amendments to standards are mandatory for the financial year beginning 1 January 2011 and relevant to the Group (continued):

	Six months ended 30 June 2011 (Unaudited)		
	Amounts before adjustments RMB million	**Adjustments for adoption of IFRS 1 (Amendment) RMB million**	**Amounts after adjustments RMB million**
Cost of sales	**(126,826)**	**(85)**	**(126,911)**
Administrative expenses	**(5,123)**	**(40)**	**(5,163)**
Profit before income tax	**7,435**	**(125)**	**7,310**
Income tax expense	**(1,550)**	**31**	**(1,519)**
Profit for the period	**5,885**	**(94)**	**5,791**
Profit attributable to equity holders of the Company	**5,923**	**(94)**	**5,829**

	Six months ended 30 June 2010 (Unaudited)		
	Amounts as previously reported RMB million	Adjustments for adoption of IFRS 1 (Amendment) RMB million	Amounts as restated RMB million
Cost of sales	(110,391)	(89)	(110,480)
Other losses, net	(115)	(47)	(162)
Administrative expenses	(3,985)	(57)	(4,042)
Profit before income tax	5,219	(193)	5,026
Income tax expense	(1,161)	34	(1,127)
Profit for the period	4,058	(159)	3,899
Profit attributable to equity holders of the Company	3,999	(159)	3,840

- IAS 24 (Revised), "Related party disclosures". The Group early adopted this amendment in previous years and therefore simplified the disclosures for related party transactions and balances with government-related entities. The Group continued the practice in 2011 (refer to details in Note 29);

3. Accounting policies (Continued)

(a) The following amendments to standards are mandatory for the financial year beginning 1 January 2011 and relevant to the Group (continued):

- IAS 34 (Amendment), "Interim financial reporting". The amendment emphasises the existing disclosure principles in IAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures. The Group adopted this amendment from 1 January 2011.

(b) The following amendments to standards and interpretations are mandatory for the financial year beginning 1 January 2011, but are not relevant to the Group:

- IAS 32 (Amendment), "Financial instruments: Presentation" — "Classification of right issues"
- IFRS 1 (Amendment), "Limited exemption from comparative IFRS 7 disclosures for first-time adopters"
- IFRIC 19, "Extinguishing financial liabilities with equity instruments"
- IFRIC 14 (Amendment), "Payments of a minimum funding requirement"
- IFRS 1 (Amendment), "First time adoption of international financial reporting standards" — "Accounting policy changes in the year of adoption"
- IFRS 1 (Amendment), "First time adoption of international financial reporting standards" — "Use of deemed cost for operation subject to rate regulation"
- IFRIC 13 (Amendment), "Customer loyalty programmes"

3. Accounting policies (Continued)

(c) The following new standard and amendment to standard have been issued, but are not effective for the financial year beginning 1 January 2011 and have not been early adopted:

	Effective for accounting periods beginning on or after
IFRS 7 (Amendment), "Disclosures — Transfers of financial assets"	1 January 2012
IFRS 9, "Financial instruments"	1 January 2013

The Group is assessing the expected impact in detail and will adopt the new standard and amendment when they become effective.

(d) The following amendments to standards have been issued, but are not effective for the financial year beginning 1 January 2011 and not relevant to the Group:

- IFRS 1 (Amendment), "Severe hyperinflation and removal of fixed dates for first-time adopters" (effective from 1 July 2011)

- IAS 12 (Amendment), "Deferred tax: Recovery of underlying assets" (effective from 1 January 2012)

4. Accounting estimates, assumptions and judgments

The preparation of interim financial statements 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 unaudited 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 annual consolidated financial statements for the year ended 31 December 2010.

5. Financial risk management

5.1 Financial risk factors

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

The unaudited 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 2010.

The risk management objectives and practices are consistent with those disclosed in the annual consolidated financial statements for the year ended 31 December 2010.

(a) Liquidity risk

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

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. The Group aims to maintain flexibility in funding by keeping committed credit lines available. The amounts of undrawn borrowing facilities are disclosed in Note 13.

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

	Less than 1 year RMB million	Between 1 and 2 years RMB million	Between 2 and 5 years RMB million	Over 5 years RMB million
As at 30 June 2011				
Borrowings (excluding finance lease liabilities)	**51,927**	**7,988**	**23,341**	**29,263**
Finance lease liabilities	**728**	**726**	**602**	**5**
Derivative financial instruments — held for trading	**7**	**6**	**15**	**4**
Trade and other payables	**147,108**	**2,181**	**—**	**—**
Financial guarantee contracts	**637**	**—**	**—**	**—**
	200,407	**10,901**	**23,958**	**29,272**
As at 31 December 2010				
Borrowings (excluding finance lease liabilities)	43,588	7,351	15,118	24,752
Finance lease liabilities	705	666	862	71
Derivative financial instruments — held for trading	11	6	16	6
Trade and other payables	131,625	1,929	—	—
Financial guarantee contracts	638	—	—	—
	176,567	9,952	15,996	24,829

5. Financial risk management (Continued)

5.1 Financial risk factors (Continued)

(b) *Business environment in emerging economies*

The Group has business operations in a number of overseas countries, including countries in Africa, Middle East and South Asia. Some of these countries 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 cost and receivables may not be recoverable. The bank deposits in financial institutions of 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 2011, the balance of contract work-in-progress relating to on-going construction projects and bank deposits in these countries represent less than 2.9% and 1.2% (31 December 2010: less than 2.0% and 0.3%), 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.

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

5. Financial risk management (Continued)

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).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2011.

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
Assets				
Financial assets at fair value through profit or loss	60	—	—	60
Derivative financial instruments — held for trading	—	57	—	57
Available-for-sale financial assets — equity securities	12,729	853	—	13,582
Total assets	12,789	910	—	13,699
Liabilities				
Derivative financial instruments — held for trading	—	(71)	—	(71)
Total liabilities	—	(71)	—	(71)

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 31 December 2010.

	Level 1 RMB million	Level 2 RMB million	Level 3 RMB million	Total RMB million
Assets				
Financial assets at fair value through profit or loss	67	—	—	67
Derivative financial instruments —held for trading	—	48	—	48
Available-for-sale financial assets — equity securities	12,800	983	—	13,783
Total assets	12,867	1,031	—	13,898
Liabilities				
Derivative financial instruments — held for trading	—	(71)	—	(71)
Total liabilities	—	(71)	—	(71)

For the six months ended 30 June 2011, there were no transfer between levels for the Group's financial assets and liabilities that are measured at fair value.

For the six months ended 30 June 2011, there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets and financial liabilities.

For the six months ended 30 June 2011, there were no reclassifications of financial assets.

6. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the President Office, which is chaired by the Chief Executive Officer and consists of senior management of the Company who make strategic decisions. 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:

(1) infrastructure construction of ports, roads, bridges, and railway (the "Construction Segment");

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

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

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

(5) others (the "Other Segment").

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

Inter-segment sales were conducted at prices generally no less than cost and with terms mutually agreed amongst those business segments.

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

Segment assets consist primarily of property, plant and equipment, lease prepayments, intangible assets, inventories, receivables, amounts due from customers for contract work, cash and cash equivalents. They exclude deferred taxation, investments and derivative financial instruments.

Segment liabilities comprise primarily payables and amounts due to customers for contract work. They exclude items such as taxation and borrowings.

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

6. Segment information (Continued)

The segment results for the six months ended 30 June 2011 and other segment items included in the unaudited condensed consolidated interim financial information are as follows:

	For the six months ended 30 June 2011 (Unaudited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Other RMB million	Elimination RMB million	Total RMB million
Total gross segment revenue	107,834	5,963	15,586	8,965	2,952	(2,375)	138,925
Inter-segment revenue	(1,106)	(393)	(477)	(399)	—	2,375	—
Revenue	106,728	5,570	15,109	8,566	2,952	—	138,925
Segment result	4,926	836	1,903	(238)	89	—	7,516
Unallocated costs							(67)
Operating profit							7,449
Finance income							1,348
Finance costs, net							(1,553)
Share of profit of jointly controlled entities							42
Share of profit of associates							24
Profit before income tax							7,310
Income tax expense							(1,519)
Profit for the period							5,791
Other segment items							
Depreciation	1,657	77	597	627	28	—	2,986
Amortisation	132	11	7	31	3	—	184
Write-down of inventories	—	1	—	13	—	—	14
Provision for foreseeable losses on construction contracts	37	—	11	49	—	—	97
Provision for/(reversal of) impairment of trade and other receivables	128	14	(14)	24	1	—	153

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

6. Segment information (Continued)

The segment results for the six months ended 30 June 2010 and other segment items included in the unaudited condensed consolidated interim financial information are as follows:

	For the six months ended 30 June 2010 (Unaudited) (Restated)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Other RMB million	Elimination RMB million	Total RMB million
Total gross segment revenue	91,637	4,422	13,319	9,190	3,342	(1,756)	120,154
Inter-segment revenue	(290)	(44)	(1,085)	(51)	(286)	1,756	—
Revenue	91,347	4,378	12,234	9,139	3,056	—	120,154
Segment result	3,786	670	1,381	(267)	138	—	5,708
Unallocated costs							(104)
Operating profit							5,604
Finance income							331
Finance costs, net							(981)
Share of profit of jointly controlled entities							30
Share of profit of associates							42
Profit before income tax							5,026
Income tax expense							(1,127)
Profit for the period							3,899
Other segment items							
Depreciation	1,393	69	572	607	25	—	2,666
Amortisation	76	10	6	30	2	—	124
Write-down of inventories	—	—	—	25	—	—	25
(Reversal of)/provision for foreseeable losses on construction contracts	(2)	—	(1)	55	—	—	52
Provision for/(reversal of) impairment of trade and other receivables	46	5	15	(1)	(1)	—	64

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 financial statements. These assets and liabilities are presented based on the operating segments they are associated with.

6. Segment information (Continued)

The segment assets and liabilities at 30 June 2011 and capital expenditure for the six months then ended are as follows:

	As at 30 June 2011 (Unaudited)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Other RMB million	Elimination RMB million	Total RMB million
Segment assets	209,601	11,448	41,120	47,054	3,578	(4,070)	308,731
Investments in jointly controlled entities							885
Investments in associates							3,027
Unallocated assets							32,870
Total assets							345,513
Segment liabilities	136,620	3,827	19,522	8,025	1,421	(4,070)	165,345
Unallocated liabilities							103,496
Total liabilities							268,841
Capital expenditure	5,459	86	1,284	510	11	—	7,350

Segment assets and liabilities at 30 June 2011 are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	308,731	165,345
Investments in jointly controlled entities	885	—
Investments in associates	3,027	—
Unallocated:		
Deferred income tax assets/liabilities	1,823	2,727
Current income tax liabilities	—	1,587
Current borrowings	—	50,258
Non-current borrowings	—	48,585
Available-for-sale financial assets	15,261	—
Other financial assets at fair value through profit or loss	60	—
Derivative financial instruments	57	71
Cash and other corporate assets/corporate liabilities	15,669	268
Total	345,513	268,841

6. Segment information (Continued)

The segment assets and liabilities at 31 December 2010 and capital expenditure for the year then ended are as follows:

	As at 31 December 2010 (Audited) (Restated)						
	Construction RMB million	Design RMB million	Dredging RMB million	Heavy Machinery RMB million	Other RMB million	Elimination RMB million	Total RMB million
Segment assets	182,516	10,137	35,188	46,760	3,588	(3,839)	274,350
Investments in jointly controlled entities							857
Investments in associates							2,830
Unallocated assets							32,596
Total assets							310,633
Segment liabilities	124,582	3,946	16,772	7,420	1,647	(3,839)	150,528
Unallocated liabilities							86,184
Total liabilities							236,712
Capital expenditure	11,682	250	3,052	2,216	49	—	17,249

Segment assets and liabilities at 31 December 2010 are reconciled to entity assets and liabilities as follows:

	Assets RMB million	Liabilities RMB million
Segment assets/liabilities	274,350	150,528
Investments in jointly controlled entities	857	—
Investments in associates	2,830	—
Unallocated:		
Deferred income tax assets/liabilities	1,602	2,360
Current income tax liabilities	—	2,091
Current borrowings	—	42,760
Non-current borrowings	—	38,569
Available-for-sale financial assets	15,452	—
Other financial assets at fair value through profit or loss	67	—
Derivative financial instruments	48	71
Cash and other corporate assets/corporate liabilities	15,427	333
Total	310,633	236,712

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

6. Segment information (Continued)

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

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
PRC (excluding Hong Kong and Macau)	**124,439**	108,108
Other regions	**14,486**	12,046
	138,925	120,154

Other regions primarily include countries in Africa, Middle East and South East Asia, such as Angola, Saudi Arabia, Sri Lanka, Equatorial Guinea and Hong Kong.

7. Property, plant and equipment

	For the six months ended 30 June 2011 (Unaudited)					
	Land and buildings RMB million	**Machinery RMB million**	**Vessels and vehicles RMB million**	**Other equipment RMB million**	**Construction-in-progress RMB million**	**Total RMB million**
At 1 January 2011						
Opening net book amount (as previously reported)	**10,158**	**8,676**	**21,374**	**2,351**	**9,879**	**52,438**
Adjustments for adoption of IFRS 1 (Amendment)	**415**	**(7)**	**115**	**11**	**1**	**535**
Opening net book amount (as restated)	**10,573**	**8,669**	**21,489**	**2,362**	**9,880**	**52,973**
Additions	**42**	**535**	**501**	**612**	**1,530**	**3,220**
Disposals	**(16)**	**(83)**	**(147)**	**(56)**	**—**	**(302)**
Transfer	**8**	**319**	**1,563**	**14**	**(1,904)**	**—**
Transferred to investment properties	**(2)**	**—**	**—**	**—**	**—**	**(2)**
Depreciation	**(270)**	**(758)**	**(1,223)**	**(724)**	**—**	**(2,975)**
Closing net book amount	**10,335**	**8,682**	**22,183**	**2,208**	**9,506**	**52,914**
At 30 June 2011						
Cost	**13,746**	**15,186**	**38,119**	**5,508**	**9,506**	**82,065**
Accumulated depreciation	**(3,411)**	**(6,504)**	**(15,936)**	**(3,300)**	**—**	**(29,151)**
Net book amount	**10,335**	**8,682**	**22,183**	**2,208**	**9,506**	**52,914**

7. Property, plant and equipment (Continued)

	For the six months ended 30 June 2010 (Unaudited)					
	Land and buildings RMB million	Machinery RMB million	Vessels and vehicles RMB million	Other equipment RMB million	Construction-in-progress RMB million	Total RMB million
At 1 January 2010						
Opening net book amount (as previously reported)	8,991	8,377	18,463	1,606	9,914	47,351
Adjustments for adoption of IFRS 1 (Amendment)	500	7	278	16	—	801
Opening net book amount (as restated)	9,491	8,384	18,741	1,622	9,914	48,152
Additions	35	589	1,004	615	2,620	4,863
Disposals	(31)	(154)	(169)	(41)	—	(395)
Transfer	1,143	491	1,205	196	(3,035)	—
Transferred to investment properties	(9)	—	—	—	—	(9)
Depreciation	(234)	(721)	(1,198)	(503)	—	(2,656)
Closing net book amount	10,395	8,589	19,583	1,889	9,499	49,955
At 30 June 2010						
Cost	13,364	13,960	33,886	4,194	9,499	74,903
Accumulated depreciation	(2,969)	(5,371)	(14,303)	(2,305)	—	(24,948)
Net book amount	10,395	8,589	19,583	1,889	9,499	49,955

(a) Bank borrowings are secured by certain property, plant and equipment with an aggregate book carrying amount of approximately RMB1,632 million (31 December 2010: RMB1,700 million)(Note 13(a)).

(b) As at 30 June 2011, the Group is in the process of applying for or changing registration of the ownership certificates for certain of its properties with an aggregate book carrying amount of approximately RMB3,218 million (31 December 2010: RMB3,373 million). The Directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

7. Property, plant and equipment (Continued)

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

	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Cost — Capitalised finance leases	**3,009**	2,907
Accumulated depreciation	**(479)**	(329)
Net book amount	**2,530**	2,578

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 2011 (Unaudited)					
	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Concession assets RMB million	Goodwill RMB million	Others RMB million	Total RMB million
At 1 January 2011						
Opening net book amount	217	60	15,078	301	250	15,906
Additions	2	8	3,242	—	3	3,255
Disposals	—	—	—	—	(2)	(2)
Amortisation charge	(12)	(10)	(62)	—	(13)	(97)
Closing net book amount	207	58	18,258	301	238	19,062
At 30 June 2011						
Cost	285	131	18,431	301	269	19,417
Accumulated amortisation	(78)	(73)	(173)	—	(31)	(355)
Net book amount	207	58	18,258	301	238	19,062

8. Intangible assets (Continued)

	For the six months ended 30 June 2010 (Unaudited)					
	Trademark, patent and proprietary technologies RMB million	Computer software RMB million	Concession assets RMB million	Goodwill RMB million	Others RMB million	Total RMB million
At 1 January 2010						
Opening net book amount	12	39	10,011	5	8	10,075
Additions	10	8	1,732	—	20	1,770
Amortisation charge	(5)	(7)	(26)	—	—	(38)
Closing net book amount	17	40	11,717	5	28	11,807
At 30 June 2010						
Cost	30	99	11,793	5	42	11,969
Accumulated amortisation	(13)	(59)	(76)	—	(14)	(162)
Net book amount	17	40	11,717	5	28	11,807

a) As at 30 June 2011, concession assets, representing assets under "Build-Operate-Transfer" service concession arrangements and mainly toll roads in the PRC, with cost of RMB13,514 million (31 December 2010: RMB6,663 million) were generating revenue, while the balance of RMB4,917 million (31 December 2010: RMB8,526 million) were under construction.

b) As at 30 June 2011, certain bank borrowings are secured by concession assets with carrying amount of approximately RMB6,924 million (31 December 2010: RMB5,168 million) (Note 13(a)).

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

9. Available-for-sale financial assets

	RMB million (Unaudited)
At 1 January 2011	
Balance at 1 January 2011, as previously reported	**15,402**
Adjustments of adoption of IFRS 1 (Amendment)	**50**
Balance at 1 January 2011, as restated	**15,452**
Fair value losses	**(126)**
Additions	**96**
Disposals	**(161)**
Balance at 30 June 2011	**15,261**

	RMB million (Unaudited)
At 1 January 2010	
Balance at 1 January 2010, as previously reported	17,650
Adjustments for adoption of IFRS 1 (Amendment)	50
Balance at 1 January 2010, as restated	17,700
Fair value losses	(3,865)
Additions	1,364
Disposals	(16)
Balance at 30 June 2010	15,183

Available-for-sale financial assets include the following:

	As at	
	30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited) (Restated)
Listed equity securities, at fair value		
— Mainland China	**13,257**	13,422
— Hong Kong	**325**	361
Unlisted equity investments, at cost	**1,679**	1,669
	15,261	15,452

10. Trade and other receivables

	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Trade and bills receivables	**56,094**	49,306
Less: provision for impairment	**(2,239)**	(2,117)
Trade and bill receivables — net	**53,855**	47,189
Prepayments	**15,634**	14,171
Retentions	**20,850**	19,350
Deposits	**10,707**	10,588
Other receivables	**5,646**	4,162
Staff advances	**880**	651
Long-term receivables	**14,461**	12,489
	122,033	108,600
Less: non-current portion		
— Retentions	**(13,253)**	(12,006)
— Deposits	**(734)**	(680)
— Long-term receivables	**(9,301)**	(8,914)
— Prepayments for equipment	**(675)**	(576)
	(23,963)	(22,176)
Current portion	**98,070**	86,424

Refer to Note 29(c) for receivables due from related parties.

10. Trade and other receivables (Continued)

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

	As at **30 June 2011 RMB million (Unaudited)**	31 December 2010 RMB million (Audited)
Less than 6 months	**42,182**	39,840
6 months to 1 year	**7,969**	5,122
1 year to 2 years	**4,116**	2,374
2 years to 3 years	**979**	1,051
Over 3 years	**848**	919
	56,094	49,306

Majority of the Group's revenues is generated through construction projects and settlement is made in accordance with the terms specified in the contracts governing the relevant transactions. For sale 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, new or short-term customers are normally expected to be settled shortly after provision of services or delivery of goods.

(b) Trade receivables amounting to RMB4,541 million were transferred to certain banks with recourse in exchange for cash during the six months ended 30 June 2011 (year ended 31 December 2010: RMB731 million). Such transactions did not qualify for derecognition and the proceeds received have been included as short-term and long-term bank borrowings (Note 13(a)). In addition, trade receivables of RMB3,992 million transferred to certain banks during the six months ended 30 June 2011 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 (year ended 31 December 2010: RMB4,336 million).

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

11. Contract work-in-progress

	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Contract cost incurred plus recognised profit less recognised losses	**809,598**	709,207
Less: Progress billings	**(765,499)**	(679,953)
Contract work-in-progress	**44,099**	29,254
Representing:		
Amounts due from customers for contract work	**57,470**	43,458
Amounts due to customers for contract work	**(13,371)**	(14,204)
	44,099	29,254

	Six months ended 30 June 2011 RMB million (Unaudited)	2010 RMB million (Unaudited)
Contract revenue recognised as revenue in the period	**126,420**	108,851

12. Derivative financial instruments

	30 June 2011 (Unaudited)		31 December 2010 (Audited)	
	Assets RMB million	**Liabilities RMB million**	Assets RMB million	Liabilities RMB million
Forward foreign exchange contracts — held for trading	**57**	**(71)**	48	(71)

The notional principal amounts of the outstanding forward foreign exchange contracts at 30 June 2011 were RMB7,060 million (31 December 2010: RMB5,599 million).

13. Borrowings

	Note	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Non-current			
Long-term bank borrowings			
— secured	*(a)*	**21,121**	15,639
— unsecured		**9,703**	8,950
		30,824	24,589
Other borrowings			
— secured	*(a)*	**400**	400
— unsecured	*(e)*	**200**	—
Corporate bonds	*(b)*	**9,927**	9,922
Medium term notes	*(c)*	**5,975**	2,179
Financial lease liabilities	*(f)*	**1,259**	1,479
Total non-current borrowings		**48,585**	38,569
Current			
Current portion of long-term bank borrowings			
— secured	*(a)*	**1,871**	2,333
— unsecured		**3,457**	2,343
		5,328	4,676
Short-term bank borrowings			
— secured	*(a)*	**18,522**	12,699
— unsecured		**20,137**	15,593
		38,659	28,292
Other borrowings — unsecured	*(e)*	**21**	1,241
Corporate bonds	*(b)*	**442**	187
Medium term notes	*(c)*	**98**	5,236
Debentures	*(d)*	**5,087**	2,521
Finance lease liabilities	*(f)*	**623**	607
Total current borrowings		**50,258**	42,760
Total borrowings		**98,843**	81,329

13. Borrowings (Continued)

(a) As at 30 June 2011, these borrowings were secured by the Group's property, plant and equipment, concession assets, trade receivables and guarantees provided by certain subsidiaries of the Group and the Company (31 December 2010: secured by the Group's property, plant and equipment, concession assets, trade receivables, receivables to be recognised in the future according to sales and construction contracts, and guarantees provided by certain subsidiaries of the Group and the Company).

(b) 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. The corporate bonds are guaranteed by CCCG. RMB2,100 million of such bonds was issued with a maturity of five years from issuance and bears interest at a rate of 4.7% per annum, and RMB7,900 million with a maturity of ten years and bears interest at a rate of 5.2% per annum. The Company raised totally net proceeds of RMB9,910 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.

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

— two tranches of medium term notes issued in April 2008 and June 2008, respectively, at the same nominal value of RMB2,500 million, totalling RMB5,000 million, with maturities of three years from issuance. The interest rate for both tranches of medium term notes is 5.3% per annum. They have been fully paid off during the six months ended 30 June 2011;

— medium term notes with a nominal value of RMB2,200 million issued in April 2009, with a maturity of five years from issuance. RMB1,800 million of such notes bears interest at a rate of 4.1% per annum, and the remaining RMB400 million bears interest at 4.0% per annum;

— 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.

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

(d) As approved by the People's Bank of China, the Group issued two tranches of debentures in September 2010 and March 2011, respectively, at the same nominal value of RMB2,500 million, totalling RMB5,000 million, with maturities of one year from issuance. The interest rates are 2.97% and 4.36% per annum, respectively. The debentures were stated at amortised cost.

13. Borrowings (Continued)

(e) Other borrowings as at 30 June 2011 included loans of approximately RMB190 million (31 December 2010: RMB1,141 million) payable to the China Orient Assets Management Corporation ("COAMC") (the "Iraq Loans"). Prior to the incorporation of the Company on 8 October 2006, these loans were borrowed by the predecessor operations of CCCG from Bank of China to finance certain construction projects in Iraq in the 1980s. Since the Gulf War in 1990, because the Iraq Government did not settle the outstanding receivables for the related construction projects, the Group has not repaid any principal or interest according to the original loan agreements. According to regulations issued by the General Office of State Council of the PRC in 1997, the Group was not demanded to pay outstanding principal, interest and penalties resulting from the non-settlement. In 2000, Bank of China transferred the Iraq Loans to COAMC.

In 2010, the China and the Iraq Governments entered into the Bilateral Agreement for the Iraq Government to settle overdue amounts owed to Chinese enterprises. In response to the Bilateral Agreement, in November 2010, the Ministry of Finance issued a guideline relating to the settlement of the Iraq Loans (the "Guideline"). In June 2011, the Debt Restructuring Agreement (the "Agreement") was entered into with COAMC in accordance with the principles as set out in the Guideline. According to the Agreement, 80% of the Iraq Loans balance (principal and accrued interest) as at 31 December 2004 was waived, and the remaining balance together with interest will be repayable semi-annually by instalments up to April 2028, bearing interest at 5.2% per annum. Accordingly, the difference between the loan extinguished and the new Iraq Loan assumed under the Agreement, amounting to RMB930 million, is recognised as "finance income" (Note 19).

(f) Finance lease liabilities

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

	As at 30 June 2011 RMB million (Unaudited)	As at 31 December 2010 RMB million (Audited)
Gross finance lease liabilities — minimum lease payments		
No later than 1 year	**728**	705
Later than 1 year and no later than 5 years	**1,328**	1,528
Later than 5 years	**5**	71
	2,061	2,304
Future finance charges on finance leases	**(179)**	(218)
Present value of finance lease liabilities	**1,882**	2,086
The present value of finance lease liabilities is as follows:		
No later than 1 year	**623**	607
Later than 1 year and no later than 5 years	**1,254**	1,410
Later than 5 years	**5**	69
	1,882	2,086

13. Borrowings (Continued)

(g) Movements in borrowings is analysed as follows:

	RMB million (Unaudited)
Six months ended 30 June 2011	
As at 1 January 2011	**81,329**
Proceeds from borrowings	**46,091**
Finance lease liabilities	**150**
Repayments of borrowings, medium term notes, interests and finance lease liabilities	**(28,051)**
Net foreign exchange gains on borrowings *(Note 20)*	**(301)**
Effect on debt restructuring of Iraq Loans *(Note 13(e))*	**(930)**
Accrued interest on medium term notes, corporate bonds, debentures and Iraq Loans	**555**
As at 30 June 2011	**98,843**

	RMB million (Unaudited)
Six months ended 30 June 2010	
As at 1 January 2010	70,737
Proceeds from borrowings	20,708
Finance lease liabilities	1,013
Repayments of borrowings and interests	(14,321)
Net foreign exchange gains on borrowings *(Note 20)*	(388)
Accrued interest on Iraq loans, medium term notes, corporate bonds and debentures	556
As at 30 June 2010	78,305

(h) The Group has the following undrawn borrowing facilities:

	As at	
	30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Floating rate		
— Expiring within one year	**131,344**	76,570
— Expiring beyond one year	**70,329**	63,581
	201,673	140,151

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

14. Trade and other payables

	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Trade and bills payables	**89,006**	78,570
Advance from customers	**41,891**	38,955
Deposits from suppliers	**8,444**	7,288
Other taxes	**4,189**	3,821
Social security	**855**	756
Accrued expenses	**435**	405
Accrued payroll	**223**	185
Share appreciation rights	**28**	14
Other payables	**4,218**	3,560
	149,289	133,554
Less: non-current portion		
— Deposits from suppliers	**(2,181)**	(1,929)
Current portion	**147,108**	131,625

Refer to Note 29(c) for payables due to related parties.

Ageing analysis of the trade and bills payables (including amounts due to related parties of trading nature) were as follows:

	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Within 1 year	**84,757**	74,455
1 year to 2 years	**3,320**	3,159
2 years to 3 years	**637**	710
Over 3 years	**292**	246
	89,006	78,570

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

15. Expenses by nature

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million (Restated)
Raw materials and consumables used	**47,947**	42,121
Subcontracting costs	**40,434**	34,237
Employee benefits	**10,653**	8,749
Rentals	**8,870**	8,007
Business tax and other transaction taxes	**3,859**	3,155
Fuel	**3,245**	2,684
Depreciation of property, plant and equipment and investment properties	**2,986**	2,666
Transportation costs	**2,059**	2,181
Cost of goods sold	**1,753**	1,533
Travel	**947**	790
Repair and maintenance expenses	**689**	706
Utilities	**587**	496
Research and development costs	**515**	308
Insurance	**302**	228
Provision for impairment of trade and other receivables	**153**	64
Provision for foreseeable losses on construction contracts	**97**	52
Amortisation of intangible assets	**97**	38
Amortisation of lease prepayments	**87**	86
Write-down of inventories	**14**	25
Other expenses	**7,066**	6,672
Total cost of sales, selling and marketing expenses and administrative expenses	**132,360**	114,798

As at 30 June 2011

(All amounts in RMB unless otherwise stated)

16. Other income

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Rental income	**151**	143
Income from sale of materials	**138**	5
Dividend income on available-for-sale financial assets		
— Listed equity securities	**211**	157
— Unlisted equity securities	**31**	59
Government grants	**100**	89
Others	**498**	192
	1,129	645

17. Other gains/(losses) — net

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million (Restated)
Gains on disposal of property, plant and equipment	**22**	6
Gains on disposal of lease prepayments	**—**	49
Gains on disposal of jointly controlled entities and associates	**8**	—
Gains on disposal of other financial assets at fair value through profit or loss	**3**	1
Fair value losses from other financial assets at fair value through profit or loss	**(7)**	(24)
Gains on derivative financial instruments:		
— Foreign exchange forward contracts	**42**	49
Gains on disposal of available-for-sale financial assets	**42**	8
Net foreign exchange losses	**(44)**	(251)
	66	(162)

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

18. Other expenses

	Six months ended 30 June (Unaudited) 2011 RMB million	2010 RMB million
Rental expenses	**68**	97
Cost of sale of materials	**138**	1
Others	**105**	137
	311	235

19. Finance Income

	Six months ended 30 June (Unaudited) 2011 RMB million	2010 RMB million
Gain on debt restructuring of Iraq Loans *(Note 13(e))*	**930**	—
Interest income:		
— Bank deposits	**158**	107
— Unwinding of discount of long-term receivables	**236**	204
Others	**24**	20
	1,348	331

20. Finance costs, net

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Interest expense incurred	**2,002**	1,422
Less: Capitalised interest expense	**(651)**	(369)
Net interest expense	**1,351**	1,053
Representing:		
— Bank borrowings	**724**	486
— Other borrowings	**32**	46
— Corporate bonds	**259**	259
— Medium term notes	**225**	174
— Finance lease liabilities	**45**	16
— Debentures	**66**	72
	1,351	1,053
Net foreign exchange gains on borrowings	**(301)**	(388)
Others	**503**	316
	1,553	981

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 RMB651 million (six months ended 30 June 2010: RMB369 million) were capitalised in the six months period ended 30 June 2011, of which approximately RMB276 million (six months ended 30 June 2010: RMB151 million) is charged to contract work-in-progress, approximately RMB166 million (six months ended 30 June 2010: RMB114 million) is included in cost of construction-in-progress and approximately RMB209 million (six months ended 30 June 2010: RMB104 million) is included in cost of concession assets as at 30 June 2011. A general capitalisation rate of 5.54% per annum (2010: 4.64%) was used, representing the costs of the borrowings used to finance the qualifying assets.

21. Taxation

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% (2010: 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 certain subsidiaries of the Company, which were exempted from tax or taxed at preferential rates of 12% to 24% (2010: 7.5% to 22%).

Certain of the companies of the Group are subject to Hong Kong profits tax, which has been provided at the rate of 16.5% (2010:16.5%) on the estimated assessable profit for the six months ended 30 June 2011.

Taxation of other companies of the Group has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries or jurisdictions in which these companies operate.

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

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million (Restated)
Current income tax		
— PRC enterprise income tax	**1,608**	1,093
— Others	**32**	49
	1,640	1,142
Deferred income tax	**(121)**	(15)
Income tax expense	**1,519**	1,127

21. Taxation (Continued)

The difference between the actual income tax expense in the unaudited condensed consolidated interim income statement and the amounts which would result from applying the enacted tax rate to profit before income tax can be reconciled as follows:

	Six months ended 30 June (Unaudited)	
	2011 RMB million	2010 RMB million (Restated)
Profit before income tax	**7,310**	5,026
Less: Share of profits of jointly controlled entities and associates	**66**	72
	7,244	4,954
Tax calculated at PRC statutory tax rate of 25% (six months ended 30 June 2010: 25%)	**1,811**	1,239
Income not subject to tax	**(164)**	(159)
Expenses not deductible for tax purposes	**62**	31
Utilisation of previously unrecognised tax losses	**(84)**	(9)
Tax losses for which no deferred income tax asset was recognised	**99**	169
Effect of differences in tax rates applicable to certain domestic and foreign subsidiaries	**(205)**	(144)
Income tax expense	**1,519**	1,127

22. Earnings per share

(a) Basic

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

	Six months ended 30 June (Unaudited)	
	2011	2010 (Restated)
Profit attributable to equity holders of the Company (RMB million)	**5,829**	3,840
Weighted average number of ordinary shares in issue (millions)	**14,825**	14,825
Basic earnings per share (RMB per share)	**0.39**	0.26

(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 2011 and 2010.

23. Share capital

The initial registered share capital of the Company is RMB10,800 million, divided into 10,800,000,000 domestic shares with a nominal value of RMB1.00 each. In December 2006, the Company completed its global initial public offering. 4,025,000,000 new H shares with a nominal value of RMB1.00 each were issued to the investors by way of international offering and public offering, and 402,500,000 domestic shares (10% of the new shares issued) were converted into H shares and transferred to National Social Security Fund. As a result, the registered share capital of the Company increased from 10,800,000,000 shares to 14,825,000,000 shares, comprising 10,397,500,000 domestic shares and 4,427,500,000 H shares, representing 70.1% and 29.9% of the registered capital respectively.

24. Other reserve

(a) Statutory surplus reserve

In accordance with the PRC Company Law and the Company's articles of association, the Company is required to appropriate 10% of its profit after tax as determined in accordance with the relevant accounting principles and financial regulations applicable to PRC enterprises ("PRC GAAP") and regulations applicable to the Company, to the statutory surplus reserve until such reserve reaches 50% of the registered capital of the Company. The appropriation to the reserve must be made before any distribution of dividends to equity holders of the Company. The statutory surplus reserve can be used to offset previous years' losses, if any, and part of the statutory surplus reserve can be capitalised as the Company's share capital provided that the amount of such reserve remaining after the capitalisation shall not be less than 25% of the share capital of the Company.

For the period ended 30 June 2011, no statutory surplus reserve fund was appropriated by the Board of Directors (six months ended 30 June 2010: Nil).

(b) Safety reserve

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside an amount to a safety reserve from construction contracts signed after 2007 at the rate ranging from 1% to 2% of the total construction contract revenue recognised in the period. The reserve can be utilised for improvements of safety on the construction works, and the amounts utilised are charged to the consolidated income statement as incurred. Appropriations to safety reserve represent the amounts so set aside net of the amounts utilised during the period.

25. Dividends

A 2010 final dividend of RMB0.16 per ordinary share, totalling RMB2,372 million was approved by the Company's shareholders in the Extraordinary General Meeting on 25 March 2011.

No interim dividend for the six months ended 30 June 2011 was declared by the Board of Directors (six months ended 30 June 2010: Nil).

26. Supplementary information to unaudited condensed consolidated interim cash flow statement

(a) Cash flows from operating activities

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Cash used in operations	**(5,489)**	(2,743)
Interest paid	**(1,703)**	(1,204)
Income tax paid	**(2,144)**	(1,450)
Net cash used in operating activities	**(9,336)**	(5,397)

(b) Major investing activities:

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Purchases of property, plant and equipment	**(2,891)**	(3,993)
Increase in lease prepayments	**(845)**	(361)
Purchases of intangible assets	**(3,067)**	(1,666)
Purchases of investment properties	**(33)**	(3)
Proceeds from disposal of property, plant and equipment	**324**	381
Proceeds from disposal of lease prepayments	**9**	78
Proceeds from disposal of intangible assets	**2**	—
Proceeds from disposal of investment properties	**2**	1
Additional investments in jointly controlled entities	**(98)**	(67)
Additional investments in associates	**(188)**	(33)
Additional investments in subsidiaries	**(229)**	(508)
Purchases of available-for-sale financial assets	**(96)**	(1,364)
Purchases of other financial assets at fair value through profit or loss	**(30)**	(62)
Proceeds from disposal of jointly controlled entities	**—**	4
Proceeds from disposal of associates	**1**	—
Proceeds from disposal of other financial assets at fair value through profit or loss	**33**	2
Proceeds from disposal of available-for-sale financial assets	**203**	21
Interest received	**182**	127
Dividends received	**250**	76

26. Supplementary information to unaudited condensed consolidated interim cash flow statement (Continued)

(c) Major financing activities:

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Proceeds from borrowings	**46,091**	20,708
Contributions from non-controlling interests	**13**	11
Repayments of borrowings	**(27,695)**	(13,967)
Dividends paid to the Company's shareholders	**(2,372)**	—
Dividends paid to non-controlling interests	**(90)**	(49)

27. Contingencies

	As at	
	30 June 2011	31 December 2010
	RMB million	RMB million
	(Unaudited)	(Audited)
Pending lawsuits *(note a)*	**546**	510
Outstanding loan guarantees *(note b)*	**597**	598
	1,143	1,108

(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 will not include any pending lawsuit if the probability of loss is remote or the claim amount is insignificant to the Group.

(b) The Group has acted as the guarantors for various external borrowings made by certain jointly controlled entities and associates of the Group (refer to details in Note 29(c)) and certain third party entities.

28. Capital commitments

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

	As at	
	30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Property, plant and equipment, and intangible assets	**3,853**	17

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

	As at	
	30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Investments in jointly-controlled entities	**120**	—
Property, plant and equipment	**3,226**	2,655
Intangible assets — concession assets	**30,062**	9,517
	33,408	12,172

29. 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 (Revised) "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 consolidated interim 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 2011 and balances arising from related party transactions as at 30 June 2011.

29. Related-party transactions (Continued)

(a) Significant related party transactions

The following transactions were carried out with related parties:

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Transactions with CCCG		
Expenses		
— Rental expenses	**58**	30
Transactions with jointly controlled entities and associates		
Revenue		
— Revenue from provision of construction services	**197**	841
— Revenue from sales of machinery	**17**	22
Expenses:		
— Subcontracting fees	**304**	521
— Purchase of materials	**13**	20
— Other costs	**2**	2
Transactions with non-controlling interests		
Revenue		
— Revenue from provision of construction services	**—**	4
— Revenue from provision of design services	**—**	1
Expenses		
— Subcontracting fees	**—**	1
— Rental expenses	**—**	1

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

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

29. Related-party transactions (Continued)

(b) Key management compensation

	Six months ended 30 June (Unaudited) 2011 RMB'000	2010 RMB'000
Basis salaries, housing allowances and other allowances	**3,448**	3,438
Contributions to pension plans	**222**	201
	3,670	3,639

(c) Balances with related parties

	As at 30 June 2011 RMB million (Unaudited)	31 December 2010 RMB million (Audited)
Trade and other receivables		
Trade receivables due from		
— Jointly controlled entities and associates	**91**	105
— Non-controlling interests	**30**	35
	121	140
Prepayments		
— Jointly controlled entities and associates	**96**	196
Other receivables due from		
— Jointly controlled entities and associates	**161**	180
— Non-controlling interests	**77**	10
	238	190
	455	526
Trade and other payables		
Trade payables due to		
— Jointly controlled entities and associates	**506**	284
Other payables due to		
— Jointly controlled entities and associates	**77**	75
— Non-controlling interests	**17**	1
	94	76
	600	360
Amounts due from customers for contract work with		
— Jointly controlled entities and associates	**324**	504
Amounts due to customers for contract work with		
— Jointly controlled entities and associates	**41**	—
Outstanding loan guarantees provided by the Group		
— Jointly controlled entities and associates	**547**	548
Outstanding bond guarantees provided by CCCG	**10,368**	10,109

As at 30 June 2011
(All amounts in RMB unless otherwise stated)

29. Related-party transactions (Continued)

(d) 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 transactions and balances with other government-related entities:

	Six months ended 30 June (Unaudited)	
	2011	2010
	RMB million	RMB million
Transactions with other government-related entities		
— Interest income from bank deposits	**130**	88
— Interest expenses on bank borrowings	**892**	478

	As at	
	30 June 2011	31 December 2010
	RMB million	RMB million
	(Unaudited)	(Audited)
Balances with other government-related entities		
— Restricted cash	**1,387**	663
— Cash and cash equivalents	**27,306**	28,464
	28,693	29,127
— Borrowings	**56,821**	38,945