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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

Revenue of the Group in 2013 amounted to RMB331,798 million, representing an increase of RMB36,477 million, or 12.4%, from RMB295,321 million in 2012.

Gross profit in 2013 amounted to RMB33,938 million, representing an increase of RMB1,340 million, or 4.1%, from RMB32,598 million in 2012.

Operating Profit in 2013 amounted to RMB19,575 million, representing an increase of RMB350 million, or 1.8%, from RMB19,225 million in 2012.

Profit attributable to owners of the Company in 2013 amounted to RMB12,568 million, representing an increase of RMB291 million, or 2.4%, from RMB12,277 million in 2012.

Earnings per share for the year 2013 amounted to RMB0.78, as compared with RMB0.77 in 2012.

The value of new contracts in 2013 amounted to RMB543,261 million, representing an increase of 5.5% from RMB514,920 million in 2012.

As at 31 December 2013, the backlog for the Group was RMB738,055 million, as compared with RMB700,525 million as at 31 December 2012.

The Board has proposed a final dividend of RMB0.18762 per share (tax inclusive) for the year ended 31 December 2013, subject to shareholder's approval.

CHAIRMAN'S STATEMENT

In 2013, facing complicated and dynamic domestic and international economic environment, the Company entered into a crucial period and breakthrough stage of reform, innovation and business transformation. Leveraging on the development of core businesses, the Company endeavoured to promote its strategic deployment of "experts in five areas" on all fronts, accelerated the development of an adaptive organisation, and strengthened its risk resistance capabilities, while the operating results remained stable.

In 2013, revenue of the Group was RMB331,798 million, representing a year-on-year increase of 12.4%. Profit attributable to owners of the Company was RMB12,568 million, representing a year-on-year increase of 2.4%. Basic earnings per share was RMB0.78. The value of new contracts was RMB543,261 million, representing a year-on-year increase of 5.5%. As at 31 December 2013, the backlog of the Group amounted to RMB738,055 million, representing a year-on-year increase of 5.4%.

In 2013, the Company ranked 213th among Fortune Global 500, the 10th in ENR's top international contractors list, and the 12th among the world's largest design enterprises, topping other Chinese enterprises for several consecutive years. The Company has been rated as a Grade A enterprise in the Operating Results Assessment of State-owned Enterprises conducted by the SASAC for the eighth consecutive year. In total, the Company has won 109 scientific and technological awards at or above provincial and ministerial levels, one First Class Award of the State Scientific and Technological Progress Award, 17 National Quality Project Awards, four Luban Awards, seven Zhan Tianyou Awards, and three awards for Major Civil Engineering Project of the Last 100 Years presented by International Federation of Consulting Engineers (FIDIC).

In the year 2013, the Company strengthened the top-level design and expressly put forward the strategic positioning and goal of becoming "experts in five areas". As a world-renowned engineering contractor, the Company maintained its leadership in the industry especially in the "high-end, new, special and difficult" construction fields. Aiming at becoming an urban complex developer and operator, the Company successfully implemented a series of super large-scale projects, while business development bore preliminary results. With a view to being a distinctive real estate developer, the Company adopted the development model of integrated, connected development of primary and secondary land and further advanced multiple projects by focusing on the bundling of transportation infrastructure construction and real estate development. As an integrated infrastructure investor, the Company's investment business has stepped out of the incubation period and entered into the scale development and efficiency improvement period; by combining long-term and short-term projects, the Company's investment portfolio has become more reasonable. Moreover, with regard to its status as a general contractor of offshore heavy equipment and port machinery manufacturing and system integration, the Company has consolidated its market position in the port machinery sector while the development and marketing of marine oil platforms, pipe-laying vessels, large steel structures and other new products achieved new results.

In 2013, the Company accelerated the development of the adaptive organisation and adjusted its organisational structure in line with market demands. After the restructuring, the Company currently has six business divisions and seven regional headquarters, forming a business development responsibility system driven by "three engines", namely, business divisions, regional headquarters, and subsidiaries. Functional departments, business divisions and regional headquarters constitute a coordinated and orderly "trinity" management responsibility system. The restructuring will procure the Company to optimise management effectively, reduce costs and improve efficiency, and enhance competitive edges in the coming period, and is hence conducive to the Company's further market expansion.

Looking forward, the year 2014 for the Company will be a period full of strategic opportunities, a period for shifting business growth, a critical period for transformation and upgrading, and a period of painful reformation and adjustment.

Firstly, China's urbanisation construction and marine economic development will become the strong engines fueling China's economic development. Meanwhile, the continuous recovery of international economy will support an active overseas engineering contracting market. Such favourable conditions will provide support for the Company's traditional businesses as well as create opportunities in new markets. Hence, the year of 2014 will be a period full of strategic opportunities for the Company.

Secondly, the concept of Chinese governments at various levels to stimulate development by traditionally relying on infrastructure investment will be changed after the Third Plenary Session of 18th Communist Party of China Central Committee. The transportation infrastructure construction will take on a trend of slowed growth in the coming period. Accordingly, the Company's traditional businesses will face a period of shifting development models.

Thirdly, changes in market conditions and competitive mechanisms require enterprises to transform from low-level and low-cost rapid expansion to intensive development with a focus on quality and efficiency. To enhance competitiveness, an enterprise should accelerate the development of projects with higher starting point, larger capital scale, and more demanding technical standards. Therefore, the Company is at the doorstep of a critical period for transforming and upgrading.

Finally, to become "experts in five areas" is the strategic upgrading of the Company on the basis of innovations. While optimising allocation of resources, enhancing the capacities of the headquarter, and tapping internal synergies, the Company will inevitably deal with issues and contradictions such as change of management concepts, adjustments of benefits and structures, etc., therefore the Company will face a period of painful reformation and adjustment.

In this regard, we need to focus on the following aspects in 2014:

Firstly, with a focus on the strategic positioning of "experts in five areas", the Company will further refine the top-level design, clarify its path to achieve such a strategic position, take the pressure of development as enablers for reform and innovation, and realise the full transition from a "contractor" to an "operator".

Secondly, the Company will put more efforts in vitalising the Company by promoting financial, technical and cultural innovations on all rounds, building the new management accounting system, establishing and improving value management systems, and ensuring the implementation of various strategic decisions to realise new developments for the Company.

Thirdly, the Company will further improve the competitive edges of its main businesses, tap the advantages of traditional businesses such as the full industrial integration of design, construction, and equipment manufacturing, and closely follow up with large infrastructure projects with large investment scale, high technology, and high operational profitability. The Company will actively enter into municipal transportation, underground space, municipal pipeline and other municipal services, as well as follow up with key railway projects and grasp the abundant opportunities in trail transit market. Further, we will consolidate and expand the operating results of various investment projects, explore overseas markets on the basis of "one body with two wings", and vigorously tap the offshore heavy equipment manufacturing market, deep and high sea transport construction market and marine resource development markets by leveraging on the Company's advantages in heavy machinery manufacturing, port and channel construction, and dredging business; extend main businesses and seek business growth in key markets with great potentials.

Fourthly, the Company will analyse its problems objectively and march forward amid difficulties; accelerate business restructuring and endeavour to improve our earnings level; strive to control the respective proportion of accounts receivable and inventory in revenues at a reasonable level; formulate risk control measures and contingency plans, and eliminate significant potential business risks in a timely manner; strengthen project management, and pay special attention to "secondary" operations of contract changes and claims management; optimise the subcontract management IT system, strengthen centralised procurement, equipment management and other tasks, and constantly improve management efficiency, profitability and efficacy.

2014 is a crucial year to achieve goals set forth in the "Twelfth Five-Year Plan" for the Company. Facing both opportunities and challenges, our management of all levels and all staff of the Company will, guided by reforms and driven by innovations, have firm confidence in the Company's strategies, systems, culture, development and management, tackle various difficulties, and carry out various work with a down-to-earth attitude, so as to draw the new blueprint of the Company as "experts in five areas" with excellent performance.

BUSINESS OVERVIEW

In 2013, amidst complex domestic and international situations, China surmounted numerous difficulties in economic and social development, with good momentum of steady growth. The domestic infrastructure construction and investment sought stable improvement, and various infrastructure construction made new progresses. During the year, the Company comprehensively deepened its reform and promoted the strategic deployment of becoming "experts in five areas" with a focus on core businesses. In addition, the Company also accelerated business restructuring, achieving a stable operating results.

In 2013, revenue of the Group was RMB331,798 million, representing a year-on-year increase of 12.4%. The profit attributable to owners of the Company was RMB12,568 million, representing a year-on-year increase of 2.4%. The value of new contracts amounted to RMB543,261 million, representing a year-on-year increase of 5.5%. As at 31 December 2013, the backlog of the Group was RMB738,055 million, representing a year-on-year increase of 5.4%.

In 2013, revenue of the Group's businesses derived from overseas markets, including revenue realised from export trade of domestically manufactured industrial products, amounted to approximately RMB56,619 million (equivalent to approximately USD9,137 million), representing approximately 17.1% of the Group's revenue. The value of new contracts from overseas markets amounted to RMB126,909 million (equivalent to approximately USD20,112 million), representing approximately 23.4% of the Group's new contracts value.

I. BUSINESS REVIEW AND MARKET STRATEGIES

In 2013, China continued to implement proactive fiscal policies and prudent monetary policies. As a result, the economic indicators experienced from unsatisfactory to better performance. The growth rate of fixed asset investment was broadly in line with that of the previous year, while the growth rate of planned investment in newly started projects during this year accelerated as compared with the previous year. The scale of fixed asset investment in transportation infrastructure increased, while the scale of coastal waterworks construction investment decreased slightly as compared with the previous year. The scale of construction and investment in railways and highways bounced increased slightly. Besides, the development of urbanisation fueled sectors like municipal infrastructure and rail transit projects.

In 2013, the impact of the financial crisis and European debt crisis continued to ferment, while the global economy was still in the process of slow recovery. As infrastructure investment of appropriate scales can drive economic recovery and employment, this created a strong market support for the Company's expansion of overseas businesses.

In response to market changes, the Company, under the strategic guidance of becoming "experts in five areas", maintained the industry leadership in all kinds of large-scale engineering contracting markets with a focus on core businesses, thereby further expanded its influence in the overseas engineering contracting market. Leveraging on business opportunities as a result of urbanisation construction, the Company has achieved preliminary results in the market development of urban complex projects. Meanwhile, the Company made tangible progress in distinctive real estate projects by capitalising on the strength of its entire industrial chain, and enhanced its brand edge as an integrated infrastructure investor by further consolidating its years of BOT/BT project investment fruits. Moreover, the Company continued to be a leading player in terms of port machinery and offshore heavy equipment series products, and steadily developed oil rigs, large steel structure and other critical projects, with market exploration producing milestone results.

1. Infrastructure Construction Business

In 2013, revenue from infrastructure construction projects completed by the Group was RMB264,146 million, representing a year-on-year increase of 15.1%. The value of new infrastructure construction contracts entered into by the Group amounted to RMB450,551 million, representing a year-on-year increase of 6.5%. The value of new infrastructure construction contracts in terms of port construction, road and bridge projects, railway construction, investment business, overseas infrastructure construction, municipal and other projects amounted to RMB42,456 million, RMB153,545 million, RMB15,570 million, RMB58,535 million, RMB104,240 million and RMB76,205 million, respectively, representing 9%, 34%, 4%, 13%, 23% and 17% of the total value of new infrastructure construction contracts. As at 31 December 2013, the backlog was RMB653,706 million, representing a year-on-year increase of 5.5%.

(1) Port Construction

In 2013, the value of new contracts of the Group for Mainland China port infrastructure projects reached RMB42,456 million, representing a year-on-year decrease of 31.6%, and accounting for 9% of the infrastructure construction business.

In 2013, the investment willingness in China's large coastal port construction experienced significant decline, first time ever since the inception of the international financial crisis. The decline rate was narrowed from month to month, and the total investment scale of the year was basically in line with that of the previous year. The main reasons for market adjustment are: 1) accompanying the slow recovery of global economy and the weak growth in export trade of China, the production capacity accumulated in the long-term continuous investments cannot be released in short term, thereby dampening the investment demands of port operating enterprises; and 2) upon several years of continued expansion, industrial enterprises as represented by energy and resource enterprises now have less marginal investment demands.

In 2014, the investment in coastal port construction may remain stable with a slight decline. However, given the large-scale, comprehensive, deep water, professional, collaborative, and ecological orientations set for the development of China's port industry, the investment scale will remain stable or fall slightly. In addition, China will accelerate the process of moving from inland and offshore to open sea development and will continue to explore and expand coal, electricity, gas, oil, and other coastal energy projects. As a result, the nuclear and wind power markets are expected to be promising, and emerging markets as a result of marine economic development bear huge market potentials.

Based on the above analysis and judgment, the Company will focus on business transformation and upgrading, and prioritise large-scale port upgrading and reconstruction as well as port relocation projects while consolidating its shares in traditional markets. In addition, the Company will lean toward the exploration of emerging markets in connection with marine economic development and well synergize with other businesses, to break through the bottleneck of growth.

(2) Road and Bridge Construction

In 2013, the value of new contracts of the Group for Mainland China road and bridge projects reached RMB153,545 million, representing a year-on-year increase of 55.2%, and accounting for 34% of the infrastructure construction business.

In 2013, investment demand in the road construction market in China continued to rebound. Although the growth rate declined quarter by quarter, the annual total investment scale showed a certain level of increase. In respect of project types, the national expressway networking and interconnection project was vigorously promoted, while the reconstruction of "dead-end highways" and "bottleneck sections" was further accelerated. Meanwhile, the main lines construction and reconstruction of national and provincial roads were carried out at a faster pace with an increased amount of investment. In respect of geographical regions, fixed asset investment further leaned toward deep areas of Middle and Western China, accompanied by further increased construction costs and complexities.

In 2013, the *National Highway Network Plan (2013-2030)* was approved by the State Council of the People's Republic of China (the "PRC"). According to the plan, the scale of national expressway network constructions will increase by 33,000 kilometers and the additional investments in highway constructions will reach over RMB4.7 trillion by 2030. 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 and local governments. Constructions of general national roads will be mainly financed by fiscal funds from the government, with accelerated construction and reconstruction speed.

Accordingly, a relatively high scale of investments will still be maintained in the road and bridge market in the near future. However, as elements and external conditions that have long underpinned project construction would have been changed, it will be hard for investment growth rate to maintain the development pace in previous years. As a result, competition in the engineering contracting market will be continuingly intensified.

(3) *Railway Construction*

In 2013, the value of new contracts of the Group for Mainland China railway construction projects reached RMB15,570 million, accounting for 4% 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, schedule of construction in progress and capital settlement were increasingly normalised. In July, the State Council decided to increase railway investment during the "Twelfth Five-Year Plan" from the original planned RMB2.8 trillion to RMB3.3 trillion, while regional economic integration provided broad space for the construction of inter-city and intra-city railways.

In 2014, the Company will adjust market development strategies, refresh management concepts and development ideas, integrate resources, and select projects for participation in due course, to actively maintain the Company's influence in the railway construction.

(4) *Investment Business (BOT/BT and preliminary land development projects)*

In 2013, the value of new contracts of the Group for Mainland China investment business amounted to RMB58,535 million, representing a year-on-year decrease of 53.2%, and accounting for 13% of the infrastructure construction business. Categorised by project type, the value of new contracts in terms of BOT projects, BT projects and preliminary land development projects amounted to RMB23,413 million, RMB24,540 million and RMB10,582 million, respectively, representing 40%, 42% and 18% of the total value of new contracts, respectively. For the corresponding period of 2012, the value of new contracts for BOT projects, BT projects and preliminary land development projects represented 48%, 16% and 36% of the total value of new investment contracts, respectively.

As at 31 December 2013, according to statistics, the total contracted investment volume of the Group's BOT projects was estimated to be RMB148,395 million, and cumulatively RMB64,173 million having been completed with RMB39,440 million assets have been put into operation. The total contract value of BT projects entered into by the Group amounted to RMB92,239 million and with an investment amount of RMB51,293 million have been completed. Wherein, projects with an investment amount of RMB24,567 million have entered into the payback period, cumulatively recovering funds at RMB18,572 million. The total contracted investment of the Group's primary land development projects was estimated at RMB97,873 million, with RMB19,858 million having been completed, while the sales amount of RMB2,823 million has been realised.

Stepping into the year of 2013, the Company's investment business was evolved from the cultivation period to scale development and efficiency improvement period. The Company continued to enter expressway, municipal infrastructure and other traditional markets through the BOT/BT model, to tap the leading role of investments. The Group also integrated the resource capabilities of various industries, while its investment philosophy and risk control abilities increasingly maturated. Meanwhile, the Company continued to explore and practice better investment and financing modes, steadily expanded the development of urban complexes and the linked development of primary and secondary land development projects, and further amplified the synergy effects of the entire industrial chain. Upon years of accumulation, the Company has realised organic combination of long-term, mid-term and short-term projects, with increasingly reasonable project type portfolio and geographical layout.

(5) Overseas Projects

In 2013, the value of the new contracts for overseas projects of the infrastructure construction business entered into by the Group amounted to RMB104,240 million (equivalent to approximately USD16,520 million), representing a year-on-year increase of 38.2% and accounting for 23% 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 18%, 26%, 39% and 17% of the value of new contracts for overseas projects, respectively.

Categorised by project location, the value of new infrastructure construction contracts for Africa, Middle East, America, Southeast Asia, Hong Kong/Macau/Taiwan, Europe, Central Asia and other regions accounted for 65%, 12%, 6%, 5%, 3%, 2%, 1% and 6% of the value of new contracts for overseas projects, respectively.

In 2013, centering on the core objective of "taking the lead in the establishment of a world class enterprise with international competitiveness", the Company constantly strengthened overseas strategic control, resource allocation as well as high-end marketing and comprehensive coordination capabilities. The Company solidly implemented the "one body with two wings" strategy so that overseas business divisions, platform companies, professional companies and overseas branches can well perform their respective duties. With the overall promotion of overseas expansion strategies, the Company's operating results have met expectations.

In 2013, while securing new projects open for tender in conventional markets like Asia and Africa, the Company tapped into five new market regions, including Chile, Grenada, Costa Rica, Senegal, and Maldives. Together with major breakthroughs in the Panama market where the Company had been inputting efforts for years, the Company has continuously expanded its influence in mid- to high-end markets such as Latin America and Middle East, and further consolidated its market position in Eastern Europe, thereby perfecting its global marketing network.

In 2013, the Company strengthened management over overseas business divisions, with remarkable results: 1) it amended the measures for overseas business management as well as over 40 supporting systems, formulated the performance appraisal methods for overseas businesses, and compiled the international operations plans, so the institutional system for overseas business development was improved; 2) it monitored under construction projects in priority, and coordinated relevant departments to provide technical and management support to critical projects; 3) it effectively promoted project IT management, with commercial operations and business management practices improving constantly; 4) it accelerated the construction of the management accounting system, optimised tax preparation program, and enhanced centralised control over foreign exchange funds; and 5) it developed "one hundred, one thousand, and ten thousand" international talent cultivation programs and made more efforts to the introduction and cultivation of high-end international talent urgently required by overseas businesses during their course of development.

(6) Municipal and Other Projects

In 2013, the value of new contracts for municipal and other projects in Mainland China entered into by the Group reached RMB76,205 million, representing a year-on-year increase of 46.9%, and accounting for 17% of the infrastructure construction business.

The 18th National Congress of Communist Party of China 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 roads, underground pipeline networks, rail transit, 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.

In 2014, the Company will seize market opportunities to seek business increments while securing its market share. The Company will strive to make breakthroughs in representative projects of the industry, and tap into and develop new market segments with fast development and huge potentials, in a bid to develop municipal and other projects market as beneficial supplement to the large-scale engineering contracting market.

2. Infrastructure Design Business

In 2013, revenue from the infrastructure design business of the Group was RMB19,394 million, representing a year-on-year increase of 17.8%. The value of new infrastructure design contracts entered into by the Group reached RMB25,191 million, representing a year-on-year increase of 6.9%. As at 31 December 2013, the backlog was RMB35,545 million, representing a year-on-year increase of 4.5%.

Categorised by project type, the values of new contracts for survey and design, project supervision, EPC engineering and other projects accounted for 42%, 4%, 45% and 9% of the total value of new infrastructure design contracts, respectively, as compared to 37%, 2%, 43% and 18% respectively recorded in the corresponding period of 2012.

In 2013, the increment of survey and design business in shipping market was insufficient, the number of large projects decreased and the comprehensive 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 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 2013, revenue from the dredging business of the Group was RMB32,789 million, representing a year-on-year increase of 2.4%. The value of new dredging contracts entered into by the Group reached RMB39,336 million, representing a year-on-year increase of 1.8%. As at 31 December 2013, the backlog was RMB29,760 million, representing a year-on-year increase of 3.0%.

In 2013, according to vessel purchase plan, there were no large vessels constructed with special purpose to serve in the Group's dredger fleets. As at 31 December 2013, the Group's dredging capacity amounted to approximately 720 million cubic meters under standard operating conditions.

In 2013, new projects in the coastal port dredging and channel regulation market increased in some regions and decreased in some other, while investment demand may decline further. Reclamation demand in China was fickle, but the urbanisation construction in coastal cities injected new vitality into the development of the industry. However, competition for low-end projects with monotonous engineering contents will intensify. The construction of inland waterways such as Yangtze River, Xi River, Beijing-Hangzhou Grand Canal and other high-end waterways was accelerated, which will still be market investment hotspots for some time in the future. Environmental dredging projects have long been stuck in scientific researches and technical reserves, and the market is still in the incubation period with limited capacity in the short run. Meanwhile, opportunities in overseas dredging markets increased, and market demand is expected to continue to expand.

In 2014, the Company will strive to maintain stable market shares in China's coastal dredging market, pay attention to the construction of high-end inland waterways, strengthen the synergy of dredging business with investment business, control subcontracting costs, and improve overall profitability. Meanwhile, under the guidance of overseas expansion strategies, the Company will input more equipment and resources into overseas markets, strengthen its influence in overseas dredging markets by capitalising on sophisticated overseas marketing platforms, and further stabilise regional markets.

4. Heavy Machinery Manufacturing Business

In 2013, revenue from the heavy machinery manufacturing business of the Group was RMB24,171 million, representing a year-on-year increase of 25.1%. The value of new heavy machinery manufacturing contracts entered into by the Group reached RMB27,850 million, representing a year-on-year increase of 13.1%. As at 31 December 2013, the backlog was RMB19,026 million, representing a year-on-year increase of 17.0%.

In 2013, the Company took an initiative approach in the exploration of high-end and high added-value ocean heavy machinery market, such as launching the in-depth cooperation between Shanghai Zhenhua Heavy Industry Co., Ltd. ("ZPMC") and Friede Goldman United, Ltd. ("F&G"). Main structural components of "Zhen Hai I", a 300 feet jack-up drilling platform designed and built by ZPMC, were successfully installed, while "Zhen Hai II" initiated the erection embarking. The Company also made substantive progress in the exploration of new products and markets, and achieved serialised and standardised manufacturing and sales for pipelay vessels featuring mature technologies and market reserves. Projects like the wind power installation platform in China, the largest U.S. steel floating dock project, and the world's largest port gate steel structure project were advanced steadily. Meanwhile, facing unclear recovery of the traditional port machinery market and hence increased difficulties in market expansion, ZPMC tightly held on to the development trends of port automation, large-scale of vessels and environmental protection, and continuously carried out technological innovations, to cement an absolute leading position for its port machinery products in the world.

For the period to come, the Company will focus on equipment related to marine economic development and heavy machinery products, and become an offshore heavy equipment supplier with system integration and full-services via drivers of innovation, transformation and development. The Company will scientifically propel the construction of oil rig platforms and other offshore heavy equipment, to improve its brand reputation and influence. It will actively promote the development of the six-generation deepwater drilling ship and, by deploying this innovative business, strive to enlist among domestic leading players in the deepwater heavy machinery sector. Further, the Company will fully tap the powerful design and R&D capacities of F&G, and build an entire offshore heavy equipment industrial chain ranging from design, R&D, investment/financing and manufacturing to transportation, matching facilities and service integration.

Some major contracts entered into by the Group in 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	Shulanghu ore transit terminal project in Zhoushan Port, Ningbo	1,649
3	Berth 207# and 208# construction project of Taipingwan, Dalian	1,162
4	Fishing vessel shelter anchorage project in Meishan waterway in Beilun, Ningbo	789
5	Wharf project of Dagukou Port Area Heavy equipment base in Tianjin	722

Road and Bridge Construction

No.	Contract Name	Contract Value *(RMB million)*
1	Lot HD01 of Dunhua-Fusong section of Dunhua-Tonghua Highway in Jilin	10,131
2	Lot 4 of Yicheng-Baokang section of Macheng-Zhuxi Highway in Hubei	4,100
3	Tianfu New Area Freight transport corridor project in Chengdu	3,405
4	Lot 1, 2, 5 and 8 of Wuzhou-Liuzhou Highway project in Guangxi	3,279
5	Lot mwtj-1 of Macheng-Wuxue Highway in Hubei	2,151

Railway Construction

No.	Contract Name	Contract Value *(RMB million)*
1	Lot 4 of the station project of Leshan-Guiyang section of Chengdu-Guiyang Railway	2,903
2	Lot 2 of the station project of Lianyungang-Yancheng Railway	2,595
3	Lot JQJXZQ-5 of Jiangxi section of Jiujiang-Jingdezhen-Quzhou Railway	2,416
4	Lot 2 of the station works of capacity expansion project of Miyi-Panzhihua section of Chengdu-Kunming Railway	1,873
5	Lot 1 of the station works of capacity expansion project of Yongren-Guangtong section of Chengdu-Kunming Railway	1,533

Investment Business (BOT/BT and preliminary land development projects)

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-Nanjing New Channel in Jiangsu	5,919
5	Hengqin headquarters project in Zhuhai	3,000

Overseas Projects

No.	Contract Name	Contract value *(USD million)*
1	Mombasa-Nairobi Railway civil engineering project in Kenya	2,657
2	The East Corridor project of Qatar	611
3	Jeddah Flood control project in Saudi Arabia	506
4	Phase II of AA Highway project in Ethiopia	504
5	Reconstruction project of Limon Port No. 32 road-No. 4 road in Republic of Costa Rica	466

(2) Infrastructure Design Business

No.	Contract Name	Contract Value *(RMB million)*
1	EPC project of Phase I of Quanwan port coal terminal of Huizhou Port in Guangdong	1,978
2	Crude oil terminal and supporting facilities projects of Weizhou Island in Beihai	529
3	EPC project of the Eastern Jiujiang universal wharf	388
4	EPC project of Section 2 of Berth 4# and 5# in Kemen operation zone of Luoyuan Bay of Fuzhou Port in Fujian	331
5	EPC project of breakwater construction of Yangshan Daao Well Sheltered Port in Shengsi, Zhejiang	263

(3) Dredging Business

No.	Contract Name	Contract Value *(RMB million)*
1	Lot 1 and 2 of Phase II of reclamation and soft foundation treatment project of Jiangnan reclamation zone in Wenzhou	2,702
2	Lot 1 of navigation channel regulation of Taipingwan Harbour Area in Dalian	2,050
3	Section 2 of Reclamation project in east of east port basin of Tianjin Nangang Industrial Zone	1,277
4	Lot 3 of Phase I of 200,000t-class navigation channel regulation in the integrated area and bulk area of Huanghua Port in Heibei	1,164
5	Lot 2 of Phase II of Nanhai Pearl Artificial Island in Haikou, Hainan	1,010

(4) Heavy Machinery Manufacturing Business

No.	Contract Name	Contract value *(RMB million)*
1	One 5,000t offshore derrick pipelay barge	1,581
2	One 300 foot drilling flatform named "Zhen Hai 1"	1,044
3	One 3000t derrick pipelay barge	1,032
4	Quayside container cranes and gantryside container cranes for Doha New Port	987
5	Quayside container cranes and gantryside container cranes for Guangzhou Port	897

II. BUSINESS OUTLOOK

Domestically, fundamental factors underpinning economic growth in China still tend to be good in the long run, while new industrialisation, informatisation, urbanisation, and agricultural modernisation will bring huge market demands. In addition, investment in transportation infrastructure construction still boasts good conditions and basis, injecting momentum to the Company's development. Meanwhile, we also realised that the long-held concept of governments at all levels for fueling economic development by only relying on infrastructure investment will be reversed, so more investments will be inputted into the optimisation of infrastructure network structure, improvement of the overall synergised effects of various infrastructures, and various types of infrastructure projects urgently needed in China's "Grand Western Development" program. Changes in the market environment and investment concepts will procure the Company to further accelerate business restructuring and transformation of business models.

Internationally, the world economy will continue the recovery trend. The infrastructure construction demands in Asia Pacific, Africa and Latin America to improve people's livelihood are still strong, while national infrastructure upgrading and transformation projects will gradually increase in Western countries. The commercial brand created by the Company over years of operations combined with its advantages in financing channels will help the Company grab more opportunities to enter into these markets. Under the support of the Chinese government, inter-country or inter-region interconnection will be implemented at an accelerated pace, offering more market opportunities for the Company. Facing relatively positive and upbeat market situations, the Company will, while well implementing under construction projects, prudently proceed with overseas investment projects, improve market competitiveness, control various operational risks, and strive to enhance both scale and profitability.

III. BUSINESS PLAN FOR THE NEW YEAR

In 2013, according to statistics, value of new contracts entered into by the Group amounted to RMB543,261 million, accomplishing 103.4% of our basic goal. Audited revenue amounted to RMB331,798 million, accomplishing 96.5% of our basic goal.

The goal of the value of new contracts to be entered into by the Group for 2014 is RMB600,000 million, and the goal of sales revenue is RMB380,000 million.

IV. TECHNOLOGY INNOVATION

Pursuant to the Company's development strategy and work requirements, the Company will strengthen the support and guidance roles of technological R&D, technological innovations and technological management on various businesses, and further enhance its core competitiveness.

In 2013, the Company won a total of 109 scientific and technological awards at or above provincial and ministerial levels, 17 National Quality Project Awards, one First Class Award of the State Scientific and Technological Progress Award, four Luban Awards, seven Zhan Tianyou Awards, three awards for major civil engineering project of the last 100 years presented by International Federation of Consulting Engineers (FIDIC), and 512 national patents. Wherein, one of the Company's key technology R&D programs named "Key Technology and Application of Offshore Deepwater Port Construction" was awarded the First Class Award of the State Scientific and Technological Progress Award. Moreover, the Company progressively advanced its key projects: the total length of the immersed tube tunnel of Hong Kong-Zhuhai-Macao Bridge project exceeded 1,000 meters; the shield tunneling at Nanjing Weisan Road proceeded despite difficulties; the rig platform developed and manufactured independently by the Company successfully scored sales; Dongjiakou terminal at Qingdao port, the world's largest ore loading cock, was put into operation; Penang Bridge II, the longest cross-sea bridge in Southeast Asia, was cut through, while the U.S. New Bay Bridge that has the world's highest seismic level was opened to traffic. All these have further elevated the brand value of CCCC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following section should be read in conjunction with the consolidated financial statements of the Group and accompanying notes herein.

Overview

For the year 2013, revenue of the Group increased by 12.4% to RMB331,798 million, among which revenue from external customers attributed to the regions other than PRC amounted to RMB56,619 million in 2013, representing a year-on-year increase of 12.9%. The value of the Group's new contracts in 2013 was RMB543,261 million, representing a year-on-year increase of 5.5%. As at 31 December 2013, the backlog for the Group was RMB738,055 million, representing an increase of 5.4% over that as at 31 December 2012.

Gross profit in 2013 amounted to RMB33,938 million, representing an increase of RMB1,340 million, or 4.1%, from RMB32,598 million in 2012. Gross profit from infrastructure construction business, infrastructure design business and heavy machinery manufacturing business increased by 3.5%, 9.2% and 65.2%, respectively, from 2012; while the gross profit from dredging business and other businesses decreased by 0.7% and 64.5%, respectively from 2012. Gross profit margin for infrastructure construction business, infrastructure design business, dredging business, heavy machinery manufacturing business and other businesses in 2013 were 8.7%, 23.9%, 13.8%, 6.6% and 5.6%, respectively, as compared with 9.7%, 25.7%, 14.2%, 5.0% and 9.0% in 2012.

Mainly as a result of the growth in gross profit, operating profit in 2013 amounted to RMB19,575 million, representing an increase of RMB350 million, or 1.8%, from RMB19,225 million in 2012. Operating profit from infrastructure design business, dredging business and other businesses increased by 8.8%, 3.1% and 40.8%, respectively, from 2012; operating profit from infrastructure construction business kept stable from 2012; meanwhile, heavy machinery manufacturing business recorded operating profit of RMB73 million in 2013, as compared with operating loss of RMB125 million in 2012.

For the year 2013, profit attributable to owners of the Company amounted to RMB12,568 million, representing an increase of RMB291 million, or 2.4%, from RMB12,277 million in 2012. For the year 2013, earnings per share of the Group was RMB0.78, as compared with RMB0.77 for the year 2012.

The following is a comparison of financial results between the years ended 31 December 2013 and 2012.

Consolidated Results of Operations

Revenue

Revenue in 2013 increased by 12.4% to RMB331,798 million, from RMB295,321 million in 2012. The growth was mainly attributable to the increases in the revenue from the infrastructure construction business, infrastructure design business, dredging business and heavy machine business, amounting to RMB34,745 million, RMB2,926 million, RMB762 million and RMB4,854 million (all before elimination of inter-segment transactions), respectively, representing a growth rate of 15.1%, 17.8%, 2.4% and 25.1%, respectively. Meanwhile, revenue from other businesses decreased by RMB2,756 million, or 42.6%, from 2012. In January 2013, the Group disposed 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 in 2013 amounted to RMB297,860 million, representing an increase of RMB35,137 million, or 13.4%, from RMB262,723 million in 2012. Increases in cost of sales from infrastructure construction business, infrastructure design business, dredging business, and heavy machinery manufacturing business amounted to RMB33,971 million, RMB2,538 million, RMB794 million and RMB4,221 million (all before elimination of inter-segment transactions), respectively, representing an increase of 16.4%, 20.8%, 2.9% and 23.0%, respectively. Meanwhile, for the year 2013, cost of sales from other business decreased by RMB2,380 million, or 40.5% from 2012.

Cost of sales consisted mainly of cost of raw materials and consumables used, subcontracting costs, employee benefit expenses and rentals. For the year 2013, cost of raw materials and consumables used, subcontracting costs, employee benefit expenses and rentals increased by 10.1%, 19.6%, 11.6% and 4.5%.

For the year 2013, the revenue and the cost of sales both increased. As a result, gross profit in 2013 amounted to RMB33,938 million, representing an increase of RMB1,340 million, or 4.1%, from RMB32,598 million in 2012. Gross profit margin decreased to 10.2% in 2013 from 11.0% in 2012, primarily due to the decrease in gross profit margin of infrastructure construction business.

Operating Profit

Operating profit in 2013 amounted to RMB19,575 million, representing an increase of RMB350 million, or 1.8%, from RMB19,225 million in 2012. The increase was mainly due to the increase in gross profit.

For the year 2013, operating profit from infrastructure design business, dredging business and other businesses increased by RMB209 million, RMB109 million and RMB49 million (all before elimination of inter-segment transactions and unallocated cost), representing a growth rate of 8.8%, 3.1% and 40.8%, respectively, from 2012; heavy machinery manufacturing business recorded operating profit of RMB73 million in 2013, as compared with operating loss of RMB125 million (before elimination of inter-segment transactions and unallocated cost) in 2012; operating profit from infrastructure construction business decreased slightly by RMB1 million (before elimination of inter-segment transactions and unallocated cost), from 2012.

Operating profit margin decreased to 5.9% in 2013 from 6.5% in 2012.

Finance Income

Finance income in 2013 amounted to RMB2,428 million, representing an increase of RMB801 million, or 49.2%, from RMB1,627 million in 2012, mainly due to the increased finance income from BT projects, as well as the increased deposits.

Finance Costs, net

Net finance costs in 2013 amounted to RMB6,373 million, representing an increase of RMB962 million, or 17.8%, from RMB5,411 million in 2012. This increase of finance cost was primarily attributable to the increase in the volume of borrowings.

Share of Profit of Joint Ventures

Share of profit of joint ventures in 2013 amounted to RMB65 million, as compared with RMB49 million in 2012.

Share of Profit of Associates

Share of profit of associates in 2013 amounted to RMB157 million, as compared with RMB61 million in 2012.

Profit before Income Tax

As a result of the foregoing factors, profit before income tax in 2013 amounted to RMB15,852 million, representing an increase of RMB301 million, or 1.9%, from RMB15,551 million in 2012.

Income Tax Expense

Income tax expense in 2013 amounted to RMB3,580 million, representing a decrease of RMB210 million, or 5.5%, from RMB3,790 million in 2012. Effective tax rate for the Group in 2013 decreased to 22.6% from 24.4% in 2012, mainly because that more subsidiaries enjoyed preferential tax rate in 2013.

Loss Attributable to Non-Controlling Interests

Loss attributable to non-controlling interests in 2013 amounted to RMB296 million, as compared with loss attributable to non-controlling interests of RMB516 million in 2012.

Profit Attributable to Owners of the Company

Profit attributable to owners of the Company in 2013 amounted to RMB12,568 million, representing an increase of RMB291 million, or 2.4%, from RMB12,277 million in 2012.

Profit margin with respect to profit attributable to owners of the Company was 3.8% in 2013, as compared with 4.2% in 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 years ended 31 December 2013 and 2012.

Business	Revenue		Gross Profit		Gross Profit Margin		Operating Profit/(loss)[1]		Operating Profit Margin	
	Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	(RMB million)	*(RMB million)*	***(RMB million)***	*(RMB million)*	***(%)***	*(%)*	***(RMB million)***	*(RMB million)* (Restated)	***(%)***	*(%)* (Restated)
Infrastructure Construction	**264,146**	229,401	**22,931**	22,157	**8.7**	9.7	**13,464**	13,465	**5.1**	5.9
% of total	**76.8**	75.6	**67.7**	68.2	**–**	–	**67.7**	69.6	**–**	–
Infrastructure Design	**19,394**	16,468	**4,627**	4,239	**23.9**	25.7	**2,573**	2,364	**13.3**	14.4
% of total	**5.6**	5.4	**13.7**	13.0	**–**	–	**12.9**	12.2	**–**	–
Dredging	**32,789**	32,027	**4,516**	4,548	**13.8**	14.2	**3,620**	3,511	**11.0**	11.0
% of total	**9.5**	10.5	**13.3**	14.0	**–**	–	**18.2**	18.2	**–**	–
Heavy Machinery Manufacturing	**24,171**	19,317	**1,604**	971	**6.6**	5.0	**73**	(125)	**0.3**	(0.6)
% of total	**7.0**	6.4	**4.7**	3.0	**–**	–	**0.4**	(0.6)	**–**	–
Other businesses	**3,706**	6,462	**207**	583	**5.6**	9.0	**169**	120	**4.6**	1.9
% of total	**1.1**	2.1	**0.6**	1.8	**–**	–	**0.8**	0.6	**–**	–
Subtotal	**344,206**	303,675	**33,885**	32,498	**–**	–	**19,899**	19,335	**–**	–
Intersegment elimination and unallocated profit/(costs)	**(12,408)**	(8,354)	**53**	100	**–**	–	**(324)**	(110)	**–**	–
Total	**331,798**	295,321	**33,938**	32,598	**10.2**	11.0	**19,575**	19,225	**5.9**	6.5

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

Infrastructure Construction Business

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

The following table sets out the principal profit and loss information for the infrastructure construction business for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
		(Restated)
Revenue	**264,146**	229,401
Cost of sales	**(241,215)**	(207,244)
Gross profit	**22,931**	22,157
Selling and marketing expenses	**(113)**	(75)
Administrative expenses	**(9,987)**	(8,947)
Other income, net	**633**	330
Segment result	**13,464**	13,465
Depreciation and amortisation	**4,867**	3,934

Revenue. Revenue from the infrastructure construction business in 2013 was RMB264,146 million, representing an increase of RMB34,745 million, or 15.1%, as compared with RMB229,401 million in 2012. This growth was primarily attributable to the increase of revenue from road and bridge construction projects, as well as investment projects. The value of new contracts entered into for the infrastructure construction business in 2013 was RMB450,551 million, representing an increase of RMB27,496 million, or 6.5%, as compared with RMB423,055 million in 2012. No single project accounted for more than 5% of the Group's total revenue in 2013 or 2012.

Cost of sales and gross profit. Cost of sales for the infrastructure construction business in 2013 was RMB241,215 million, representing an increase of RMB33,971 million, or 16.4%, as compared with RMB207,244 million in 2012. Cost of sales as a percentage of revenue increased to 91.3% in 2013 from 90.3% in 2012.

Gross profit from the infrastructure construction business in 2013 grew by RMB774 million, or 3.5%, to RMB22,931 million from RMB22,157 million in 2012. Gross profit margin decreased to 8.7% in 2013 from 9.7% in 2012, mainly attributable to the railway construction business, in which the gross profit margin further decreased during 2013.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure construction business in 2013 were RMB113 million, representing an increase of RMB38 million as compared with RMB75 million in 2012.

Administrative expenses. Administrative expenses for the infrastructure construction business in 2013 were RMB9,987 million, representing an increase of RMB1,040 million, or 11.6%, as compared with RMB8,947 million in 2012, mainly attributable to the increase in cost of research & development, cost of administrative staff, as well as increase in provision for impairment of trade and other receivables. Administrative expenses as a percentage of revenue decreased to 3.8% in 2013 from 3.9% in 2012.

Other income, net. Other net income for the infrastructure construction business was RMB633 million in 2013, as compared with RMB330 million in 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 in 2013 was RMB13,464 million, representing a slight decrease of RMB1 million, as compared with RMB13,465 million in 2012. Segment result margin decreased to 5.1% in 2013 from 5.9% in 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 costs.

The following table sets out the principal profit and loss information for infrastructure design business for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
		(Restated)
Revenue	**19,394**	16,468
Cost of sales	**(14,767)**	(12,229)
Gross profit	**4,627**	4,239
Selling and marketing expenses	**(175)**	(157)
Administrative expenses	**(1,925)**	(1,743)
Other income, net	**46**	25
Segment result	**2,573**	2,364
Depreciation and amortisation	**217**	208

Revenue. Revenue from the infrastructure design business in 2013 was RMB19,394 million, representing an increase of RMB2,926 million, or 17.8%, as compared with RMB16,468 million in 2012. This growth was primarily attributable to the increase in the aggregate value of comprehensive contracts, which was in turn driven by higher demand for the Group's specialised design skills and experience in complex projects. The value of new contracts entered into for the infrastructure design business in 2013 was RMB25,191 million, representing an increase of RMB1,621 million, or 6.9%, as compared with RMB23,570 million in 2012.

Cost of sales and gross profit. Cost of sales for the infrastructure design business in 2013 was RMB14,767 million, representing an increase of RMB2,538 million, or 20.8%, as compared with RMB12,229 million in 2012. Cost of sales as a percentage of revenue increased to 76.1% in 2013 from 74.3% in 2012.

Gross profit from the infrastructure design business in 2013 was RMB4,627 million, representing an increase of RMB388 million, or 9.2%, as compared with RMB4,239 million in 2012. Gross profit margin decreased to 23.9% in 2013 from 25.7% in 2012. The decrease was mainly attributable to the increased proportion of revenue generated from comprehensive contracts, which have lower gross profit margin.

Selling and marketing expenses. Selling and marketing expenses for the infrastructure design business in 2013 were RMB175 million, representing an increase of RMB18 million as compared with RMB157 million in 2012.

Administrative expenses. Administrative expenses for the infrastructure design business in 2013 were RMB1,925 million, representing an increase of RMB182 million, or 10.4%, as compared with RMB1,743 million in 2012. Administrative expenses as a percentage of revenue decreased to 9.9% in 2013 from 10.6% in 2012.

Other income, net. Other net income for the infrastructure design business in 2013 was RMB46 million, as compared with RMB25 million in 2012.

Segment result. As a result of the above, segment result for the infrastructure design business in 2013 was RMB2,573 million, representing an increase of RMB209 million, or 8.8%, as compared with RMB2,364 million in 2012. Segment result margin decreased to 13.3% in 2013 from 14.4% in 2012.

Dredging Business

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

The following table sets out the principal profit and loss information for the dredging business for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
		(Restated)
Revenue	**32,789**	32,027
Cost of sales	**(28,273)**	(27,479)
Gross profit	**4,516**	4,548
Selling and marketing expenses	**(29)**	(26)
Administrative expenses	**(1,545)**	(1,320)
Other income, net	**678**	309
Segment result	**3,620**	3,511
Depreciation and amortisation	**1,665**	1,505

Revenue. Revenue from the dredging business in 2013 was RMB32,789 million, representing an increase of RMB762 million, or 2.4%, as compared with RMB32,027 million in 2012. The value of new contracts entered into for the dredging business in 2013 was RMB39,336 million, representing an increase of RMB688 million, or 1.8%, as compared with RMB38,648 million in 2012.

Cost of sales and gross profit. Cost of sales for the dredging business in 2013 was RMB28,273 million, representing an increase of RMB794 million, or 2.9%, as compared with RMB27,479 million in 2012. Cost of sales as a percentage of revenue for the dredging business in 2013 was 86.2%, as compared with 85.8% in 2012.

Gross profit from the dredging business in 2013 was RMB4,516 million, as compared with RMB4,548 million in 2012. Gross profit margin for the dredging business decreased to 13.8% in 2013, as compared with 14.2% in 2012, mainly attributable to the loss acknowledged by several projects.

Selling and marketing expenses. Selling and marketing expenses for the dredging business in 2013 were RMB29 million, representing an increase of RMB3 million from RMB26 million in 2012.

Administrative expenses. Administrative expenses for the dredging business in 2013 were RMB1,545 million, representing an increase of RMB225 million, or 17.0%, as compared with RMB1,320 million in 2012, mainly attributable to the increase in cost of research & development, cost of administrative staff, as well as increase in provision for impairment of trade and other receivables. Administrative expenses as a percentage of revenue increased to 4.7% in 2013 from 4.1% in 2012.

Other income, net. Other net income for the dredging business in 2013 was RMB678 million, representing an increase of RMB369 million from RMB309 million in 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 dredging business in 2013 was RMB3,620 million, representing an increase of RMB109 million, or 3.1%, as compared with RMB3,511 million in 2012. Segment result margin kept stable at 11.0% in 2013, as compared with 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 costs.

The following table sets out the principal profit and loss information for the heavy machinery manufacturing business for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**24,171**	19,317
Cost of sales	**(22,567)**	(18,346)
Gross profit	**1,604**	971
Selling and marketing expenses	**(128)**	(96)
Administrative expenses	**(1,809)**	(1,312)
Other income, net	**406**	312
Segment result	**73**	(125)
Depreciation and amortisation	**1,231**	1,280

Revenue. Revenue from the heavy machinery manufacturing business in 2013 was RMB24,171 million, representing an increase of RMB4,854 million, or 25.1%, as compared with RMB19,317 million in 2012. This increase was primarily due to the development of new business and new products in 2013. The value of new contracts entered into for the heavy machinery manufacturing business in 2013 was RMB27,850 million, representing an increase of RMB3,235 million, or 13.1%, as compared with RMB24,615 million in 2012.

Cost of sales and gross profit. Cost of sales for the heavy machinery manufacturing business in 2013 was RMB22,567 million, representing an increase of RMB4,221 million, or 23.0%, as compared with RMB18,346 million in 2012. Cost of sales as a percentage of revenue decreased to 93.4% in 2013 from 95.0% in 2012.

Gross profit from the heavy machinery manufacturing business in 2013 was RMB1,604 million, representing an increase of RMB633 million, or 65.2%, as compared with RMB971 million in 2012. Gross profit margin increased to 6.6% in 2013 from 5.0% in 2012, mainly attributable to certain projects with higher gross profit margin.

Selling and marketing expenses. Selling and marketing expenses for the heavy machinery manufacturing business in 2013 were RMB128 million, representing an increase of RMB32 million from RMB96 million in 2012.

Administrative expenses. Administrative expenses for the heavy machinery manufacturing business in 2013 were RMB1,809 million, representing an increase of RMB497 million, or 37.9%, as compared with RMB1,312 million in 2012, mainly attributable to the increase in provision for impairment of trade and other receivables. Administrative expenses as a percentage of revenue for the heavy machinery manufacturing business was 7.5% in 2013, as compared with 6.8% in 2012.

Other income, net. Other net income for the heavy machinery manufacturing business in 2013 was RMB406 million, representing an increase of RMB94 million from RMB312 million in 2012, mainly due to increased gains on disposal of some properties.

Segment result. As a result of the above, segment result for the heavy machinery manufacturing business in 2013 was RMB73 million profit, as compared with RMB125 million loss in 2012.

Other Businesses

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

The following table sets out the revenue, cost of sales and gross profit information for the other businesses for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Revenue	**3,706**	6,462
Cost of sales	**(3,499)**	(5,879)
Gross profit	**207**	583

Revenue. Revenue from the other businesses in 2013 was RMB3,706 million, representing a decrease of RMB2,756 million, or 42.6%, as compared with RMB6,462 million in 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 in 2013 was RMB3,499 million, representing a decrease of RMB2,380 million, or 40.5%, as compared with RMB5,879 million in 2012. Cost of sales as a percentage of revenue increased from 91.0% in 2012 to 94.4% in 2013.

Gross profit from the other businesses in 2013 was RMB207 million, representing a decrease of RMB376 million, or 64.5%, as compared with RMB583 million in 2012. Gross profit margin decreased to 5.6% in 2013 from 9.0% in 2012.

Liquidity and Capital Resources

The Group's business requires a significant amount of working capital to finance the purchase of raw materials and to finance the engineering, construction and other work on projects before payment is received from clients. The Group historically met its working capital and other capital requirements principally from cash provided by operations, while financing the remainder of the Group's requirements primarily through borrowings. As at 31 December 2013, the Group had unutilised credit facilities in the amount of RMB410,349 million. The Group's access to financial markets since its public offering in Hong Kong Stock Exchange and Shanghai Stock Exchange has provided additional financing flexibility.

Cash Flow Data

The following table presents selected cash flow data from the Company's consolidated cash flow statements for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
		(Restated)
Net cash generated from operating activities	**6,972**	13,307
Net cash used in investing activities	**(28,086)**	(19,504)
Net cash generated from financing activities	**34,562**	28,962
Net increase in cash and cash equivalents	**13,448**	22,765
Cash and cash equivalents at beginning of year	**68,003**	45,237
Exchange (losses)/gains on cash and cash equivalents	**(213)**	1
Cash and cash equivalents at end of year	**81,238**	68,003

Cash flow from operating activities

During the year 2013, net cash generated from operating activities was RMB6,972 million, as compared with RMB13,307 million in 2012, which is primarily attributable to changes in working capital, in particular, due to changes in contract work-in-progress, as well as combined effect of changes in trade and other receivables and trade and other payables. During the year 2013, increase in contract work-in-progress was RMB7,966 million, as compared with RMB3,070 million in 2012. In 2013, trade and other receivables increased by RMB35,286 million, while such effect was mostly offset by increase in trade and other payables of RMB31,866 million; as a comparison, in 2012, trade and other receivables increased by RMB20,771 million, while trade and other payables increased by RMB19,453 million.

Cash flow from investing activities

Net cash used in investing activities in 2013 was RMB28,086 million as compared with RMB19,504 million in 2012. The increase of RMB8,582 million, or 44.0%, was primarily attributable to the increase in purchases of intangible assets, additional investments in associates, purchases of available-for-sale financial assets, acquisition of a subsidiary and the decrease in proceeds from disposal of available-for-sale financial assets.

In 2013, the purchases of intangible assets amounted to RMB17,038 million, representing an increase of RMB5,116 million from 2012, mainly due to the increase of investment in BOT projects. Additional investments in associates amounted to RMB2,669 million in 2013, compared with RMB682 million in 2012. Acquisition of a subsidiary amounted to RMB925 million in 2013, increasing from RMB16 million in 2012. The Group's purchases of available-for-sale financial assets amounted to RMB8,976 million in 2013, while proceeds from disposal of available-for-sale financial assets amounted to RMB5,911 million, resulting in net cash of RMB3,065 million used in investment in available-for-sale financial assets.

Cash flow from financing activities

Net cash generated from financing activities in 2013 was RMB34,562 million, representing an increase of RMB5,600 million from RMB28,962 million in 2012, primarily attributable to the impact of the increase in proceeds from borrowings of RMB6,325 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 years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Infrastructure Construction Business	**24,262**	18,461
– BOT projects	**18,307**	12,772
Infrastructure Design Business	**269**	349
Dredging Business	**804**	2,896
Heavy Machinery Manufacturing Business	**253**	511
Other	**1,280**	69
Total	**26,868**	22,286

Capital expenditure in 2013 was RMB26,868 million, as compared with RMB22,286 million in 2012. The increase of RMB4,582 million or 20.6% 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 of the Group's average trade and bills receivable and average trade and bills payable for the years ended 31 December 2013 and 2012.

	Years ended 31 December	
	2013	2012
	(Number of days)	*(Number of days)*
Turnover of average trade and bills receivables(1)	**60**	63
Turnover of average trade and bills payables(2)	**143**	140

(1) Average trade and bills receivables equals trade and bills receivables net of provisions at the beginning of the year plus trade and bills receivables net of provisions at the end of the year divided by 2. Turnover of average trade and bills receivables (in days) equals average trade and bills receivables divided by revenue and multiplied by 365.

(2) Average trade and bills payables equals trade and bills payables at the beginning of the year plus trade and bills payables at the end of the year divided by 2. Turnover of average trade and bills payables (in days) equals average trade and bills payables divided by cost of sales and multiplied by 365.

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

	As at 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Less than 6 months	**48,147**	42,110
6 months to 1 year	**5,865**	5,101
1 year to 2 years	**4,762**	4,080
2 years to 3 years	**1,603**	1,702
Over 3 years	**1,776**	1,167
Total	**62,153**	54,160

The Group's credit terms with its customers for the year ended 31 December 2013 remained the same as that for the year ended 31 December 2012. 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. 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 31 December 2013, the Group had a provision for impairment of RMB3,802 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 December 2013 and 2012.

	As at 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Within 1 year	**115,799**	98,440
1 year to 2 years	**8,002**	5,812
2 years to 3 years	**1,595**	1,370
Over 3 years	**1,019**	604
Total	**126,415**	106,226

The Group's credit terms with its suppliers for the year ended 31 December 2013 remained the same as that for 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 fair value of the retentions as at 31 December 2013 and 2012.

	As at 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Current	**17,548**	16,464
Non-current	**19,193**	16,633
Total	**36,741**	33,097

Indebtedness

Borrowings

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

	As at 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Within 1 year	**87,818**	69,187
Between 1 year and 2 years	**13,587**	16,956
Between 2 years and 5 years	**35,847**	21,078
Over 5 years	**49,723**	37,024
Total borrowings	**186,975**	144,245

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

	As at 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Renminbi	**167,921**	125,922
U.S. dollar	**16,108**	15,260
Euro	**806**	951
Japanese Yen	**698**	839
Hong Kong dollar	**684**	766
Others	**758**	507
Total borrowings	**186,975**	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 31 December 2013 was 50.2%, as compared with 44.4% as at 31 December 2012.

Contingent Liabilities

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

	As at 31 December	
	2013	2012
	(RMB million)	*(RMB million)*
Pending lawsuits[(1)]	**439**	464
Outstanding loan guarantees[(2)]	**262**	247
Total	**701**	711

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

(2) The Group has acted as the guarantor for various external borrowings made by certain joint ventures 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 urbanisation.

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

Interest rate risk

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 which is partially offset by cash held at variable rates. Borrowings at fixed rates expose the Group to fair value interest rate risk. As at 31 December 2013, approximately RMB110,030 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 U.S. dollar, Euro and Japanese Yen. Renminbi is not freely convertible into other foreign currencies and conversion of 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 U.S. dollar. As at 31 December 2013, Renminbi had appreciated by approximately 30% against 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 years ended 31 December 2013 and 2012, certain subsidiaries within the Group used foreign exchange 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-à-vis U.S. dollar, Japanese Yen, and the Euro.

Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available-for-sale financial assets or other financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Board of Directors (the ***Board***) of China Communications Construction Company Limited (the ***Company***) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the ***Group***) prepared in accordance with International Financial Reporting Standards (***IFRS***) for the year ended 31 December 2013.

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2013	2012
	RMB million	*RMB million*
		(Restated)
Revenue	**331,798**	295,321
Cost of sales	**(297,860)**	(262,723)
Gross profit	**33,938**	32,598
Other income	**2,054**	1,753
Other gains, net	**767**	439
Selling and marketing expenses	**(480)**	(611)
Administrative expenses	**(15,810)**	(14,033)
Other expenses	**(894)**	(921)
Operating profit	**19,575**	19,225
Finance income	**2,428**	1,627
Finance costs, net	**(6,373)**	(5,411)
Share of profit of joint ventures	**65**	49
Share of profit of associates	**157**	61
Profit before income tax	**15,852**	15,551
Income tax expense	**(3,580)**	(3,790)
Profit for the year	**12,272**	11,761
Attributable to:		
– Owners of the Company	**12,568**	12,277
– Non-controlling interests	**(296)**	(516)
	12,272	11,761
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)		
– Basic	**0.78**	0.77
– Diluted	**0.78**	0.77

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2013	2012
	RMB million	*RMB million*
		(Restated)
Profit for the year	**12,272**	11,761
Other comprehensive (expenses)/income		
Item that will not be reclassified subsequently to profit or loss		
Actuarial gains/(loss) on retirement benefit obligations	**132**	(29)
Items that may be reclassified to profit or loss		
Changes in fair value of available-for-sale financial assets, net of deferred tax		
– (Losses)/gains arising during the year	**(696)**	1,408
– Release of investment revaluation reserve upon disposal of available-for-sale financial assets	**(251)**	–
– Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets	**113**	–
Share of other comprehensive income of a joint venture	**–**	1
Currency translation differences	**(130)**	77
Other comprehensive (expenses)/income for the year, net of tax	**(832)**	1,457
Total comprehensive income for the year	**11,440**	13,218
Total comprehensive income/(expenses) attributable to:		
– Owners of the Company	**11,647**	13,725
– Non-controlling interests	**(207)**	(507)
	11,440	13,218

CONSOLIDATED BALANCE SHEET

	Group As at 31 December **2013** ***RMB million***	 2012 *RMB million* (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	**55,619**	56,812
Lease prepayments	**8,273**	7,961
Investment properties	**752**	988
Intangible assets	**54,592**	36,519
Investments in joint ventures	**1,019**	1,052
Investments in associates	**6,780**	3,811
Deferred income tax assets	**2,612**	2,379
Available-for-sale financial assets	**13,913**	14,462
Trade and other receivables	**55,032**	38,685
	198,592	162,669
Current assets		
Inventories	**32,850**	27,113
Trade and other receivables	**129,870**	111,842
Amounts due from customers for contract work	**66,131**	57,983
Other financial assets at fair value through profit or loss	**191**	37
Available-for-sale financial assets	**4,203**	1,500
Derivative financial instruments	**121**	49
Restricted bank deposits	**4,249**	5,581
Cash and cash equivalents	**81,238**	67,503
	318,853	271,608
Total assets	**517,445**	434,277
EQUITY		
Capital and reserves attributable to owners of the Company		
Share capital	**16,175**	16,175
Share premium	**19,656**	19,656
Other reserves	**55,995**	47,840
Proposed final dividend	**3,035**	2,988
	94,861	86,659
Non-controlling interests	**9,980**	9,454
Total equity	**104,841**	96,113

CONSOLIDATED BALANCE SHEET (continued)

	Group	
	As at 31 December	
	2013	2012
	RMB million	*RMB million*
		(Restated)
LIABILITIES		
Non-current liabilities		
Borrowings	**99,157**	75,058
Deferred income	**1,884**	1,021
Deferred income tax liabilities	**2,893**	3,100
Retirement benefit obligations	**1,809**	2,127
Trade and other payables	**2,126**	2,672
	107,869	83,978
Current liabilities		
Trade and other payables	**198,064**	165,972
Amounts due to customers for contract work	**15,096**	15,253
Current income tax liabilities	**3,246**	3,223
Borrowings	**87,818**	69,187
Derivative financial instruments	**11**	28
Retirement benefit obligations	**144**	189
Provisions for other liabilities and charges	**356**	334
	304,735	254,186
Total liabilities	**412,604**	338,164
Total equity and liabilities	**517,445**	434,277
Net current assets	**14,118**	17,422
Total assets less current liabilities	**212,710**	180,091

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
	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)	–	–	(95)	(42)	(137)	–	(137)
Adjustments for adoption of merger accounting	–	–	9	–	9	–	9
Balance at 1 January 2012, as restated	14,825	13,853	10,904	30,521	70,103	10,789	80,892
Comprehensive income							
Profit/(losses) for the year, as restated	–	–	–	12,277	12,277	(516)	11,761
Other comprehensive income							
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	1,404	–	1,404	4	1,408
Actuarial loss on retirement benefit obligations	–	–	(29)	–	(29)	–	(29)
Share of other comprehensive income of a joint venture	–	–	1	–	1	–	1
Currency translation differences	–	–	72	–	72	5	77
Total other comprehensive income, net of tax, as restated	–	–	1,448	–	1,448	9	1,457
Total comprehensive income/(expenses), as restated	–	–	1,448	12,277	13,725	(507)	13,218
2011 final dividend	–	–	–	(2,902)	(2,902)	–	(2,902)
Dividends paid to non-controlling interests	–	–	–	–	–	(125)	(125)
Capital contribution from non-controlling interests	–	–	–	–	–	144	144
Cash contribution from CCCG	–	–	18	–	18	–	18
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)	–
Acquisition of CCMEC	–	–	(16)	–	(16)	–	(16)
Capital contribution from shareholder of Qingdao Chengyang	–	–	38	–	38	–	38
Transaction with non-controlling interests resulting from acquisition of equity interests in certain subsidiaries	–	–	2	–	2	(20)	(18)
Transfer to statutory surplus reserve	–	–	223	(223)	–	–	–
Transfer to safety reserve	–	–	383	(383)	–	–	–
Balance at 31 December 2012, as restated	16,175	19,656	11,538	39,290	86,659	9,454	96,113

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to owners of the Company						
	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 restated	16,175	19,656	11,538	39,290	86,659	9,454	96,113
Comprehensive income							
Profit/(losses) for the year	–	–	–	12,568	12,568	(296)	12,272
Other comprehensive income							
Changes in fair value of available-for-sale financial assets, net of deferred tax	–	–	(782)	–	(782)	86	(696)
Release of investment revaluation reserve upon disposal of available-for-sale financial assets	–	–	(251)	–	(251)	–	(251)
Reclassification of investment revaluation reserve due to impairment of available-for-sale financial assets	–	–	113	–	113	–	113
Actuarial gains on retirement benefit obligations	–	–	132	–	132	–	132
Currency translation differences	–	–	(133)	–	(133)	3	(130)
Total other comprehensive (expenses)/ income, net of tax	–	–	(921)	–	(921)	89	(832)
Total comprehensive income/(expenses)	–	–	(921)	12,568	11,647	(207)	11,440
2012 final dividend	–	–	–	(2,988)	(2,988)	–	(2,988)
Dividends paid to non-controlling interests	–	–	–	–	–	(35)	(35)
Capital contribution from non-controlling interests	–	–	–	–	–	414	414
Cash contribution from government	–	–	63	–	63	1	64
Acquisition of subsidiaries	–	–	(48)	–	(48)	722	674
Disposal of subsidiaries	–	–	(60)	–	(60)	(371)	(431)
Transaction with non-controlling interests resulting from acquisition of equity interests in certain subsidiaries	–	–	(408)	–	(408)	2	(406)
Transfer investment revaluation reserve to retained earnings, net of deferred tax	–	–	(3)	3	–	–	–
Transfer to National Social Security Fund	–	–	–	(4)	(4)	–	(4)
Transfer to statutory surplus reserve	–	–	1,107	(1,107)	–	–	–
Transfer to safety reserve	–	–	140	(140)	–	–	–
Balance at 31 December 2013	16,175	19,656	11,408	47,622	94,861	9,980	104,841

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2013	2012
	RMB million	*RMB million*
		(Restated)
Cash flows from operating activities		
Cash generated from operations	**10,649**	16,526
Income tax paid	**(3,677)**	(3,219)
Net cash generated from operating activities	**6,972**	13,307
Cash flows from investing activities		
Purchases of property, plant and equipment ("PPE")	**(7,331)**	(7,131)
Increase in lease prepayments	**(765)**	(233)
Purchases of intangible assets	**(17,038)**	(11,922)
Purchases of investment properties	**–**	(327)
Proceeds from disposal of PPE	**1,073**	596
Proceeds from disposal of lease prepayments	**133**	18
Proceeds from disposal of investment properties	**4**	–
Additional investments in joint ventures	**(254)**	(52)
Additional investments in associates	**(2,669)**	(682)
Acquisition of a subsidiary	**(925)**	(16)
Net cash inflow in respect of disposal of subsidiaries	**210**	–
Purchases of available-for-sale financial assets	**(8,976)**	(8,015)
Purchases of other financial assets at fair value through profit or loss	**(184)**	–
Proceeds from disposal of joint ventures	**73**	3
Proceeds from disposal of associates	**148**	72
Proceeds from disposal of available-for-sale financial assets	**5,911**	7,026
Proceeds from disposal of other financial assets at fair value through profit or loss	**18**	12
Proceeds from government grants related to assets	**978**	–
Interest received	**832**	726
Dividends received	**676**	421
Net cash used in investing activities	**(28,086)**	(19,504)
Cash flows from financing activities		
Proceeds from borrowings	**126,060**	119,735
Repayments of borrowings	**(83,273)**	(83,414)
Proceeds from issuance of A shares	**–**	4,864
Interest paid	**(8,275)**	(6,432)
Changes in restricted bank deposits	**2,655**	(2,938)
Capital contribution by shareholders	**–**	40
Dividends paid to the Company's shareholders	**(2,988)**	(2,902)
Dividends paid to non-controlling interests of subsidiaries	**(91)**	(135)
Capital contribution from non-controlling interests	**414**	144
Cash contribution from CCCG	**64**	18
Additional investments in subsidiaries	**(4)**	(18)
Net cash generated from financing activities	**34,562**	28,962
Net increase in cash and cash equivalents	**13,448**	22,765
Cash and cash equivalents at beginning of year	**68,003**	45,237
Exchange (losses)/gains on cash and cash equivalents	**(213)**	1
Cash and cash equivalents at end of year	**81,238**	68,003

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 July 2013, the Group completed the acquisition of a 95% equity interest in CCCC Real Estate Qingdao Chengyang Property Limited ("Qingdao Chengyang") from CCCC Real Estate Company Limited ("CCCC Real Estate"), which is a wholly-owned subsidiary of CCCG, with a consideration of RMB47.5 million. Upon completion of the acquisition, the Group held 100% equity interest in Qingdao Chengyang. 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 Combination" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The consolidated financial statements for the year ended 31 December 2012 have been restated as a result of adoption of merger accounting for the above business combination under common control.

In October 2012, the Group completed the acquisition of a 100% equity interests in China Communications Materials & Equipment Company Limited ("CCMEC") from CCCG. 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 "HKICPA".

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

These consolidated financial statements have been approved for issue by the Board of Directors on 25 March 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2013.

	Effective for accounting periods beginning on or after
Amendment to IAS 1, "Financial statements presentation" regarding other comprehensive income	1 July 2012
Amendment to IFRS 1, "First time adoption", on government loans	1 January 2013
Amendment to IFRSs 10, 11 and 12 on transition guidance	1 January 2013
Annual improvements 2011, which includes changes to: IFRS 1, IASs 1, 16, 32 and 34	1 January 2013
IFRS 10, "Consolidated financial statements"	1 January 2013
IAS 27 (revised 2011), "Separate financial statements"	1 January 2013
IFRS 11, "Joint arrangements"	1 January 2013
IAS 28 (revised 2011), "Associates and joint ventures"	1 January 2013
IFRS 12, "Disclosures of interests in other entities"	1 January 2013
IFRS 13, "Fair value measurements"	1 January 2013
IAS 19 (2011), "Employee benefits"	1 January 2013
Amendment to IFRS 7, "Financial instruments: Disclosures" on asset and liability offsetting	1 January 2013
Annual improvement 2012 – Amendment to IFRS 13, "Fair value measurement"	1 January 2013
Annual improvement 2013 – Amendment to IFRS 1, "First time adoption"	1 January 2013

Except for the following new and amended standards as described below, the adoption of the above amendments in the current year did not have any material effect on the consolidated financial statements or result in any significant changes in the Group's accounting policies.

- Amendment to IAS 1, "Financial statement presentation" regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassifiable to profit or loss subsequently(reclassification adjustments).

- IAS 19 (2011) "Employee benefits" 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 loss 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 loss (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 and losses are included in "remeasurement reserve" in other reserves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group (continued)

- IFRS 12, "Disclosures of interests in other entities" includes the disclosure requirements for all forms of interests in other entities, including joint ventures, associates and non-controlling interests.

- IFRS 13, "Fair value measurement", aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the consolidated financial statements of the group, except the following set out below:

- IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, and subsequently reissued to incorporate new requirements in October 2010 and November 2013. It replaces the parts of IAS 39 that relate 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 Group is yet to assess IFRS 9's full impact and will also consider the impact of the remaining phases of IFRS 9.

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

3. SEGMENT INFORMATION

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

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

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

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

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

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

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

3. SEGMENT INFORMATION (continued)

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

Sales between segments are carried out on terms with reference to the selling price used for sale 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 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 year ended 31 December 2013 and other segment items included in the consolidated financial statements are as follows:

	For the year ended 31 December 2013						
	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	264,146	19,394	32,789	24,171	3,706	(12,408)	331,798
Inter-segment revenue	(5,831)	(947)	(3,478)	(1,062)	(1,090)	12,408	–
Revenue	258,315	18,447	29,311	23,109	2,616	–	331,798
Segment result	13,464	2,573	3,620	73	169	(235)	19,664
Unallocated costs							(89)
Operating profit							19,575
Finance income							2,428
Finance costs, net							(6,373)
Share of profit of joint ventures							65
Share of profit of associates							157
Profit before income tax							15,852
Income tax expense							(3,580)
Profit for the year							12,272
Other segment items							
Depreciation	4,554	186	1,646	1,168	19	–	7,573
Amortisation	313	31	19	63	43	–	469
Write-down of inventories	21	–	–	306	1	–	328
Provision for/(reversal of) foreseeable losses on construction contracts	62	1	(4)	176	–	–	235
Provision for impairment of trade and other receivables	515	153	181	309	–	–	1,158
Provision for impairment of available-for-sale financial assets	150	–	–	–	–	–	150

3. SEGMENT INFORMATION (continued)

The segment results for the year ended 31 December 2012 and other segment items included in the consolidated financial statements, as restated, are as follows:

	For the year ended 31 December 2012 (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	229,401	16,468	32,027	19,317	6,462	(8,354)	295,321
Inter-segment revenue	(2,243)	(1,265)	(3,946)	(737)	(163)	8,354	–
Revenue	227,158	15,203	28,081	18,580	6,299	–	295,321
Segment result	13,465	2,364	3,511	(125)	120	30	19,365
Unallocated costs							(140)
Operating profit							19,225
Finance income							1,627
Finance costs, net							(5,411)
Share of profit of joint ventures							49
Share of profit of associates							61
Profit before income tax							15,551
Income tax expense							(3,790)
Profit for the year							11,761
Other segment items							
Depreciation	3,621	179	1,487	1,220	54	–	6,561
Amortisation	313	29	18	60	6	–	426
Write-down of inventories	5	–	–	145	–	–	150
Provision for foreseeable losses on construction contracts	302	–	8	188	–	–	498
Provision for impairment of trade and other receivables	376	114	126	65	8	–	689
Provision for impairment of available-for-sale financial assets	11	–	–	–	–	–	11

3. SEGMENT INFORMATION (continued)

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

The segment assets and liabilities at 31 December 2013 and capital expenditure for the year then ended are as follows:

	As at 31 December 2013						
	Construction *RMB million*	**Design** *RMB million*	**Dredging** *RMB million*	**Heavy machinery** *RMB million*	**Others** *RMB million*	**Elimination** *RMB million*	**Total** *RMB million*
Segment assets	336,233	15,058	61,970	46,117	4,804	(10,048)	454,134
Investments in joint ventures							1,019
Investments in associates							6,780
Unallocated assets							55,512
Total assets							517,445
Segment liabilities	185,972	10,661	23,470	5,899	2,063	(9,685)	218,380
Unallocated liabilities							194,224
Total liabilities							412,604
Capital expenditure	24,262	269	804	253	1,280	–	26,868

Segment assets and liabilities at 31 December 2013 are reconciled to entity assets and liabilities as follows:

	Assets *RMB million*	**Liabilities** *RMB million*
Segment assets/liabilities	**454,134**	**218,380**
Investments in joint ventures	**1,019**	**–**
Investments in associates	**6,780**	**–**
Unallocated:		
Deferred income tax assets/liabilities	**2,612**	**2,893**
Current income tax liabilities	**–**	**3,246**
Current borrowings	**–**	**87,818**
Non-current borrowings	**–**	**99,157**
Available-for-sale financial assets	**18,116**	**–**
Other financial assets at fair value through profit or loss	**191**	**–**
Derivative financial instruments	**121**	**11**
Cash and other corporate assets/corporate liabilities	**34,472**	**1,099**
Total	**517,445**	**412,604**

3. SEGMENT INFORMATION (continued)

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

	As at 31 December 2012 (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	4,627	(7,283)	381,052
Investments in joint ventures							1,052
Investments in associates							3,811
Unallocated assets							48,362
Total assets							434,277
Segment liabilities	152,477	8,192	22,357	8,778	2,590	(7,313)	187,081
Unallocated liabilities							151,083
Total liabilities							338,164
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	381,052	187,081
Investments in joint ventures	1,052	–
Investments in associates	3,811	–
Unallocated:		
Deferred income tax assets/liabilities	2,379	3,100
Current income tax liabilities	–	3,223
Current borrowings	–	69,187
Non-current borrowings	–	75,058
Available-for-sale financial assets	15,962	–
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	487
Total	434,277	338,164

3. SEGMENT INFORMATION (continued)

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

	2013 ***RMB million***	2012 *RMB million* (Restated)
PRC (excluding Hong Kong and Macau)	**275,179**	245,185
Other regions	**56,619**	50,136
	331,798	295,321

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

4. EXPENSES BY NATURE

	2013 ***RMB million***	2012 *RMB million* (Restated)
Raw materials and consumables used	**108,670**	98,728
Subcontracting costs	**99,363**	83,079
Employee benefits expenses	**30,580**	27,400
Rentals	**14,273**	13,663
Business tax and other transaction taxes	**8,642**	7,753
Fuel	**6,479**	6,053
Depreciation of property, plant and equipment and investment properties	**7,573**	6,561
Transportation costs	**307**	4,709
Amortisation of intangible assets	**281**	261
Amortisation of lease prepayments	**188**	165
Cost of goods sold	**4,437**	3,360
Research and development costs	**3,381**	2,332
Repair and maintenance expenses	**1,876**	1,758
Utilities	**1,256**	1,201
Insurance	**844**	238
Provision for impairment of trade and other receivables	**1,158**	689
Provision for foreseeable losses on construction contracts	**235**	498
Write-down of inventories	**328**	150
Auditors' remuneration	**40**	40
Other expenses	**24,239**	18,729
Total cost of sales, selling and marketing expenses and administrative expenses	**314,150**	277,367

5. OTHER INCOME

	2013	2012
	RMB million	*RMB million*
Rental income	**373**	287
Income from sale of materials	**126**	206
Dividend income on available-for-sale financial assets		
– Listed equity securities	**480**	349
– Unlisted equity investments	**73**	56
Government grants	**286**	251
Others	**716**	604
	2,054	1,753

6. OTHER GAINS, NET

	2013	2012
	RMB million	*RMB million*
Gains on disposal of property, plant and equipment	**35**	167
Gains on disposal of lease prepayments	**75**	7
Losses on disposal of other financial assets at fair value through profit or loss	**(5)**	(7)
Fair value (losses)/gains from other financial assets at fair value through profit or loss	**(7)**	7
Net gains on derivative financial instruments:		
– Foreign exchange forward contracts	**156**	71
Gains on disposal of available-for-sale financial assets	**531**	123
Net foreign exchange (losses)/gains	**(197)**	66
Net gains on disposal of subsidiaries	**152**	–
Net gains on disposal of joint ventures and associates	**27**	5
	767	439

7. FINANCE COSTS, NET

	2013	2012
	RMB million	*RMB million*
Interest expense incurred	**8,598**	6,884
Less: Capitalised interest expense	**(2,858)**	(2,013)
Net interest expense	**5,740**	4,871
Representing:		
– Bank borrowings	**3,460**	3,288
– Other borrowings	**221**	143
– Corporate bonds	**1,093**	746
– Medium term notes	**312**	312
– Debentures	**241**	110
– Non-public debt instrument	**308**	145
– Finance lease liabilities	**105**	127
	5,740	4,871
Net foreign exchange gains on borrowings	**(476)**	(35)
Others	**1,109**	575
	6,373	5,411

Borrowing costs directly attributable to the construction and acquisition of qualifying assets were capitalised as part of the costs of those assets. Borrowing costs of RMB2,858 million (2012: RMB2,013 million) were capitalised in 2013, of which approximately RMB1,182 million (2012: RMB719 million) was charged to contract work-in-progress, approximately RMB1,320 million (2012: RMB956 million) was included in cost of concession assets, approximately RMB344 million (2012: RMB328 million) was included in cost of construction-in-progress, and approximately RMB12 million (2012: RMB10 million) was included in property, plant and equipment as at 31 December 2013. A generally capitalisation rate of 4.4% (2012: 4.98%) per annum was used, representing the costs of the borrowings used to finance the qualifying assets.

8. TAXATION

Most of the companies of the Group are subject to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% (2012: 25%) of the assessable income of each of these companies during the year as determined in accordance with the relevant PRC income tax rules and regulations, except for a few subsidiaries of the Company, which were exempted from tax or taxed at preferential rates of 15% (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 the year.

Taxation of other companies of the Group has been calculated on the estimated assessable profit for the year 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:

	2013	2012
	RMB million	*RMB million*
		(Restated)
Current income tax		
– PRC enterprise income tax	**3,583**	3,315
– Others	**153**	493
	3,736	3,808
Deferred income tax	**(156)**	(18)
Income tax expense	**3,580**	3,790

9. 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 year.

	2013	2012
		(Restated)
Profit attributable to owners of the Company (RMB million)	**12,568**	12,277
Weighted average number of ordinary shares in issue (million)	**16,175**	15,950
Basic earnings per share (RMB per share)	**0.78**	0.77

(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 years ended 31 December 2013 and 2012.

10. DIVIDENDS

	2013 *RMB million*	2012 *RMB million*
Proposed final dividend of RMB0.18762 per ordinary share (2012: RMB0.1847)	**3,035**	2,988

The dividends paid in 2013 and 2012 were RMB2,988 million (RMB0.1847 per ordinary share) and RMB2,902 million (RMB0.1794 per ordinary share) respectively. A dividend in respect of the year ended 31 December 2013 of RMB0.18762 per ordinary share, amounting to a total dividend of RMB3,035 million, is to be approved at the annual general meeting on 18 June 2014. These financial statements do not reflect this dividend payable.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company during the year ended 31 December 2013.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the ***Model Code***) contained in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ***Hong Kong Listing Rule***). The Company has made specific inquiry with all of its Directors and Supervisors. Each of the Directors and Supervisors has confirmed his compliance with the requirements set out in the Model Code for the year ended 31 December 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to high standards of corporate governance. The Board believes that the Company complied with all code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules for the year ended 31 December 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 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 President of the Company, was elected as 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 31 December 2013, the Nomination Committee of the Board comprised six Directors, of whom 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 endeavour to find eligible candidates to meet the requirements set out in the code provisions.

DISTRIBUTIONS AND DIVIDENDS

For the year of 2013, net distributable profit to owners of the Company was approximately RMB12,139 million which is determined based on the financial statements prepared in accordance with China Accounting Standards for Business Enterprises and IFRS, whichever is lower. The Board has proposed a final dividend of RMB0.18762 (including tax) per share (totaling approximately RMB3,035 million which represents approximately 25% of the above-mentioned net profit attributable to owners of the Company), which is subject to approval by the shareholders of the Company (the ***Shareholders***) at the forthcoming annual general meeting to be held on 18 June 2014 (the ***AGM***). The proposed dividend distribution will be distributed to all Shareholders on the basis of total issued share capital of 16,174,735,425 shares.

The proposed final dividends are subject to applicable tax. The proposed final dividends will be denominated and declared in Renminbi and will be paid to holders of A Shares in Renminbi and to holders of H Shares in Hong Kong dollars. Further information regarding the exchange rate and the applicable tax will be disclosed by the Company in a separate announcement in due course.

ESTIMATED TOTAL AMOUNT OF DAY TO DAY RELATED PARTY TRANSACTIONS UNDER THE SHANGHAI STOCK EXCHANGE LISTING RULES

According to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the Shanghai Listing Rules), the listed issuer may, prior to disclosure of its annual report for the previous year, estimate reasonably the total amount of day-to-day related party transaction (as defined under the Shanghai Listing Rules) under each category for the current full year and submit the estimated total amount to the Board or shareholders' general meeting for consideration and approval. Upon approval, day-to-day related party transactions conducted by the issuer will be exempted from certain review and disclosure requirements under the Shanghai Listing Rules.

As a Shanghai Stock Exchange listed issuer, the Company, in accordance with the Shanghai Listing Rules, estimates reasonably that the total amount of day-to-day related party transactions for the year of 2014 will not exceed RMB1,870 million. The Company will closely monitor the respective related party transactions. If any related party transaction constitutes a connected transaction (as defined under the Hong Kong Listing Rules), and is subject to reporting, announcement or independent shareholders' approval requirements (as applicable), the Company will, as soon as possible after the terms of the respective connected transaction have been agreed, take immediate steps to ensure compliance with the Hong Kong Listing Rules.

Pursuant to Rule 10.2.5 of the Shanghai Listing Rules, any related party transaction conducted by a listed issuer with the transaction amount exceeding RMB30 million as well as accounting for more than 5% of the absolute value of a listed issuer's latest audited net assets, shall be approved by its shareholders. As the estimated total amount of day-to-day related party transactions, after aggregation with other transaction amounts of related party transactions pursuant to the Shanghai Listing Rules, exceed RMB30 million but is lower than 5% of the absolute value of the Company's latest audited net assets, the estimated total amount of day-to-day related party transactions is exempted from the requirements of Shareholders' approval by way of ordinary resolution at the AGM.

ESTIMATED CAP FOR THE INTERNAL GUARANTEES OF THE GROUP IN 2014

According to the Shanghai Listing Rules, "a listed company, with the amount of guarantees aggregated over a period of twelve consecutive months exceeding 50 percent of its latest audited net assets and with the absolute amount exceeding RMB50 million, or when providing guarantees to enterprises with asset-to-liability ratio exceeding 70%, shall submit the transaction of granting guarantees to the shareholders' general meeting for consideration and approval, as well as make a timely disclosure."

The Company estimated that the cap for the internal guarantees of the Company in 2014 will amount to RMB53,230 million, among which, RMB47,000 million will be provided by the Company to its wholly-owned subsidiaries, RMB2,000 million will be provided by the Company to its non wholly-owned subsidiaries, RMB3,510 million will be provided by the Company's wholly-owned subsidiaries to their respective subsidiaries and the remaining RMB720 million will be provided by the Company's wholly-owned subsidiaries to their respective jointly controlled entities. The resolution in relation to the estimated cap for the internal guarantees of the Group in 2014 will be valid from the date of passing the resolution at the AGM until the conclusion date of the next annual general meeting of the Company following the passing of the resolution. To the best knowledge and belief of the Company, none of those companies receiving guarantees is a connected person of the Company. The guarantees to be provided to the jointly controlled entities with a total amount of RMB720 million, after aggregation, do not constitute discloseable transactions under Chapter 14 of the Hong Kong Listing Rules.

The aforementioned resolution, which has been resolved at the thirty-ninth meeting of the second session of the Board held on 25 March 2014, is subject to approval by the Shareholders by way of an ordinary resolution at the AGM. The Board also proposed to the Shareholders to authorise the management of the Company to carry out relevant formalities when providing internal guarantees within the approved amount.

AUDIT COMMITTEE

The members of the audit committee of the Company include Liu Zhangmin, Lu Hongjun and Zou Qiao, and is chaired by Liu Zhangmin. The audit committee has reviewed the annual results of the Company.

AGM

The AGM will be held on 18 June 2014 in Beijing, the PRC. For further details of the AGM, please refer to the Notice of AGM, which will be despatched in due course.

AUDITORS

PricewaterhouseCoopers and PricewaterhouseCoopers Zhong Tian LLP were appointed as the international and domestic auditors of the Company for the year ended 31 December 2013, respectively. The financial figures in this announcement in respect of the preliminary consolidated results for the year ended 31 December 2013 have been agreed by the Company's international auditor, PricewaterhouseCoopers to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2013. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements issued by the International Federation of Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(i) For purpose of ascertaining Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 19 May 2014 to 18 June 2014 (both days inclusive), during which time no share transfers will be registered. Instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 16 May 2014. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on 18 June 2014 are entitled to attend the AGM.

(ii) For purpose of ascertaining Shareholder's entitlement to the proposed final dividend, the register of members of the Company will be closed from 25 June 2014 to 30 June 2014 (both days inclusive), during which time no share transfers will be registered. Instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at the address as set out in sub-paragraph (i) above, no later than 4:30 p.m. on Tuesday, 24 June 2014. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on 30 June 2014 are entitled to the final dividend.

PUBLICATION OF ANNUAL REPORT

This results announcement will be released on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and on the website of the Company (www.ccccltd.cn).

The annual report of the Company for the year ended 31 December 2013 which contains all the information required by the Hong Kong Listing Rules including audited financial statements will be despatched to Shareholders on or before 30 April 2014 and will be published on the HKEx website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and on the website of the Company (www.ccccltd.cn).

By Order of the Board
China Communications Construction Company Limited
LIU Qitao
Chairman

Beijing, the PRC
25 March 2014

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

Independent non-executive Directors