



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

01800.HK

2013 Interim Results Presentation



Disclaimer

- ◆ This document has been prepared by China Communications Construction Company Limited ("CCCC" or the "the Company") solely for use at the 2013 interim results announcement presentation. Copying or redistribution of this document to any person is strictly prohibited. The distribution of this document in other jurisdictions may be restricted by laws where it locates, and persons into whose possession it comes informing themselves about, and observing, any such restrictions. The information contained in this document has not been independently verified and for illustration purpose only. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The purpose of this document is not for complete or fully analysis made to the financial or trading position or prospect, and any person who in possession of this document shall be aware that no reliance should be placed on the content contained herein. The information and opinions contained in this document are subject to change without notice. This presentation document is not intended to constitute an offer to, or a solicitation for offer to, sell, purchase, or subscribe the securities of the Company. The Company or any of their respective affiliates, advisors or representatives shall not have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document
- ◆ This document may contain forward-looking statements that reflect risks and uncertainties. These forward-looking statements are generally expressed in forward-looking expressions, such as expectations, estimation, planning, projections, goals, the possibilities, probabilities or so on to reflect the actions that the Company expect to or may take in future or the results from these actions. You should not have excess reliance on these forward-looking statements, which are based on our own information and other source of information that we consider reliable. Our actual results may differ from these forward-looking statements which may lead to the price fluctuation of our H shares

Financial Summary

RMB million (except per share data)	Six Months Ended		
	2012-6-30 (Unaudited/Restated)	2013-6-30 (Unaudited)	Change
Revenue	124,829	141,037	↑ 13.0%
Gross Profit	13,549	14,256	↑ 5.2%
EBITDA ¹	11,394	12,756	↑ 12.0%
Operating Profit	8,138	8,975	↑ 10.3%
Profit before income tax	6,303	7,224	↑ 14.6%
Profit attributable to owners of the Company	5,018	5,728	↑ 14.1%
EPS ²	0.32	0.35	↑ 11.0%

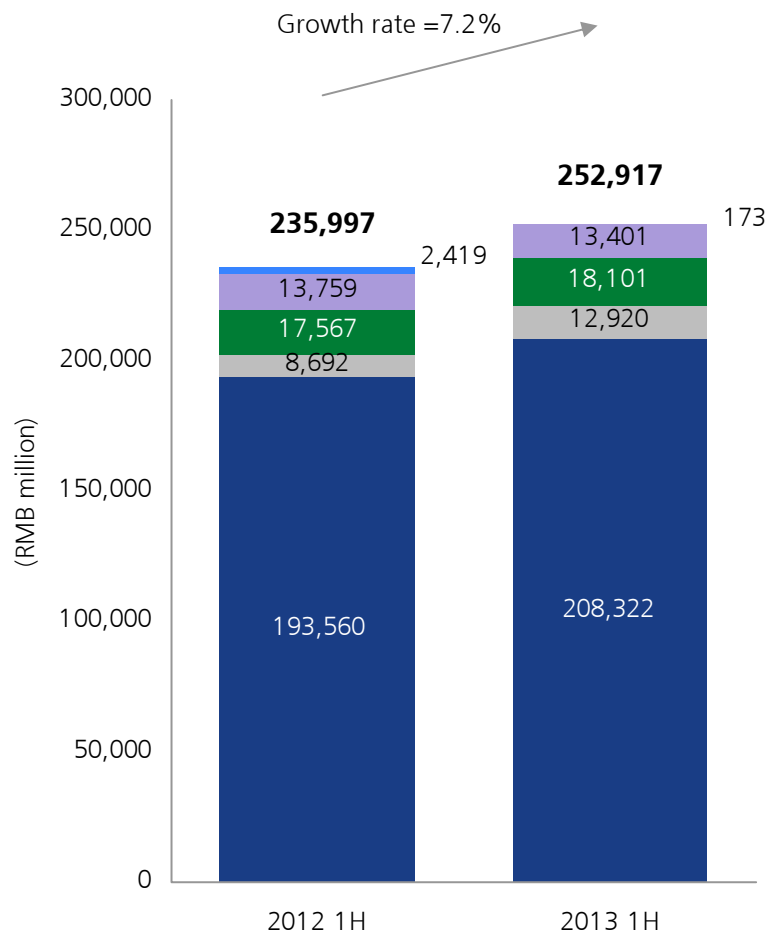
Notes :

¹ EBITDA is calculated by adding back depreciation and amortisation to the operating profit

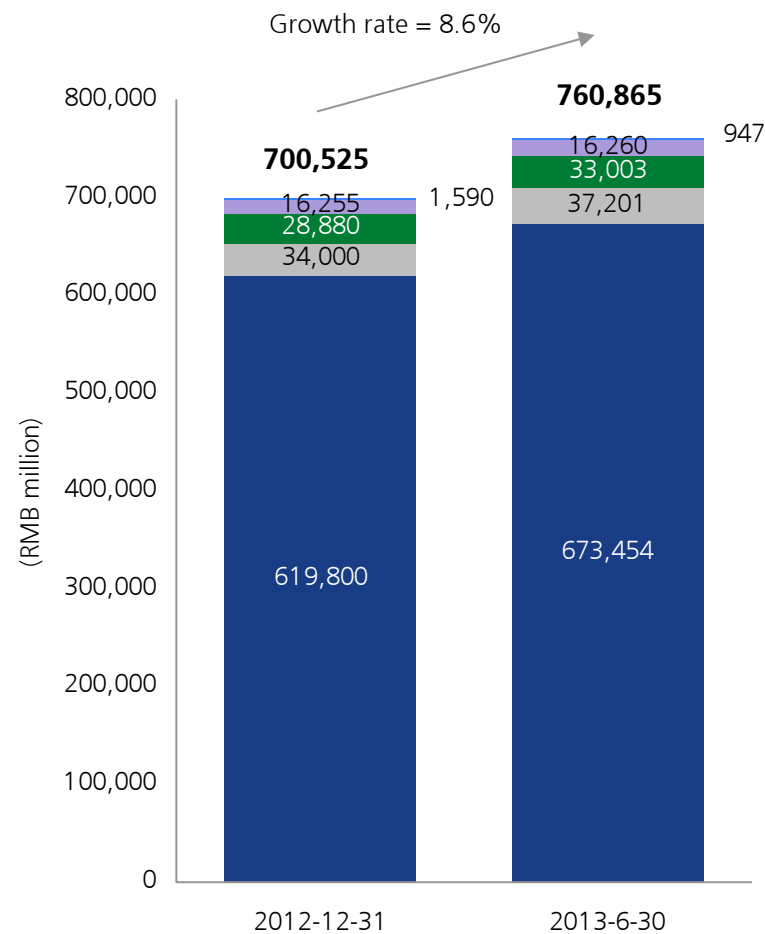
² Weighted average number of ordinary shares in issue used for computing basic EPS for six months ended 30 June 2012 was 15,725 million and for six months ended 30 June 2013 was 16,175 million as the Group issued A shares in March 2012. Diluted EPS is the same as basic EPS as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2012 and 2013

New Contracts and Backlog by Business Segments

New Contracts

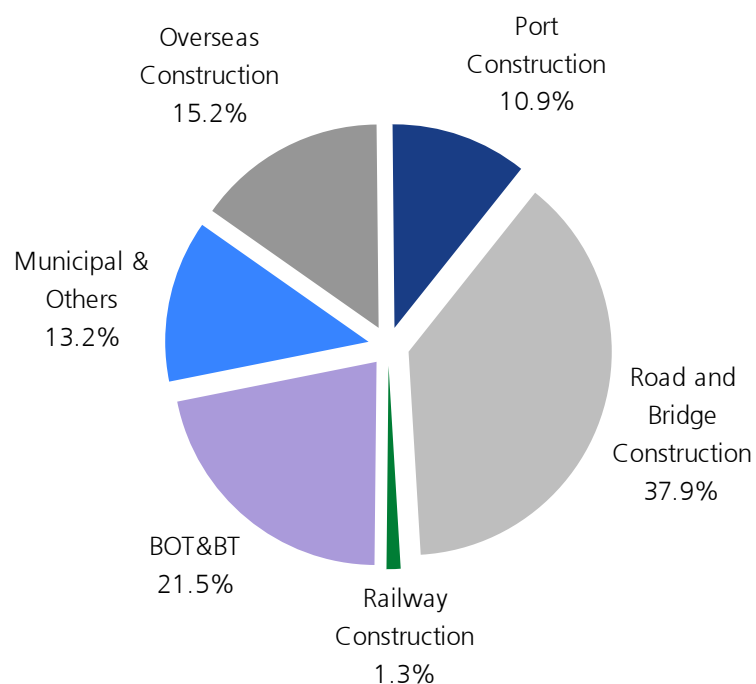


Backlog



New Contracts of Infrastructure Construction Business

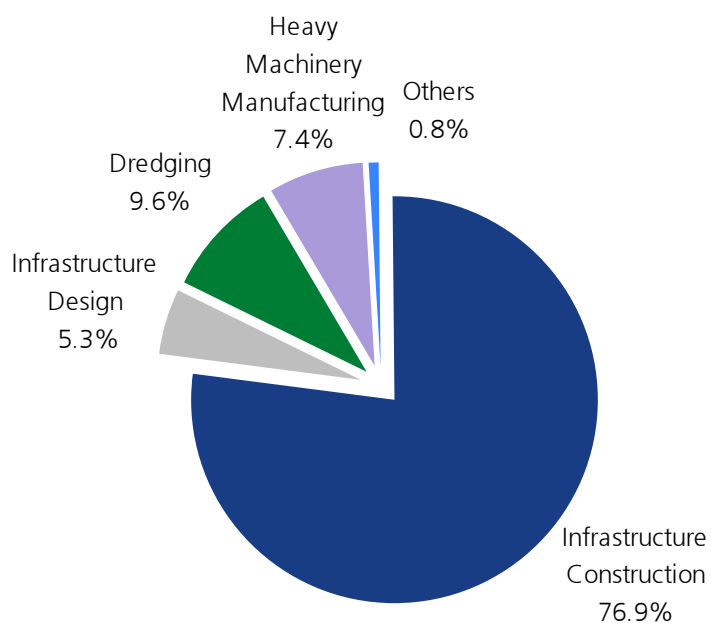
New Contracts of Infrastructure Construction Business (2013 1H)



	2012 1H		2013 1H		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Domestic Construction	148,744	77.8%	176,582	84.8%	27,838	18.7%
Port construction	32,523	16.3%	22,636	10.9%	(9,887)	(30.4%)
Road & Bridge Construction	36,615	34.6%	78,936	37.9%	42,321	115.6%
Railway Construction	443	0.0%	2,708	1.3%	2,265	511.3%
BOT&BT	54,277	18.3%	44,799	21.5%	(9,478)	(17.5%)
Municipal & Others	24,886	8.6%	27,503	13.2%	2,617	10.5%
Overseas Construction	44,816	22.2%	31,740	15.2%	(13,076)	(29.2%)
Total	193,560	100.0%	208,322	100.0%	14,762	7.6%

Contribution by Business Segments - Revenue

Revenue (2013 1H) ¹



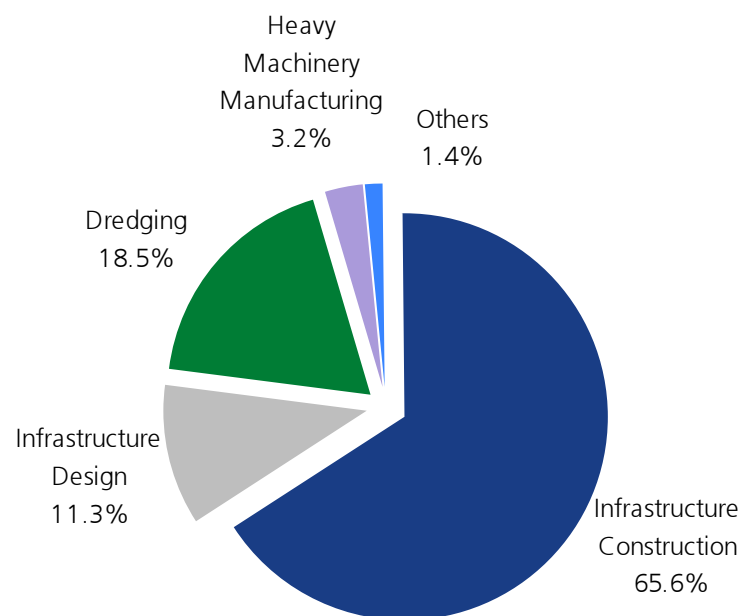
Business	2012 1H		2013 1H		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	94,330	73.7%	111,514	76.9%	17,184	18.2%
Infrastructure Design	6,065	4.7%	7,737	5.3%	1,672	27.6%
Dredging	14,194	11.1%	13,847	9.6%	(347)	(2.4%)
Heavy Machinery	10,526	8.2%	10,797	7.4%	271	2.6%
Others	2,867	2.3%	1,151	0.8%	(1,716)	(59.9%)
Total (before elimination)	127,982	100.0%	145,046	100.0%	17,064	13.3%

Notes:

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

Contribution by Business Segments – Segment Result

Segment Result (2013 1H) ^{1,2}



Business	2012 1H		2013 1H		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	5,240	65.1%	5,990	65.6%	750	14.3%
Infrastructure Design	857	10.7%	1,030	11.3%	173	20.2%
Dredging	1,506	18.7%	1,687	18.5%	181	12.0%
Heavy Machinery	383	4.8%	291	3.2%	(92)	(24.0%)
Others	57	0.7%	126	1.4%	69	121.1%
Total (before elimination)	8,043	100.0%	9,124	100.0%	1,081	13.4%

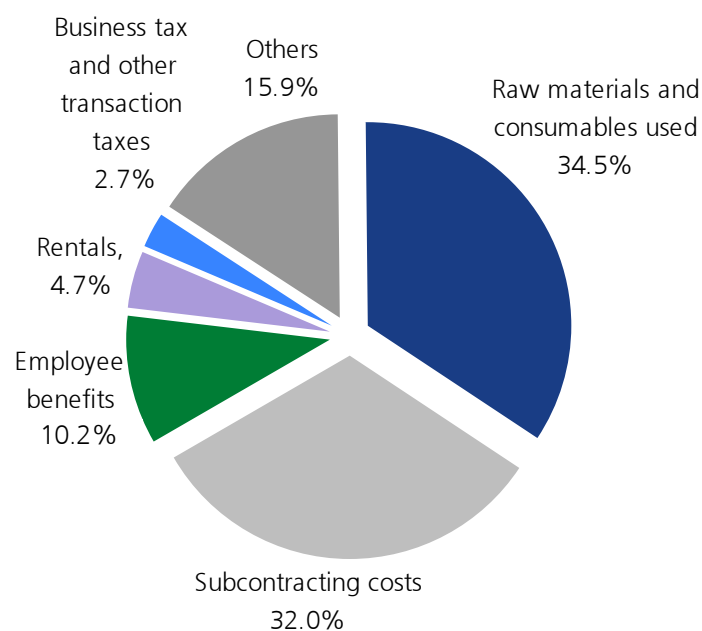
Notes:

- 1 All figures are before elimination of inter-segment transactions and unallocated costs
- 2 The numbers for heavy machinery manufacturing are fully consolidated

Operating Cost Structure

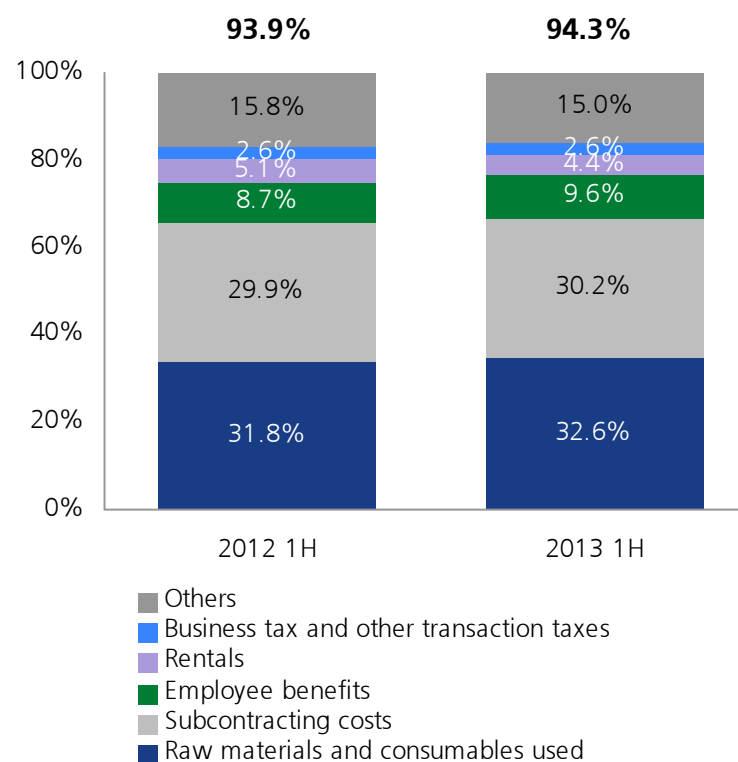
Cost Breakdown (2013 1H)

As % of operating costs¹



Cost Structure (2013 1H)

As % of sales



Note :

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

Infrastructure Construction – Business Performance

Completed projects with RMB111,514 million of contract value

Key Projects



Nagin Bridge in Lhasa

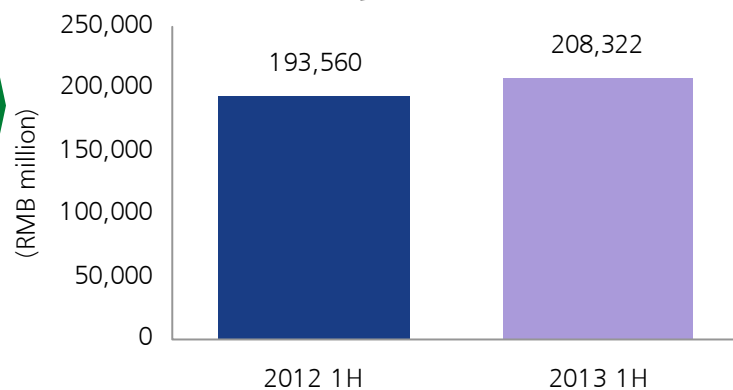


Meishan Port in Ningbo

New Contracts and Backlog

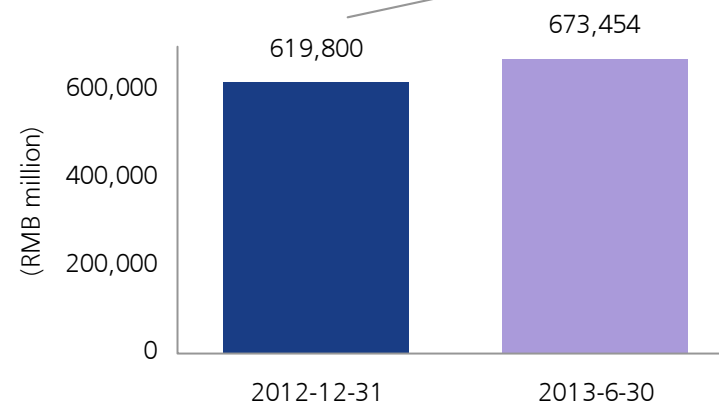
New Contracts

Growth rate = 7.6%



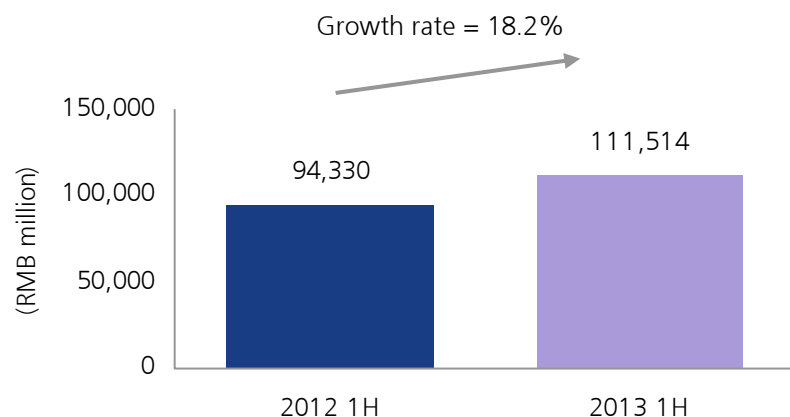
Backlog

Growth rate = 8.7%

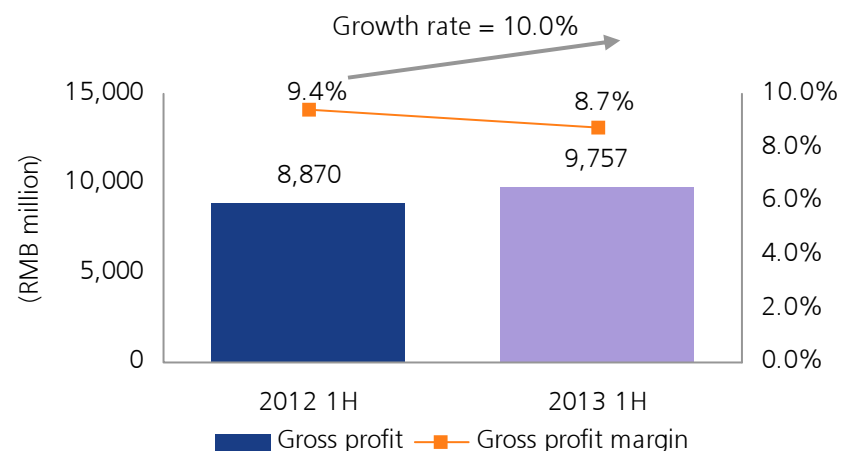


Infrastructure Construction – Financial Performance

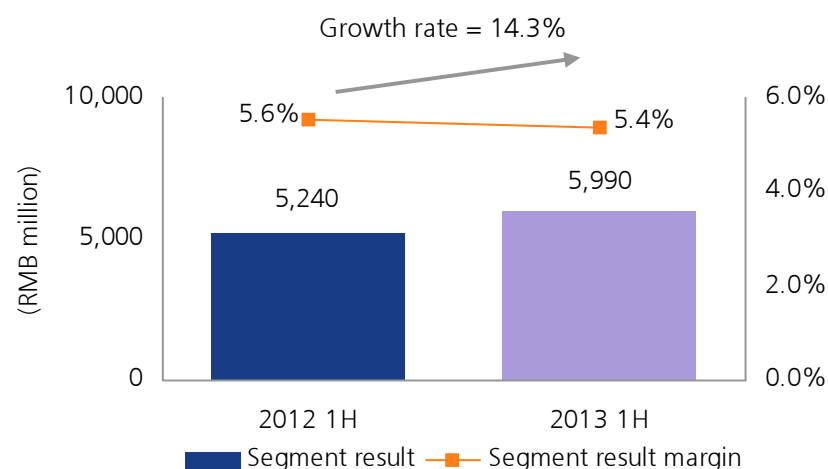
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The increase in revenue was primarily attributable to the increase in the aggregate value of projects undertaken by the Group, driven by the increased demand for the Group's services as a result of the growth in infrastructure expenditure by the Group's domestic and overseas customers
- ◆ Gross profit margin decreased to 8.7% from 9.4%, which was mainly attributable to increasing proportion of projects such as road and bridge business and railway projects which have relatively 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 RMB7,737 million of contract value

Key Projects

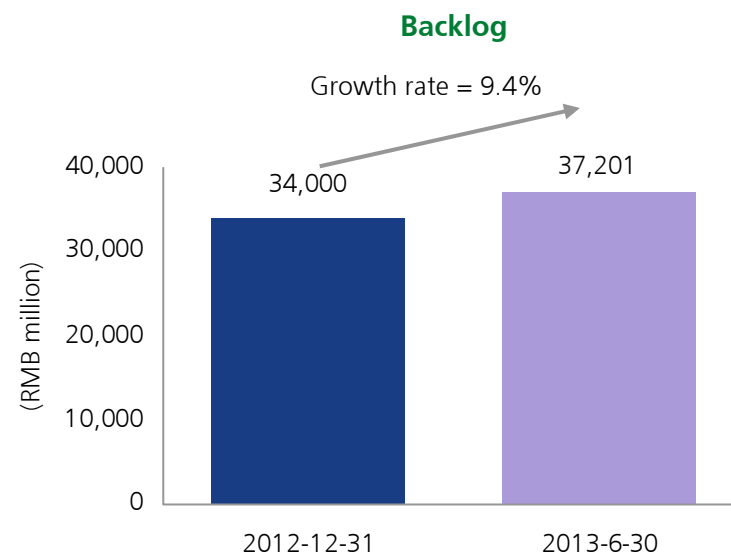


The Second Ring Road Reconstruction in Chengdu



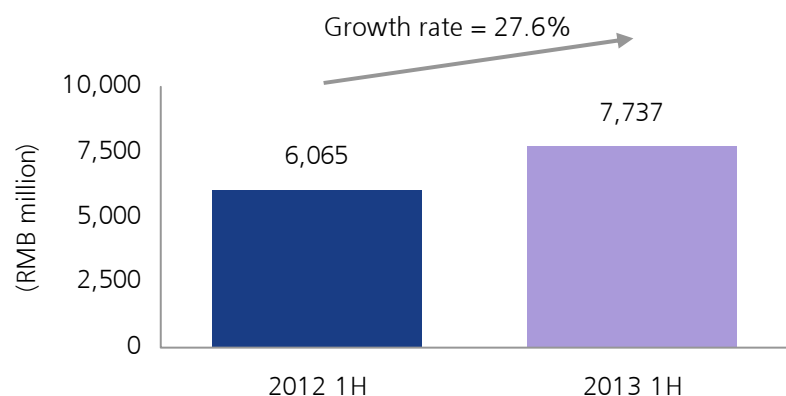
Phase III of Huanghua Port

New Contracts and Backlog

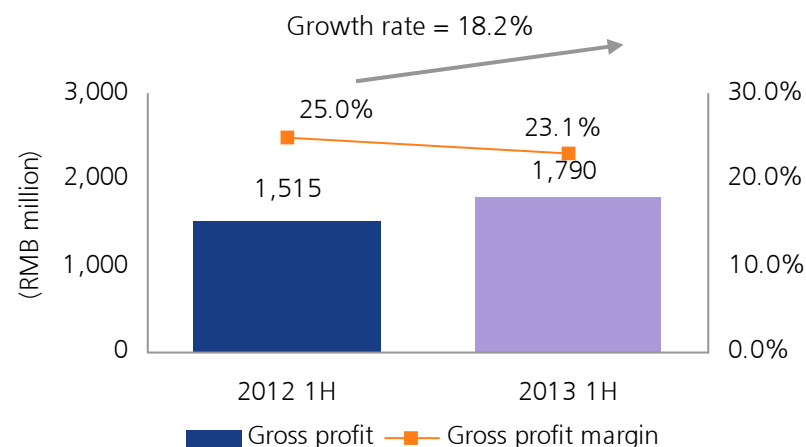


Infrastructure Design – Financial Performance

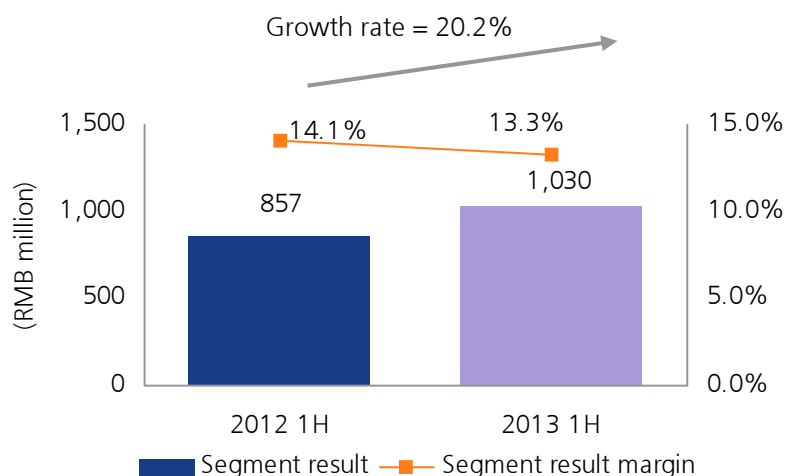
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The growth in revenue was primarily attributable to the increase in revenue recognition for some comprehensive projects
- ◆ Gross profit margin decreased to 23.1% from 25.0%, primarily due to the increased proportion of revenue generated from comprehensive contracts, 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

Dredging - Business Performance

Completed projects with RMB13,847 million of contract value

Key Projects



Extra-long Submerged Delivery

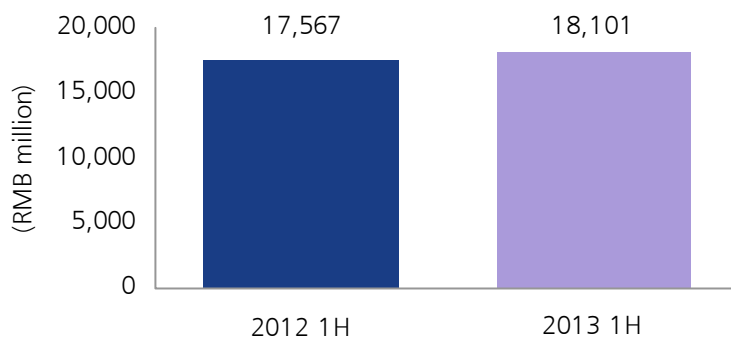


Nangang Navigation Channel Regulation in Tianjin

New Contracts and Backlog

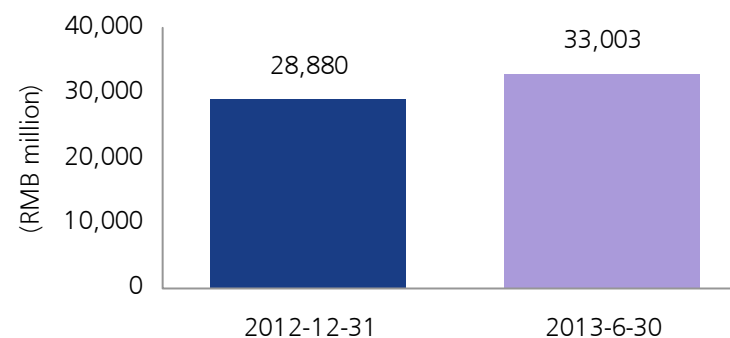
New Contracts

Growth rate = 3.0%



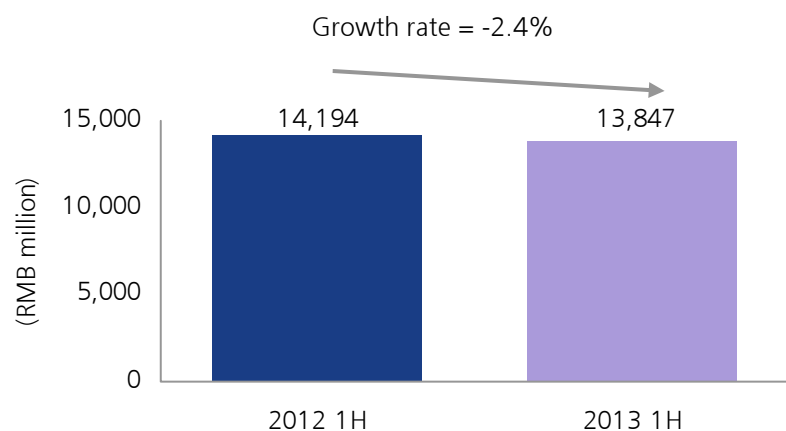
Backlog

Growth rate = 14.3%

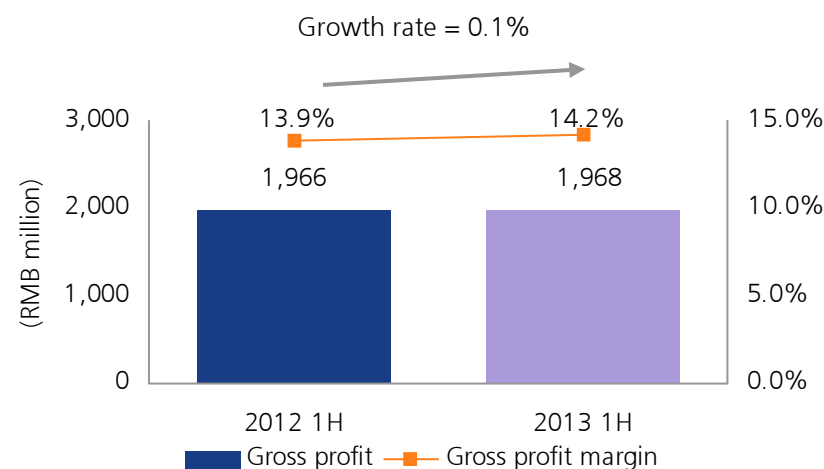


Dredging – Financial Performance

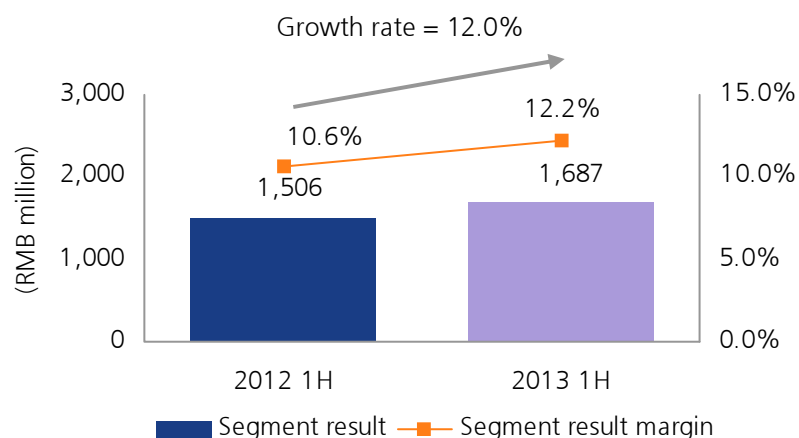
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The decrease in revenue was primarily attributable to the slowed down coastal line reclamation activities under the tightened macro economy in 2013
- ◆ Gross profit margin for the dredging business increased to 14.2% from 13.9%, primarily attributable to the enhanced project management of the Group in dredging 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

Heavy Machinery Manufacturing - Business Performance

Completed projects with RMB10,797 million of contract value

Key Projects



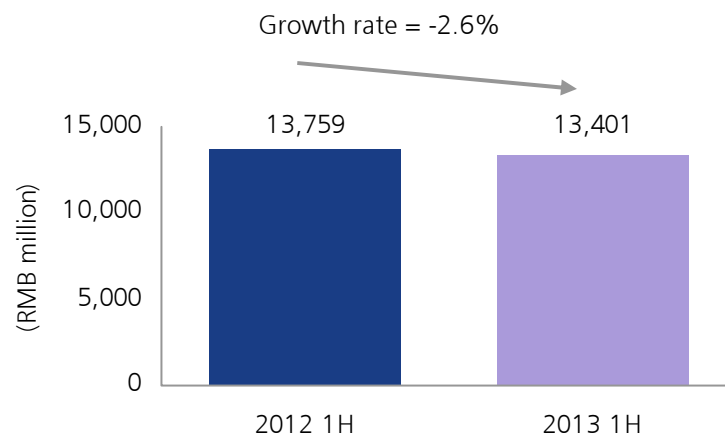
New Quayside Container Crane Export to Australia



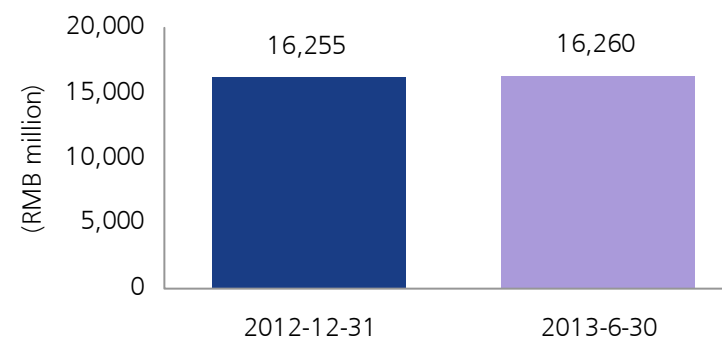
The First Drilling Platform Constructed by ZPMC Successfully Launched

New Contracts and Backlog

New Contracts

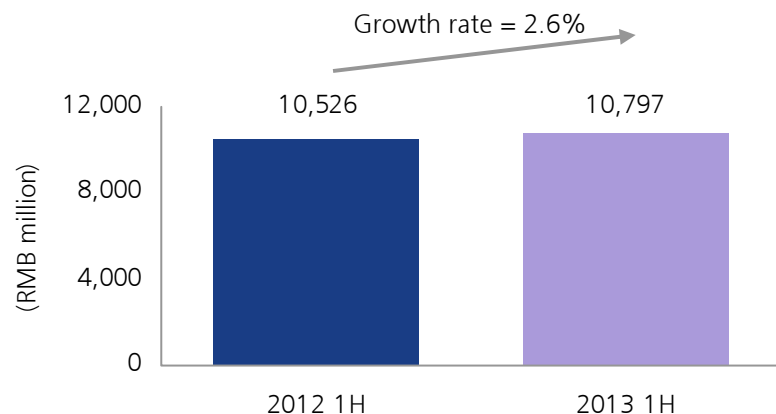


Backlog

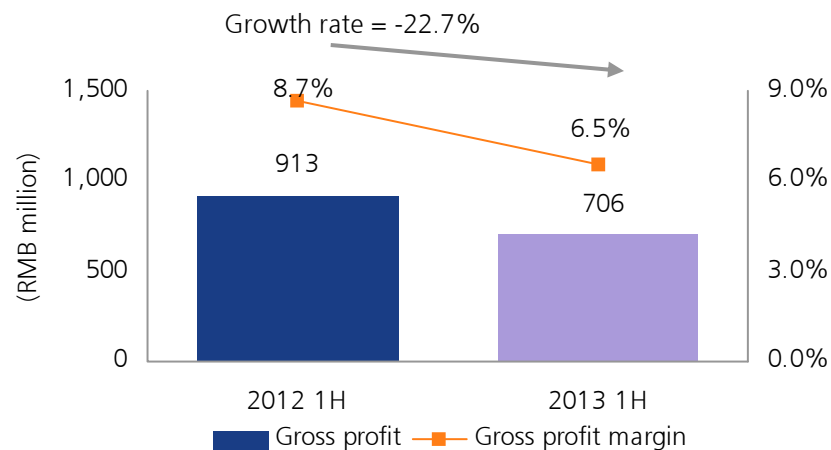


Heavy Machinery Manufacturing – Financial Performance

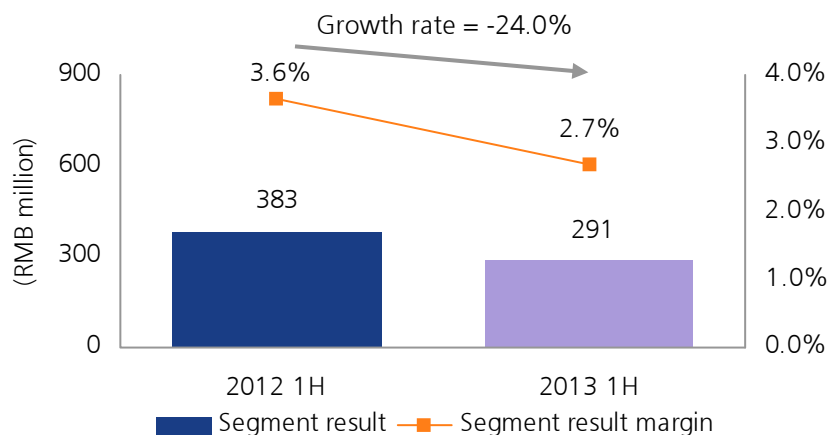
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- Gross profit margin decreased to 6.5% from 8.7%. The decrease in gross profit margin was mainly due to the unfavorable fluctuation in foreign exchange rates as well as the write-down of inventories amounting to RMB 127 million in the six months ended 30 June 2013

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

- ◆ Mainly used in investments in BOT projects, purchases of machinery, equipments and vessels

Infrastructure Design Business

- ◆ Mainly used in the purchase of equipment

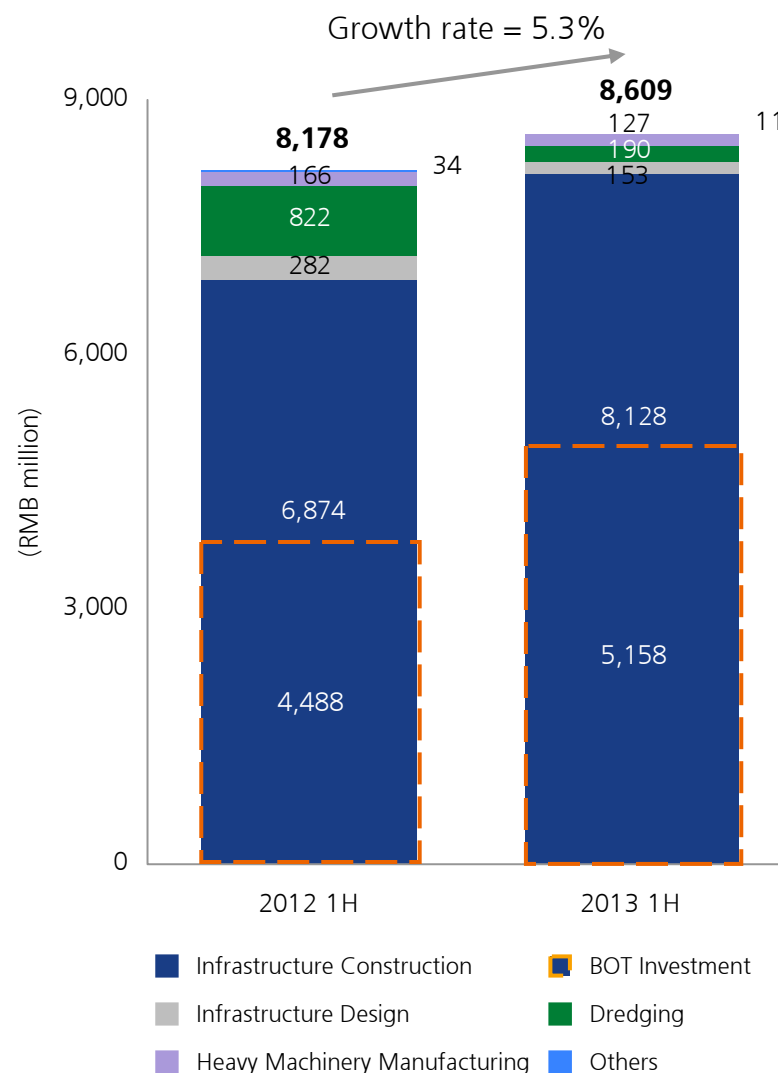
Dredging Business

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

Heavy Machinery Manufacturing Business

- ◆ Mainly used for the completion of the existing building of plants

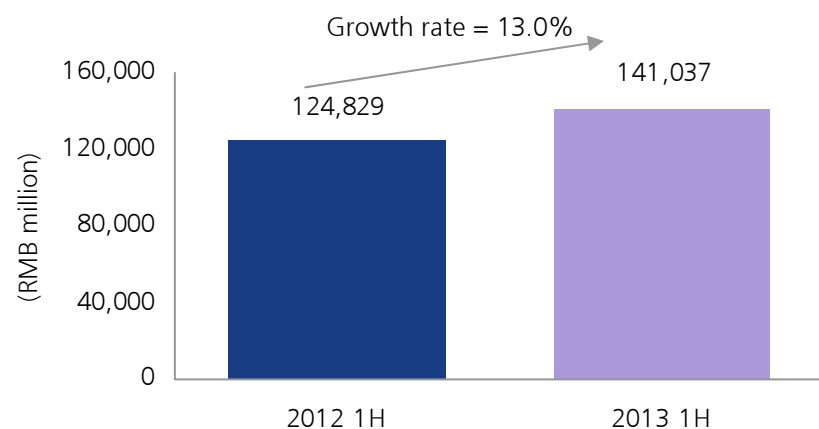
Capital expenditure



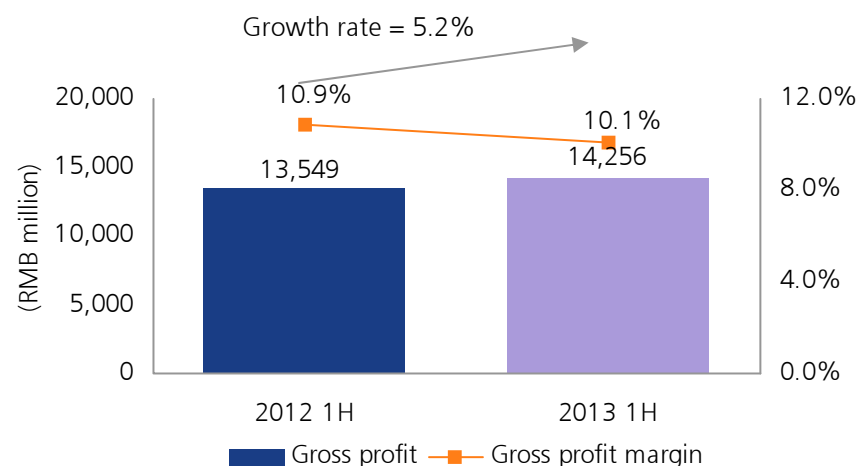
Note: Capital expenditure is implemented by means of both cash purchase and financial lease

Summary Income Statement Data

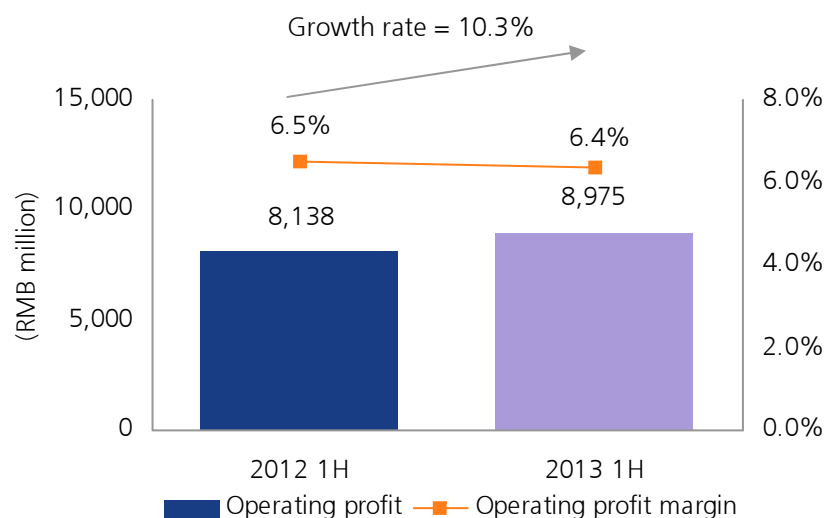
Revenue



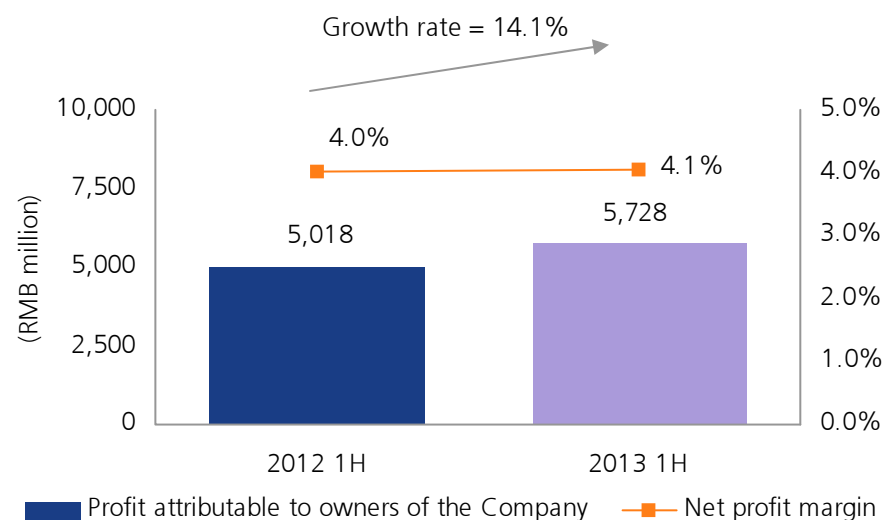
Gross Profit



Operating Profit



Profit attributable to Owners of the Company

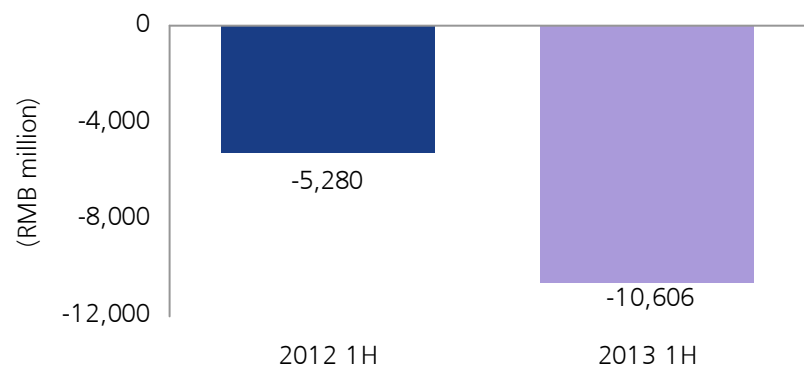


Summary Balance Sheet Data

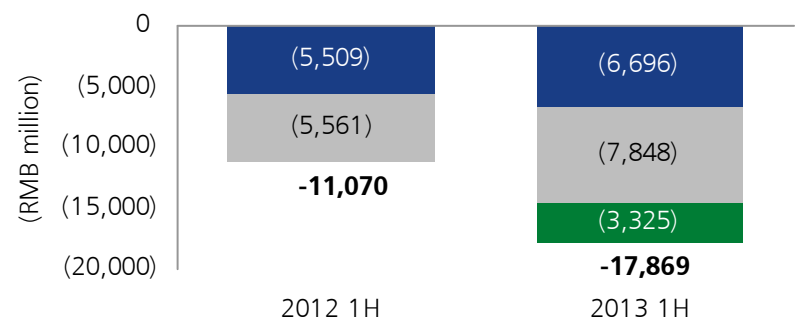
RMB millions	As at 2012-12-31	As at 2013-6-30	Change (%)
Non-Current Assets	162,668	173,070	6.4%
Property, plant and equipment	56,811	55,667	-2.0%
Intangible assets	36,519	41,552	13.8%
Available-for-sale financial assets	14,464	12,862	-11.1%
Trade and other receivables	38,685	45,809	18.4%
Current Assets	271,186	300,796	10.9%
Inventories	26,675	32,845	23.1%
Trade and other receivables	111,869	122,579	9.6%
Amounts due from customers for contract work	57,983	74,206	28.0%
Available-for-sale financial assets	1,500	7,928	428.5%
Cash and cash equivalents	67,492	59,508	-11.8%
Total Assets	433,854	473,866	9.2%
Non-current Liabilities	83,978	96,702	15.2%
Borrowings	75,058	86,930	15.8%
Current Liabilities	253,805	279,464	10.1%
Trade and other payables	165,591	184,737	11.6%
Borrowings	69,187	80,596	16.5%
Total liabilities	337,783	376,166	11.4%
Total Equity	96,071	97,700	1.7%
	As at 2012-12-31	As at 2013-6-30	Change
Total Liabilities / Total Assets	78%	79%	1%
Net Debt / Net Assets	80%	111%	31%

Summary Cash Flow Statement Data

Cash Flow from Operating Activities

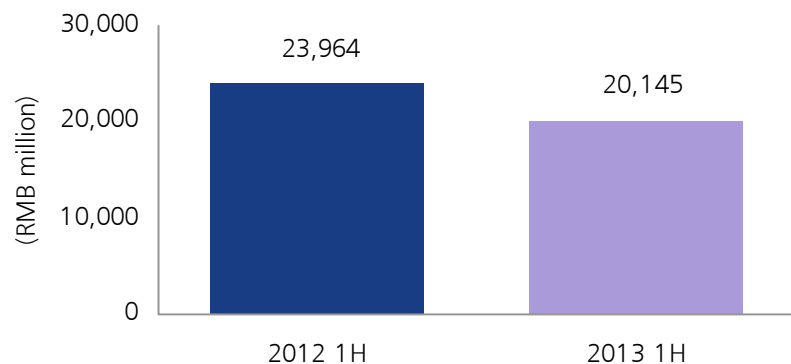


Cash Flow from Investing Activities



- Investments in CCCC Finance for capital verification
- Purchases of available-for-sale financial assets
- Others (mainly used in purchasing of PP&E and intangible assets)

Cash Flow from Financing Activities



REMARKS

- ◆ Net cash used in operating activities increased to RMB10,606 million from RMB5,280 million, which was primarily attributable to changes in working capital
- ◆ The increase in net cash used in investing activities of RMB6,799 million, or 61.4%, was primarily attributable to increase in purchases of available-for-sale financial assets of RMB 2,287 million, as well as investment in CCCC Finance Company Limited of RMB3,325 million for capital verification
- ◆ Net cash generated from financing activities decreased to RMB20,145 million from RMB23,964 million, primarily because the Company issued A shares raising RMB4,864 million in first half of 2012

Thank You

Investor Relations Team

YU Jingjing, TAN Lu, ZHAO Yang, LI Yilin

Tel: +86-10-8201 6562

Fax: +86-10-8201 6524

Email: ir@ccccltd.cn