

2016 Cash dividend Press Conference	
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Moderator	<ul style="list-style-type: none"> ➤ Dear guests, investors and netizens, good afternoon! Welcome to CCCC 2016 Cash dividend Press Conference. The presentation was organized by CCCC and technically supported by SSE Infonet Ltd. Thank you for your attention and participation.
Moderator	<ul style="list-style-type: none"> ➤ On March 29, CCCC published its 2016 Annual Report. Investors can visit http://www.sse.com.cn/ or http://roadshow.sseinfo.com/ to view the report. ➤ To deepen investors' knowledge of the company, core management of CCCC will communicate with investors online in regard to investors' concerns such as CCCC's business performance, develop strategy and cash dividends policy in 2016. And welcome all investors take active participation. ➤ Firstly, we will have the guest from the listed company to do the opening speech.
Executive Director & CFO FU Junyuan	<ul style="list-style-type: none"> ➤ The company communicates with investors directly in the form of online interaction and answers questions which are a major concern to many and from investors who want to have an in-depth understanding about the company and present the 2016 cash dividend of the company to facilitate the understanding of the investors on the company. We sincerely hope that our answers will satisfy all investors. ➤ Dear moderator and investors, good afternoon! Welcome to CCCC 2015 Interim Results Presentation. First of all, I would like to thank all investors for your great attention and strong support to us over the years.
Visitor 78458	<ul style="list-style-type: none"> ➤ Hello, management. I have followed CCCC for a long time and feel that CCCC always keeps steady operating performance. Could you please introduce the Q1 results in 2017 briefly? And do you think that is in line with management's expectation?
Executive Director & CFO FU Junyuan	<ul style="list-style-type: none"> ➤ As guided by the strategy of "experts in five areas" in 2016, facing with the complicated industry development environment, focusing on quality and efficiency enhancement and focusing on the supply-side structural reform, the Company promoted various work systematically, the Company's main business indicators increased against the trend, hit a new record high and entirely completed operating plan. ➤ The revenue target of the group for 2017 is RMB 450,000 million. The company will work with high goal-orientated to stabilize the growth throughout the year, take various measures to improve quality and efficiency so as to ensure the

	<p>completion of the annual goal set for the company.</p>
<p>Visitor 28415</p>	<p>➤ Hi, management. I have noticed that the new orders and backlog of the company hold a rapid increase, will this situation maintain in 2017?</p>
<p>Board Secretary, Secretary & Chief Economic Manager LIU Wensheng</p>	<p>➤ In 2016, new contracts amounted to RMB 730,802 million, representing a year-on-year increase of 12.38%. As at 31 December 2016, the backlog of the Group amounted to RMB1,099.752 million, representing an increase of 26.80% compared with that as at 31 December 2015. On the one hand, rapid growth of overseas business and domestic PPP projects contribute a lot to the increase of new contracts. On the other hand, because of the long period of planning and construction of overseas projects and PPP projects, the increase of backlog also represent a rapid growth.</p> <p>➤ The group aims at reaching RMB 900,000 million for the value of newly signed contract in 2017. With the continued development of “the belt and road strategy”, some large overseas orders are expected to land in 2017. At the same as the domestic PPP market gather momentum for development, there will be more market opportunities for large enterprise group like China Communications Construction that can provide integrated solutions for infrastructure project.</p>
<p>llamastayreal</p>	<p>➤ Hi Mr. Liu. I've noticed that the company's policy of cash dividends maintain stable in recent years? How about 2016?</p>
<p>Board Secretary, Secretary & Chief Economic Manager LIU Wensheng</p>	<p>➤ The Board of Directors of the Company recommended a continuous and stable profit distribution policy for the 2016 dividend and distribute dividends to all shareholders in accordance with not less than 20% of the net profit RMB 15,725,574,198 (which has deduct RMB 300 millions of sustainable medium term note interest and RMB 717.5 millions of the preferred stock dividend)attributable to ordinary shareholders, that is a total of RMB3,145,015,556 is paid to all shareholders at RMB 0.19444 dividend (Including tax) per share with the total share capital of RMB 16,174,735,425 in 2016 as the base. The company's dividend program is in compliance with the Articles of Association of the Company and the proposal on the future dividend yield plan of shareholders of the Company.</p> <p>➤ The matter is subject to consideration by the 2016 annual general meeting of stockholders.</p>
<p>Visitor 85954</p>	<p>➤ Will company improve the proportion of dividend sharing in the future?</p>

Board Secretary, Secretary & Chief Economic Manager LIU Wensheng	<ul style="list-style-type: none"> ➤ Cash dividend is the company's commitment to shareholders. For the company, it will face increasing fund pressure as the dividend rate increases, while pulling up asset-liability ratio. The company will further enhance the future profitability and create a sustainable return of shareholders in an active manner.
Visitor 20760	<ul style="list-style-type: none"> ➤ Hi, Mr. Fu. Could you please introduce the profits of different business segment? Many thanks!
Executive Director & CFO FU Junyuan	<ul style="list-style-type: none"> ➤ The company's operating revenue in 2016 was RMB 431,743 million, representing an increase of 6.76% from RMB 404,420 million in the same period last year. Among them, the main business income is RMB 429,093 million, up 6.69% compared with RMB 402,204 million of the same period of last year. The increase of main business income was mainly due to: the main business income from infrastructure construction, infrastructure design, heavy machinery manufacturing and other business rise 3.54%, 7.71%, 7.95% and 37.05% respectively on a year on year basis(all are offsetting divisions before trading),while the main business income from the dredging business fell 9.74% year on year. ➤ The integrated gross profit of the Company was RMB 64,338 million, up 4.65% from RMB 61,477 million over the same period of last year. Among them, the gross profit of the main business was RMB 63,305 million, an increase of 4.26% compared with RMB 60,721 million a year earlier. ➤ The integrated gross profit rate was 14.90%, down 0.30 percentage points compared with 15.20% over the same period last year. The gross profit rate of the main business was 14.75%, fall 0.35 percentage points from 15.10% of the same period last year. The decrease in gross profit rate was mainly due to the offset of the effect of replacing business tax with value-added tax on the improvement in gross margin of infrastructure construction, equipment manufacturing and other business. ➤ Therefore, the company maintains steady development for the business as a whole. The decline of the income from dredging business mainly because some new projects are in the early stage that has not yet generate income; at the same time, individual projects carried out in the early stage came to the last stage with little income contribution. It is expected that the operation of the dredging business will turn better as the market development continues to deepen.
Visitor20760	<ul style="list-style-type: none"> ➤ Hi, I've noticed that administrative expenses shows a rapid growth in the financial statement. Is that caused by the rapid growth of labor costs?
Executive Director & CFO FU Junyuan	<ul style="list-style-type: none"> ➤ Administrative expenses in 2016 amounted to RMB 27,600 million, representing an year-on-year increase of 20.3%.And within which, the labor costs representing

	<p>an increase of 18.7%. This growth was primarily attributable to the increase in cost of market exploration as well as the research and development.</p>
llamastayreal	<p>➤ Manager Fu, I have been analyzing the company's statements. Could you tell us what contribute to the 31% decrease of the investment income for the year 2016.</p>
Executive Director & CFO FU Junyuan	<p>➤ The investment income in 2016 was RMB 1,889 million, which was RMB 2,752 million for the same period of last year. The decrease was mainly due to the higher gains from the disposal of available-for-sale financial assets in the same period of last year and the decrease of investment income generated from the disposal of investment income of long-term equity and the investment income of long-term equity accounted for by equity method in report period.</p>
Visitor11383	<p>➤ The year 2016 witness huge increase in the income tax paid by the company, which is affected by replacing business tax with value-added tax? Thank you for your answer!</p>
Executive Director & CFO FU Junyuan	<p>➤ The income tax for the company in 2016 increased by 37.92% and the effective tax rate raised from 18.69% in 2015 to 22.51% in 2016. The increase in income tax expense is mainly due to the increase in the profit from overseas project and impact of the preferential tax rate enjoyed by individual subordinate companies within the group on the deferred income tax expenses.</p>
Visitor58637	<p>➤ Manager Liu, what reform initiatives will be taken by the company, as a large-scale listed central enterprises this year under the context of state-owned enterprise reform.</p>
Board Secretary, Secretary & Chief Economic Manager LIU Wensheng	<p>➤ The China Communications Construction group is determined by the State Council as a pilot central enterprise for the state-owned capital investment, which is a positive affirmation on the management, reform and development of the company. This will have a very far-reaching impact on the development of the "13th Five-Year Plan" of the group.</p> <p>➤ The overall plan for the reform of the group is subject to approval, if there are any reform initiatives involving China, we will disclose and communicate with investor timely in accordance with the regulatory requirements.</p>
Visitor11383	<p>➤ Will the company have any plan for the listing of the dredge business? How does the company see the decline in the performance of the traditional dredging business?</p>

<p>Board Secretary, Secretary & Chief Economic Manager LIU Wensheng</p>	<ul style="list-style-type: none"> ➤ Dredging business generate RMB 30,300 million of income, the decline of which mainly because some new projects are in the early stage and has not yet generate income; at the same time, individual projects carried out in the early stage came to the last stage with little income contribution. ➤ This year is expect to see the gradual release of some large-scale reclamation project with the support of policy of stabilizing growth in China, there is still a certain market space for the artificial island construction, airport, coastal development, port relocation and the market demand will be improved. ➤ At the same time, the company will follow closely to the changes in reform policies and create conditions to continue to seek ways to reform for the listing .
<p>Visitor71414</p>	<ul style="list-style-type: none"> ➤ The stock price of the company grows rapidly in the first half year, will the company consider the issue of new shares?
<p>Board Secretary, Secretary & Chief Economic Manager LIU Wensheng</p>	<ul style="list-style-type: none"> ➤ The company fully benefited from the PPP infrastructure construction in China and the market opportunities brought by the “Road and Belt” launched by China. The company attract the continued attention of the capital market and the assessment level improved significantly. ➤ We will continue to follow with interest the various financing channels, and make appropriate financing in right way if necessary.
<p>Visitor10797</p>	<ul style="list-style-type: none"> ➤ The company’s overseas business stands out among several central enterprises and I am optimistic about the “Belt and Road initiative”. Manager Liu, could you introduce the development of the overseas railway project of the company?
<p>Board Secretary, Secretary & Chief Economic Manager LIU Wensheng</p>	<ul style="list-style-type: none"> ➤ As one of the largest railway construction enterprises in China, the company has developed into the main force of China’s railway construction by virtue of its outstanding construction level and excellent management capability. ➤ At the same time, the company is the largest and most profitable Chinese enterprise in the field of overseas engineering. ➤ In 2016, CCCG ranked the 3rdin ENR’s Top 250 International Contractors, remained ranking the first among the enrolled Chinese enterprises for ten consecutive years, and was the only Chinese enterprise ranking the Top 10. The company has become a compelling business card for Chinese enterprises “Going Global” in the international market. ➤ The company promote the fast development of oversea railway business through the dynamic integration of the railway construction capacity and oversea market advantages, with remarkable achievement and high market influence.

Visitor71414	<ul style="list-style-type: none"> ➤ What is the reason behind the substantial reduction in capital expenditure in 2016?
Executive Director & CFO FU Junyuan	<ul style="list-style-type: none"> ➤ The group began to develop investment projects in 2007 to obtain investment profits in addition to the income from reasonable design and construction. Among them, the franchise BOT project is a very important development field. PPP projects include franchise BOT, government procurement and the purchase of services by government. The investment in BOT project will be reflected in the cash flow in the form of capital expenditure. As some new project was still in the early stage in 2016, capital expenditure declined year on year.
Visitor15652	<ul style="list-style-type: none"> ➤ Was any from the company's PPP project included in the asset securitization pilot?
Board Secretary, Secretary & Chief Economic Manager LIU Wensheng	<ul style="list-style-type: none"> ➤ PPP projects owned by the company are mainly large-scale transportation infrastructure projects, which are mainly in the construction period and have not yet met the requirements for the asset securitization pilot implemented by China. We will energetically follow up the changes of the policy and steadily push forward the pilot work.
Visitor18896	<ul style="list-style-type: none"> ➤ The recent period saw the increase of raw materials prices, does this will affect the company's cost and profitability?
Executive Director & CFO FU Junyuan	<ul style="list-style-type: none"> ➤ The contract signed by the company usually has the risk locking or transfer clause for the material price, that is, the company bear a certain percentage of risk on material prices, the excess proportion may be undertook by the owner according to the contract. Meanwhile, the company has piloted centralized procurement of bulk material for many years, with a significant increase in resistance to volatility risk of material price.
Visitor53111	<ul style="list-style-type: none"> ➤ What business risks faced the company?
Board Secretary, Secretary & Chief Economic Manager LIU Wensheng	<ul style="list-style-type: none"> ➤ The annual revenue for the company reached more than RMB 400,000 million, with a total asset of more than RMB 800,000 million. The business involve transportation infrastructure design, construction, investment, urban complex development, equipment manufacturing and many other market field in more than 140 overseas countries and regions, so the resistance to market risk is very strong. There fore, whether wining the bid or not for the a single project and the volatility in a single market will not exert greater impact on the company's operating performance. ➤ But what deserve the attention of the investor is that the company, as a player in the free market competition, still has to face the systematic impact of

	<p>macroeconomic cycle fluctuations on the company's business development and, as a large project contractor, also have to face the fluctuation risk on the raw material prices such as steel, cement, fuel, stone and asphalt and other. As required by the daily business operations and transformation of the business structure, a certain scale of borrowing and the fluctuation risk on the interest rate of bonds payable, the development of overseas business is facing the risk of exchange rate changes and changes in the international economic and political situation. The company has many projects under construction, and also faces natural disasters such as torrential rains, floods, earthquakes, typhoons, tsunamis, fires, and public health emergency that could cause damage to workers and property.</p>
<p>Visitor46887</p>	<p>➤ Hi, Mr. Fu. I heard lot about the strategy of “experts in five areas”, and could you tell me the specific meaning of this strategy?</p>
<p>➤</p>	<p>➤ The strategy of being “experts in five areas”, is the optimization and re-building of the company based on our existing businesses, markets and resources. The company’s strategic transformation from industry to commerce was substantially achieved with continuous upgrade of business operating, therefore the quality and efficiency of the development was recognized and appreciated in the market.</p> <p>➤ That is, to build the Company to be a world-famous engineering contractor, an urban complex developer and operator, a distinctive real estate developer, an integrated infrastructure investor and a general contractor of offshore heavy equipment and port machinery manufacturing and system integration.</p> <p>➤ In the future, our company will deepen the enterprise reform comprehensively, actively promote regional development, accelerate professional integration, improve the construction of adaptive organization, promote market-oriented reform in the system and mechanism, and intensify comprehensive strength and core competence.</p>
<p>Moderator</p>	<p>➤ Dear investors and netizens, the presentation is drawing to an end. Let's welcome the guest from the listed company for a concluding speech.</p>
<p>Executive Director & CFO FU Junyuan</p>	<p>➤ The Company is experiencing a strategic transformation opportunity period, so we will seize the opportunities to develop, speed up to promote the reform and development of the Company with high-spirited attitude, greater enthusiasm and more effective measures, and make continuous efforts to build the Company into a world-class enterprise with international competence sooner. All shareholders, people from all walks of life and friends that have cared about our Company for a longtime, we hope for your continual help and support! And we are much willing to make in-depth communication with you by various means in the future, thank you!</p>

Moderator

➤ That's all for the presentation. Thanks for your participation!