



中国交通建设股份有限公司
CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

01800.HK

2021 Interim Results Presentation



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Financial Summary

| RMB million (except per share data) | 1H 2021 (Unaudited) | 1H 2020 (Unaudited) | Change |
|---|------------------------|------------------------|----------|
| Revenue | 339,218 | 245,410 | ↑ 38.2% |
| Gross Profit | 38,015 | 28,511 | ↑ 33.3% |
| Operating Profit | 18,458 | 13,543 | ↑ 36.3% |
| EBITDA ¹ | 24,588 | 19,398 | ↑ 26.8% |
| Profit before income tax | 15,904 | 9,538 | ↑ 66.7% |
| Profit attributable to owners of the parent | 10,386 | 5,517 | ↑ 88.3% |
| EPS ² | 0.60 | 0.28 | ↑ 114.3% |

Notes:

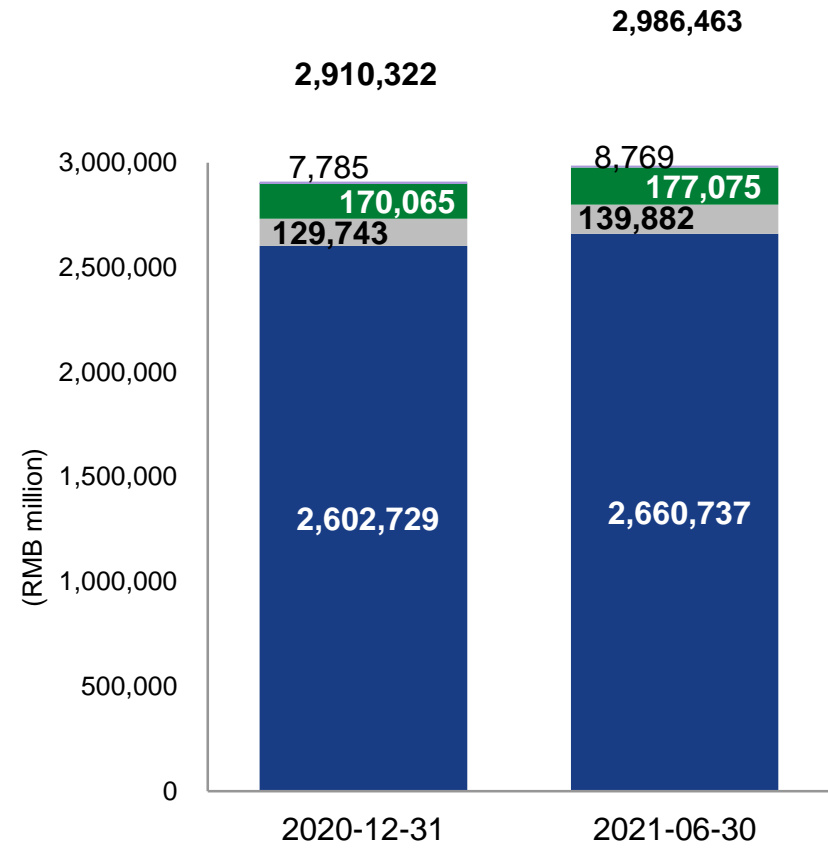
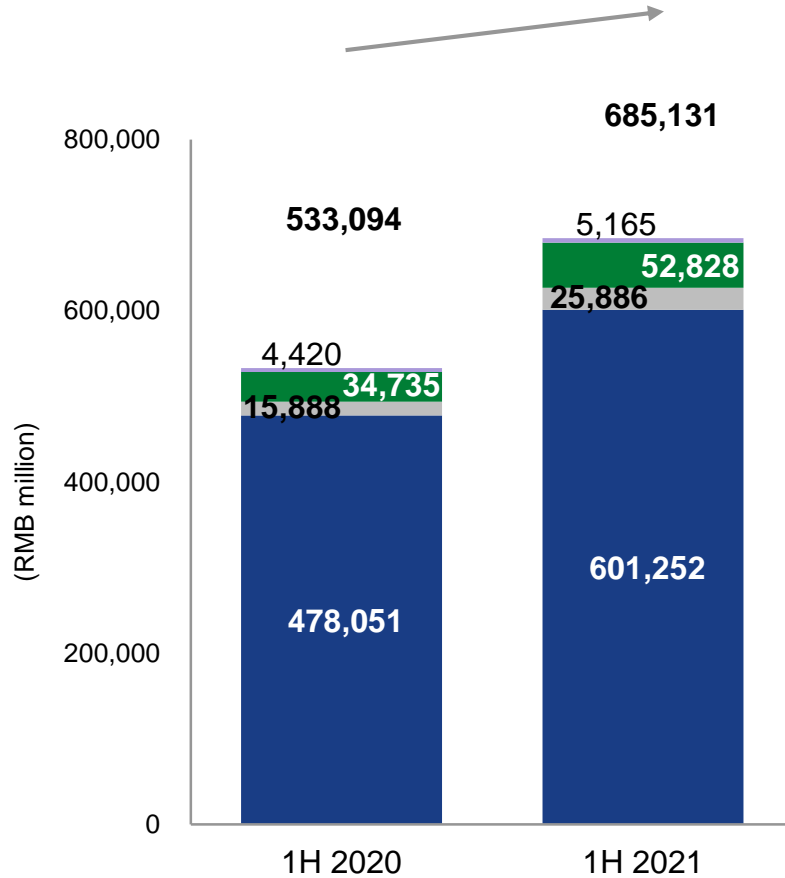
- ¹ EBITDA is calculated by adding back depreciation and amortisation to the operating profit.
- ² In calculating the amount of basic earnings per share for the six months ended 30 June 2021, the interests/dividends with an aggregate amount of approximately RMB748 million shall be excluded from profits.

New Contracts and Backlog by Business Segments

New Contracts

Backlog

Growth rate = 28.5%



■ Infrastructure Construction

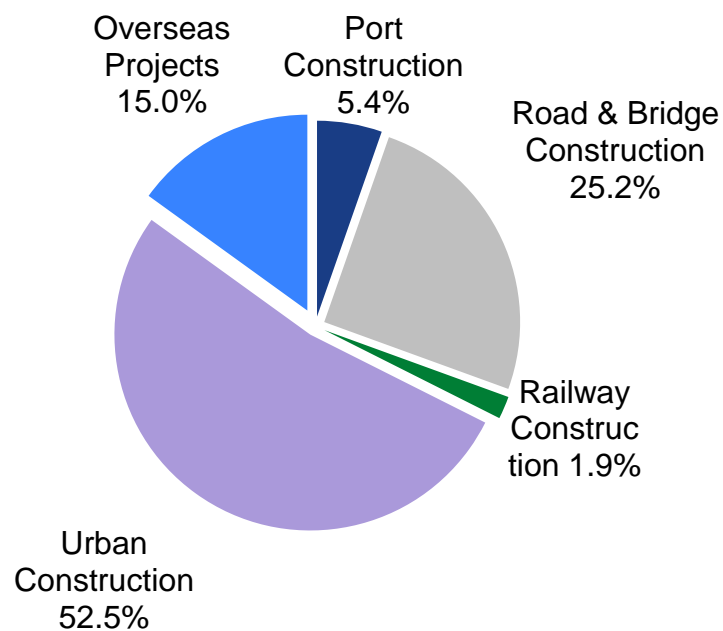
■ Infrastructure Design

■ Dredging

■ Others

New Contracts of Infrastructure Construction Business

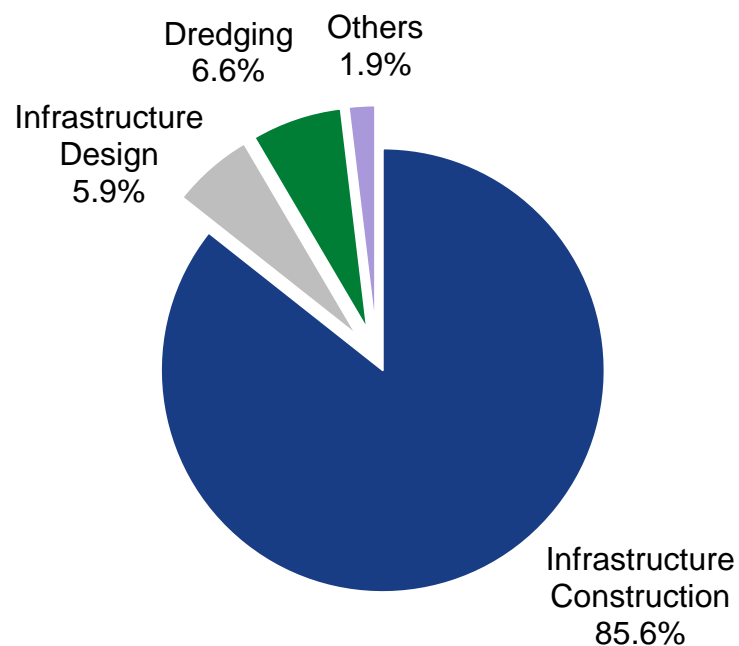
New Contracts of Infrastructure Construction Business (1H 2021)



| | 1H 2021 | | 1H 2020 | | Change | |
|------------------------------|----------------|---------------|----------------|---------------|-----------------|----------------|
| | RMB million | % of total | RMB million | % of total | RMB million | Growth |
| Domestic Construction | 510,898 | 85.0% | 362,955 | 75.9% | 147,943 | 40.8% |
| Port Construction | 32,201 | 5.4% | 22,032 | 4.6% | 10,169 | 46.2% |
| Road & Bridge Construction | 151,888 | 25.2% | 117,430 | 24.6% | 34,458 | 29.3% |
| Railway Construction | 11,227 | 1.9% | 1,164 | 0.2% | 10,063 | 864.5% |
| Urban Construction | 315,582 | 52.5% | 222,329 | 46.5% | 93,253 | 41.9% |
| Overseas Projects | 90,354 | 15.0% | 115,096 | 24.1% | (24,742) | (21.5%) |
| Total | 601,252 | 100.0% | 478,051 | 100.0% | 123,201 | 25.8% |

Contribution by Business Segments - Revenue

Revenue (1H 2021) ¹



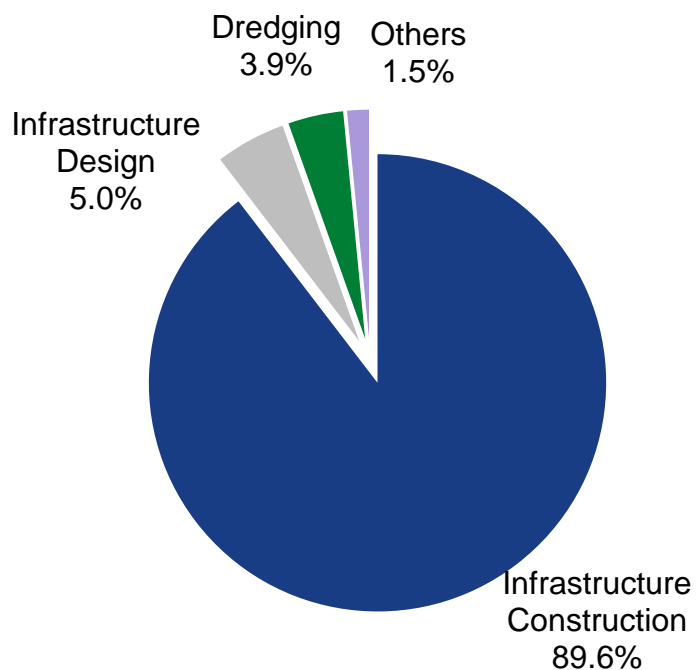
| Business | 1H 2021 | | 1H 2020 | | Change | |
|-----------------------------------|----------------|---------------|----------------|---------------|----------------|--------------|
| | RMB million | % of total | RMB million | % of total | RMB million | Growth |
| Infrastructure Construction | 303,730 | 85.6% | 218,839 | 86.4% | 84,891 | 38.8% |
| Infrastructure Design | 20,897 | 5.9% | 13,628 | 5.4% | 7,269 | 53.3% |
| Dredging | 23,245 | 6.6% | 16,122 | 6.3% | 7,123 | 44.2% |
| Others | 6,728 | 1.9% | 4,791 | 1.9% | 1,937 | 40.4% |
| Total (before elimination) | 354,600 | 100.0% | 253,380 | 100.0% | 101,220 | 39.9% |

Note:

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

Contribution by Business Segments - Segment Result

Segment Result (1H 2021) ¹



| Business | 1H 2021 | | 1H 2020 | | Change | |
|-----------------------------------|---------------|---------------|---------------|---------------|--------------|--------------|
| | RMB million | % of total | RMB million | % of total | RMB million | Growth |
| Infrastructure Construction | 15,773 | 85.6% | 11,980 | 89.6% | 3,793 | 31.7% |
| Infrastructure Design | 1,440 | 7.8% | 663 | 5.0% | 777 | 117.2% |
| Dredging | 1,011 | 5.5% | 522 | 3.9% | 489 | 93.7% |
| Others | 195 | 1.1% | 206 | 1.5% | (11) | (5.3%) |
| Total (before elimination) | 18,419 | 100.0% | 13,371 | 100.0% | 5,048 | 37.8% |

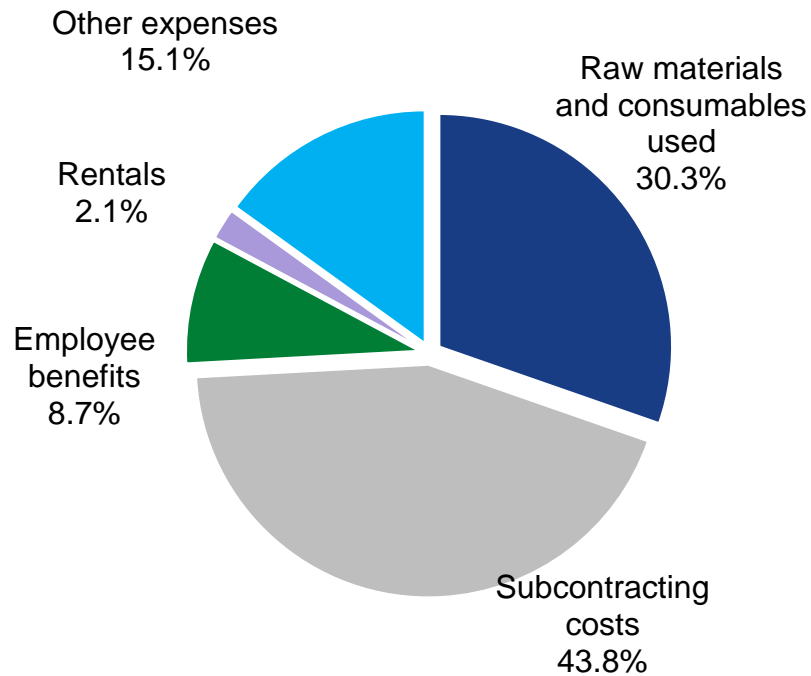
Note:

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

Operating Cost Structure

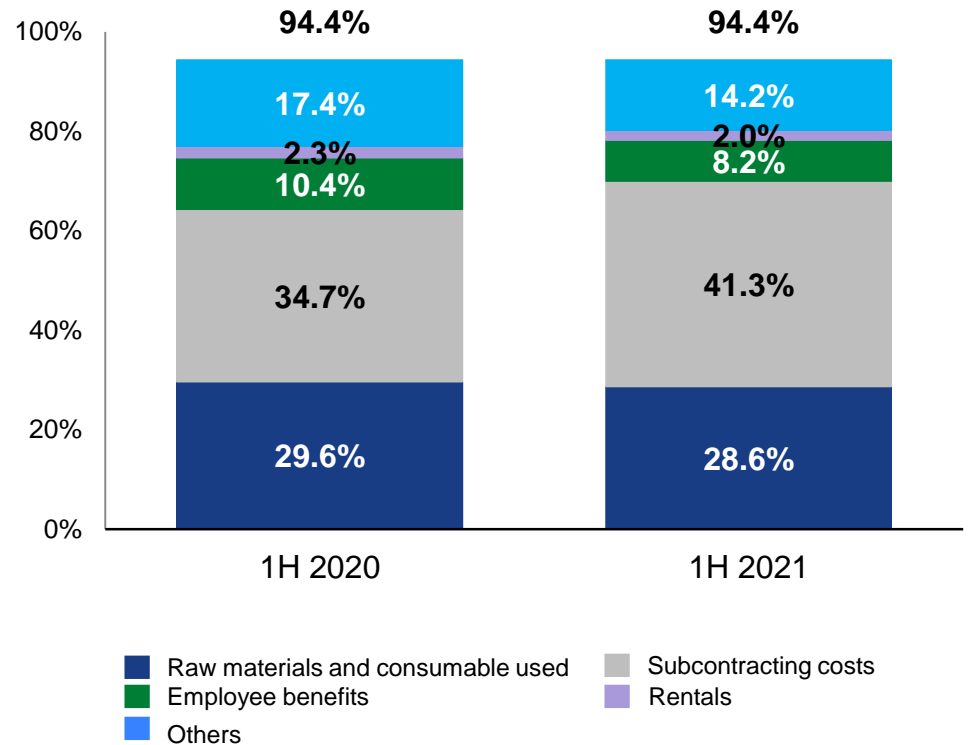
Cost Breakdown (1H 2021)

As % of operating costs¹



Cost Structure (1H 2021)

As % of sales



Note:

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

Infrastructure Construction - Business Performance

Completed projects with RMB 303,730 million of contract value

Key Projects



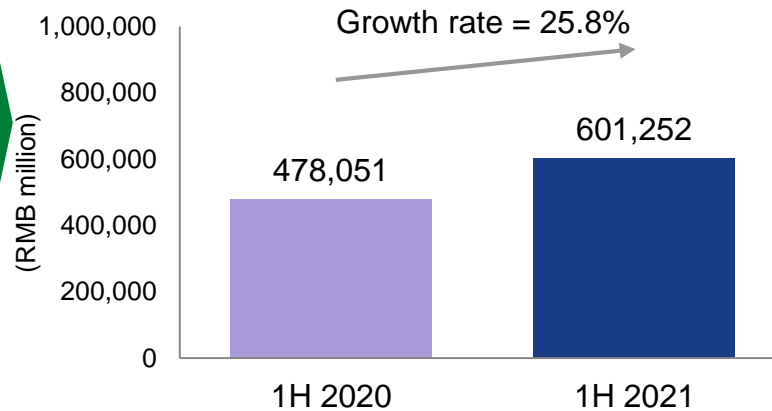
Operation Commencement of Hebei Section of Beijing-Xiong'an Expressway



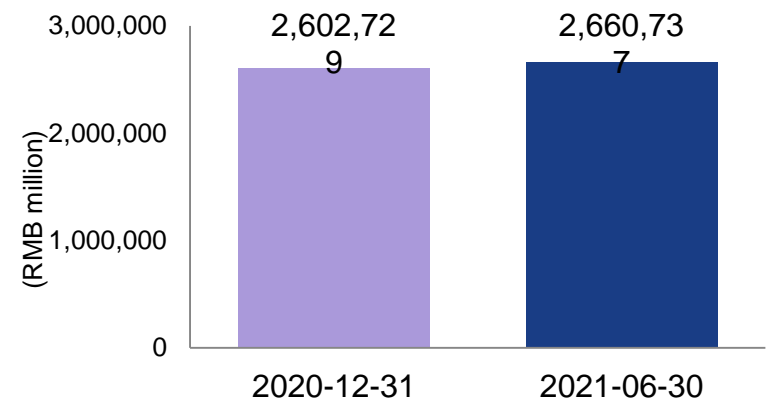
Chengdu Mengyang New Town Design Sketch

New Contracts and Backlog

New Contracts

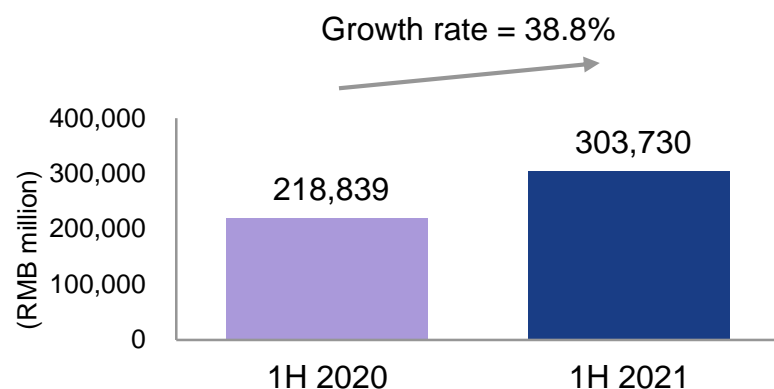


Backlog

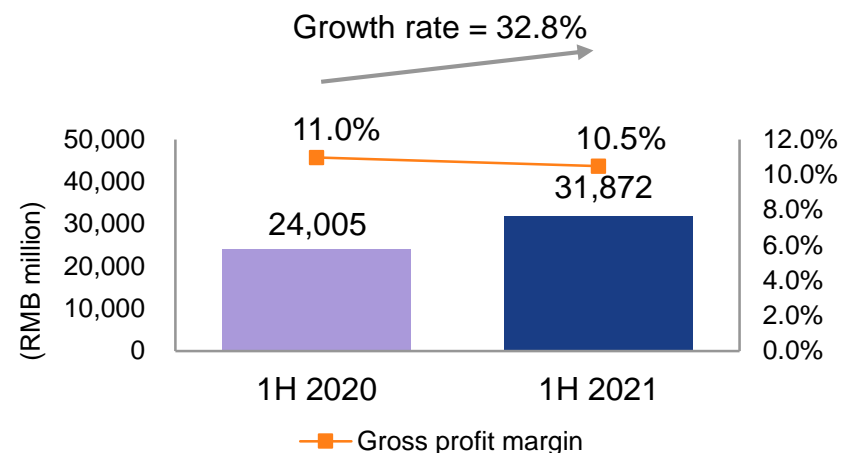


Infrastructure Construction - Financial Performance

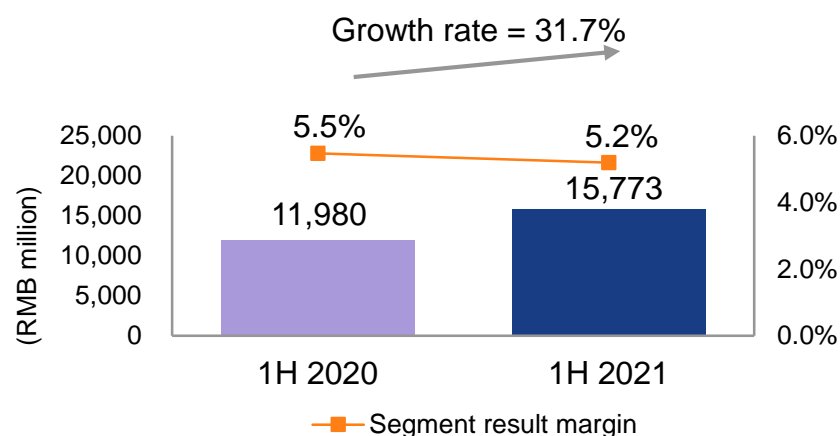
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The increase was mainly due to the increase of revenue generated from domestic road and urban construction projects, and the decrease of impact from Covid-19 in overseas markets which resulted in orderly resumption of work and production.
- ◆ Gross profit margin decreased to 10.5% primarily due to the increased proportion of revenue generated from housing construction projects, which have lower gross profit margin.

Notes:

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 RMB20,897 million of contract value

Key Projects



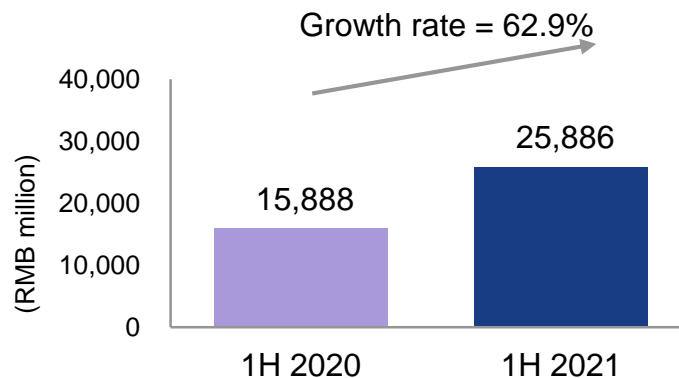
Guiyang - Huangping Expressway Baoshan Super Bridge



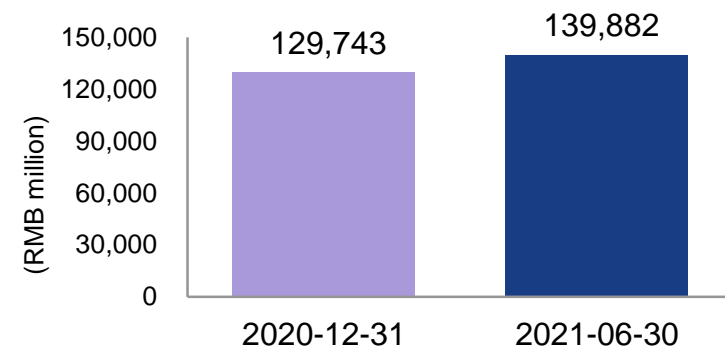
Waterway Engineering of New Bohe Port Area of Maoming Port, Guangdong Province

New Contracts and Backlog

New Contracts

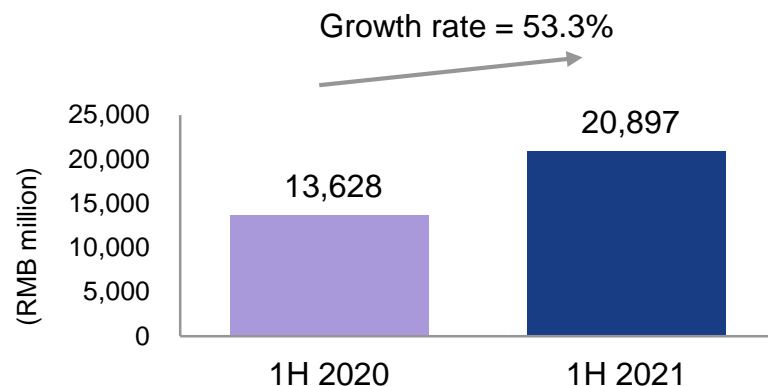


Backlog

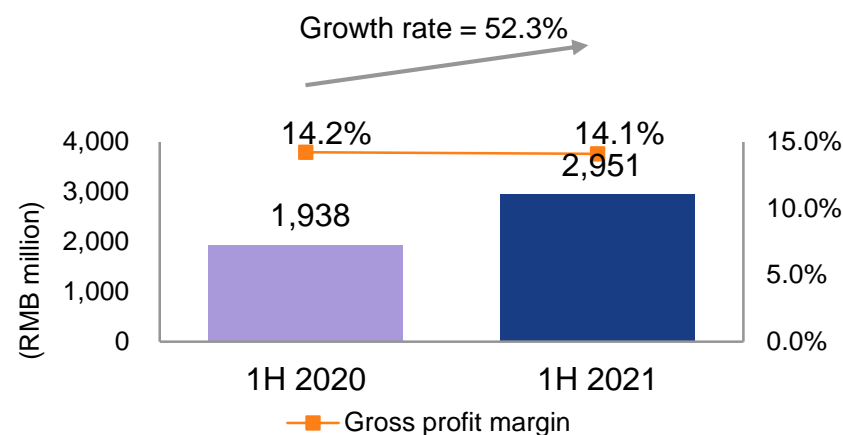


Infrastructure Design - Financial Performance

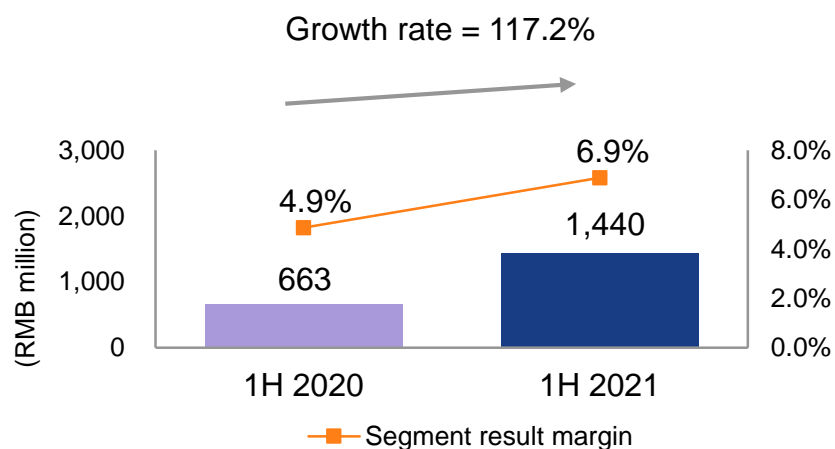
Revenue¹



Gross Profit¹



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 profit margin.

Notes:

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 RMB23,245 million of contract value

Key Projects



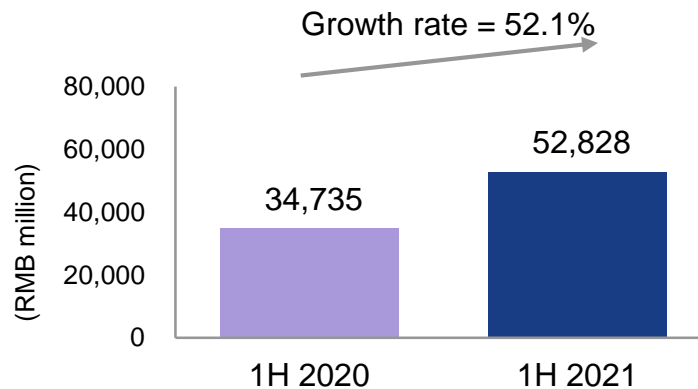
Shandong Rizhao Port Lanshan Harbour Deepwater Navigation Channel Phase II



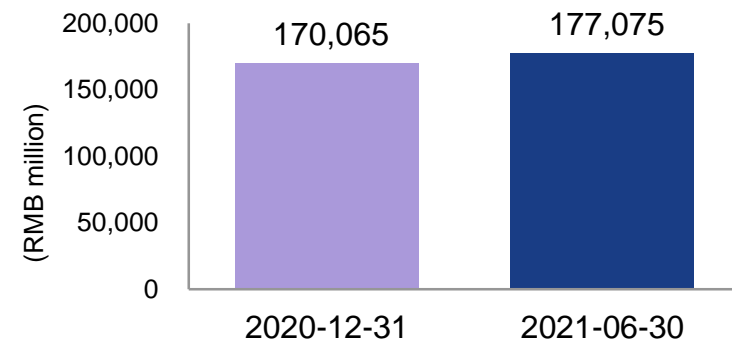
Hubei Yidu "Two Rivers and One Stream" Regional Treatment Project

New Contracts and Backlog

New Contracts

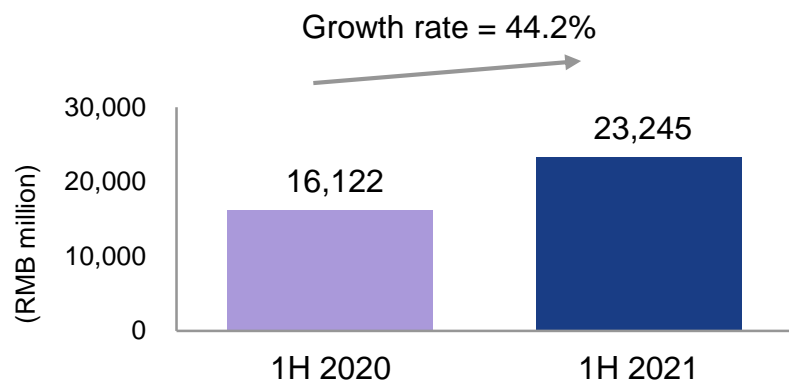


Backlog

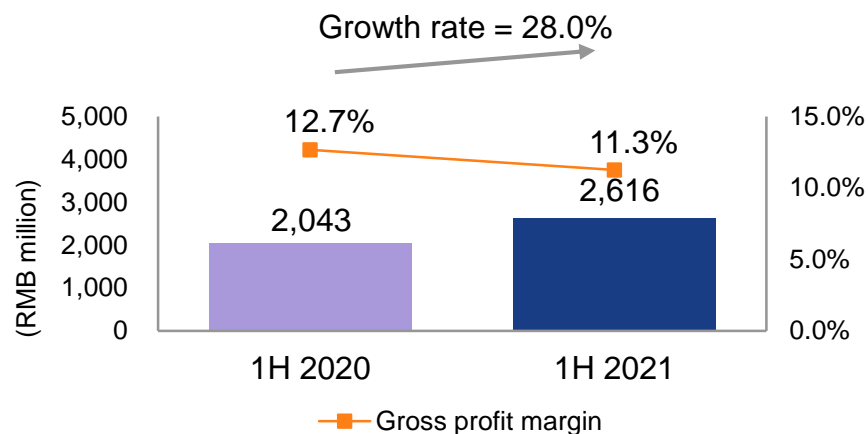


Dredging - Financial Performance

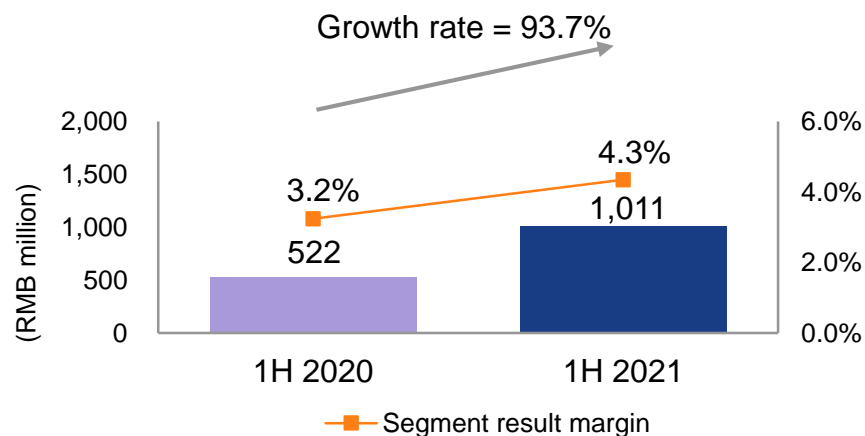
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The increase in gross profit and gross profit margin was primarily attributable to the decreased proportion of lower gross profit margin business.

Notes:

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

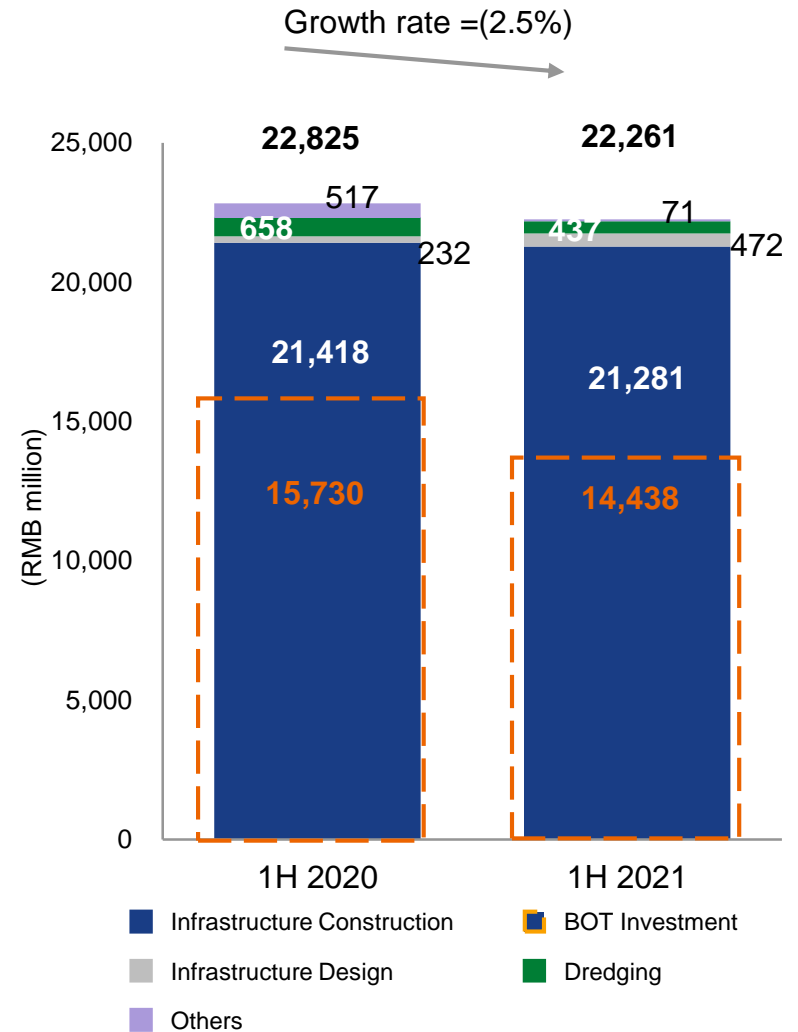
Capital Expenditure

| | |
|---|--|
| Infrastructure Construction Business | <ul style="list-style-type: none"> ◆ Mainly used in investments in BOT projects, purchases of self-use property, machinery, equipment and vessels |
| Infrastructure Design Business | <ul style="list-style-type: none"> ◆ Mainly used in the purchase of equipment |
| Dredging Business | <ul style="list-style-type: none"> ◆ Mainly used in the purchase of new dredgers and upgrade of existing dredgers |
| Other Business | <ul style="list-style-type: none"> ◆ Mainly used in purchase of self-use property |

Note:

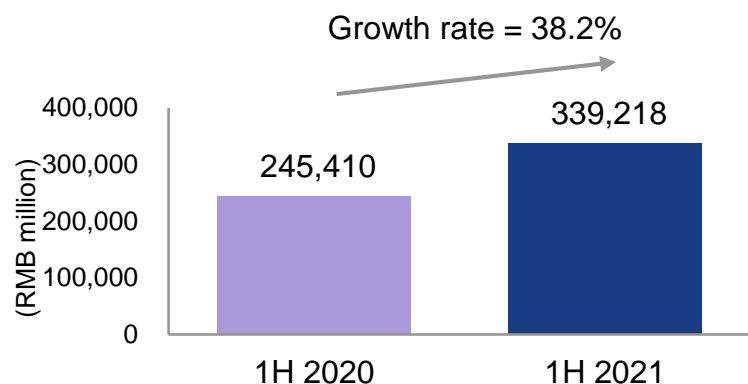
1 Capital expenditure is implemented by means of both cash purchase and lease

Capital Expenditure

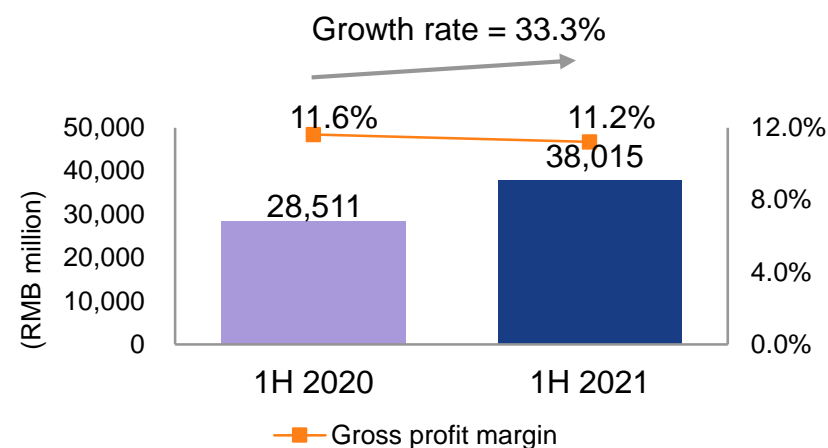


Summary of Income Statement Data

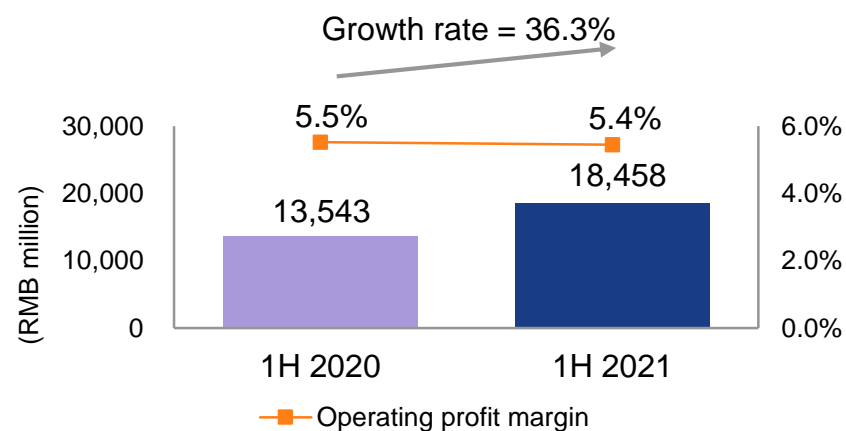
Revenue



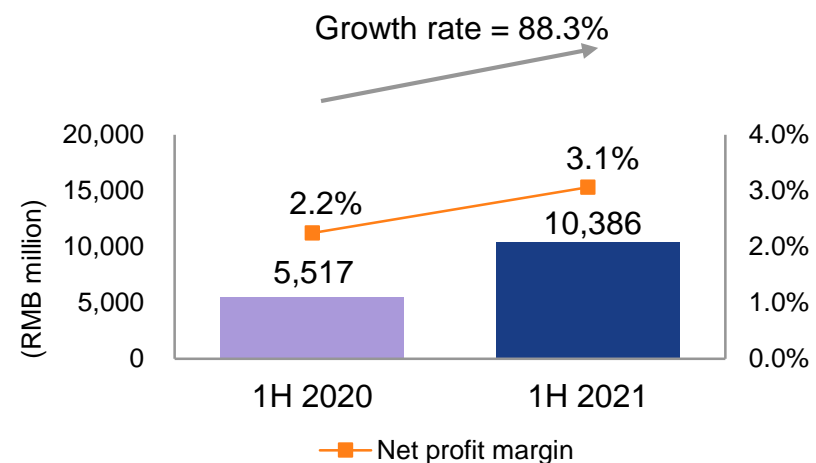
Gross Profit



Operating Profit



Profit attributable to Owners of the parent



Summary of Balance Sheet Data

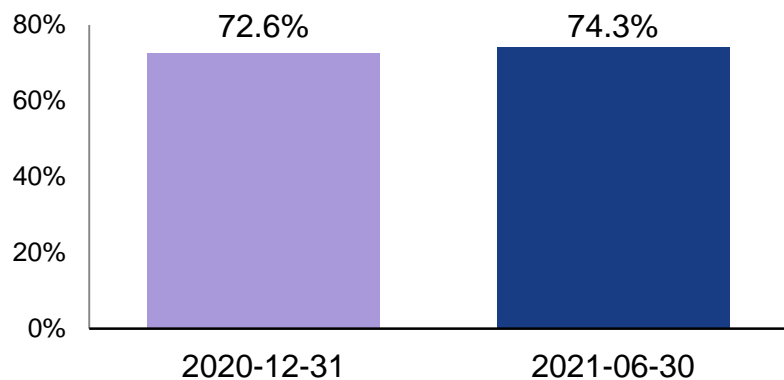
| <i>RMB Million</i> | As at 2021-6-30 | As at 2020-12-31 | Change |
|--|------------------------|-------------------------|---------------|
| Non-current assets | 790,117 | 719,672 | 9.8% |
| Property, plant and equipment | 62,310 | 61,040 | 2.1% |
| Intangible assets | 231,558 | 229,482 | 0.9% |
| Equity investments designated at fair value through other comprehensive income | 33,850 | 30,736 | 10.1% |
| Investments in joint ventures and associates | 76,012 | 67,602 | 12.4% |
| Contract assets, trade and other receivables | 344,423 | 293,218 | 17.5% |
| Current assets | 648,856 | 584,497 | 11.0% |
| Inventories | 76,384 | 72,877 | 4.8% |
| Contract assets, trade and other receivables | 439,210 | 382,802 | 14.7% |
| Cash and cash equivalents | 123,234 | 119,511 | 3.1% |
| Total Asset | 1,438,973 | 1,304,169 | 10.3% |
| Non-current liabilities | 410,220 | 363,657 | 12.8% |
| Interest-bearing bank and other borrowings | 362,504 | 322,888 | 12.3% |
| Current liabilities | 658,917 | 582,708 | 13.1% |
| Trade and other payables | 444,340 | 404,230 | 9.9% |
| Contract liabilities | 75,144 | 88,558 | (15.1%) |
| Interest-bearing bank and other borrowings | 133,852 | 82,490 | 62.3% |
| Total liabilities | 1,069,137 | 946,365 | 13.0% |
| Total equity | 369,836 | 357,804 | 3.4% |
| | As at 2021-6-30 | As at 2020-12-31 | Change |
| Total Liabilities / Total Assets | 74.3% | 72.6% | 1.7% |
| Net debt / Total Capital¹ | 50.2% | 44.4% | 5.8% |

Notes:

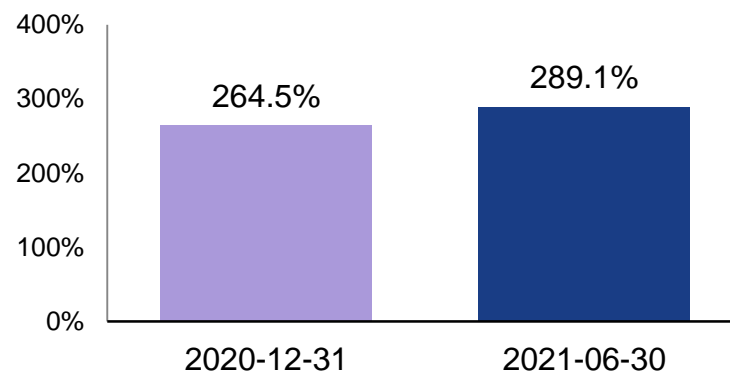
¹ Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

Summary of Balance Sheet Data

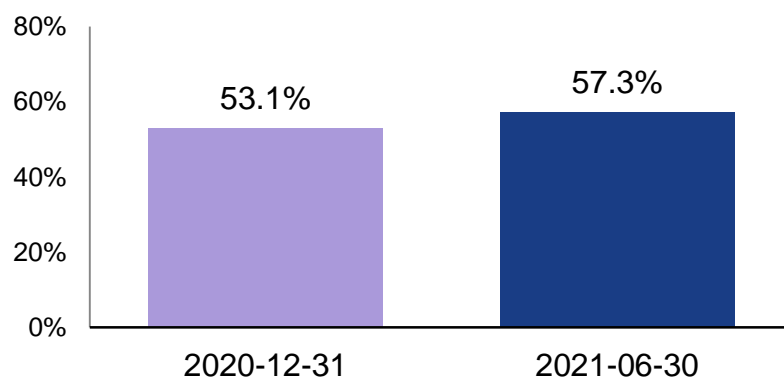
Total Liabilities/Total Assets



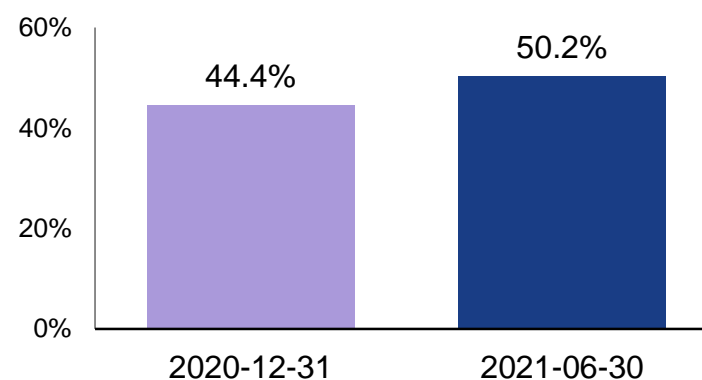
Total Liabilities/Net Assets



Total Debt/Total Capitalization¹



Net Debt/Total Capital²



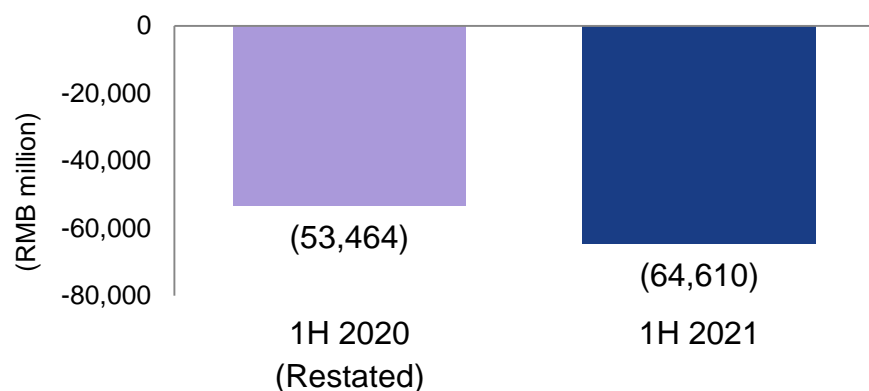
Notes:

1 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 of Cash Flow Statement Data

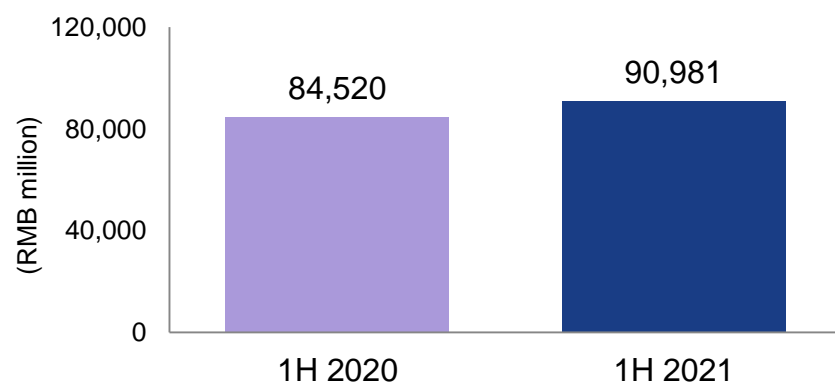
Cash Flow from Operating Activities



Cash Flow from Investing Activities



Cash Flow from Financing Activities



REMARKS

- ◆ To provide reliable and more relevant information on cash flows in the financial statements, the Group has voluntarily changed the accounting policies of cash flows classification for service concession arrangements under the financial asset model. After the voluntary changes in accounting policy, both the cash outflows during construction phase and the cash inflows during the operating phase were classified as cash flows in operating activities. Comparative information were restated retrospectively.
- ◆ The increase of 20.8% of cash outflow was primarily attributable to the increased amount of contract assets, trade and other receivables.
- ◆ The decrease of 23.5% of cash outflow was primarily attributable to the decrease in expenditure from purchases of BOT project, property, plant and equipment, and the maturity of certificate of deposit.
- ◆ The increase of 7.6% of cash inflow was primarily attributable to the proceeds from bank and other borrowings.

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 of the value chain; underline the resource allocation to the fields of high added value and high return; highlight the 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

Investor Relations Team

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