

2020 Annual Results Presentation



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Financial Summary

Year Ended						
RMB million (except per share data)	2020	2019	Change			
Revenue	624,495	553,114	12.9%			
Gross Profit	80,036	69,297	15.5%			
Operating Profit	34,405	34,132	0.8%			
EBITDA ¹	46,747	46,506	0.5%			
Profit before income tax	26,957	27,349	1.4%			
Profit attributable to owners of the parent	16,475	19,999	17.6%			
EPS ²	0.92	1.16	20.7%			

- 1 EBITDA is calculated by adding back depreciation and amortisation to the operating profit.
- 2 In calculating the amount of basic earnings per share, the interests/dividends with an aggregate amount of approximately RMB1,586 million shall be excluded from profits



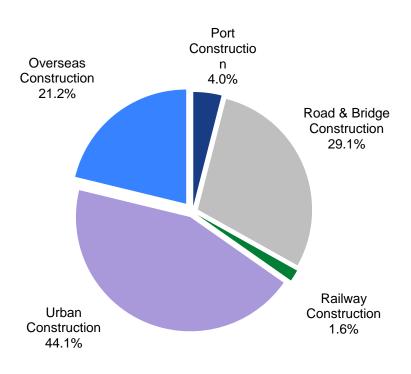
New Contracts and Backlog by Business Segments





New Contracts of Infrastructure Construction Business

New Contracts of Infrastructure Construction Business (2020)

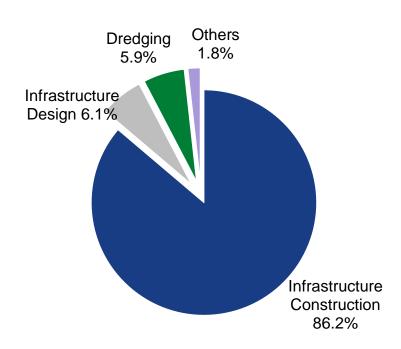


	2020		2019		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Domestic Construction	749,216	78.8%	664,140	78.0%	85,076	12.8%
Port Construction	37,942	4.0%	28,405	3.3%	9,537	33.6%
Road & Bridge Construction	276,907	29.1%	272,622	32.0%	4,285	1.6%
Railway Construction	15,455	1.6%	16,941	2.1%	(1,486)	(8.8%)
Urban Construction	418,912	44.1%	346,172	40.6%	72,740	21.0%
Overseas Construction	201,667	21.2%	187,784	22.0%	13,883	7.4%
Total	950,883	100.0%	851,924	100.0%	98,959	11.6%



Contribution by Business Segments - Revenue





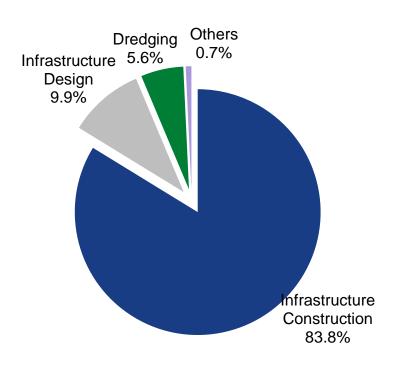
	2020		2019		Change	
Business	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	 560,987	86.2%	492,814	85.7%	68,173	13.8%
Infrastructure Design	40,005	6.1%	38,018	6.6%	1,987	5.2%
Dredging	38,414	5.9%	34,578	6.0%	3,836	11.1%
Others	11,407	1.8%	9,627	1.7%	1,780	18.5%
Total (before elimination)	 650,813 	100.0%	575,037	100.0%	75,776	13.2%



¹ All figures are before elimination of inter-segment transactions and unallocated costs

Contribution by Business Segments - Segment Result

Segment Result (2020) ¹



	2020		2019		Change	
Business	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	29,030	83.8%	28,336	82.3%	694	2.4%
Infrastructure Design	3,433	9.9%	3,761	10.9%	(328)	(8.7%)
Dredging	1,940	5.6%	1,761	5.1%	179	10.2%
Others	257	0.7%	579	1.7%	(322)	(55.6%)
Total (before elimination)	34,660	100.0%	34,437	100.0%	223	0.6%

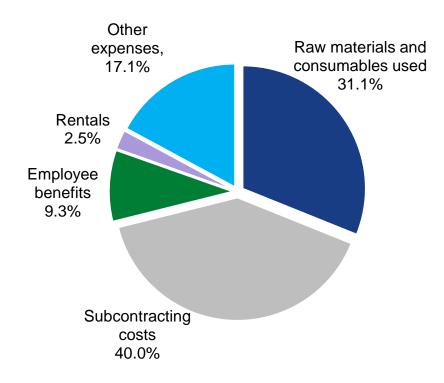


¹ All figures are before elimination of inter-segment transactions and unallocated costs

Operating Cost Structure

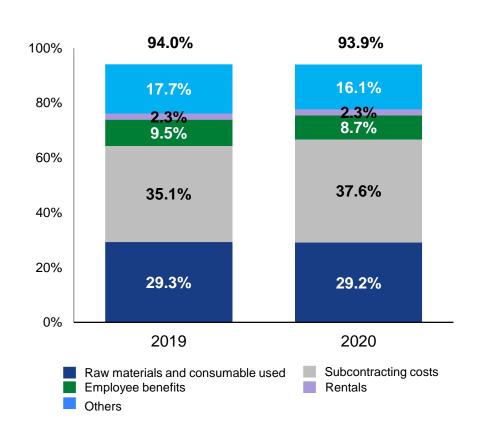
Cost Breakdown (2020)

As % of operating costs¹



Cost Structure (2020)





Note:

1 Operating costs = cost of sales + selling and marketing expenses + administrative expenses



Infrastructure Construction - Business Performance

Completed projects with RMB 560,987 million of contract value





Full Opening of Karakoram Highway Phase II

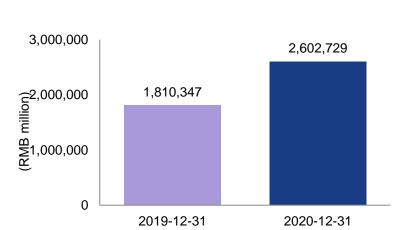


Ecological Restoration Project at Nanhu Lake, Jiaxing City, Zhejiang Province

Backlog

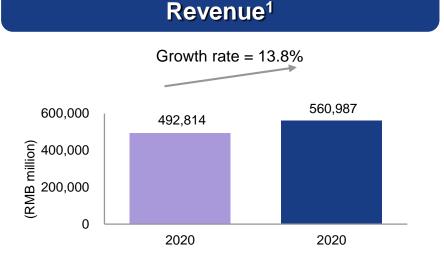
New Contracts and Backlog



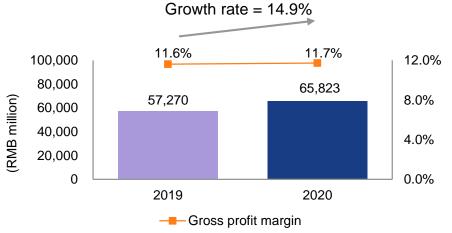




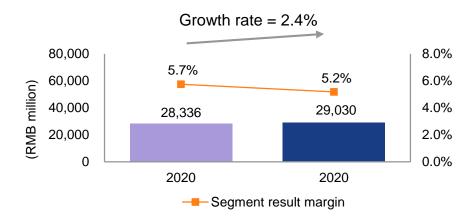
Infrastructure Construction - Financial Performance



Gross Profit¹



Segment Result^{1,2}



REMARKS

- The revenue increased by 13.8% was mainly due to the increase of revenue generated from domestic road and urban construction projects.
- Segment result margin decreased to 5.2% primarily due to the increase in research and development cost.

- 1 All figures are before elimination of inter-segment transactions and unallocated costs
- 2 Segment result = revenue cost of sales selling and marketing expenses administrative expenses + other income/ (expenses), net



Infrastructure Design - Business Performance

Completed projects with RMB 40,005 million of contract value





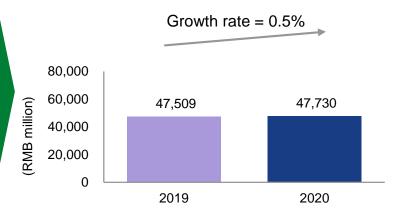
New Urbanization Construction Project of Urban and Rural Integration Exemplary Zone in Xuchang City

New Contracts

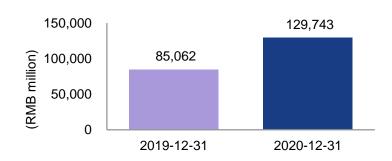


Jianzhou New City - Landscape Demonstration Area in Longmahu Park

New Contracts and Backlog



Backlog





Infrastructure Design - Financial Performance







Segment Result^{1,2}



REMARKS

 The increase in revenue and decrease in gross profit margin was mainly due to the increased proportion of revenue generated from comprehensive contracts, which have lower gross profit margin.

- 1 All figures are before elimination of inter-segment transactions and unallocated costs
- 2 Segment result = revenue cost of sales selling and marketing expenses administrative expenses + other income/ (expenses), net



Dredging - Business Performance

Completed projects with RMB 38,414 million of contract value



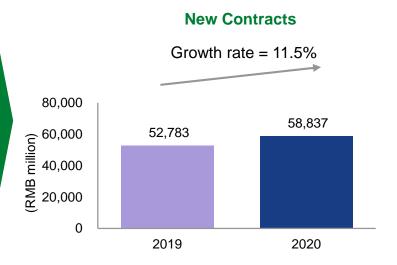


Sewage System Quality and Efficiency Project in Tianmenshan Area, Wuhu City (Design Sketch)

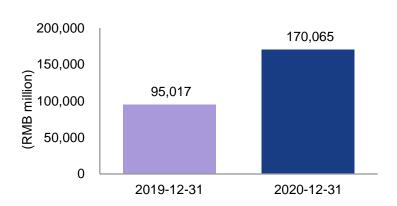


Colombo Port City Project- 2020 ENR Global Best Project Award for Airport / Port Category

New Contracts and Backlog



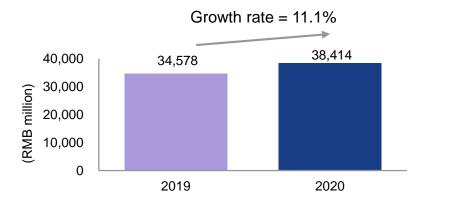
Backlog



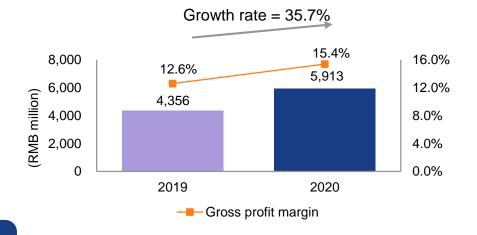


Dredging - Financial Performance





Gross Profit¹



Segment Result^{1,2}



REMARKS

The increase in gross profit and gross profit margin was primarily attributable to the increase revenue in higher gross profit margin dredging projects.

- 1 All figures are before elimination of inter-segment transactions and unallocated costs
- 2 Segment result = revenue cost of sales selling and marketing expenses administrative expenses + other income/ (expenses), net



Capital Expenditure

Infrastructure Construction Business

 Mainly used in investments in BOT projects, purchases of self-use property, machinery, equipment and vessels

Infrastructure
Design
Business

 Mainly used in the purchase of equipment

Dredging Business

 Mainly used in the purchase of new dredgers and upgrade of existing dredgers

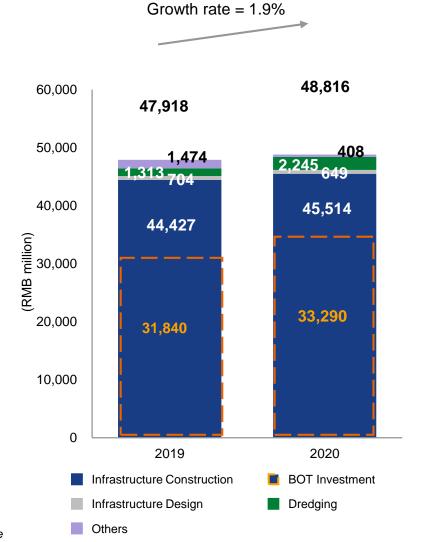
Other Business

 Mainly used in purchase of self-use property

Note:

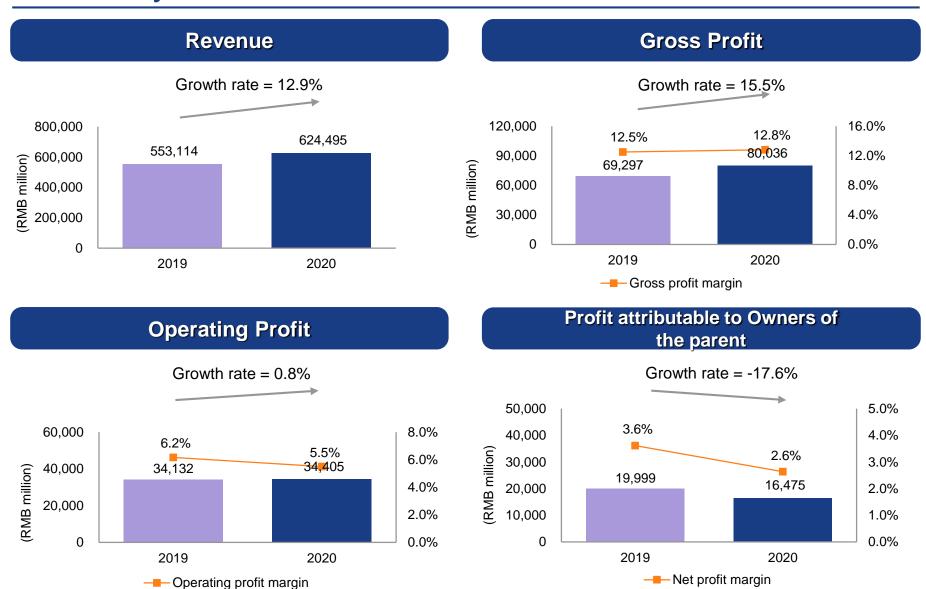
1 Capital expenditure is implemented by means of both cash purchase and financial lease

Capital expenditure





Summary Income Statement Data





Summary Balance Sheet Data

RMB Million	As at 2020-12-31	As at 2019-12-31	Change
Non-current assets	719,672	594,045	21.1%
Property, plant and equipment	61,040	60,400	1.1%
Intangible assets	229,482	219,227	4.7%
Equity instruments designated at fair value through other comprehensive income	30,736	25,018	22.9%
Investments in joint ventures and associates	67,602	51,398	31.5%
Trade and other receivables	262,698	178,037	47.6%
Contract Assets	30,520	30,265	0.8%
Current assets	584,497	529,369	10.4%
Inventories	72,877	62,613	16.4%
Trade and other receivables	258,004	223,768	15.3%
Contract Assets	124,798	116,236	7.4%
Cash and cash equivalents	119,511	118,908	0.5%
Total Asset	1,304,169	1,123,414	16.1%
Non-current liabilities	363,657	298,665	21.8%
Borrowings	322,888	265,048	21.8%
Current liabilities	582,708	528,339	10.3%
Trade and other payables	404,230	362,901	11.4%
Contract liabilities	88,558	82,992	6.7%
Borrowings	82,490	76,379	8.0%
Total liabilities	946,365	827,004	14.4%
Total equity	357,804	296,410	20.7%
	As at 2020-12-31	As at 2019-12-31	Change
Total Liabilities / Total Assets	72.6%	73.6%	(1.0%)
Net debt / Total Capital ²	44.4%	42.9%	1.5%

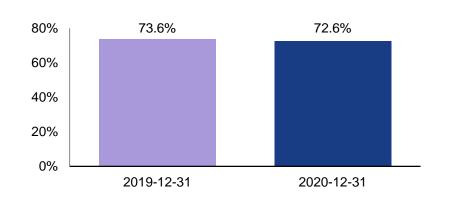


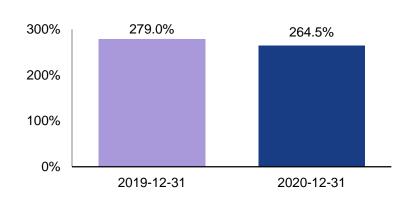
Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

Summary Balance Sheet Data

Total Liabilities/Total Assets

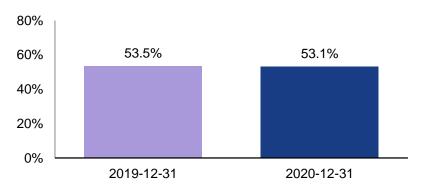
Total Liabilities/Net Assets

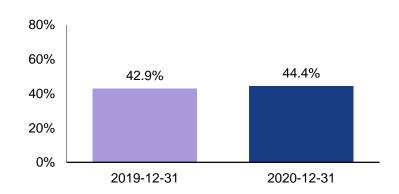




Total Debt/Total Capitalization¹

Net Debt/Total Capital²



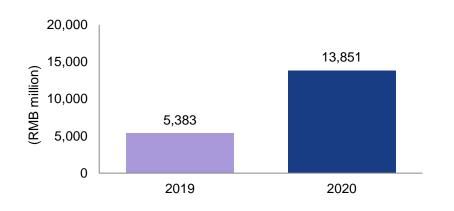


- Total capitalization is total equity plus total borrowings
- 2. Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

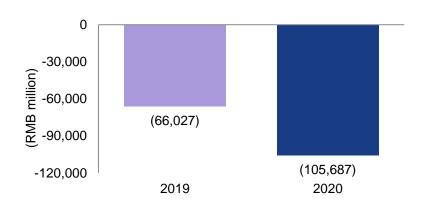


Summary Cash Flow Statement Data

Cash Flow from Operating Activities

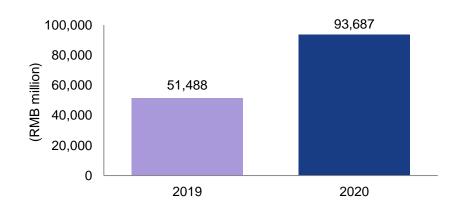


Cash Flow from Investing Activities



REMARKS

Cash Flow from Financing Activities



- Net cash generated from operating activities was RMB 13,851 million, primarily due to the increase in revenue in 2020.
- Net cash used in investing activities in 2020 increased to RMB 105,687million, primarily attributable to the increase of purchases of intangible assets, other longterm assets and additional investments in associates and joint ventures.
- Net cash generated from financing activities increased to RMB 93,687 million, primarily due to the increase in proceeds from financial instruments classified as equity.



Development Outline for "14th Five -Year Plan" Period

Vision

"Technology" Enterprise

- Meet "Five Orientations" requirements.
- ☐ Focus on key responsibilities, core businesses, key technologies and "stranglehold" fields.
- Lead by "Two Profits & Four Rates" Performance Evaluation.
- Achieve a growth of R&D input higher than the corporate development in the "14th Five-Plan" Period.
- ☐ Significantly improve the contribution of sci-tech innovation compared to the "13th Five-Plan" Period.

"Management" Enterprise

- Problem-solving orientation.
- ☐ Strengthen the headquarters, refine the regions, advance the project delicacy management.
- Asset management to capital management, extensive management to lean management, management by administrative orders to efficient and well-ordered modern governance, from project, talent and technology export to management model and standard export.

"Quality" Enterprise

- Keep quality uppermost, prioritize efficiency.
- Focus on the performance of efficiency and operation indicators; emphasize the concentration in high end the value chain: underline the resource allocation to the fields of high added value and high return; highlight coordination of "scale, speed, quality, structure, efficiency and safety" and the matching of resources, elements, abilities and the environment.

"World-Class" Enterprise

- ☐ Strive for "Three Pioneers".
- ☐ Achieve "Three Leaders".
- Establish "Three Models".



Thank You

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