



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

01800.HK

## 2016 Interim Results Presentation



# Disclaimer

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# Financial Summary

RMB million (except per share data)	1H 2016 (Unaudited)	1H 2015 (Unaudited)	Change
Revenue	182,313	175,775	↑ 3.7%
Gross Profit	22,034	18,546	↑ 18.8%
EBITDA <sup>1</sup>	17,749	15,511	↑ 14.4%
Operating Profit	13,246	11,509	↑ 15.1%
Profit before income tax	9,685	8,682	↑ 11.6%
Profit attributable to owners of the parent	7,258	6,812	↑ 6.5%
EPS <sup>2</sup>	0.40	0.41	↓ 2.4%

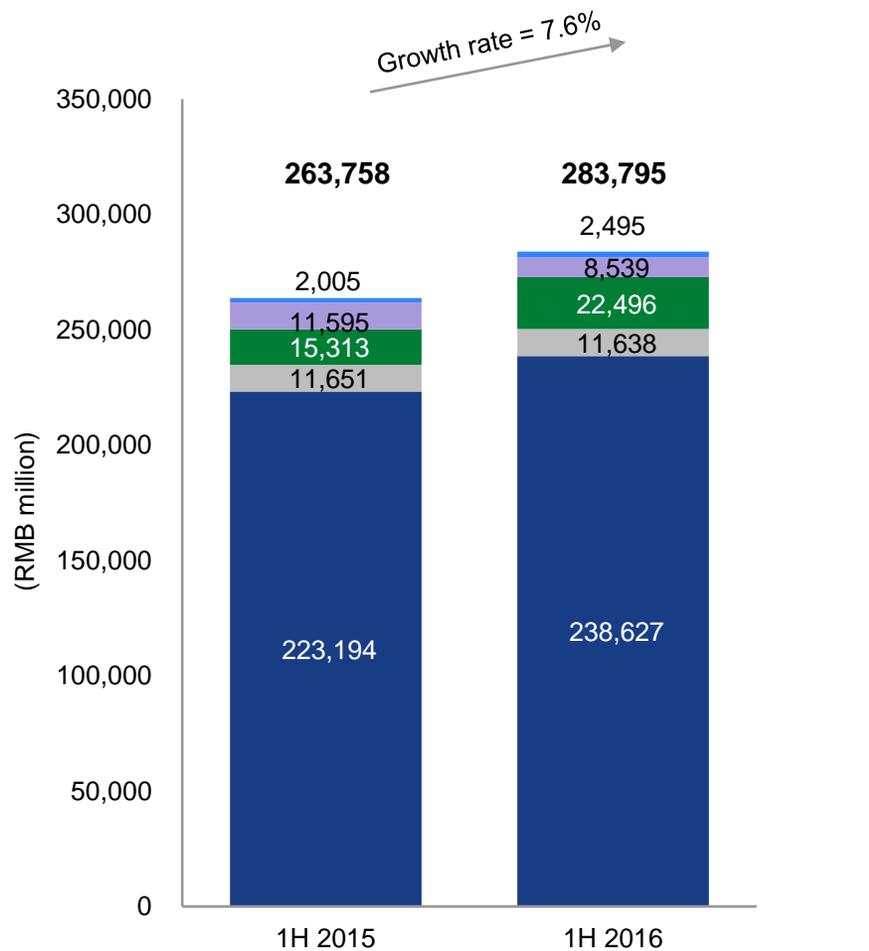
Notes:

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

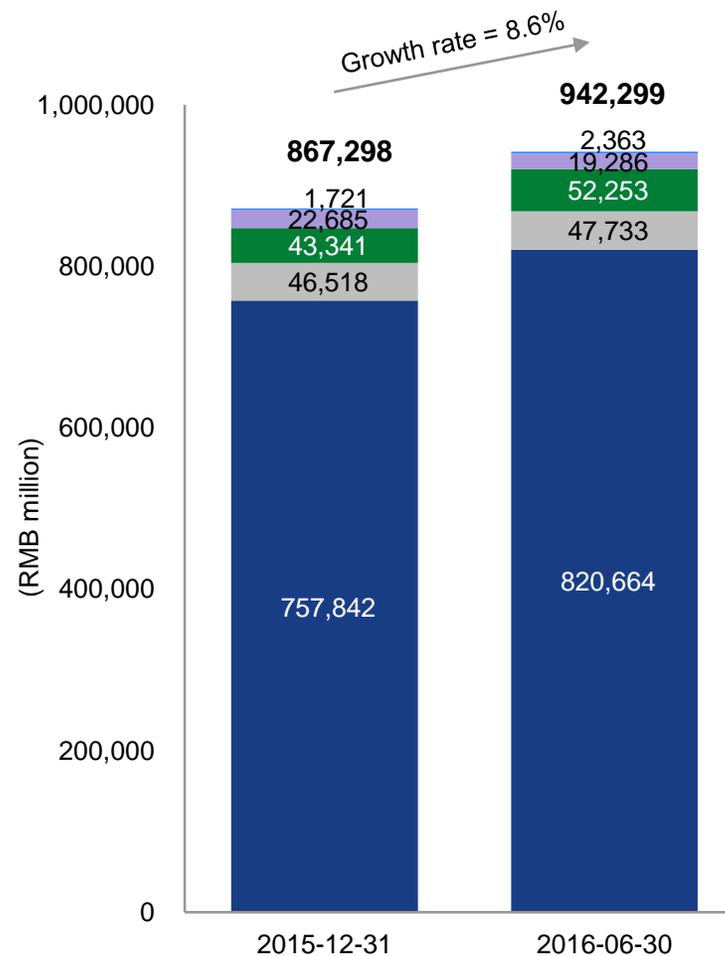
2 The interests of the medium term notes (issued by the Company on 18 December 2014) have been generated but not yet declared, and the preference shares (issued by the Company in September and October 2015) were classified as equity instruments with deferrable and non-cumulative dividend distribution and payment. As a result, a total interest/dividend of RMB868 million should be deducted from earnings when calculating the EPS during the six months ended 30 June 2016

# New Contracts and Backlog by Business Segments

## New Contracts



## Backlog



Infrastructure Construction

Dredging

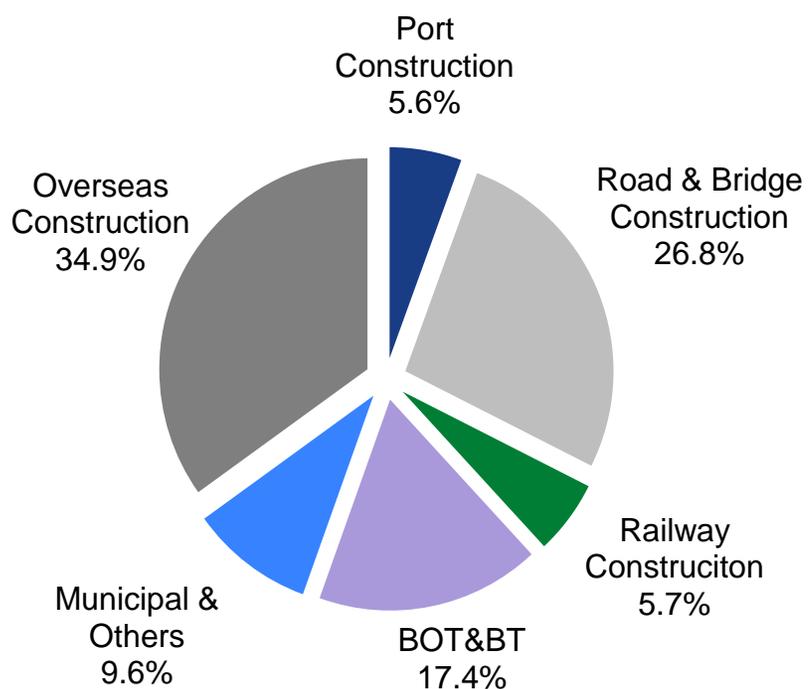
Others

Infrastructure Design

Heavy Machinery Manufacturing

# New Contracts of Infrastructure Construction Business

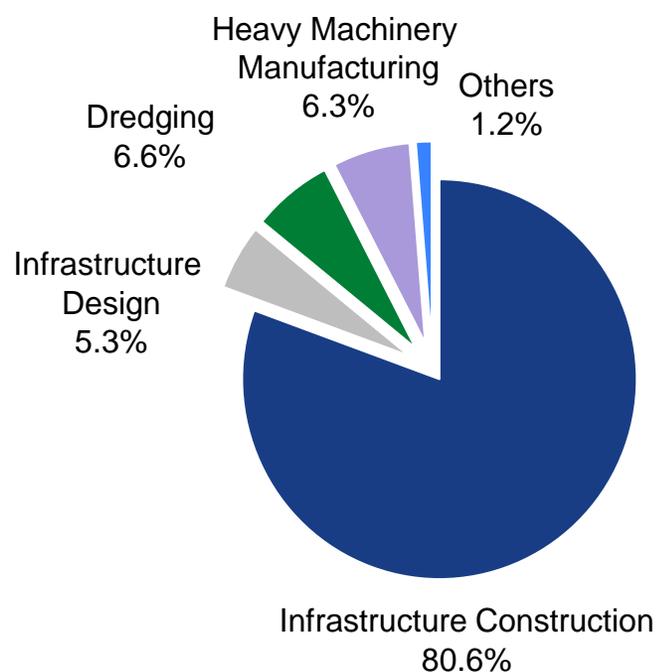
## New Contracts of Infrastructure Construction Business (1H 2016)



	1H 2016		1H 2015		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
<b>Domestic Construction</b>	<b>155,306</b>	<b>65.1%</b>	<b>148,831</b>	<b>66.7%</b>	<b>6,475</b>	<b>4.4%</b>
Port Construction	13,300	5.6%	22,646	10.2%	(9,346)	(41.3%)
Road & Bridge Construction	63,975	26.8%	63,780	28.6%	195	0.3%
Railway Construction	13,660	5.7%	2,204	1.0%	11,456	519.8%
BOT&BT	41,505	17.4%	28,400	12.7%	13,105	46.1%
Municipal & Others	22,866	9.6%	31,801	14.2%	(8,935)	(28.1%)
<b>Overseas Construction</b>	<b>83,321</b>	<b>34.9%</b>	<b>74,363</b>	<b>33.3%</b>	<b>8,958</b>	<b>12.0%</b>
<b>Total</b>	<b>238,627</b>	<b>100.0%</b>	<b>223,194</b>	<b>100.0%</b>	<b>15,433</b>	<b>6.9%</b>

# Contribution by Business Segments — Revenue

## Revenue (1H 2016) <sup>1</sup>



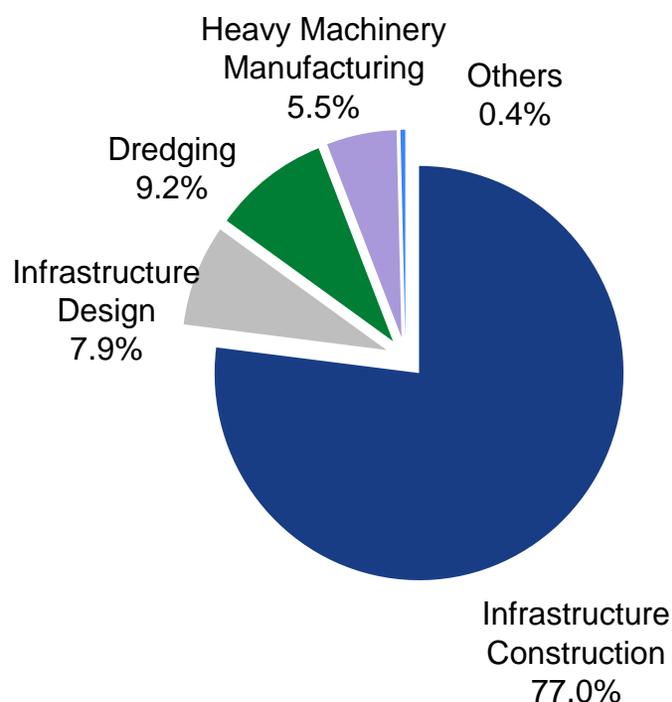
Business	1H 2016		1H 2015		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	152,283	80.6%	150,049	79.9%	2,234	1.5%
Infrastructure Design	9,973	5.3%	9,498	5.1%	475	5.0%
Dredging	12,393	6.6%	15,510	8.3%	(3,117)	(20.1%)
Heavy Machinery	11,938	6.3%	10,873	5.8%	1,065	9.8%
Others	2,449	1.2%	1,639	0.9%	810	49.4%
<b>Total (before elimination)</b>	<b>189,036</b>	<b>100.0%</b>	<b>187,569</b>	<b>100.0%</b>	<b>1,467</b>	<b>0.8%</b>

Notes:

<sup>1</sup> All figures are before elimination of inter-segment transactions and unallocated costs

# Contribution by Business Segments — Segment Result

## Segment Result (1H 2016) <sup>1</sup>



Business	1H 2016		1H 2015		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	10,679	77.0%	7,788	68.8%	2,891	37.1%
Infrastructure Design	1,097	7.9%	1,047	9.3%	50	4.8%
Dredging	1,275	9.2%	1,526	13.5%	(251)	(16.4)%
Heavy Machinery	769	5.5%	783	6.9%	(14)	(1.8)%
Others	53	0.4%	164	1.5%	(111)	(67.7)%
<b>Total (before elimination)</b>	<b>13,873</b>	<b>100.0%</b>	<b>11,308</b>	<b>100.0%</b>	<b>2,565</b>	<b>22.7%</b>

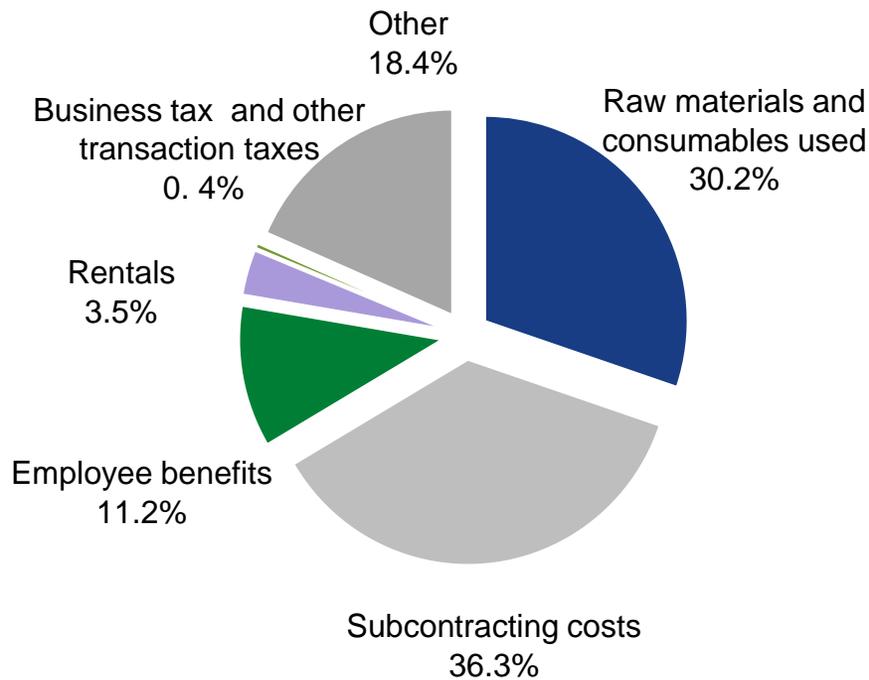
Notes:

<sup>1</sup> All figures are before elimination of inter-segment transactions and unallocated costs

# Operating Cost Structure

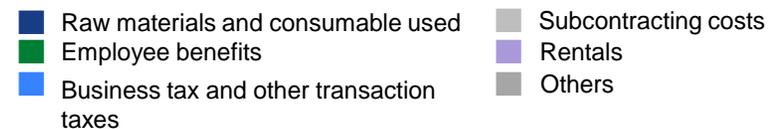
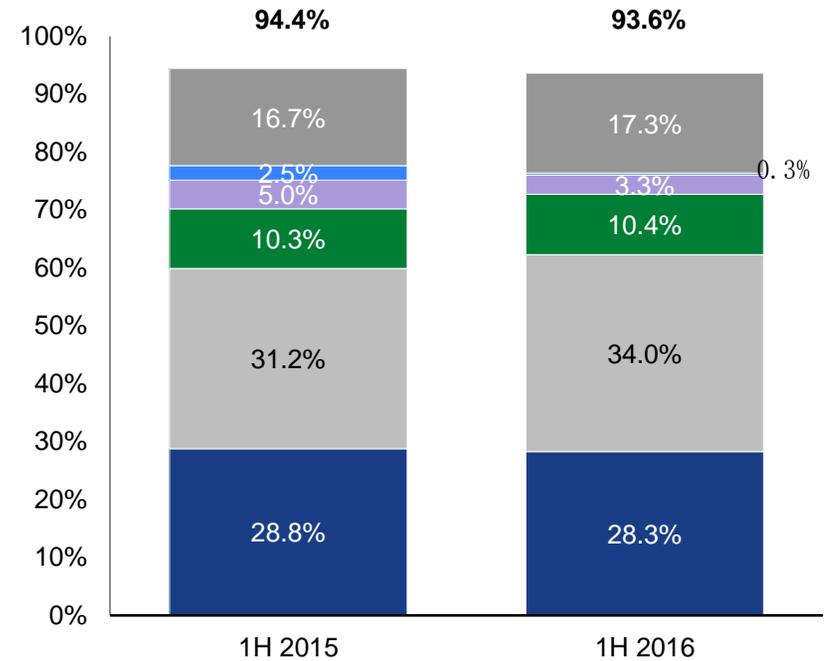
## Cost Breakdown (1H 2016)

As % of operating costs<sup>1</sup>



## Cost Structure (1H 2016)

As % of sales



Note:

<sup>1</sup> Operating costs = cost of sales + selling and marketing expenses + administrative expenses

# Infrastructure Construction — Business Performance

Completed projects with RMB152,283 million of contract value

Key Projects

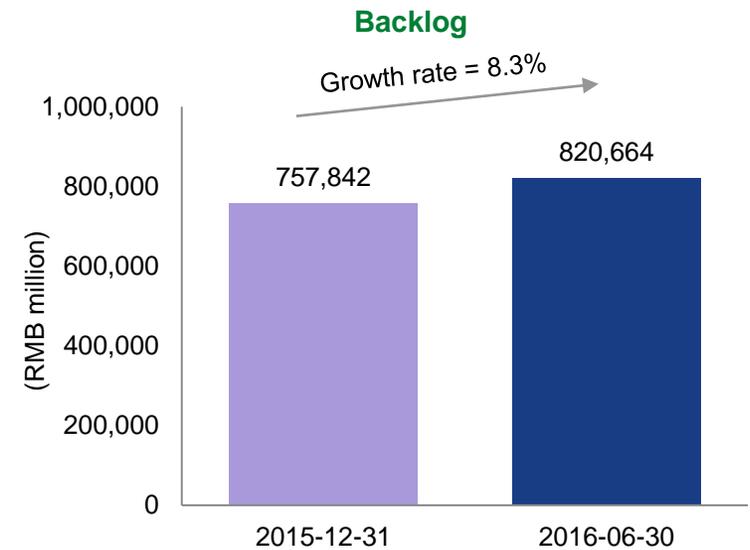
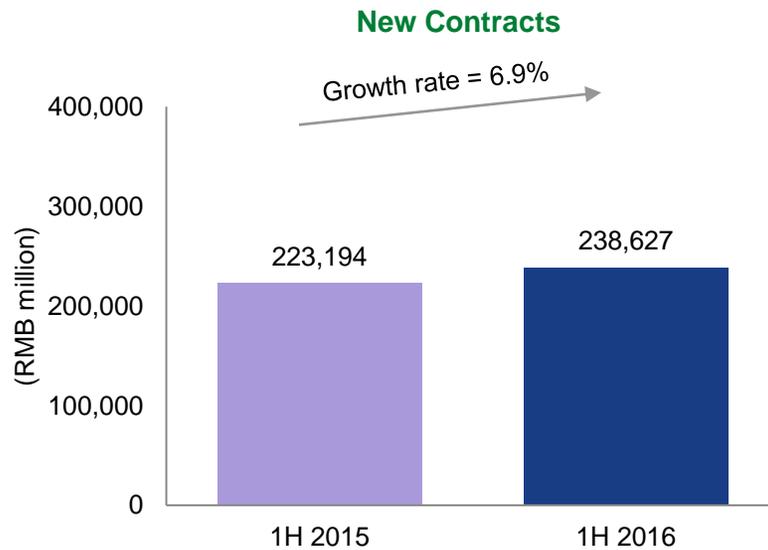


Third and fourth line ship lock of the Yangze River hydro-junction



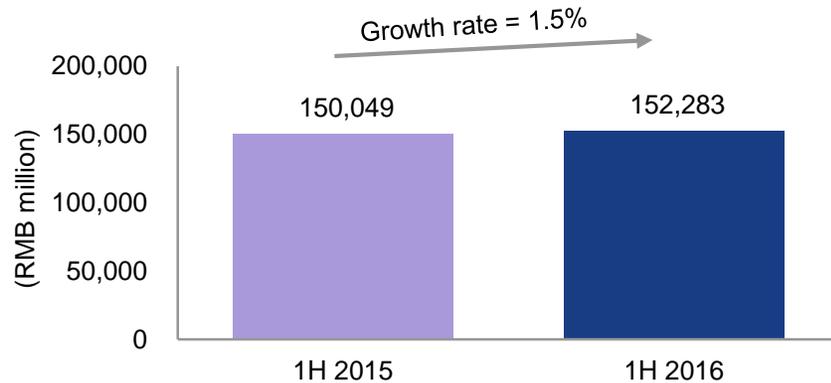
Jamaica north-south expressway

New Contracts and Backlog

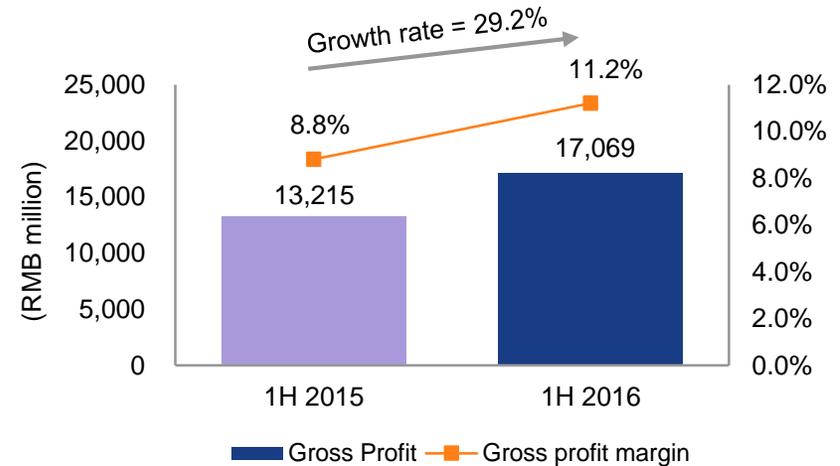


# Infrastructure Construction — Financial Performance

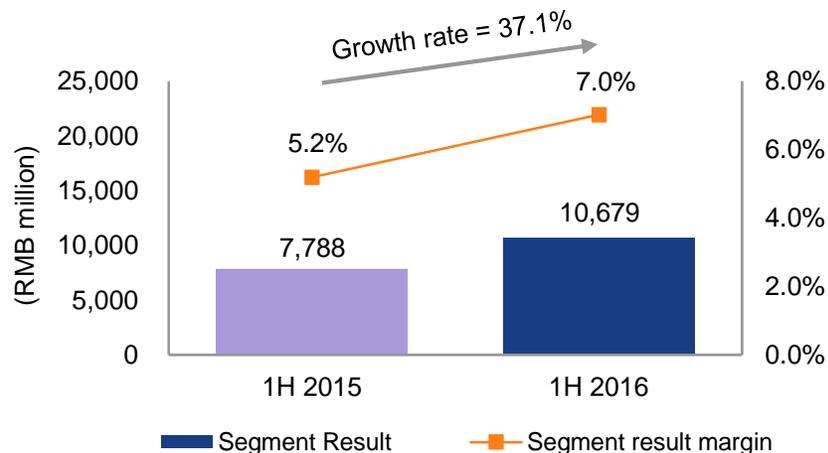
## Revenue<sup>1</sup>



## Gross Profit<sup>1</sup>



## Segment Result<sup>1,2</sup>



## REMARKS

- ◆ The increase revenue was primarily attributable to the contribution from overseas projects and investment projects. However, the increase of revenue is partially offset by the influence of the replacement of business tax with value-added tax
- ◆ Gross profit margin increased from 8.8% to 11.2%, which was primarily attributable to the revenue generated from certain overseas projects and investment projects that has relatively higher gross profit margin as well as the replacement of business tax with value-added tax

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 RMB 9,973 million of contract value

Key Projects



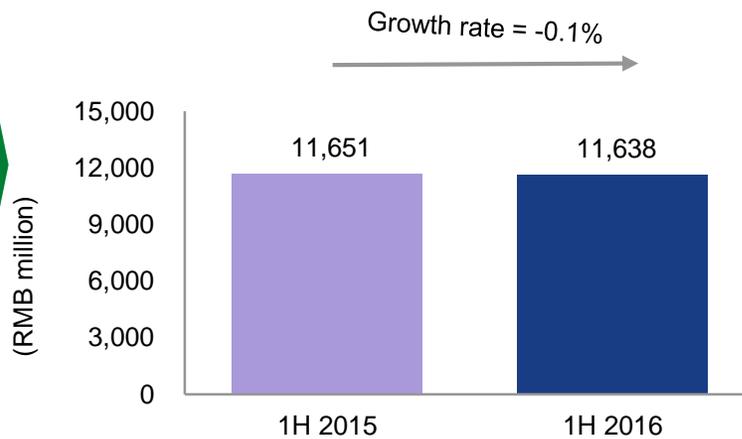
Chongqing Youyang-Guizhou Yanhe expressway



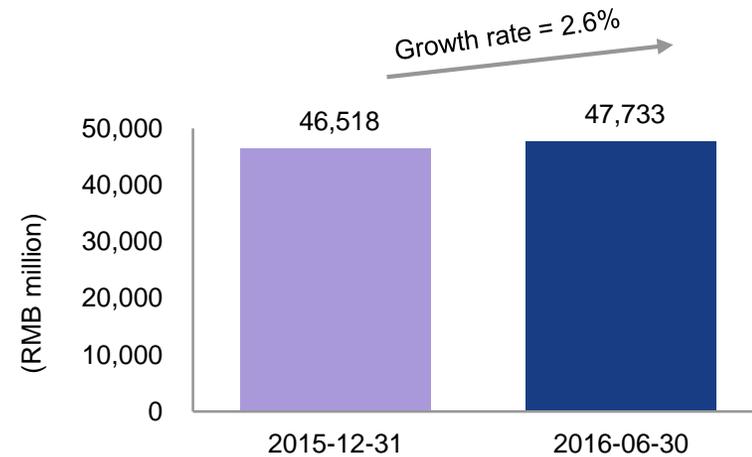
Pakistan Qasim LNG port

New Contracts and Backlog

New Contracts

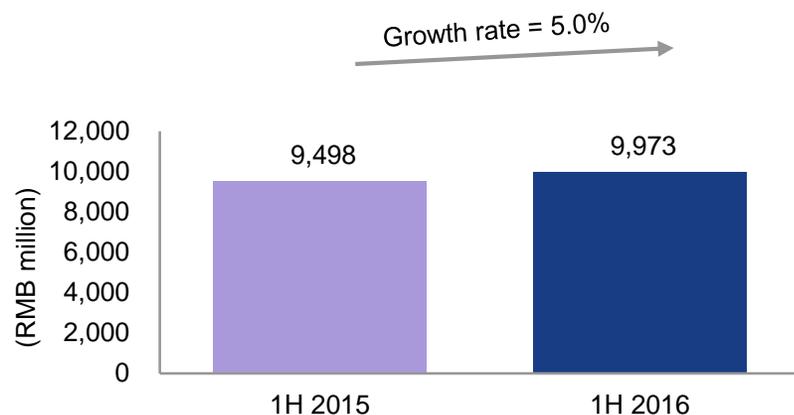


Backlog

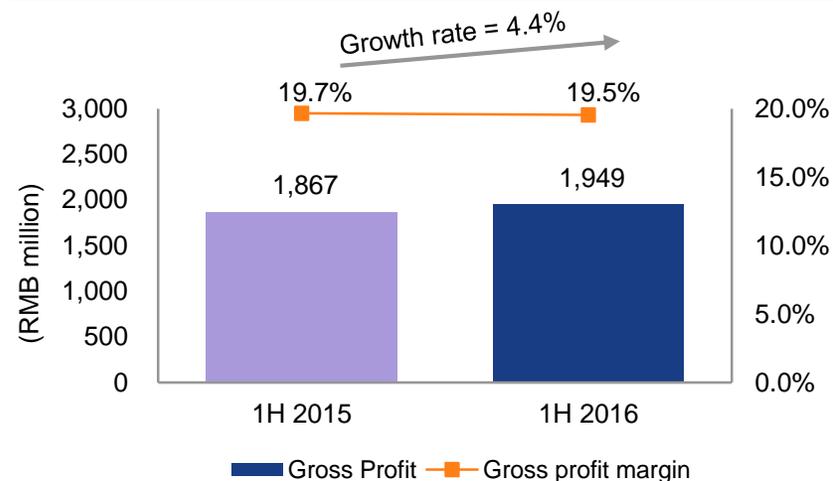


# Infrastructure Design — Financial Performance

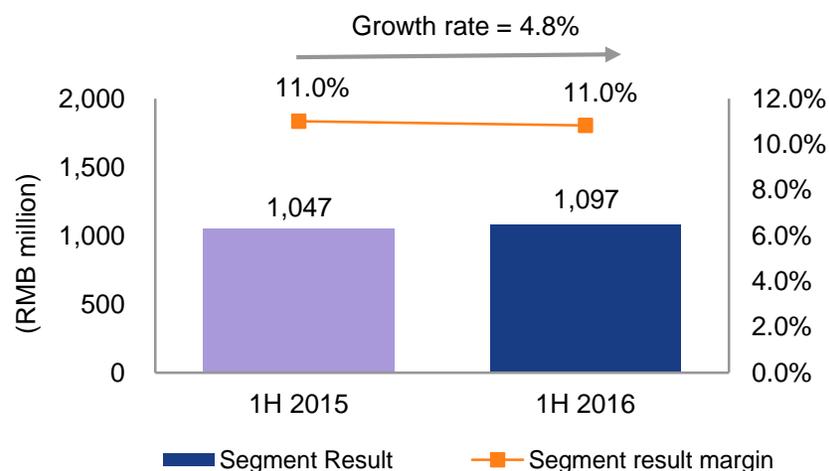
## Revenue<sup>1</sup>



## Gross Profit<sup>1</sup>



## Segment Result<sup>1,2</sup>



## REMARKS

- ◆ The increase in revenue was primarily attributable to the contribution from the increased value of comprehensive contracts
- ◆ The decrease in gross profit margin from 19.7% to 19.5% was mainly attributable 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 RMB 12,393 million of contract value

Key Projects



“Xin Hai Hu” in Brazil

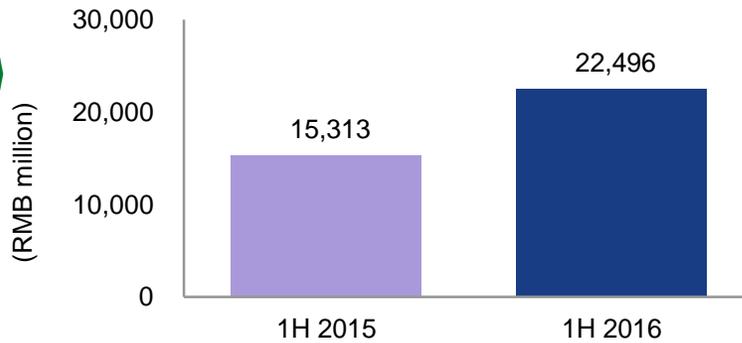


Phase II of Nanhai Pearl artificial island

New Contracts and Backlog

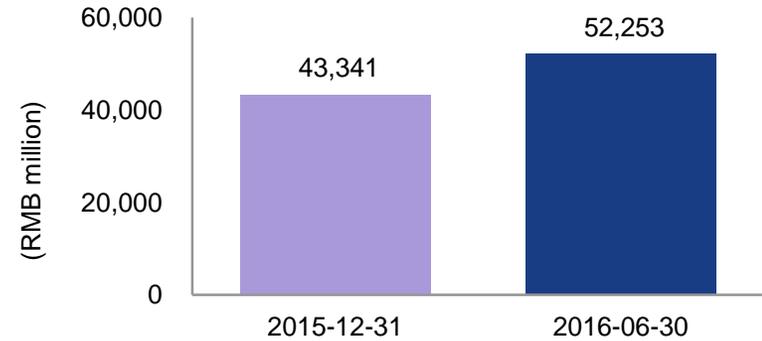
New Contracts

Growth rate = 46.9%



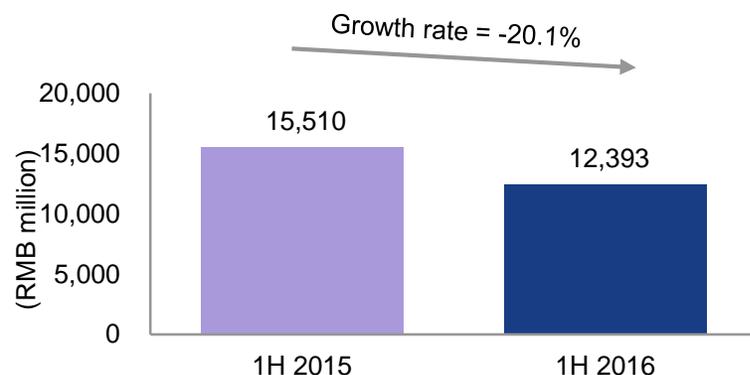
Backlog

Growth rate = 20.6%

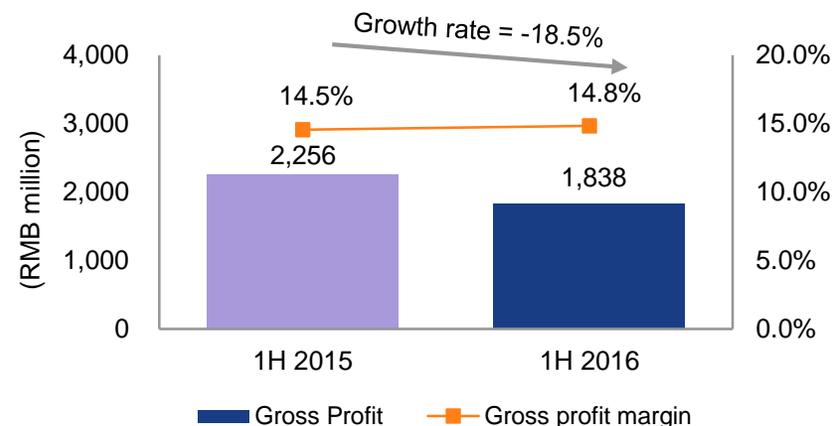


# Dredging — Financial Performance

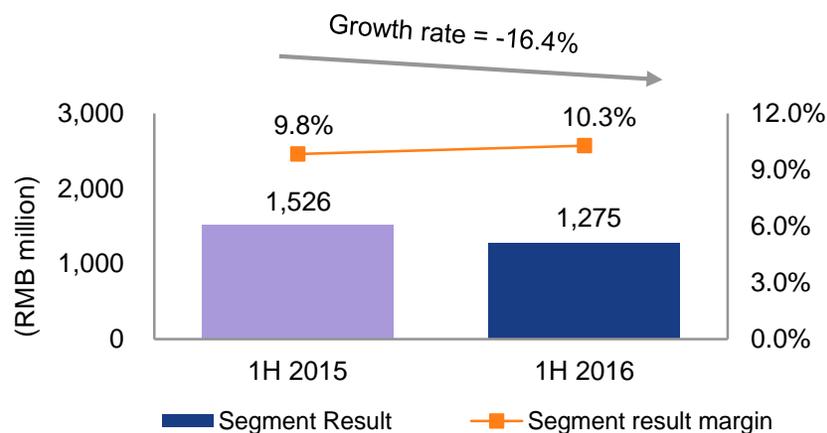
## Revenue<sup>1</sup>



## Gross Profit<sup>1</sup>



## Segment Result<sup>1,2</sup>



## REMARKS

- ◆ The decrease in revenue was primarily attributable to some projects at early stage, of which the revenue has not been fully generated as well as the impact of the replacement of business tax with value-added tax
- ◆ Gross profit margin for the dredging business increased from 14.5% to 14.8% was primarily attributable to the offset of the replacement of business tax with value-added tax against the influence of some projects at early stage with less profit generated

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 RMB 11,938 million of contract value

Key Projects

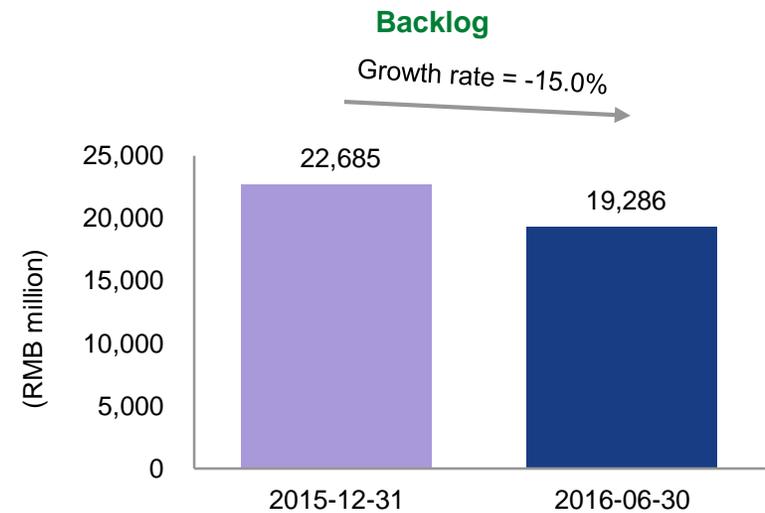
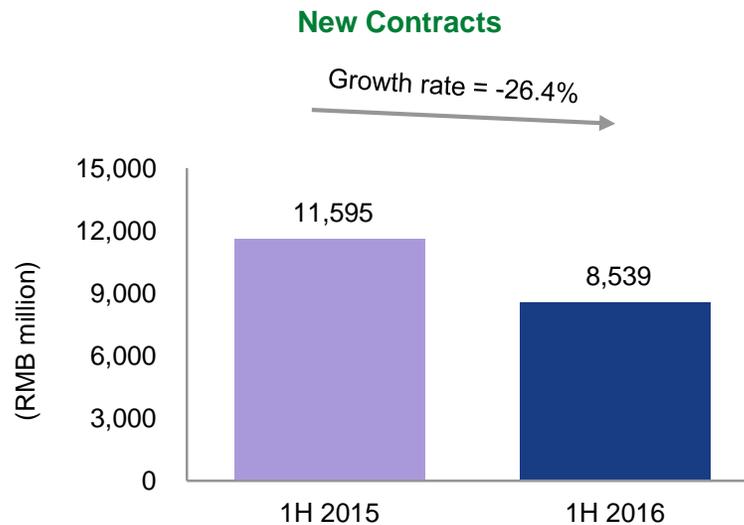


Quayside container cranes for phase II of Liverpool automatic container terminal



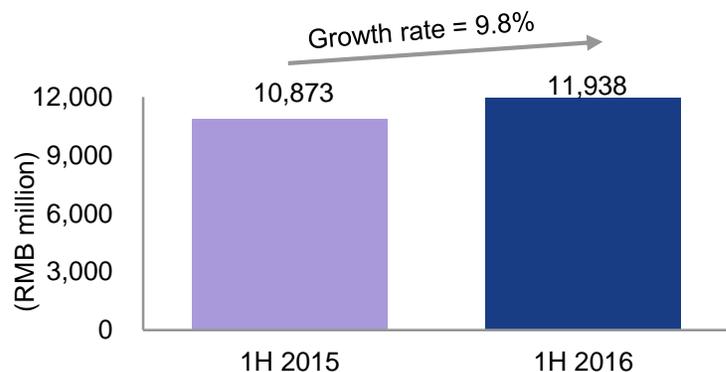
The deepwater rubble leveling ship

New Contracts and Backlog

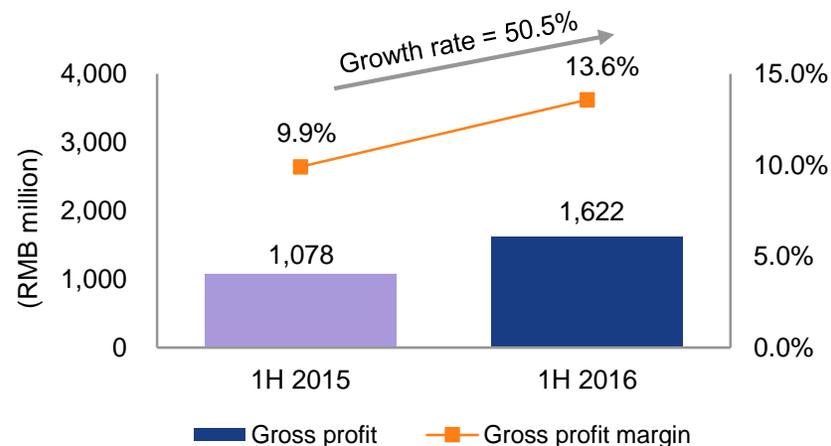


# Heavy Machinery Manufacturing — Financial Performance

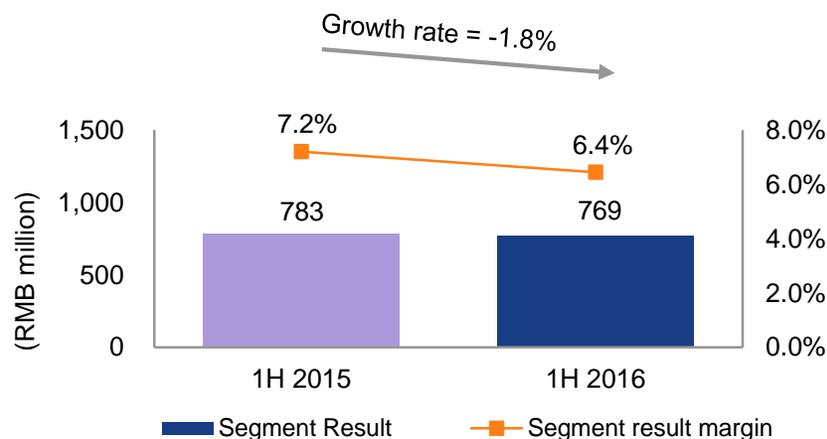
## Revenue<sup>1</sup>



## Gross Profit<sup>1</sup>



## Segment Result<sup>1,2</sup>



## REMARKS

- ◆ The increase in revenue was primarily due to the realised revenue from projects entered in previous years
- ◆ Gross profit margin increased from 9.9% to 13.6%, which was mainly due to fixed expenses occurred despite of the increment of revenue
- ◆ Segment result margin decreased from 7.2% to 6.4%, which was mainly due to the decrease in other income led by the fair value loss on forward foreign exchange contracts which are used to hedge foreign currency risk

### Notes:

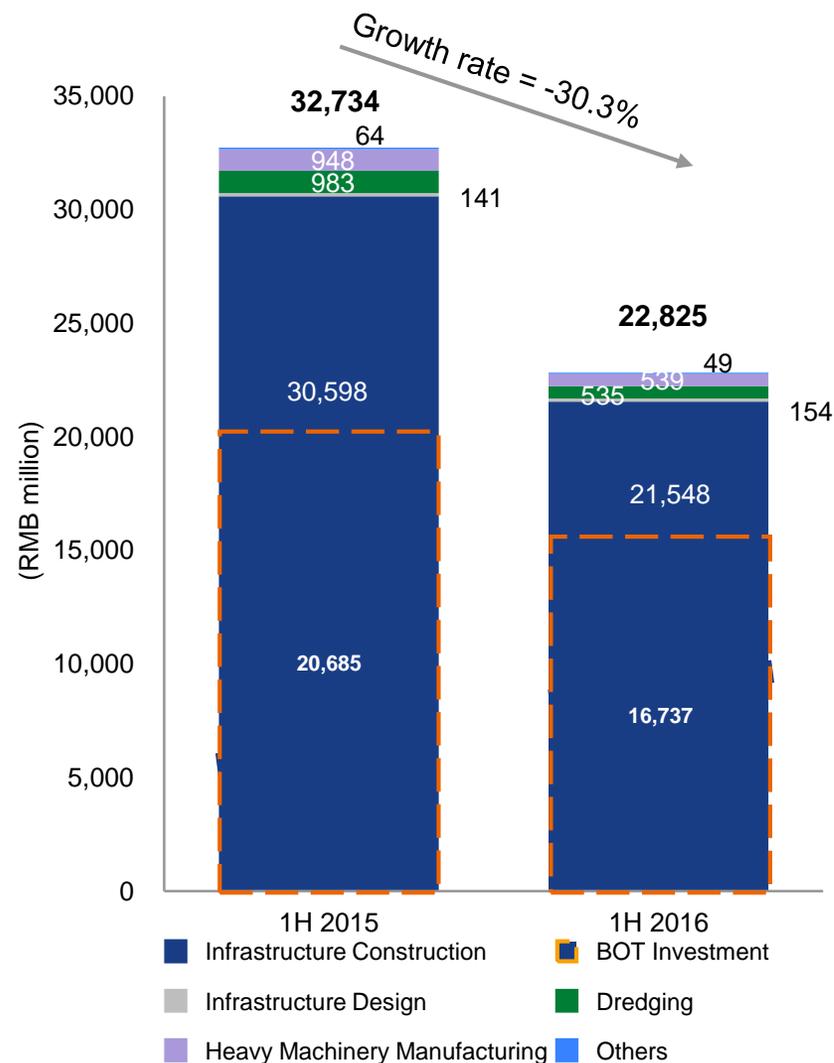
1 All figures are before elimination of inter-segment transactions and unallocated costs

2 Segment result = revenue – cost of sales – selling and marketing expenses – administrative expenses + other income/ (expenses), net

# Capital Expenditure

<b>Infrastructure Construction Business</b>	<ul style="list-style-type: none"> <li>◆ Mainly used in investments in BOT projects, purchases of machinery, equipment and vessels</li> </ul>
<b>Infrastructure Design Business</b>	<ul style="list-style-type: none"> <li>◆ Mainly used in the purchase of equipment</li> </ul>
<b>Dredging Business</b>	<ul style="list-style-type: none"> <li>◆ Mainly used in the purchase of new dredgers and upgrade of existing dredgers</li> </ul>
<b>Heavy Machinery Manufacturing Business</b>	<ul style="list-style-type: none"> <li>◆ Mainly used in the completion of the existing building of plants</li> </ul>

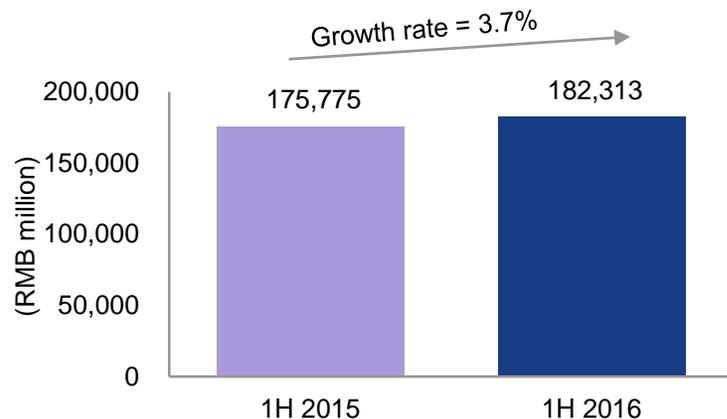
## Capital expenditure



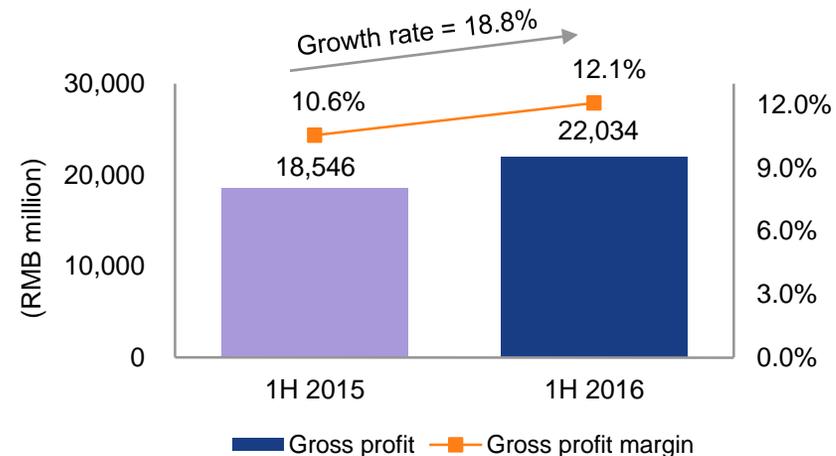
Note: Capital expenditure is implemented by means of both cash purchase and financial lease

# Summary Income Statement Data

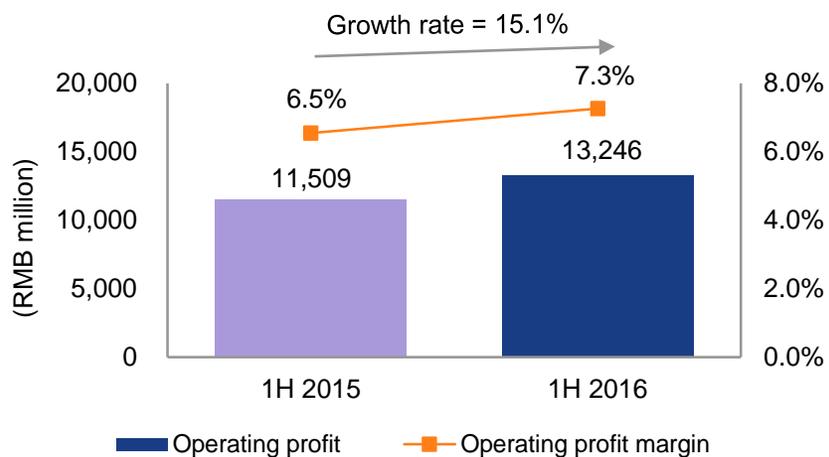
## Revenue



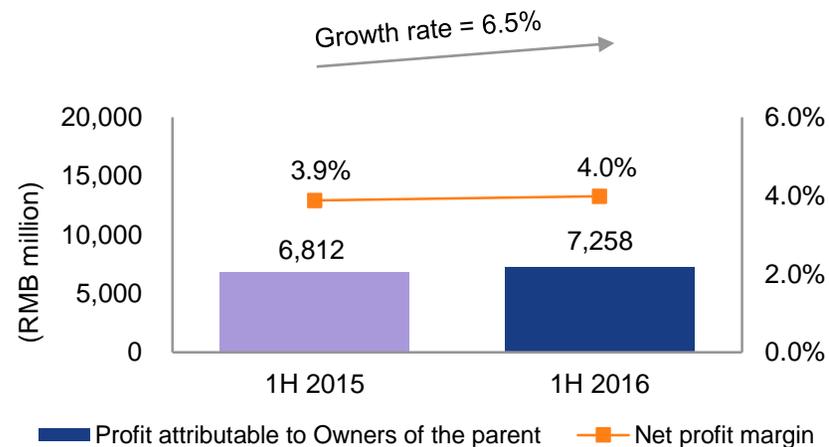
## Gross Profit



## Operating Profit



## Profit attributable to Owners of the parent



# Summary Balance Sheet Data

<i>RMB Million</i>	As at 2015-12-31	As at 2016-06-30	Change
<b>Non-current assets</b>	<b>338,575</b>	<b>345,928</b>	<b>2.2%</b>
Property, plant and equipment	67,973	69,439	2.2%
Intangible assets	141,345	155,784	10.2%
Available-for-sale financial assets	22,322	20,722	(7.2)%
Trade and other receivables	77,816	70,091	(9.9)%
<b>Current assets</b>	<b>392,738</b>	<b>412,479</b>	<b>5.0%</b>
Inventories	51,904	54,017	4.1%
Trade and other receivables	167,914	188,809	12.4%
Amounts due from customers for contract work	74,645	81,292	8.9%
Cash and cash equivalents	94,960	81,333	(14.4)%
<b>Total Asset</b>	<b>731,313</b>	<b>758,407</b>	<b>3.7%</b>
<b>Non-current liabilities</b>	<b>189,227</b>	<b>207,345</b>	<b>9.6%</b>
Borrowings	168,578	187,503	11.2%
<b>Current liabilities</b>	<b>373,080</b>	<b>377,983</b>	<b>1.3%</b>
Trade and other payables	257,379	255,864	(0.6)%
Borrowings	86,605	96,243	11.1%
<b>Total liabilities</b>	<b>562,307</b>	<b>585,349</b>	<b>4.1%</b>
<b>Total equity</b>	<b>169,006</b>	<b>173,058</b>	<b>2.4%</b>

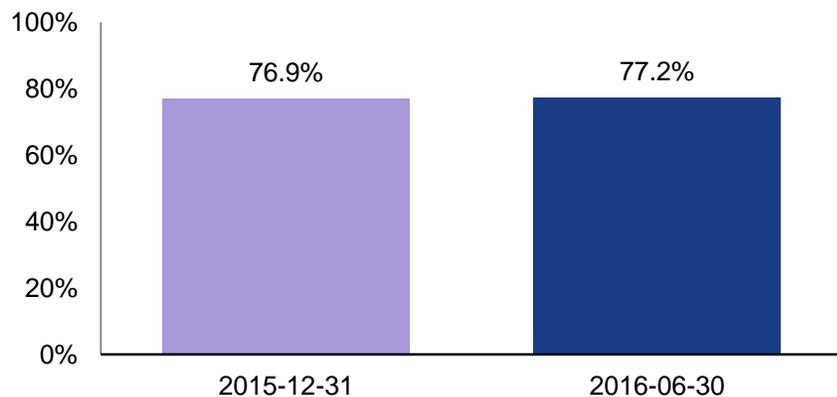
	As at 2015-12-31	As at 2016-06-30	Change
<b>Total Liabilities / Total Assets</b>	<b>76.9%</b>	<b>77.2%</b>	<b>0.3%</b>
<b>Net debt / Total Capital<sup>1</sup></b>	<b>48.7%</b>	<b>53.9%</b>	<b>5.2%</b>

Notes:

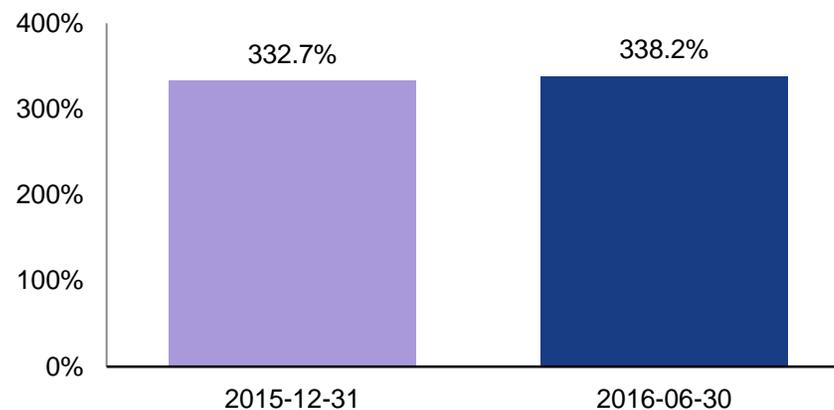
1 Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

# Summary Balance Sheet Data

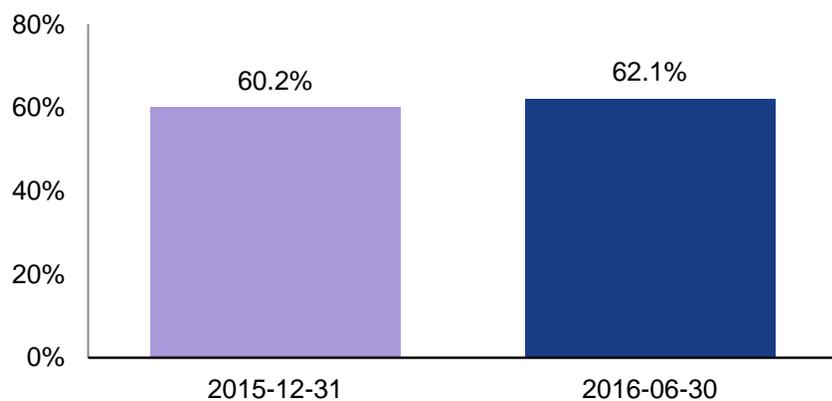
## Total Liabilities/Total Assets



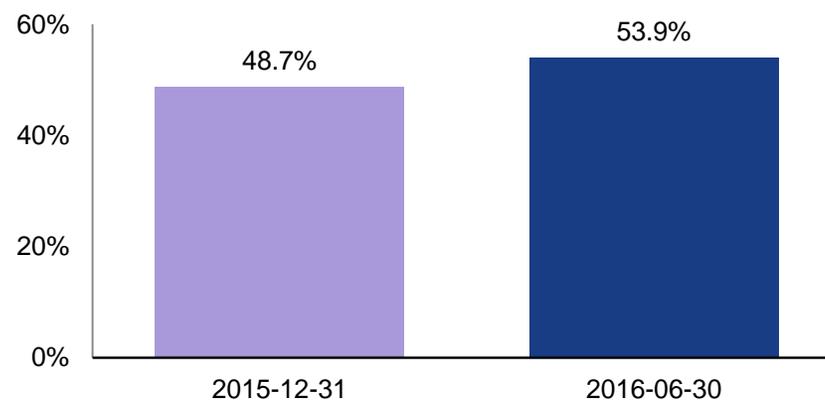
## Total Liabilities/Net Assets



## Total Debt/Total Capitalization<sup>1</sup>



## Net Debt/Total Capital<sup>2</sup>



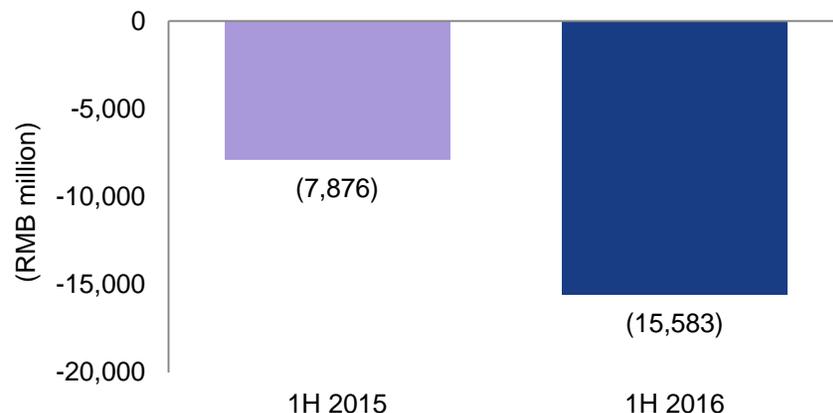
Note:

1 Total capitalization is total equity plus total debt

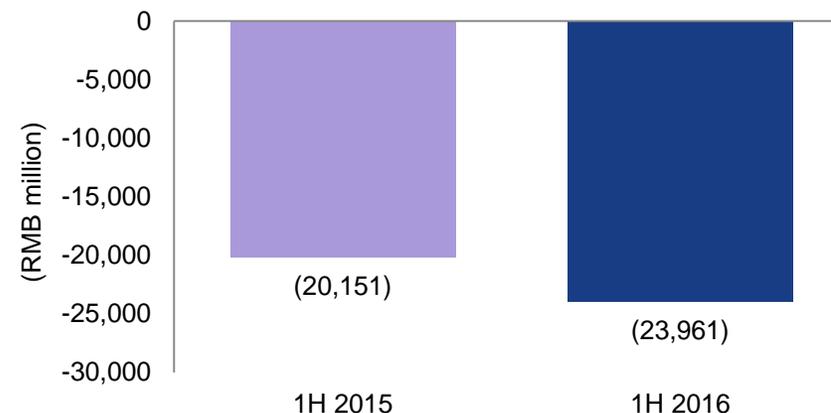
2 Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

# Summary Cash Flow Statement Data

## Cash Flow from Operating Activities



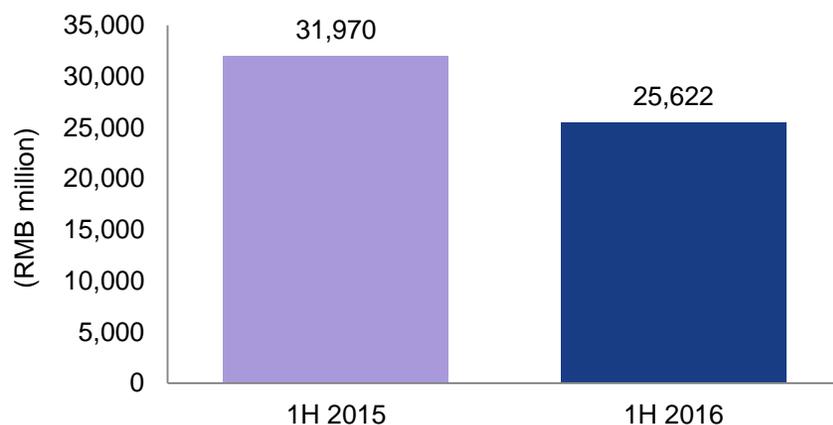
## Cash Flow from Investing Activities



### REMARKS

- ◆ Net cash used in operating activities increased to RMB15,583 million from RMB7,876 million, which was primarily attributable to changes in working capital, in particular, due to larger increase in trade and other receivables, contract work-in-progress, inventories, as well as slight decrease in trade and other payables
- ◆ The increase in net cash used in investing activities was primarily attributable to the changes in term deposits with an initial term of over three months and net purchases of available-for-sale investments in 2015
- ◆ Net cash generated from financing activities decreased to RMB25,622 million, primarily due to the proceeds from issuance of unsubordinated guaranteed perpetual securities by a subsidiary of RMB6,683 million in 2015

## Cash Flow from Financing Activities



**Thank You**

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