中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

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

(Stock Code: 1800)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

Revenue of the Group for the six months ended 30 June 2013 amounted to RMB141,037 million, representing an increase of RMB16,208 million, or 13.0%, from RMB124,829 million for the corresponding period of 2012.

Gross profit for the six months ended 30 June 2013 amounted to RMB14,256 million, representing an increase of RMB707 million, or 5.2%, from RMB13,549 million for the corresponding period of 2012.

Operating profit for the six months ended 30 June 2013 amounted to RMB8,975 million, representing an increase of RMB837 million, or 10.3%, from RMB8,138 million for the corresponding period of 2012.

Profit attributable to owners of the Company in the six months ended 30 June 2013 amounted to RMB5,728 million, representing an increase of RMB710 million, or 14.1%, from RMB5,018 million for the corresponding period of 2012.

Basic earnings per share for the six months ended 30 June 2013 amounted to RMB0.35, as compared with RMB0.32 for the corresponding period of 2012.[1]

The value of new contracts in the six months ended 30 June 2013 amounted to RMB252,917 million, representing an increase of 7.2% from RMB235,997 million for the corresponding period of 2012.

As at 30 June 2013, the backlog for the Group amounted to RMB760,865 million, as compared with RMB700,525 million as at 31 December 2012.

Note:

1 On 9 March 2012, the Company issued A shares, which are listed for trading on the Shanghai Stock Exchange. Subsequent to the completion of the issuance of A shares, the total share capital of the Company has changed from 14,825,000,000 shares to 16,174,735,425 shares.

The Board (the "**Board**") of Directors (the "**Directors**", each a "**Director**") of China Communications Construction Company Limited (the "**Company**", "**CCCC**" or "**we**") is pleased to announce the unaudited condensed consolidated interim results of the Company and all of its subsidiaries (hereinafter collectively referred to as, the "**Group**", except where the context otherwise requires) prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" for the six months ended 30 June 2013 as follows.

CHAIRMAN'S STATEMENT

In the first half of 2013, in face of the complicated and changing domestic and overseas economic environment, the Company strived to expand market, strengthen its management, adjust its business structure and promote its business transformation with a focus on "consolidating foundation, adjusting the structure and going global", thereby continuing to keep a steady development.

In the first half of 2013, revenue of the Group amounted to RMB141,037 million, representing a year-on-year increase of 13.0%. Profit attributable to owners of the Company was RMB5,728 million, representing a year-on-year increase of 14.1%. Earnings per share was RMB0.35, representing a year-on-year increase of 11.0%. The value of new contracts reached RMB252,917 million, representing a year-on-year growth of 7.2%. As at 30 June 2013, the backlog of the Group amounted to RMB760,865 million, representing a growth of 8.6% as compared with that as at 31 December 2012.

In the second half of 2013, generally, the domestic transportation infrastructure construction market scale will increase as compared with that for the corresponding period of last year. To cater for the need of urbanisation construction, the investment and construction in the facilities including underground pipeline networks, natural gas, power and water and in the transportation infrastructure including municipal roads, bridges and rail transit in cities will continue to grow. There is still relatively large space for development of the international infrastructure construction market as the developed countries in Europe and America have launched huge infrastructure restructuring and construction plans with a view to boosting economic recovery and promoting employment. Developing countries, which are generally weak in infrastructure constructions, still have strong capital and technical demands for infrastructure investment and construction.

In the second half of 2013, the Company will pay close attention to domestic and overseas economic environment, grasp national economic and industrial policies, adapt to market changes, accelerate its structural adjustment, put more efforts on reform, strengthen the construction of "adaptive" headquarters, reinforce the management enhancement activities and improve core competitiveness and risk resistance capability to get prepared for fully building up an upgraded CCCC. The Company will focus on the following work.

Firstly, adopting measures to strive to keep business growth. Maintaining steady growth is not only an internal demand for the Company's survival and development, but also the hope and demand of the Company's shareholders. Major measures include: firstly, continuing to consolidate the market share of traditional core businesses, and at the same time putting more efforts on new market expansion with emphasis on developing the fields with better prospects such as urban trail transit, municipal projects, railway, water resources and hydropower, and energy and environmental protection; secondly, marking innovation in our business mode, and specifically, increasing the investment and development of general contracting projects by leveraging on our comprehensive advantages in respect of capital, technologies, talents and brands based on changes in contracting modes in the market; thirdly, vigorously exploring overseas markets, boosting the overseas expansion strategy, further strengthening the role of the overseas business development platform of "one body with two wings", reinforcing the integration and coordination of overseas business development, improving overseas market layout, expanding its business fields and increasing the supporting role of overseas businesses on the development of the Company.

Secondly, reinforcing the corporate management, improving the corporate operation quality and increasing its profit. In the second half of 2013, we will focus on the work relating to our gross profit margin, inventories, trade receivables and operating cash flow, by further improving and enhancing gross profit margin and reducing trade receivables and inventories so as to further improve operating cash flow. As such, we will take the following measures: firstly, strengthening organisation and leadership and requiring our subsidiaries to set up dedicated work groups to be responsible for collection of trade receivables and accelerating the disposal of inventories and amounts due from customers for contract work; secondly, assessing the results of operations and remuneration of the management of subsidiaries, together with the achievement of such indicators as gross profit margin, trade receivables, inventories and operating cash flow and directly reducing remuneration if indicators are not achieved satisfactorily; thirdly, fully strengthening management enhancement activities, promoting advanced experience in project management, reducing project management costs, energetically promoting centralised procurement to reduce costs of raw materials, and reinforcing sub-contracting management to reduce sub-contracting costs, so as to strive to improve the gross profit margin of core businesses through cost reduction and efficiency improvement.

Thirdly, strengthening the formulation of our top-level business strategy and accelerating our reform. In the second half of 2013, with the goal of becoming a world-class enterprise, the Company will adhere to its strategic position of being "experts in five areas", that is, to become a world-famous engineering contractor, an urban complex developer and operator, a distinctive real estate developer, an integrated infrastructure investor and a general contractor of offshore heavy equipment and port machinery manufacturing and system integration. The Company will proactively make adaptive adjustments in strategic and supporting measures, which, from an overall perspective, will help the Company to reposition itself systematically for its future development. The Company will strengthen the construction of an "adaptive" headquarters whose functions will be positioned as the "Six Centers", namely, the strategic management and control center, the resource allocation center, the risk control center, the investment and financing decision-making center, the performance evaluation center and the value service center. The Company will establish and complete the systems of business divisions and regional headquarters, to ensure the responsibility for the Company's development will be shared among the Company's business divisions, regional headquarters and subsidiaries, to coordinate the allocation of various resources, to adjust business structure of the Company, to develop new businesses and look for potential high-growth markets.

Based on the achievement in the first half of the year, the Company will continue to take "consolidating foundation, adjusting structure, accelerating reform and maintaining growth" as its priorities in the second half of the year, to properly handle the dialectical relationship between development and reform, in an effort to continue to achieve a healthy and sustainable development of the Company.

BUSINESS OVERVIEW

In the first half of 2013, China continued to implement proactive fiscal policies and prudent monetary policies. As a result, major indicators like economic growth rate, employment increase and commodity price rising all kept within a reasonable range of the annual target. The growth rate of fixed asset investment was broadly in line with that of the corresponding period of the previous year, while the growth rate of planned investment in newly started projects during this period accelerated as compared with the corresponding period of the previous year. The scale of fixed asset investment in transportation increased, while the scale of coastal waterworks construction investment decreased significantly as compared with the corresponding period of the previous year. Due to the relatively low base for the corresponding period of the previous year, the scale of fixed asset investment in railways and highways bounced back to certain extent. Besides, more market opportunities emerged as a result of the development of urbanisation fueled sectors like municipal infrastructure and rail transit.

In the first half of 2013, with the strengthening of the expectation on the pulling back of the quantitative easing policies of the United States accompanying its economic recovery, the prospect of global economic recovery remained uncertain. Infrastructure investments with an appropriate scale would help spur economic recovery and promote employment. In developed countries in Europe and America where infrastructures were in need of updating and upgrading, infrastructure revamp and construction plans were under active preparation. In developing countries, the increasing demands for investments in infrastructures including ports, airports, railways, highways and waterworks, all of which were aimed to improve people's livelihood and facilitate exporting in energy trade, provided strong market support to the Company's overseas business development.

In the first half of 2013, the Group's revenue was RMB141,037 million, representing an increase of 13.0% as compared with that for the corresponding period in 2012; profit attributable to owners of the Company was RMB5,728 million, representing an increase of 14.1% as compared with that for the corresponding period in 2012; and the value of new contracts amounted to RMB252,917 million, representing an increase of 7.2% as compared with that for the corresponding period in 2012. As at 30 June 2013, the backlog of the Group amounted to RMB760,865 million, representing an increase of 8.6% as compared with the backlog as at 31 December 2012.

In the first half of 2013, revenue of the Group businesses derived from overseas markets, including revenue realised from export trade of domestically manufactured industrial products, amounted to approximately USD4,142 million (equivalent to approximately RMB25,626 million), representing approximately 18.2% of the Group's revenue. The value of new contracts from overseas markets amounted to USD6,761 million (equivalent to approximately RMB43,664 million), representing approximately 17.3% of the Group's new contracts value.

I. Business Review and Outlook

1. Infrastructure Construction Business

In the first half of 2013, revenue from infrastructure construction projects completed by the Group was RMB111,514 million, representing an increase of 18.2% as compared with that for the corresponding period in the previous year. The value of new infrastructure construction contracts amounted to RMB208,322 million, representing an increase of 7.6% as compared with that for the corresponding period in the previous year. Categorised by project type, the value of new infrastructure construction contracts in terms of port construction, road and bridge projects, railway construction, investment business of BOT/BT projects, overseas infrastructure construction, municipal and other projects amounted to RMB22,636 million, RMB78,936 million, RMB2,708 million, RMB44,799 million, RMB31,740 million and RMB27,503 million, respectively, representing 11%, 38%, 1%, 22%, 15% and 13% of the total value of new infrastructure construction contracts, respectively. As at 30 June 2013, the backlog amounted to RMB673,454 million, representing an increase of 8.7% as compared with that as at 31 December 2012.

(1) Port Construction

In the first half of 2013, the value of new contracts of the Group for Mainland China port infrastructure projects amounted to RMB22,636 million, representing a decrease of 30.4% as compared with that for the corresponding period in the previous year, and accounting for 11% of the infrastructure construction business.

In the first half of 2013, the weak growth in export trade of China led to a receded investment willingness in large coastal port construction, resulting in an unanticipated significant decline in investment scale thereof. In the second half of 2013, the Company will shift its focus in market development from economically developed areas to less-developed areas; from comprehensive port area development to specialised terminals and local ports in second-tier and third-tier cities; and from coastal port construction to inland waterways and ports, in an effort to prevent the annual order volume from declining.

(2) Road and Bridge Construction

In the first half of 2013, the value of new contracts of the Group for Mainland China road and bridge projects reached RMB78,936 million, representing an increase of 115.6% as compared with that for the corresponding period of last year, and accounting for 38% of the infrastructure construction business.

In the first half of 2013, investment in the road market in China recovered, and investment scale of fixed assets rebounded to certain extent due to the relatively low base for the corresponding period of the previous year. In respect of project types, the investment in ordinary road projects increased; the investment in the reconstruction of national and provincial roads accelerated; and the investment in ultra large bridge projects decreased. In respect of geographical regions, the investment in fixed assets in Western China was evidently higher than that in Middle and Eastern China.

According to the recently approved National Highway Network Plan (2013-2030), the scale of national expressway network constructions will increase by 33,000 kilometers and the new investment in highway constructions will reach over RMB4.7 trillion by 2030. For the generally concerned fund-raising issue in the market, it is pointed out that constructions of ordinary national roads will be mainly financed by fiscal funds from the government, while diversified investment and financing policies will be continuingly adopted for constructions of national expressways, including encouraging private capital and other social capital to participate in constructions with appropriate subsidies from the central government. Accordingly, a relatively high scale of investments will still be maintained in the road and bridge market in the near future, but competition will be continuingly intensified with limited increments.

(3) Railway Construction

In the first half of 2013, the value of new contracts of the Group for Mainland China railway construction projects reached RMB2,708 million, accounting for 1% of the infrastructure construction business.

In 2013, as the reform in the separation of enterprise from administration in China's railway sector was carried out, and the reform to investment and financing systems was further deepened, constructions of a majority of the projects with funds in place successively had been resumed. In 2013, the investments in railway infrastructure constructions in China are expected to exceed RMB520 billion, with more newly started projects than the previous year. Based on market changes, the Company will select projects for participation in due course by taking into account its own characteristics.

(4) Investment Business (BOT/BOO and BT projects, etc.)

In the first half of 2013, the value of new contracts of the Group for Mainland China investment business amounted to RMB44,799 million, representing a decrease of 17.5% as compared with that for the corresponding period in the previous year, and accounting for 22% of the infrastructure construction business. Categorised by project type, the value of new contracts in terms of BOT/BOO projects, BT projects and preliminary land development projects amounted to RMB22,480 million, RMB12,577 million and RMB9,742 million, respectively, representing 50%, 28% and 22% of the total value of new contracts, respectively. For the corresponding period of 2012, the value of new contracts for BOT/BOO projects and BT projects represented 78% and 22% of the total value of new investment contracts, respectively, while there was no new contract for preliminary land development projects.

As at 30 June 2013, among the BOT projects of the Group, assets with a net book amount of RMB13,338 million have been put into operation, assets with a net book amount of RMB27,435 million are under construction and projects with a contractual value of RMB103,888 million are about to enter into the construction period.

Stepping into the year of 2013, the Company, aiming at transforming into an integrated infrastructure investor, sifted through the market demand for the BOT/BT investment and financing construction mode in a prudent manner by strictly adhering to the principle of "The Five Don'ts", and chose to participate in quality projects with risks under control. At the same time, the Company devoted itself to ensuring the quality of the construction and operation of the existing projects, strengthening the fund monitoring over BT projects that had been put into project repurchase and persistently consolidating its operating results. On the other hand, by capitalising on the strength of its entire industrial chain, the Company, aiming at becoming a developer and operator of urban complexes, offered an all-round service in local governments' urbanisation development under the guidance of the new urbanisation development strategies brought forward at the Eighteenth National Congress of the Communist Party of China (the "**18th NCCPC**"), in an effort to achieve a win-win situation.

(5) Overseas Projects

In the first half of 2013, the value of the new contracts for overseas projects of the infrastructure construction business entered into by the Group amounted to USD4,915 million (equivalent to approximately RMB31,740 million), representing a decrease of 29.2% as compared with that for the corresponding period of last year and accounting for 15% of the infrastructure construction business.

Categorised by project type, the value of new infrastructure construction contracts for port construction, road and bridge, railway, municipal and others accounted for 30%, 52%, 6% and 12% of the value of new contracts for overseas projects, respectively.

Categorised by project location, the value of new infrastructure construction contracts for Africa, Southeast Asia, Hong Kong/Macau/Taiwan, Middle East, America, Central Asia and other regions accounted for 47%, 10%, 8%, 18%, 13% and 4% of the value of new contracts for overseas projects, respectively.

Stepping into 2013, centered on the Company's core objective of "taking the lead in the establishment of a world class enterprise with international competitiveness", the Company steadily propelled the production and operation of overseas projects, and therefore the results of operation met the Company's expectation. While securing new projects open for tender in conventional markets like Asia and Africa, the Company tapped into three new market regions, i.e. Chile, Grenada and Costa Rica. Together with the projects secured in the Panama market, the value of the contracts in Latin America totaled USD610 million in the first half of 2013.

In the first half of 2013, although the absolute amount of new contracts for overseas projects was lower than that of the corresponding period of the previous year, the information for potential projects was abundant. As China is speeding up its pace to "go global", the demands of China's neighbors and African continent for more high-end projects like transportation connection projects increased. Such projects normally have longer operating periods at the preliminary stage in the market and complicated business formalities and procedures. The Company will proactively follow up such projects and strive to make breakthroughs in opening up high-end market. Meanwhile, the Company utilised its extensive experience in infrastructure investment in Mainland China to enhance the development of overseas investment projects. In particular, the Company continued to follow up projects in Latin America, South Asia, Southeast Asia and Eastern Europe, which involve various types of constructions, including expressways, subways and economic development zone. These areas are expected to be the growth drives for the overseas operation.

The overseas business department of the Company set up in 2012 gradually manifested its leading and coordination function. In the first half of 2013, the department accommodated head and key government officials from countries of priority markets, exchanged opinions in an in-depth manner for cooperation in infrastructure construction and propelled high-level cooperation and high-end marketing. In the meantime, the Company further strengthened the building of the institutional system, revised more than 40 administrative measures and accompanying rules for overseas business segment, established performance appraisal measures for overseas business and formulated international operation planning. Therefore, the Company's institutional system for overseas development is more completed and its objective-oriented framework is clearer.

(6) Municipal and other Projects

In the first half of 2013, the value of new contracts for other projects in Mainland China entered into by the Group reached RMB27,503 million, representing an increase of 10.5% as compared to that for the corresponding period of last year, and accounting for 13% of the infrastructure construction business.

The 18th NCCPC put forward the new urbanisation strategy. The implementation of urban modernisation and the development of city cluster are destined to increase investment in construction of infrastructures like municipal, rail transit, real estate, etc, while urbanisation of rural areas will certainly stimulate investment in urban and rural supporting construction and bring about a large number of municipal and modern logistic projects. The progress in ecological city will promote many environmental projects including sewage recycling and treatment. Building on securing its market share, the Company will seize market opportunities to continuously promote and strengthen new projects, which will provide a favourable supplement to its principal business.

2. *Infrastructure Design Business*

In the first half of 2013, revenue from the infrastructure design business of the Group was RMB7,737 million, representing an increase of 27.6% as compared to that for the corresponding period of last year. The value of new infrastructure design contracts entered into by the Group reached RMB12,920 million, representing an increase of 48.6% as compared to that for the corresponding period of last year. As at 30 June 2013, the backlog amounted to RMB37,201 million, representing an increase of 9.4% as compared with the backlog as at 31 December 2012.

Categorised by project type, the values of new contracts for survey and design, project supervision, engineering, procurement and construction contracting ("**EPC contracting**") and other projects amounted to RMB4,963 million, RMB517 million, RMB6,891 million and RMB550 million, respectively, representing 39%, 4%, 53% and 4% of the total value of new infrastructure design contracts, respectively, as compared with 50%, 3%, 41% and 6%, respectively recorded for the corresponding period of 2012.

In the first half of 2013, the increment of survey and design business in shipping market was insufficient, the number of large projects decreased and the comprehensive development ports shifted towards specialised terminal and regional ports in second-tier and third-tier cities. Road market was relatively active, primarily attributable to gradual release of several projects approved in one trench under the "a steady growth" policy of China during 2012. The Company vigorously made adjustment to its business structure. While the increment of survey and design business in conventional market was insufficient, the Company explored markets like municipal, railway and rail transit, overseas, etc, further promoted and strengthened EPC engineering and gave scope to the leading function of design business in the industrial chain, resulting in the continuous sharp rising trend of our design business.

3. Dredging Business

In the first half of 2013, revenue from the dredging business of the Company was RMB13,847 million, representing a decrease of 2.4% as compared to that for the corresponding period of last year. The value of new dredging contracts entered into by the Company reached RMB18,101 million, representing an increase of 3.0% as compared to that for the corresponding period of last year. As at 30 June 2013, the backlog amounted to RMB33,003 million, representing an increase of 14.3% as compared with that as at 31 December 2012.

In 2013, according to vessel purchase plan, there was no large vessels constructed with special purpose to serve in the Group's dredger fleets. As at 30 June 2013, the Group's dredging capacity amounted to approximately 720 million cubic meters under standard operating conditions.

In the first half of 2013, dredging business market bounced from the bottom, with slight increase in the value of contracts in the second quarter over the first quarter. However, the market recovery is weak, large projects such as port construction and channel regulation are still insufficient, and competition for reclamation projects is intensified. According to the market development trend during the first and second half of 2012, some large projects are likely to be open for tender in the second half of the year under the guidance of the policy "progress with stability" implemented by the new session of the government. In response to market change, the Company accelerated its adjustment to market strategy and aggressively explored overseas market. In the meantime, the Company steadily propelled project for preliminary land development along coastal areas, bolstered conventional business through larger investment and acquired a profit higher than the industry average, to support development in overseas market.

4. *Heavy Machinery Manufacturing Business*

In the first half of 2013, revenue from the heavy machinery manufacturing business of the Group was RMB10,797 million, representing an increase of 2.6% as compared to that for the corresponding period of last year. The value of new heavy machinery manufacturing contracts entered into by the Group reached RMB13,401 million, representing a decrease of 2.6% as compared to that for the corresponding period of last year. As at 30 June 2013, the backlog was RMB16,260 million, remaining stable as compared with that as at 31 December 2012.

In the first half of 2013, the recovery of the global port machinery market was rather unclear, with a decline over the same period of the previous year. The ocean heavy machinery and steel structure products underwent rapid market expansion, with significant increase in the value of contracts. Under the intensified competition at home and abroad, ZPMC secured "1+1" 400 feet jack-up drilling platform from a European customer in May. In the meantime, "Zhen Hai I", a 300 feet jack-up drilling platform designed and built by ZPMC, was successfully put into operation in July, marking strategic significance for its presence in high-end ocean heavy machinery market.

Some major contracts entered into by the Group in the first half of 2013 are as follows:

(1) *Infrastructure Construction Business*

Port Construction

No.	**Contract Name**	**Contract Value** *(RMB million)*
1	South breakwater and South bank cofferdam project in Hulushan Bay, Changxing Island, Dalian	1,690
2	Fishing vessel shelter anchorage project in Meishan waterway in Beilun, Ningbo	789
3	East breakwater project in Gangxuwei zone of Lianyungang Port	702
4	Hydraulic works of Phase III in Nansha Zone of Guangzhou	701
5	Heavy crude oil processing terminal in Guangdong	484

Road and Bridge Construction

No.	**Contract Name**	**Contract Value** *(RMB million)*
1	Section 4 of Yicheng-Baokang section of Macheng-Zhuxi Highway in Hubei	4,100
2	Section mwtj-1 of Macheng-Wuxue Highway in Hubei	2,151
3	Section TJ07 and TJ12 of mega bridge of Guangzhou-Zhongshan-Jiangmen Highway	1,089
4	Section YTSJ-D of Yashiga-Tongren section of Zhangye-Henan Highway in Qinghai	866
5	Section 5 of roadbed, bridge and tunnel construction of Huishui-Luodian Highway in Guizhou	610

Investment Business (BOT/BOO and BT projects, etc.)

No.	Contract Name	Contract Value *(RMB million)*
1	BOT project of Jiangkou-Weng'an Highway in Guizhou	14,061
2	BOT project of Guiyang-Qianxi Highway in Guizhou	8,419
3	Land development project in Sanya, Hainan	6,742
4	BT project of Gaochun New Channel in Nanjing, Jiangsu	5,919
5	Hengqin headquarters project in Zhuhai	3,000

Overseas Projects

No.	Contract Name	Contract value *(USD million)*
1	The East Corridor project of Qatar	611
2	Reconstruction project of Limon Port No.32 road-No.4 road in Republic of Costa Rica	466
3	Bata-Bomei-Bolondo Expressway project in the Republic of Equatorial Guinea	349
4	Phase II of Bata Port project in the Republic of Equatorial Guinea	258
5	Ovang-Makokou 98-kilometer road reconstruction project in Gabon	170

(2) Infrastructure Design Business

No.	Contract Name	Contract Value *(RMB million)*
1	Survey and design contract for Liuhedu-Lujiazhai Section of Daozhen-Xinzhai Highway in Guizhou	137
2	Survey and design contract for Fushouchang-Hexi Section of Daozhen-Xinzhai Highway in Guizhou	118
3	Survey and design contract for Hexi-Liuhedu Section of Daozhen-Xinzhai Highway in Guizhou	109
4	Survey and design contract for Weiyuan-Wudu Highway of Lanzhou-Haikou National Highway	79
5	Survey and design contract for Phase II of Guang'ao Zone of Shantou Port	40

(3) Dredging Business

No.	Contract Name	Contract Value *(RMB million)*
1	Section 2 of Reclamation project in east of east port basin of Tianjin Nangang Industrial Zone	1,277
2	Phase I of reclamation project between Ou River and Feiyun River in Wenzhou	980
3	Section 1 of Phase I of Siltation promotion project in Nanhui Dongtan, Shanghai	788
4	Phase II of 300,000t-class navigation channel regulation in Tianjin Port	696
5	Annually maintenance project of Yangtze estuary -12.5m deepwater channel	648

(4) Heavy Machinery Manufacturing Business

No.	Contract Name	Contract value *(USD million)*
1	One 5,000t offshore derrick pipelay barge	252
2	Cranes for automatic terminal	120
3	128 iron ore barges	114
4	EPC project of 400,000t-class ore terminal system	112
5	Four offshore vessels	86

II. Business Plan

The goal of the value of new contracts to be entered into by the Group for 2013 is RMB525,500 million, and the goal of sales revenue is RMB344,000 million.

In the first half of 2013, according to statistics, value of new contracts entered into by the Group amounted to RMB252,917 million, accomplishing 48% of our basic goal, and it is in line with our expectation per our schedule. Unaudited revenue amounted to RMB141,037 million, accomplishing 41% of our basic goal, and it is in line with our expectation per our schedule.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Overview

For the six months ended 30 June 2013, revenue of the Group amounted to RMB141,037 million, representing an increase of 13.0% from RMB124,829 million for the corresponding period of 2012. The value of the Group's new contracts for the six months ended 30 June 2013 was RMB252,917 million, representing an increase of 7.2% over the corresponding period of 2012. As at 30 June 2013, the backlog for the Group amounted to RMB760,865 million, representing an increase of 8.6% as compared with the backlog as at 31 December 2012.

Gross profit for the six months ended 30 June 2013 amounted to RMB14,256 million, representing an increase of RMB707 million, or 5.2%, from RMB13,549 million for the corresponding period of 2012.

Mainly due to the growth in gross profit, operating profit for the six months ended 30 June 2013 amounted to RMB8,975 million, representing an increase of RMB837 million, or 10.3%, as compared with RMB8,138 million for the corresponding period of 2012.

For the six months ended 30 June 2013, profit attributable to owners of the Company amounted to RMB5,728 million, representing an increase of RMB710 million, or 14.1%, as compared with RMB5,018 million for the corresponding period of 2012. For the six months ended 30 June 2013, earnings per share of the Group was RMB0.35, in comparison with RMB0.32 for the corresponding period of 2012.

The following is a comparison of between the financial results for the six months ended 30 June 2013 and 2012.

Consolidated Results of Operations

Revenue

Revenue for the six months ended 30 June 2013 increased by 13.0% to RMB141,037 million, from RMB124,829 million for the corresponding period of 2012. The growth was attributable to the increase in the revenue from the infrastructure construction business, infrastructure design business, and heavy machinery manufacturing business, amounting to RMB17,184 million, RMB1,672 million, and RMB271 million (all before elimination of inter-segment transactions), respectively, representing an increase of 18.2%, 27.6% and 2.6%, respectively, over the corresponding period of 2012. Meanwhile, revenue from dredging business and other businesses decreased by RMB347 million and RMB1,716 million (all before elimination of inter-segment transactions), or 2.4% and 59.9%, respectively, from the corresponding period of 2012. In January 2013, the Group disposed of part of its equity interests in Zhenhua Logistics Group Co., Ltd. ("Zhenhua Logistics"), a former subsidiary once included in other businesses. As a result, Zhenhua Logistics was no longer consolidated in the Group's consolidated financial statements thereafter, which led to the significant decrease in revenue of other businesses.

Cost of Sales and Gross Profit

Cost of sales for the six months ended 30 June 2013 amounted to RMB126,781 million, representing an increase of RMB15,501 million, or 13.9%, from RMB111,280 million for the corresponding period of 2012. Increases in cost of sales from the infrastructure construction business, infrastructure design business, and heavy machinery manufacturing business amounted to RMB16,297 million, RMB1,397 million and RMB478 million (all before elimination of inter-segment transactions), respectively, representing an increase of 19.1%, 30.7% and 5.0%, respectively, over the corresponding period of 2012. Meanwhile, for the six months ended 30 June 2013, cost of sales from dredging business and other businesses decreased by RMB349 million and RMB1,526 million (all before elimination of inter-segment transactions), or 2.9% and 58.6%, as compared with that for the corresponding period of 2012.

Cost of sales consisted mainly of cost of raw materials and consumables used, subcontracting cost, employee benefits and rental. For the six months ended 30 June 2013, cost of raw materials and consumables used, subcontracting cost and employee benefits increased by 15.5%, 14.2% and 24.1%, respectively, while rental slightly decreased by 2.1% as compared with that for the corresponding period of 2012. The increase in employee benefits was primarily due to the increase in per capita cost, as well as that the portion of businesses which spend more human resources such as infrastructure construction business was getting larger.

Gross profit for the six months ended 30 June 2013 amounted to RMB14,256 million, representing an increase of RMB707 million, or 5.2%, from RMB13,549 million for the corresponding period of 2012. Gross profit from infrastructure construction business, infrastructure design business and dredging business increased by 10.0%, 18.2%, and 0.1%, respectively, as compared with that for the corresponding period of 2012; while the gross profit from heavy machinery manufacturing business and other businesses decreased by 22.7% and 72.0%, respectively, as compared with that for the corresponding period of 2012. Gross profit margin decreased to 10.1% for the six months ended 30 June 2013 from 10.9% for the corresponding period of 2012, primarily due to the decrease in gross profit margin of infrastructure construction business and heavy machinery manufacturing business. Gross profit margin for the infrastructure construction business, infrastructure design business, dredging business, heavy machinery manufacturing business and other businesses were 8.7%, 23.1%, 14.2%, 6.5% and 6.4%, respectively, as compared with 9.4%, 25.0%, 13.9%, 8.7% and 9.2% for the corresponding period of 2012 respectively.

Operating Profit

Operating profit for the six months ended 30 June 2013 amounted to RMB8,975 million, representing an increase of RMB837 million, or 10.3%, from RMB8,138 million for the corresponding period of 2012. The increase was mainly due to the increase in gross profit.

For the six months ended 30 June 2013, operating profit from the infrastructure construction business, infrastructure design business, dredging business and other businesses increased by RMB750 million, RMB173 million, RMB181 million and RMB69 million (all before elimination of inter-segment transactions and unallocated costs), respectively, representing an increase of 14.3%, 20.2%, 12.0% and 121.1%, respectively, as compared with that for the corresponding period of 2012; operating profit from heavy machinery manufacturing business decreased by RMB92 million, or 24.0% (all before elimination of inter-segment transactions and unallocated costs), from the corresponding period of 2012.

Operating profit margin slightly decreased to 6.4% for the six months ended 30 June 2013 from 6.5% for the corresponding period of 2012.

Finance Income

Finance income for the six months ended 30 June 2013 amounted to RMB1,072 million, representing an increase of RMB409 million, or 61.7%, from RMB663 million for the corresponding period of 2012, which was primarily attributable to the growth of finance income from BT projects.

Finance Costs, net

Net finance costs for the six months ended 30 June 2013 amounted to RMB2,861 million, representing an increase of RMB308 million, or 12.1%, from RMB2,553 million for the corresponding period of 2012. The increase of finance cost was primarily attributable to the increase of the volume of borrowings, whose impact was then partially offset by the decrease in average effective interest rates.

Share of Losses/(Profits) of Jointly Controlled Entities

Share of losses of jointly controlled entities of the Group for the six months ended 30 June 2013 amounted to RMB3 million, in comparison with share of profits of jointly controlled entities of RMB13 million for the corresponding period of 2012.

Share of Profits of Associates

Share of the profits of associates for the six months ended 30 June 2013 amounted to RMB41 million, compared with RMB42 million for the corresponding period of 2012.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax for the six months ended 30 June 2013 amounted to RMB7,224 million, representing an increase of RMB921 million, or 14.6%, from RMB6,303 million for the corresponding period of 2012.

Income Tax Expense

Income tax expense for the six months ended 30 June 2013 amounted to RMB1,453 million, representing an increase of RMB73 million, or 5.3%, from RMB1,380 million for the corresponding period of 2012. Effective tax rate for the Group for the six months ended 30 June 2013 was 20.1%, as compared with 21.9% for the corresponding period of 2012.

Profit/(Loss) Attributable to Non-Controlling Interests

Profit attributable to non-controlling interests for the six months ended 30 June 2013 amounted to RMB43 million, while loss attributable to non-controlling interests was RMB95 million for the corresponding period of 2012.

Profit Attributable to Owners of the Company

As a result of the foregoing factors, profit attributable to owners of the Company for the six months ended 30 June 2013 amounted to RMB5,728 million, representing an increase of RMB710 million, or 14.1%, from RMB5,018 million for the corresponding period of 2012.

Profit margin with respect to profit attributable to owners of the Company was 4.1% for the six months ended 30 June 2013, in comparison with 4.0% for the corresponding period of 2012.

Discussion of Segment Operations

The following table sets forth the segment breakdown of revenue, gross profit and operating profit of the Group for the six months ended 30 June 2013 and 2012.

	Revenue		Gross Profit		Gross Profit Margin		Operating Profit[1]		Operating Profit Margin	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
Business	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	(RMB million)	*(RMB million)*	***(RMB million)***	*(RMB million)*	***(%)***	*(%)*	***(RMB million)***	*(RMB million)*	***(%)***	*(%)*
Infrastructure Construction	**111,514**	94,330	**9,757**	8,870	**8.7**	9.4	**5,990**	5,240	**5.4**	5.6
% of total	**77.0**	73.8	**68.3**	65.6			**65.6**	65.1		
Infrastructure Design	**7,737**	6,065	**1,790**	1,515	**23.1**	25.0	**1,030**	857	**13.3**	14.1
% of total	**5.3**	4.7	**12.5**	11.2			**11.3**	10.7		
Dredging	**13,847**	14,194	**1,968**	1,966	**14.2**	13.9	**1,687**	1,506	**12.2**	10.6
% of total	**9.5**	11.1	**13.8**	14.5			**18.5**	18.7		
Heavy Machinery Manufacturing	**10,797**	10,526	**706**	913	**6.5**	8.7	**291**	383	**2.7**	3.6
% of total	**7.4**	8.2	**4.9**	6.7			**3.2**	4.8		
Other businesses	**1,151**	2,867	**74**	264	**6.4**	9.2	**126**	57	**10.9**	2.0
% of total	**0.8**	2.2	**0.5**	2.0			**1.4**	0.7		
Subtotal	**145,046**	127,982	**14,295**	13,528			**9,124**	8,043		
Intersegment elimination and unallocated income/(costs)	**(4,009)**	(3,153)	**(39)**	21			**(149)**	95		
Total	**141,037**	124,829	**14,256**	13,549	**10.1**	10.9	**8,975**	8,138	**6.4**	6.5

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

Infrastructure Construction Business

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

The following table sets out the principal profit and loss information for the infrastructure construction business for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**111,514**	94,330
Cost of sales	**(101,757)**	(85,460)
Gross profit	**9,757**	8,870
Selling and marketing expenses	**(48)**	(30)
Administrative expenses	**(3,894)**	(3,559)
Other income/(expenses), net	**175**	(41)
Segment result	**5,990**	5,240
Depreciation and amortisation	**2,236**	1,826

Revenue. Revenue from the infrastructure construction business for the six months ended 30 June 2013 was RMB111,514 million, representing an increase of RMB17,184 million, or 18.2%, as compared with RMB94,330 million for the corresponding period of 2012, primarily attributable to the increase in the aggregate value of projects undertaken by the Group, driven by the increased demand for the Group's services as a result of the growth in infrastructure expenditure by the Group's domestic and overseas customers. The value of new contracts entered into for the infrastructure construction business for the six months ended 30 June 2013 was RMB208,322 million, representing an increase of RMB14,762 million, or 7.6%, as compared with RMB193,560 million for the corresponding period of 2012. No single project accounted for more than 5% of the Group's total revenue for the six months ended 30 June 2013 or 2012.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business for the six months ended 30 June 2013 was RMB101,757 million, representing an increase of RMB16,297 million, or 19.1%, as compared with RMB85,460 million for the corresponding period of 2012. Cost of sales as a percentage of revenue increased to 91.3% for the six months ended 30 June 2013 from 90.6% for the corresponding period of 2012.

Gross profit from the infrastructure construction business for the six months ended 30 June 2013 grew by RMB887 million, or 10.0%, to RMB9,757 million from RMB8,870 million for the corresponding period of 2012. Gross profit margin decreased to 8.7% for the six months ended 30 June 2013 from 9.4% for the corresponding period of 2012, which was mainly attributable to increasing proportion of projects such as road and bridge projects and railway projects which have relatively lower gross profit margin.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business for the six months ended 30 June 2013 were RMB48 million, representing an increase of RMB18 million as compared with RMB30 million for the corresponding period of 2012.

Administrative expenses. Administrative expenses for the infrastructure construction business for the six months ended 30 June 2013 were RMB3,894 million, representing an increase of RMB335 million, or 9.4%, as compared with RMB3,559 million for the corresponding period of 2012, mainly attributable to increase in employee benefits. Administrative expenses as a percentage of revenue slightly decreased to 3.5% for the six months ended 30 June 2013 from 3.8% for the corresponding period of 2012.

Other income/(expenses), net. Other net income for the infrastructure construction business was RMB175 million for the six months ended 30 June 2013, as compared with other net expense of RMB41 million for the corresponding period of 2012, mainly attributable to the increase in dividend income on available-for-sale financial assets.

Segment result. As a result of the above, segment result for the infrastructure construction business for the six months ended 30 June 2013 was RMB5,990 million, representing an increase of RMB750 million, or 14.3%, as compared with RMB5,240 million for the corresponding period of 2012. Segment result margin slightly decreased to 5.4% for the six months ended 30 June 2013 from 5.6% for the corresponding period of 2012.

Infrastructure Design Business

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

The following table sets out the principal profit and loss information for infrastructure design business for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**7,737**	6,065
Cost of sales	**(5,947)**	(4,550)
Gross profit	**1,790**	1,515
Selling and marketing expenses	**(80)**	(65)
Administrative expenses	**(677)**	(607)
Other (expenses)/income, net	**(3)**	14
Segment result	**1,030**	857
Depreciation and amortisation	**106**	95

Revenue. Revenue from the infrastructure design business for the six months ended 30 June 2013 was RMB7,737 million, representing an increase of RMB1,672 million, or 27.6%, as compared with RMB6,065 million for the corresponding period of 2012. This growth was primarily attributable to the increase in revenue recognition for comprehensive projects. The value of new contracts entered into for the infrastructure design business for the six months ended 30 June 2013 was RMB12,920 million, representing an increase of RMB4,228 million, or 48.6%, as compared with RMB8,692 million for the corresponding period of 2012.

Cost of sales and gross profit. Cost of sales for the infrastructure design business for the six months ended 30 June 2013 was RMB5,947 million, representing an increase of RMB1,397 million, or 30.7%, as compared with RMB4,550 million for the corresponding period of 2012. Cost of sales as a percentage of revenue increased to 76.9% for the six months ended 30 June 2013 from 75.0% for the corresponding period of 2012.

Gross profit from the infrastructure design business for the six months ended 30 June 2013 was RMB1,790 million, representing an increase of RMB275 million, or 18.2%, as compared with RMB1,515 million for the corresponding period of 2012. Gross profit margin decreased to 23.1% for the six months ended 30 June 2013 from 25.0% for the corresponding period of 2012, primarily due to the increased proportion of revenue generated from comprehensive projects, which have lower gross profit margin.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business for the six months ended 30 June 2013 were RMB80 million, representing an increase of RMB15 million as compared with RMB65 million for the corresponding period of 2012.

Administrative expenses. Administrative expenses for the infrastructure design business for the six months ended 30 June 2013 were RMB677 million, representing an increase of RMB70 million, or 11.5%, as compared with RMB607 million for the corresponding period of 2012. Administrative expenses as a percentage of revenue decreased to 8.8% for the six months ended 30 June 2013 from 10.0% for the corresponding period of 2012.

Other (expense)/income, net. Other net expense for the infrastructure design business for the six months ended 30 June 2013 was RMB3 million, as compared with other net income of RMB14 million for the corresponding period of 2012.

Segment result. As a result of the above, segment result for the infrastructure design business for the six months ended 30 June 2013 was RMB1,030 million, representing an increase of RMB173 million, or 20.2%, as compared with RMB857 million for the corresponding period of 2012. Segment result margin decreased to 13.3% for the six months ended 30 June 2013 from 14.1% for the corresponding period of 2012.

Dredging Business

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

The following table sets out the principal profit and loss information for the dredging business for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**13,847**	14,194
Cost of sales	**(11,879)**	(12,228)
Gross profit	**1,968**	1,966
Selling and marketing expenses	**(10)**	(5)
Administrative expenses	**(678)**	(643)
Other income, net	**407**	188
Segment result	**1,687**	1,506
Depreciation and amortisation	**808**	684

Revenue. Revenue from the dredging business for the six months ended 30 June 2013 was RMB13,847 million, representing a decrease of RMB347 million, or 2.4%, as compared with RMB14,194 million for the corresponding period of 2012. The decline was primarily attributable to the slowed down coastal line reclamation activities under the tightened macro economy in 2013. The value of new contracts entered into for the dredging business for the six months ended 30 June 2013 was RMB18,101 million, representing an increase of RMB534 million, or 3.0%, as compared with RMB17,567 million for the corresponding period of 2012.

Cost of sales and gross profit. Cost of sales for the dredging business for the six months ended 30 June 2013 was RMB11,879 million, representing a decrease of RMB349 million, or 2.9%, as compared with RMB12,228 million for the corresponding period of 2012. Cost of sales as a percentage of revenue for the dredging business for the six months ended 30 June 2013 was 85.8%, as compared with 86.1% for the corresponding period of 2012.

Gross profit from the dredging business for the six months ended 30 June 2013 was RMB1,968 million, representing a slight increase of RMB2 million or 0.1%, as compared with RMB1,966 million for the corresponding period of 2012. Gross profit margin for the dredging business increased to 14.2% for the six months ended 30 June 2013 from 13.9% for the corresponding period of 2012, primarily attributable to the enhanced project management of the Group in dredging business.

Selling and marketing expenses. Selling and marketing expenses for the dredging business for the six months ended 30 June 2013 were RMB10 million, as compared with RMB5 million for the corresponding period of 2012.

Administrative expenses. Administrative expenses for the dredging business for the six months ended 30 June 2013 were RMB678 million, representing an increase of RMB35 million, or 5.4%, as compared with RMB643 million for the corresponding period of 2012. Administrative expenses as a percentage of revenue increased to 4.9% for the six months ended 30 June 2013 from 4.5% for the corresponding period of 2012.

Other income, net. Other net income for the dredging business for the six months ended 30 June 2013 was RMB407 million, representing an increase of RMB219 million from RMB188 million for the corresponding period of 2012, mainly attributable to the gains on disposal of available-for-sale financial assets recognised in the six months ended 30 June 2013.

Segment result. As a result of the above, segment result for the dredging business for the six months ended 30 June 2013 was RMB1,687 million, representing an increase of RMB181 million, or 12.0%, as compared with RMB1,506 million for the corresponding period of 2012. Segment result margin increased to 12.2% for the six months ended 30 June 2013 from 10.6% for the corresponding period of 2012.

Heavy Machinery Manufacturing Business

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

The following table sets out the principal profit and loss information for the heavy machinery manufacturing business for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**10,797**	10,526
Cost of sales	**(10,091)**	(9,613)
Gross profit	**706**	913
Selling and marketing expenses	**(56)**	(47)
Administrative expenses	**(635)**	(626)
Other income, net	**276**	143
Segment result	**291**	383
Depreciation and amortisation	**599**	618

Revenue. Revenue from the heavy machinery manufacturing business for the six months ended 30 June 2013 was RMB10,797 million, representing an increase of RMB271 million, or 2.6%, as compared with RMB10,526 million for the corresponding period of 2012. The value of new contracts entered into for the heavy machinery manufacturing business for the six months ended 30 June 2013 was RMB13,401 million, representing a decrease of RMB358 million, or 2.6%, compared with RMB13,759 million for the corresponding period of 2012.

Cost of sales and gross profit. Cost of sales for the heavy machinery manufacturing business for the six months ended 30 June 2013 was RMB10,091 million, representing an increase of RMB478 million, or 5.0%, as compared with RMB9,613 million for the corresponding period of 2012. Cost of sales as a percentage of revenue increased to 93.5% for the six months ended 30 June 2013 from 91.3% for the corresponding period of 2012.

Gross profit from the heavy machinery manufacturing business for the six months ended 30 June 2013 was RMB706 million, representing a decrease of RMB207 million, or 22.7%, as compared with RMB913 million for the corresponding period of 2012. Gross profit margin decreased to 6.5% for the six months ended 30 June 2013 from 8.7% for the corresponding period of 2012. The decrease in gross profit margin was mainly due to the unfavourable fluctuation in foreign exchange rates as well as the write-down of inventories amounting to RMB127 million in the six months ended 30 June 2013.

Selling and marketing expenses. Selling and marketing expenses for the heavy machinery manufacturing business for the six months ended 30 June 2013 were RMB56 million, representing an increase of RMB9 million from RMB47 million for the corresponding period of 2012.

Administrative expenses. Administrative expenses for the heavy machinery manufacturing business for the six months ended 30 June 2013 were RMB635 million, representing an increase of RMB9 million, or 1.4%, as compared with RMB626 million for the corresponding period of 2012. Administrative expenses as a percentage of revenue for the heavy machinery manufacturing business was 5.9% for the six months ended 30 June 2013, which kept stable as that for the corresponding period of 2012.

Other income, net. Other net income for the heavy machinery manufacturing business for the six months ended 30 June 2013 was RMB276 million, representing an increase of RMB133 million from RMB143 million for the corresponding period of 2012, mainly attributable to the increase in disposal gains on available-for-sale financial assets.

Segment result. As a result of the above, segment result for the heavy machinery manufacturing business for the six months ended 30 June 2013 was RMB291 million representing a decrease of RMB92 million, or 24.0%, as compared with RMB383 million for the corresponding period of 2012. Segment result margin decreased to 2.7% for the six months ended 30 June 2013 from 3.6% for the corresponding period of 2012.

Other Businesses

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

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**1,151**	2,867
Cost of sales	**(1,077)**	(2,603)
Gross profit	**74**	264

Revenue. Revenue from the other businesses for the six months ended 30 June 2013 was RMB1,151 million, representing a decrease of RMB1,716 million, or 59.9%, as compared with RMB2,867 million for the corresponding period of 2012, mainly due to the disposal of Zhenhua Logistics by the Group as aforementioned.

Cost of sales and gross profit. Cost of sales for the other businesses for the six months ended 30 June 2013 was RMB1,077 million, representing a decrease of RMB1,526 million, or 58.6%, as compared with RMB2,603 million for the corresponding period of 2012. Cost of sales as a percentage of revenue increased to 93.6% for the six months ended 30 June 2013 from 90.8% for the corresponding period 2012.

Gross profit from the other businesses for the six months ended 30 June 2013 was RMB74 million, representing a decrease of RMB190 million, or 72.0%, as compared with RMB264 million for the corresponding period of 2012. Gross profit margin decreased to 6.4% for the six months ended 30 June 2013 from 9.2% for the corresponding period of 2012.

Liquidity and Capital Resources

The Group business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group requirements primarily through borrowings. As at 30 June 2013, the Group had unutilised credit facilities in the amount of RMB427,797 million. The Group access to financial markets of both Hong Kong and Shanghai has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Company's consolidated interim cash flow statements for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Net cash used in operating activities	**(10,606)**	(5,280)
Net cash used in investing activities	**(17,869)**	(11,070)
Net cash generated from financing activities	**20,145**	23,964
Net (decrease)/increase in cash and cash equivalents	**(8,330)**	7,614
Cash and cash equivalents at beginning of period	**67,992**	45,234
Exchange (losses) /gains on cash and cash equivalents	**(154)**	3
Cash and cash equivalents at end of period	**59,508**	52,851

Cash flow from operating activities

During the six months ended 30 June 2013, net cash used in operating activities was RMB10,606 million, as compared with RMB5,280 million for the corresponding period of 2012, which was primarily attributable to changes in working capital, in particular, due to larger increase in contract work-in-progress, trade and other receivables and inventories, which was then partially offset by larger increase in trade and other payables. During the six months ended 30 June 2013, contract work-in-progress, trade and other receivables and inventories increased by RMB19,770 million, RMB15,502 million and RMB4,109 million, respectively, as compared with the amount of increase of RMB11,777 million, RMB8,579 million and RMB876 million, during the corresponding period of 2012, respectively. Meanwhile, trade and other payables increased by RMB18,086 million during the six months ended 30 June 2013, as compared with the amount of increase of RMB7,566 million during the corresponding period of 2012. The changes in working capital reflect, to some extent, a fact that rapid growth of BT and preliminary land development projects requires more working capital than traditional infrastructure construction business.

Cash flow from investing activities

Net cash used in investing activities for the six months ended 30 June 2013 was RMB17,869 million as compared with RMB11,070 million for the corresponding period of 2012. The increase was primarily attributable to investment in CCCC Finance Company Limited ("CCCC Finance"), increase in purchases of available-for-sale financial assets and acquisition of a subsidiary with amount of RMB3,325 million, RMB2,287 million and RMB925 million, respectively. CCCC Finance is a joint venture company set up by the Company and CCCG. As at 30 June 2013, the registration of CCCC Finance with the industry and commerce administrative authorities was still in process and the Company's contribution was recognised as a prepayment for investment. In the meantime, cash flows used in capital expenditure for the six months ended 30 June 2013, such as purchases of property, plant and equipment and intangible assets, was relatively stable as those for the corresponding period of 2012, with a slightly growth rate of 4.6%.

Cash flow from financing activities

Net cash generated from financing activities for the six months ended 30 June 2013 was RMB20,145 million, representing a decrease of RMB3,819 million from RMB23,964 million for the corresponding period of 2012, primarily because that the Company received proceeds from issuance of A shares in first half of 2012 with amount of RMB4,864 million.

Capital Expenditure

The Group's capital expenditure principally comprises expenditure from investment in BOT projects, purchases of machinery, equipments and vessels, and the building of plants. The following table set forth the Group's capital expenditure by business for the six months ended 30 June 2013 and 2012.

	Six months ended 30 June	
	2013	2012
	(RMB million)	*(RMB million)*
Infrastructure Construction Business	**8,128**	6,874
– BOT projects	**5,158**	4,488
Infrastructure Design Business	**153**	282
Dredging Business	**190**	822
Heavy Machinery Manufacturing Business	**127**	166
Other	**11**	34
Total	**8,609**	8,178

Capital expenditure for the six months ended 30 June 2013 was RMB8,609 million, compared with RMB8,178 million for the corresponding period of 2012. The increase of RMB431 million or 5.3% was primarily attributable to the increase of capital expenditure in BOT projects.

Working Capital

Trade and bills receivables and trade and bills payables

The following table sets forth the turnover periods of the Group's average trade and bills receivable and average trade and bills payable for the six months ended 30 June 2013 and the year ended 31 December 2012.

	As at	
	Six months ended 30 June 2013 (Unaudited)	Twelve months ended 31 December 2012 (Audited)
	(Number of days)	*(Number of days)*
Turnover period of average trade and bills receivables(1)	**69**	63
Turnover period of average trade and bills payables(2)	**153**	140

(1) *For the six months ended 30 June 2013, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the six-month period plus trade and bills receivables net of provisions at the end of the six-month period divided by 2. Turnover period of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 180. For the twelve months ended 31 December 2012, average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover period of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.*

(2) *For the six months ended 30 June 2013, average trade and bills payables equals trade and bills payables at the beginning of the six-month period plus trade and bills payables at the end of the six-month period divided by 2. Turnover period of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 180. For the twelve months ended 31 December 2012, average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover period of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.*

The following table sets forth an ageing analysis of trade and bills receivables as at 30 June 2013 and 31 December 2012.

	As at	
	30 June 2013 (Unaudited) ***(RMB million)***	31 December 2012 (Audited) *(RMB million)*
Less than 6 months	**45,421**	42,110
6 months to 1 year	**6,738**	5,101
1 year to 2 years	**4,437**	4,080
2 years to 3 years	**1,854**	1,702
Over 3 years	**1,525**	1,167
Total	**59,975**	54,160

The Group's credit terms with its customers for the six months ended 30 June 2013 remained the same as that in the year ended 31 December 2012. Management closely monitors the recovery of the Group's overdue trade and bills receivables on a regular basis, and, when appropriate, provides for impairment of these trade and bills receivables. As at 30 June 2013, the Group had a provision for impairment of RMB3,194 million, as compared with RMB2,964 million as at 31 December 2012.

The following table sets forth an ageing analysis of trade and bills payables as at 30 June 2013 and 31 December 2012.

	As at	
	30 June 2013 (Unaudited) ***(RMB million)***	31 December 2012 (Audited) *(RMB million)*
Within 1 year	**100,528**	98,440
1 year to 2 years	**7,011**	5,812
2 years to 3 years	**1,140**	1,370
Over 3 years	**570**	604
Total	**109,249**	106,226

The Group's credit terms with its suppliers for the six months ended 30 June 2013 remained the same as that in the year ended 31 December 2012. Payments to suppliers and subcontractors may be delayed as a result of delays in settlement from the Group's customers. Nevertheless, there have been no material disputes arising from the non-timely payment of outstanding balances under the Group's supplier contracts or contracts with subcontractors.

Retentions

The following table sets forth the carrying amounts of the retentions as at 30 June 2013 and 31 December 2012.

	As at	
	30 June 2013 (Unaudited) ***(RMB million)***	31 December 2012 (Audited) *(RMB million)*
Current	**16,592**	16,464
Non-current	**16,728**	16,621
Total	**33,320**	33,085

Indebtedness

Borrowings

The following table sets out the maturities of the Group's total borrowings as at 30 June 2013 and 31 December 2012.

	As at	
	30 June 2013 (Unaudited)	31 December 2012 (Audited)
	(RMB million)	*(RMB million)*
Within 1 year	**80,596**	69,187
Between 1 year and 2 years	**14,739**	16,956
Between 2 years and 5 years	**27,250**	21,078
Over 5 years	**44,941**	37,024
Total borrowings	**167,526**	144,245

The Group's borrowings are primarily denominated in Renminbi, U.S. dollars, and to a lesser extent, Euro, Hong Kong dollars and Japanese Yen. The following table sets out the carrying amounts of the Group's borrowings by currencies as at 30 June 2013 and 31 December 2012.

	As at	
	30 June 2013 (Unaudited)	31 December 2012 (Audited)
	(RMB million)	*(RMB million)*
Renminbi	**145,213**	125,922
U.S. dollar	**19,149**	15,260
Euro	**845**	951
Hong Kong dollar	**842**	766
Japanese yen	**619**	839
Others	**858**	507
Total borrowings	**167,526**	144,245

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as total equity as shown in the consolidated balance sheet plus net debt. The Group's gearing ratio, calculated as net debt divided by total capital, as at 30 June 2013 was 52.5%, compared with 44.4% as at 31 December 2012. The increase of gearing ratio was primarily due to the increase in borrowings and the decrease in cash and cash equivalents.

Contingent Liabilities

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

	As at	
	30 June 2013	31 December 2012
	(Unaudited)	(Audited)
	(RMB million)	*(RMB million)*
Pending lawsuits[1]	**454**	463
Outstanding loan guarantees[2]	**246**	246
Total	**700**	709

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

(2) The Group has acted as the guarantor for various external borrowings made by certain jointly controlled entities of the Group and certain third party entities.

Market Risks

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

Marco-economy Risk

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

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

Market Risk

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

Interest rate risk

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

The Group's exposure to changes in interest rates is mainly due to the Group's borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest-rate risk. As at 30 June 2013, approximately RMB80,405 million (as at 31 December 2012: RMB76,211 million) of the Group's borrowings were at variable rates.

Foreign exchange risk

The Group's functional currency of a majority of the entities within the Group is Renminbi with most of the Group's transactions settled in Renminbi. The Group uses, however, foreign currencies to settle the Group's invoices from overseas operations, the Group's purchases of machinery and equipment from overseas suppliers and certain expenses. In addition, the Group generates revenue from certain construction contracts denominated in foreign currencies and a significant proportion of the Group's bank borrowings are denominated in foreign currencies, particularly the U.S. dollar, the Euro and the Japanese Yen. Renminbi is not freely convertible into other foreign currencies and conversion of the Renminbi into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. In July 2005, the PRC government introduced a managed floating exchange rate system to allow Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of Renminbi appreciated by approximately 2% against the U.S. dollar. As at 30 June 2013, Renminbi had appreciated by over 30% against the U.S. dollar since July 2005. The PRC government may in the future make further adjustments to the exchange rate system. When Renminbi appreciates, the value of foreign currency denominated assets will decline against Renminbi.

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

During the six month ended 30 June 2013 and the year ended 31 December 2012, certain subsidiaries within the Group used foreign currency forward contracts for transactions with domestic and overseas registered banks, to hedge the Group's exposure to foreign currency risk on individual transactions primarily vis-a-vis U.S. dollar, the Euro, and Japanese Yen.

UNAUDITED CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

		Unaudited Six months ended 30 June	
	Note	**2013**	2012
		RMB million	*RMB million*
			(Restated)
Revenue	*4*	**141,037**	124,829
Cost of sales	*5*	**(126,781)**	(111,280)
Gross profit		**14,256**	13,549
Other income		**1,047**	891
Other gains, net		**284**	27
Selling and marketing expenses	*5*	**(204)**	(273)
Administrative expenses	*5*	**(6,052)**	(5,681)
Other expenses		**(356)**	(375)
Operating profit	*4*	**8,975**	8,138
Finance income		**1,072**	663
Finance costs, net		**(2,861)**	(2,553)
Share of (losses)/profits of jointly controlled entities		**(3)**	13
Share of profits of associates		**41**	42
Profit before income tax		**7,224**	6,303
Income tax expense	*6*	**(1,453)**	(1,380)
Profit for the period		**5,771**	4,923
Attributable to:			
– Owners of the Company		**5,728**	5,018
– Non-controlling interests		**43**	(95)
		5,771	4,923
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)			
– Basic	*7*	**0.35**	0.32
– Diluted	*7*	**0.35**	0.32

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB million	*RMB million*
		(Restated)
Profit for the period	**5,771**	4,923
Other comprehensive (expenses)/income		
Items that may be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets, net of deferred tax		
– Losses arising during the period	**(938)**	(220)
– Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**(80)**	–
– Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets	**113**	–
Currency translation differences	**(58)**	44
Total items that may be reclassified subsequently to profit or loss	**(963)**	(176)
Other comprehensive expenses for the period, net of tax	**(963)**	(176)
Total comprehensive income for the period	**4,808**	4,747
Total comprehensive income/(expenses) attributable to:		
– Owners of the Company	**4,729**	4,828
– Non-controlling interests	**79**	(81)

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Note	**Unaudited 30 June 2013** *RMB million*	Audited 31 December 2012 *RMB million* (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**55,667**	56,811
Lease prepayments		**7,794**	7,961
Investment properties		**768**	988
Intangible assets		**41,552**	36,519
Investments in jointly controlled entities		**930**	1,052
Investments in associates		**5,150**	3,811
Deferred income tax assets		**2,538**	2,377
Available-for-sale financial assets		**12,862**	14,464
Trade and other receivables	*8*	**45,809**	38,685
		173,070	162,668
Current assets			
Inventories		**32,845**	26,675
Trade and other receivables	*8*	**122,579**	111,869
Amounts due from customers for contract work		**74,206**	57,983
Other financial assets at fair value through profit or loss		**27**	37
Available-for-sale financial assets		**7,928**	1,500
Derivative financial instruments		**51**	49
Restricted bank deposits		**3,652**	5,581
Cash and cash equivalents		**59,508**	67,492
		300,796	271,186
Total assets		**473,866**	433,854

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEET *(continued)*

	Note	Unaudited 30 June 2013 *RMB million*	Audited 31 December 2012 *RMB million* (Restated)
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**16,175**	16,175
Share premium		**19,656**	19,656
Other reserves		**10,653**	8,503
Retained earnings		**41,815**	39,295
Proposed final dividend	*9*	**–**	2,988
		88,299	86,617
Non-controlling interests		**9,401**	9,454
Total equity		**97,700**	96,071
LIABILITIES			
Non-current liabilities			
Borrowings		**86,930**	75,058
Deferred income		**997**	1,021
Deferred income tax liabilities		**2,813**	3,100
Retirement benefit obligations		**2,064**	2,127
Trade and other payables	*10*	**3,898**	2,672
		96,702	83,978
Current liabilities			
Trade and other payables	*10*	**184,737**	165,591
Amounts due to customers for contract work		**11,541**	15,253
Derivative financial instruments		**35**	28
Current income tax liabilities		**2,096**	3,223
Borrowings		**80,596**	69,187
Retirement benefit obligations		**142**	189
Provisions for other liabilities and charges		**317**	334
		279,464	253,805
Total liabilities		**376,166**	337,783
Total equity and liabilities		**473,866**	433,854
Net current assets		**21,332**	17,381
Total assets less current liabilities		**194,402**	180,049

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

		For the six months ended 30 June 2013 (Unaudited)						
		Attributable to owners of the Company						
	Note	Share capital *RMB million*	Share premium *RMB million*	Other reserves *RMB million*	Retained earnings *RMB million*	Total *RMB million*	Non-controlling interests *RMB million*	Total equity *RMB million*
Balance at 1 January 2013, as previously reported		**16,175**	**19,656**	**11,615**	**39,303**	**86,749**	**9,454**	**96,203**
Adjustments for adoption of IAS 19 (2011)	*3*	**–**	**–**	**(124)**	**(8)**	**(132)**	**–**	**(132)**
Balance at 1 January 2013, as restated		**16,175**	**19,656**	**11,491**	**39,295**	**86,617**	**9,454**	**96,071**
Comprehensive income								
Profit for the period		**–**	**–**	**–**	**5,728**	**5,728**	**43**	**5,771**
Other comprehensive (expenses)/income								
Changes in fair value of available-for-sale financial assets, net of deferred tax		**–**	**–**	**(975)**	**–**	**(975)**	**37**	**(938)**
Release of investment revaluation reserve upon disposal of available-for-sale financial assets		**–**	**–**	**(80)**	**–**	**(80)**	**–**	**(80)**
Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets		**–**	**–**	**113**	**–**	**113**	**–**	**113**
Currency translation differences		**–**	**–**	**(57)**	**–**	**(57)**	**(1)**	**(58)**
Total other comprehensive (expenses)/income, net of tax		**–**	**–**	**(999)**	**–**	**(999)**	**36**	**(963)**
Total comprehensive (expenses)/ income for the period ended 30 June 2013		**–**	**–**	**(999)**	**5,728**	**4,729**	**79**	**4,808**
2012 final dividend		**–**	**–**	**–**	**(2,987)**	**(2,987)**	**–**	**(2,987)**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**(3)**	**(3)**
Capital contribution from non-controlling interests		**–**	**–**	**–**	**–**	**–**	**36**	**36**
Acquisition of a subsidiary		**–**	**–**	**–**	**–**	**–**	**205**	**205**
Disposal of a subsidiary		**–**	**–**	**(60)**	**–**	**(60)**	**(370)**	**(430)**
Transfer to safety reserve		**–**	**–**	**221**	**(221)**	**–**	**–**	**–**
Balance at 30 June 2013		**16,175**	**19,656**	**10,653**	**41,815**	**88,299**	**9,401**	**97,700**

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY *(continued)*

		For the six months ended 30 June 2012 (Unaudited)						
		Attributable to owners of the Company						
	Note	Share capital *RMB million*	Share premium *RMB million*	Other reserves *RMB million*	Retained earnings *RMB million*	Total *RMB million*	Non-controlling interests *RMB million*	Total equity *RMB million*
Balance at 1 January 2012, as previously reported		14,825	13,853	10,990	30,563	70,231	10,789	81,020
Adjustments for adoption of IAS 19 (2011)	3	–	–	(95)	(42)	(137)	–	(137)
Balance at 1 January 2012, as restated		14,825	13,853	10,895	30,521	70,094	10,789	80,883
Comprehensive income								
Profit/(loss) for the period, as restated		–	–	–	5,018	5,018	(95)	4,923
Other comprehensive (expenses)/income								
Changes in fair value of available-for-sale financial assets, net of deferred tax		–	–	(240)	–	(240)	20	(220)
Currency translation differences		–	–	50	–	50	(6)	44
Total other comprehensive (expenses)/income		–	–	(190)	–	(190)	14	(176)
Total comprehensive (expenses)/income for the period ended 30 June 2012, as restated		–	–	(190)	5,018	4,828	(81)	4,747
2011 final dividend		–	–	–	(2,902)	(2,902)	–	(2,902)
Dividends paid to non-controlling interests		–	–	–	–	–	(26)	(26)
Issuance of A shares								
– Issue of shares for cash		926	3,938	–	–	4,864	–	4,864
– In exchange for shares in a subsidiary held by its non-controlling shareholders		424	1,865	(1,462)	–	827	(827)	–
Capital contribution from non-controlling interests		–	–	–	–	–	9	9
Transfer to safety reserve		–	–	212	(212)	–	–	–
Balance at 30 June 2012, as restated		16,175	19,656	9,455	32,425	77,711	9,864	87,575

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		Unaudited Six months ended 30 June	
	Note	**2013**	2012
		RMB million	*RMB million*
			(Restated)
Net cash used in operating activities	*11(a)*	**(10,606)**	(5,280)
Net cash used in investing activities	*11(b)*	**(17,869)**	(11,070)
Net cash generated from financing activities	*11(c)*	**20,145**	23,964
Net (decrease)/increase in cash and cash equivalents		**(8,330)**	7,614
Cash and cash equivalents at the beginning of the period		**67,992**	45,234
Exchange (losses)/gains on cash and cash equivalents		**(154)**	3
Cash and cash equivalents at the end of the period		**59,508**	52,851

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. ("CCCG"), the parent company and a state-owned enterprise established in the PRC. The H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 15 December 2006 and the A shares of the Company were listed on the Shanghai Stock Exchange on 9 March 2012. The address of the Company's registered office is 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC.

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

In October 2012, the Group completed the acquisition of 100% equity interests in China Communications Materials & Equipment Company Limited ("CCMEC") from CCCG, with a consideration of approximately RMB16 million. The transaction was regarded as a business combination under common control in a manner similar to pooling-of-interests and was accounted for with reference to the principles of merger accounting under Hong Kong Accounting Guideline 5, "Merger Accounting for the Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants. As a result, financial statement items of CCMEC for comparative period have been included in the annual consolidated financial statements of the Group for the year ended 31 December 2012, as if the combination had occurred from the date when the Company and CCMEC first came under the control of CCCG. Consequently, the consolidated financial statements for the period ended 30 June 2012 and the financial position as at 30 June 2012 as disclosed in this condensed consolidated interim financial information have also been restated to reflect the impact of the above business combination under common control. More relevant information about the common control combinations has been disclosed in the annual consolidated financial statements for the year ended 31 December 2012.

In January 2013, the Group disposed its 36.78% equity interest in Zhenhua Logistics Group ("Zhenhua Logistics"), a former subsidiary, which was primarily engaged in transportation and logistics in the PRC, for a consideration of RMB409 million. A gain on disposal of this subsidiary of RMB148 million was recognised in the consolidated income statement. The Group retained 25% equity interest in and has significant influence over Zhenhua Logistics. The investment has been reclassified to investments in associates in the consolidated balance sheet upon completion of the disposal.

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 2013 was approved for issue by the Board of Directors on 27 August 2013.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2013 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 2012, 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 2012, as described in those annual consolidated financial statements.

(a) New and revised standards, amendments to standards and interpretations adopted by the Group

- IAS 19 (2011) "Employee benefits". IAS 19 (2011) amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

  (i) This amendment eliminated the "corridor approach" adopted by the Group previously, in which the net cumulative unrecognised actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions exceeding 10% of the present value of the defined benefit obligation are credited or charged to consolidated income statement immediately.

  (ii) Actuarial gains and losses (remeasurement) are recognised in the consolidated balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur. They are not recycled subsequently. Accumulated actuarial gains or losses are included in "remeasurement reserve" in other reserves.

  (iii) Statements of adjustments for adoption of IAS 19 (2011) are as follows:

Effect on consolidated balance sheet

	As at 31 December 2012		
	As previously reported	Adoption of IAS 19 (2011)	As restated
	RMB million	*RMB million*	*RMB million*
Deferred income tax assets	2,338	39	2,377
Other reserves	11,615	(124)	11,491
Retained earnings	39,303	(8)	39,295
Retirement benefit obligations	2,145	171	2,316

	As at 1 January 2012		
	As previously reported	Adoption of IAS 19 (2011)	As restated
	RMB million	*RMB million*	*RMB million*
Deferred income tax assets	2,038	42	2,080
Other reserves	10,990	(95)	10,895
Retained earnings	27,661	(42)	27,619
Retirement benefit obligations	2,364	179	2,543

The restated retirement benefit obligations as at 1 January 2012 and 31 December 2012 were determined based on actuarial valuation performed by an independent actuary, Towers Watson, Hong Kong.

The adoption of IAS 19 (2011) did not have a material impact on the consolidated interim balance sheet as at 30 June 2013 and the consolidated interim income statements for the six months ended 30 June 2013 and 2012, since the actuarial assumptions remain almost unchanged during the six-months periods as assessed by management. As a result, no actuarial gains or losses were recognised in the six months ended 30 June 2013 and 2012.

- IFRS 13, "Fair value measurement". IFRS 13 measurement and disclosure requirements are applicable for the December 2013 year end.

There are no other new and revised standards, amendments to standards and interpretations that are effective for the first time for this interim period that have a material impact on the Group.

(b) New and revised standards, amendments to standards and interpretation not effective for the financial year beginning 1 January 2013 and have not been early adopted by the Group

The International Accounting Standards Board ("IASB") has issued certain new and revised standards, amendments to standards and interpretation which are not yet effective for the year ending 31 December 2013.

Based on the current assessment, the Group anticipates that the application of these new and revised standards, amendments to standards and interpretation will have no material impact on the results and the financial position of the Group, except for the following area:

- IFRS 9, "Financial instruments" addresses the classification, measurement and derecognition of financial assets and financial liabilities. It replaces the part of IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the consolidated income statement, unless this creates an accounting mismatch. The standard is not effective until 1 January 2015. As IFRS 9 may be subject to future revisions and the implementation of which is complex, the Group is yet to assess IFRS 9's full impact and will apply the new standard when it becomes effective.

4. 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 both 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").

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 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.

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, lease prepayments, investment properties and intangible assets.

The segment results for the six months ended 30 June 2013 and other segment items included in the unaudited condensed consolidated interim financial information are as follows:

	For the six months ended 30 June 2013 (Unaudited)						
	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	111,514	7,737	13,847	10,797	1,151	(4,009)	141,037
Inter-segment revenue	(1,534)	(365)	(1,630)	(213)	(267)	4,009	–
Revenue	109,980	7,372	12,217	10,584	884	–	141,037
Segment result	5,990	1,030	1,687	291	126	(296)	8,828
Unallocated income							147
Operating profit							8,975
Finance income							1,072
Finance costs, net							(2,861)
Share of losses of jointly controlled entities							(3)
Share of profits of associates							41
Profit before income tax							7,224
Income tax expense							(1,453)
Profit for the period							5,771
Other segment items							
Depreciation	2,099	91	798	569	11	–	3,568
Amortisation	137	15	10	30	21	–	213
Write-down of inventories	–	–	–	127	–	–	127
Provision for/(reversal of) foreseeable losses on construction contracts	45	–	(4)	21	–	–	62
Provision for impairment of trade and other receivables	69	27	6	121	–	–	223
Provision for impairment of available-for-sale financial assets	150	–	–	–	–	–	150

The segment results for the six months ended 30 June 2012 and other segment items included in the unaudited condensed consolidated interim financial information, as restated, are as follows:

	For the six months ended 30 June 2012 (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	94,330	6,065	14,194	10,526	2,867	(3,153)	124,829
Inter-segment revenue	(890)	(461)	(1,145)	(628)	(29)	3,153	–
Revenue	93,440	5,604	13,049	9,898	2,838	–	124,829
Segment result	5,240	857	1,506	383	57	21	8,064
Unallocated income							74
Operating profit							8,138
Finance income							663
Finance costs, net							(2,553)
Share of profits of jointly controlled entities							13
Share of profits of associates							42
Profit before income tax							6,303
Income tax expense							(1,380)
Profit for the period							4,923
Other segment items							
Depreciation	1,684	82	674	590	27	–	3,057
Amortisation	142	13	10	28	6	–	199
Write-down of inventories	–	–	–	8	–	–	8
(Reversal of)/provision for foreseeable losses on construction contracts	(74)	–	6	53	–	–	(15)
Provision for impairment of trade and other receivables	137	19	68	28	–	–	252
Provision for impairment of available-for-sale financial assets	11	–	–	–	–	–	11

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.

The segment assets and liabilities at 30 June 2013 and capital expenditure for the six months then ended are as follows:

	As at 30 June 2013 (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	**306,753**	**14,266**	**57,550**	**47,925**	**3,359**	**(8,502)**	**421,351**
Investments in jointly controlled entities							**930**
Investments in associates							**5,150**
Unallocated assets							**46,435**
Total assets							**473,866**
Segment liabilities	**172,815**	**8,007**	**20,590**	**4,910**	**1,917**	**(8,023)**	**200,216**
Unallocated liabilities							**175,950**
Total liabilities							**376,166**
Capital expenditure	**8,128**	**153**	**190**	**127**	**11**	**–**	**8,609**

Segment assets and liabilities at 30 June 2013 are reconciled to entity assets and liabilities as follows:

	Assets	Liabilities
	RMB million	*RMB million*
Segment assets/liabilities	**421,351**	**200,216**
Investments in jointly controlled entities	**930**	**–**
Investments in associates	**5,150**	**–**
Unallocated:		
Deferred income tax assets/liabilities	**2,538**	**2,813**
Current income tax liabilities	**–**	**2,096**
Current borrowings	**–**	**80,596**
Non-current borrowings	**–**	**86,930**
Available-for-sale financial assets	**20,790**	**–**
Other financial assets at fair value through profit or loss	**27**	**–**
Derivative financial instruments	**51**	**35**
Cash and other corporate assets/corporate liabilities	**23,029**	**3,480**
Total	**473,866**	**376,166**

The segment assets and liabilities at 31 December 2012, as restated, and capital expenditure for the year then ended are as follows:

	As at 31 December 2012 (Audited) (Restated)						
	Construction *RMB million*	**Design** *RMB million*	**Dredging** *RMB million*	**Heavy Machinery** *RMB million*	**Others** *RMB million*	**Elimination** *RMB million*	**Total** *RMB million*
Segment assets	267,342	12,672	56,101	47,593	4,169	(7,248)	380,629
Investments in jointly controlled entities							1,052
Investments in associates							3,811
Unallocated assets							48,362
Total assets							433,854
Segment liabilities	152,478	8,192	22,357	8,778	2,174	(7,278)	186,701
Unallocated liabilities							151,082
Total liabilities							337,783
Capital expenditure	18,461	349	2,896	511	69	–	22,286

Segment assets and liabilities at 31 December 2012, as restated, are reconciled to entity assets and liabilities as follows:

	Assets *RMB million* **(Restated)**	**Liabilities** *RMB million* **(Restated)**
Segment assets/liabilities	380,629	186,701
Investments in jointly controlled entities	1,052	–
Investments in associates	3,811	–
Unallocated:		
Deferred income tax assets/liabilities	2,377	3,100
Current income tax liabilities	–	3,223
Current borrowings	–	69,187
Non-current borrowings	–	75,058
Available-for-sale financial assets	15,964	–
Other financial assets at fair value through profit or loss	37	–
Derivative financial instruments	49	28
Cash and other corporate assets/corporate liabilities	29,935	486
Total	433,854	337,783

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

	Six months ended 30 June 2013 *RMB million* **(Unaudited)**	2012 *RMB million* (Unaudited) (Restated)
PRC (excluding Hong Kong and Macau)	**115,411**	102,299
Other regions	**25,626**	22,530
	141,037	124,829

Other regions primarily include countries in Africa, Middle East and South East Asia. There are no material non-current assets attributed to other regions.

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.

5. EXPENSES BY NATURE

	Six months ended 30 June 2013 *RMB million* **(Unaudited)**	2012 *RMB million* (Unaudited) (Restated)
Raw materials and consumables used	**45,926**	39,758
Subcontracting costs	**42,561**	37,262
Employee benefits	**13,490**	10,874
Rentals	**6,247**	6,381
Business tax and other transaction taxes	**3,607**	3,285
Depreciation of property, plant and equipment and investment properties	**3,568**	3,057
Fuel	**3,224**	2,550
Transportation costs	**560**	1,974
Cost of goods sold	**1,768**	1,646
Travel	**1,128**	963
Repair and maintenance expenses	**816**	780
Research and development costs	**575**	658
Utilities	**642**	470
Provision for impairment of trade and other receivables	**223**	252
Insurance	**117**	224
Amortisation of intangible assets	**132**	112
Amortisation of lease prepayments	**81**	87
Write-down of inventories	**127**	8
Provision for/(reversal of) foreseeable losses on construction contracts	**62**	(15)
Others	**8,183**	6,908
Total cost of sales, selling and marketing expenses and administrative expenses	**133,037**	117,234

6. 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% (2012: 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 12.5% to 15% (2012: 12.5% to 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% (2012: 16.5%) on the estimated assessable profit for six months ended 30 June.

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.

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

	Six months ended 30 June	
	2013	2012
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
		(Restated)
Current income tax		
– PRC enterprise income tax	**1,512**	1,165
– Others	**51**	142
	1,563	1,307
Deferred income tax	**(110)**	73
Income tax expense	**1,453**	1,380

7. 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	
	2013	2012
	(Unaudited)	(Unaudited)
		(Restated)
Profit attributable to owners of the Company *(RMB million)*	**5,728**	5,018
Weighted average number of ordinary shares in issue *(millions)*	**16,175**	15,725
Basic earnings per share *(RMB per share)*	**0.35**	0.32

(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 2013 and 2012.

8. TRADE AND OTHER RECEIVABLES

	As at 30 June 2013 RMB million (Unaudited)	As at 31 December 2012 RMB million (Audited)
Trade and bills receivables (a)	**59,975**	54,160
Less: provision for impairment	**(3,194)**	(2,964)
Trade and bill receivables – net	**56,781**	51,196
Prepayments	**18,946**	13,987
Retentions	**33,320**	33,085
Deposits	**17,156**	15,335
Other receivables	**15,023**	12,632
Staff advances	**1,030**	737
Long-term receivables	**26,132**	23,582
	168,388	150,554
Less: non-current portion		
– Retentions	**(16,728)**	(16,621)
– Deposits	**(2,703)**	(1,829)
– Long-term receivables	**(22,603)**	(19,644)
– Prepayments for investment and equipment (b)	**(3,775)**	(591)
	(45,809)	(38,685)
Current portion	**122,579**	111,869

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

	As at 30 June 2013 RMB million (Unaudited)	As at 31 December 2012 RMB million (Audited)
Within 6 months	**45,421**	42,110
6 months to 1 year	**6,738**	5,101
1 year to 2 years	**4,437**	4,080
2 years to 3 years	**1,854**	1,702
Over 3 years	**1,525**	1,167
	59,975	54,160

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

(b) As approved by the Board of Directors previously, the Company entered in a capital contribution agreement and a supplementary agreement with CCCG, pursuant to which, the Company and CCCG agreed to contribute RMB3,325 million and RMB175 million in cash, respectively, to set up a joint venture company with a tentative name of CCCC Finance Company Limited ("CCCC Finance"). Upon completion of this transaction, the equity interest of CCCC Finance owned by the Company and CCCG will be 95% and 5%, respectively. As at 30 June 2013, the set up of CCCC Finance was approved by the China Banking Regulatory Commission, while the registration with the industry and commerce administrative authorities was still in process. As a result, the Company's contribution to CCCC Finance with an amount of RMB3,325 million was classified as a prepayment for investment and included in the non-current trade and other receivables in the consolidated balance sheet.

9. DIVIDENDS

A dividend in respect of the year ended 31 December 2012 of RMB0.1847 per ordinary share, amounting to a total dividend of approximately RMB2,988 million was approved by the Company's shareholders in the Annual General Meeting on 28 June 2013. As at 30 June 2013, 2012 final dividend was yet to be paid off.

No interim dividend for the six months ended 30 June 2013 was declared by the Board of Directors (six months ended 30 June 2012: Nil).

10. TRADE AND OTHER PAYABLES

	As at	
	30 June 2013	31 December 2012
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Trade and bills payables (a)	**109,249**	106,226
Advance from customers	**49,936**	38,019
Deposits from suppliers	**12,766**	10,778
Other taxes	**5,702**	5,705
Dividend payables	**2,987**	–
Accrued payroll and social securities	**1,228**	1,362
Share appreciation rights	**6**	5
Others	**6,761**	6,168
	188,635	168,263
Less: non-current portion		
– Deposits from suppliers	**(3,898)**	(2,672)
Current portion	**184,737**	165,591

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

	As at	
	30 June 2013	31 December 2012
	RMB million	*RMB million*
	(Unaudited)	(Audited)
Within 1 year	**100,528**	98,440
1 year to 2 years	**7,011**	5,812
2 years to 3 years	**1,140**	1,370
Over 3 years	**570**	604
	109,249	106,226

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

(a) Cash flows from operating activities:

	Six months ended 30 June	
	2013	2012
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Cash used in operations	**(7,933)**	(2,905)
Income tax paid	**(2,673)**	(2,375)
Net cash used in operating activities	**(10,606)**	(5,280)

(b) Cash flows from investing activities:

	Six months ended 30 June	
	2013	2012
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Purchases of property, plant and equipment	**(2,904)**	(2,275)
Increase in lease prepayments	**(123)**	(164)
Purchases of intangible assets	**(4,571)**	(4,496)
Purchases of investment properties	**–**	(324)
Proceeds from disposal of property, plant and equipment	**567**	318
Purchases of available-for-sale financial assets	**(7,848)**	(5,561)
Proceeds from disposal of Zhenhua Logistics	**206**	–
Investment in CCCC Finance	**(3,325)**	–
Acquisition of a subsidiary (i)	**(925)**	–
Additional investments in associates	**(1,036)**	(163)
Proceeds from disposal of available-for-sale financial assets	**1,322**	903
Interest received	**328**	288
Dividends received	**417**	357
Others	**23**	47
Net cash used in investing activities	**(17,869)**	(11,070)

(i) In January 2013, a subsidiary of the Company acquired 90% equity interest in a company from a third party. Assets and liabilities of the acquired company mainly comprise inventories and other receivables and payables. Consideration for this acquisition was RMB1,850 million, among which RMB925 million has been paid during six months period ended 30 June 2013.

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

	Six months ended 30 June	
	2013	2012
	RMB million	*RMB million*
	(Unaudited)	(Unaudited)
Proceeds from borrowings	**61,460**	60,832
Repayments of borrowings	**(38,517)**	(35,899)
Proceeds from issuance of A shares	**–**	4,864
Interest paid	**(3,280)**	(2,252)
Changes in restricted bank deposits	**456**	(3,472)
Others	**26**	(109)
Net cash generated from financing activities	**20,145**	23,964

12. SUBSEQUENT EVENTS

(a) In July 2013, CCCC Finance, a subsidiary of the Company, completed its registration with the industry and commerce administrative authorities and has been formally established. As the Company has the control over CCCC Finance, it will be fully consolidated in the Group's consolidated financial statements thereafter.

(b) As approved by NAFMII, a tranche of debentures was issued on 9 August 2013, with a nominal value of RMB3,000 million. The maturity of this tranche of debentures is 270 days from issuance and the interest rate is 4.60% per annum.

OTHER INFORMATION

Purchase, Sale or Redemption of Securities

During the period from 1 January 2013 to 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company.

Interests and Short Positions of Directors, Supervisors and Chief Executive Officer in Shares, Underlying Shares and Debentures

As at 30 June 2013, none of the Directors or Supervisors of the Company had any interest or short position in the shares, underlying shares of equity derivatives or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

As at 30 June 2013, the Company had not granted its Directors or Supervisors, or their respective spouses or children below the age of 18, any rights to subscribe for the shares or debentures of the Company or any of its associated corporations and none of them had ever exercised any such right to subscribe for shares or debentures.

Compliance with the Corporate Governance Code

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the six months ended 30 June 2013, with the exception of Code Provisions A.2.1 and A.5.1.

Code provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Due to reaching retirement age, Mr ZHOU Jichang resigned as the Chairman of the Board on 26 April 2013 with effect from the same day. On the same day, Mr LIU Qitao, an executive Director and the President of the Company, was elected as the Chairman of the Board with effect from the same day.

Code provision A.5.1 provides that a nomination committee should, among others, comprise a majority of independent non-executive directors. As at 30 June 2013, the nomination committee comprised six Directors, of which two were executive Directors, one was non-executive Director and three were independent non-executive Directors.

As a commitment to retain high level of corporate governance and continuous efforts to comply with the Listing Rules, the Company will endeavor to find eligible candidate to meet the requirements set out in the code provisions.

Compliance with Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules to govern securities transactions by Directors and Supervisors. Having made specific enquiry to all Directors and Supervisors of the Company, the Company confirms that the Directors and Supervisors have complied with the Model Code throughout the period from 1 January 2013 to 30 June 2013.

Changes in Directors' Biographical Details

Pursuant to rule 13.51B(1) of the Listing Rules, the change of Directors' biographical details since the date of the 2012 annual report of the Company is as follows.

Mr. LEUNG Chong Shun has resigned as an independent non-executive director of China Metal Recycling (Holdings) Limited (stock code:00773) on 5 August 2013.

Save as disclosed above, the Company is not aware of any other changes that is discloseable under rule 13.51B(1) of the Listing Rules as at the date of this announcement.

Review by the Audit Committee

The Audit Committee of the Board currently comprises LIU Zhangmin, LU Hongjun, ZOU Qiao, all of whom are all independent non-executive Directors. The Audit Committee has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2013. The Audit Committee has also discussed matters such as the accounting policies and practices adopted by the Company and internal control with the senior management of the Company.

Interim Dividend

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2013.

By Order of the Board
China Communications Construction Company Limited
LIU Wensheng
Company Secretary

Beijing, the PRC
27 August 2013

As at the date of this announcement, the Directors are LIU Qitao, FU Junyuan, ZHANG Changfu, LU Hongjun#, YUAN Yaohui#, ZOU Qiao#, LIU Zhangmin# and LEUNG Chong Shun#.

Independent non-executive Director