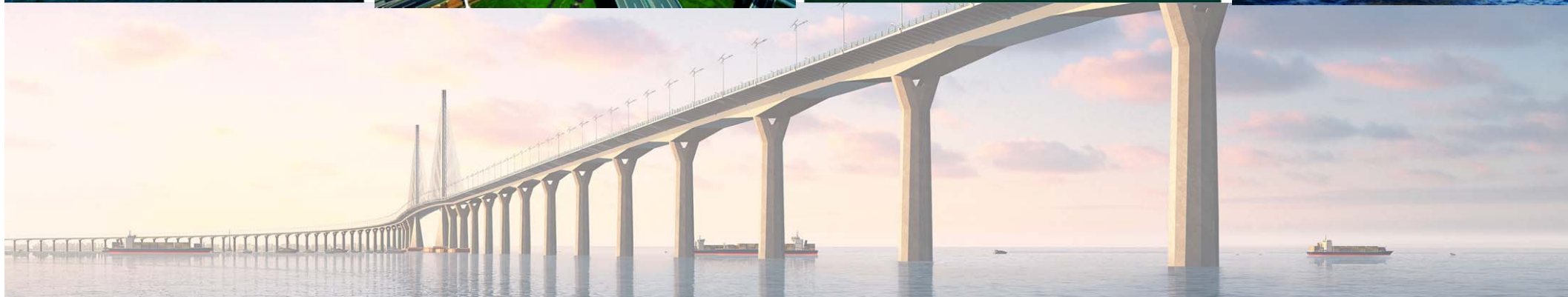




中国交通建设股份有限公司
CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

01800.HK

2016 Annual Results Presentation



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Financial Summary

RMB million (except per share data)	Year Ended		
	2016-12-31	2015-12-31	Change
Revenue	429,972	403,616	↑ 6.5%
Gross Profit	57,899	49,754	↑ 16.4%
EBITDA ¹	40,801	34,313	↑ 18.9%
Operating Profit	31,124	25,798	↑ 20.6%
Profit before income tax	22,922	19,671	↑ 16.5%
Profit attributable to parent of the Company	17,210	15,828	↑ 8.7%
EPS ²	1.00	0.96	↑ 4.2%

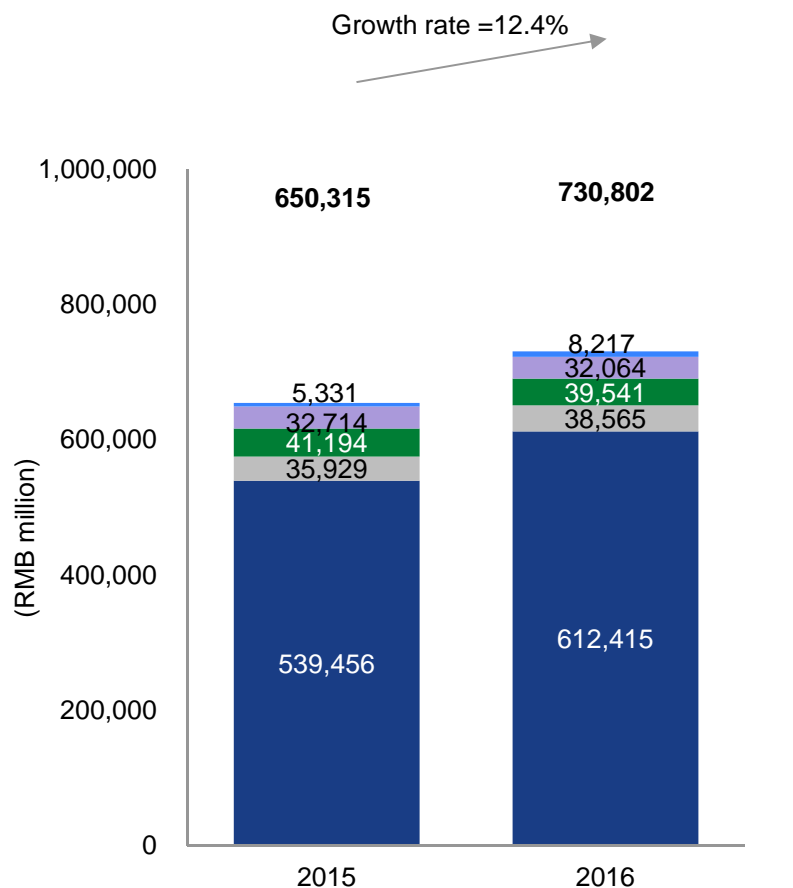
Notes:

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

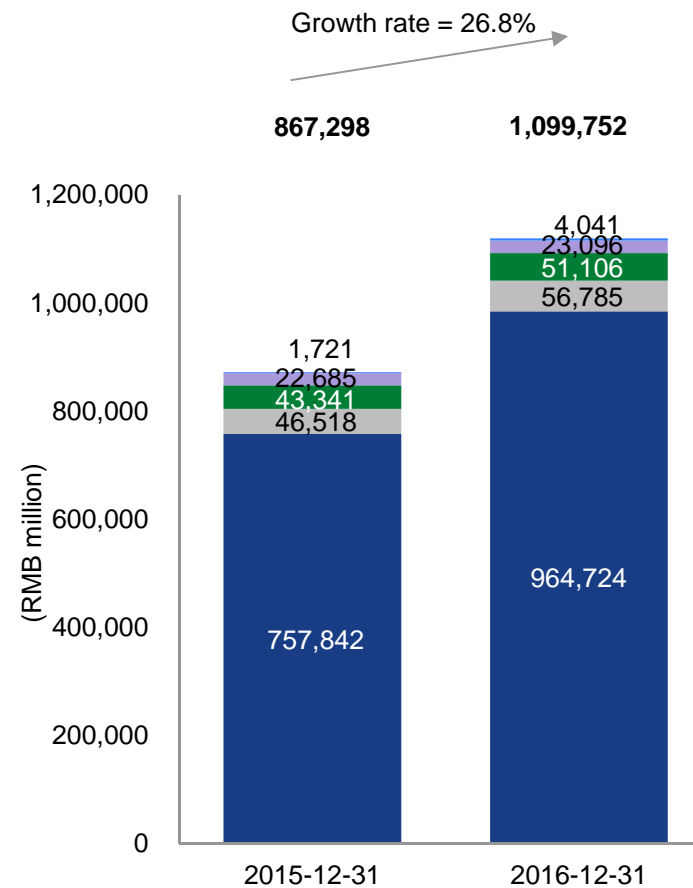
² The interests of the perpetual medium-term notes (issued by the Company on 18 December 2014) have been generated, and the conditions of mandatory distribution of preference shares (issued by the Company in September and October 2015) were triggered. As a result, a total interest/dividend of RMB1,017.50 million should be deducted from earnings when calculating the EPS for the year ended 31 December 2016

New Contracts and Backlog by Business Segments

New Contracts



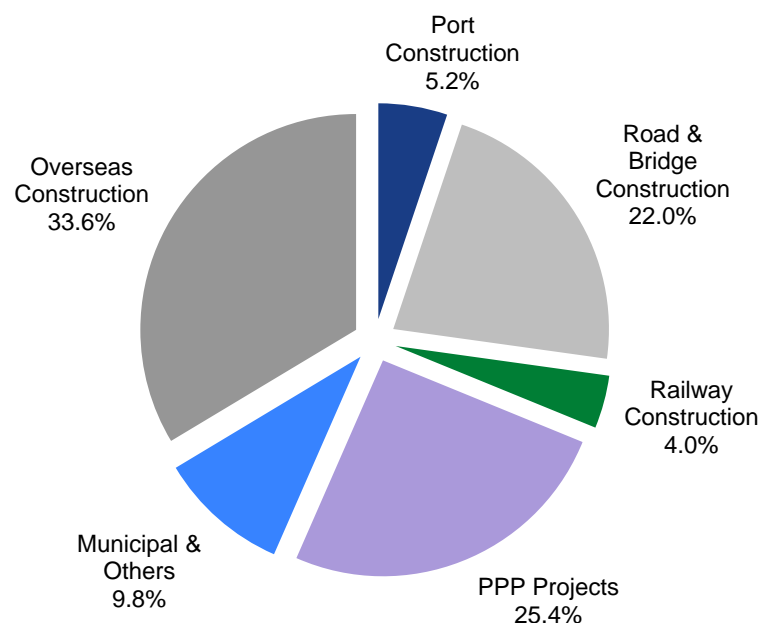
Backlog



- Infrastructure Construction
- Dredging
- Others
- Infrastructure Design
- Heavy Machinery Manufacturing

New Contracts of Infrastructure Construction Business

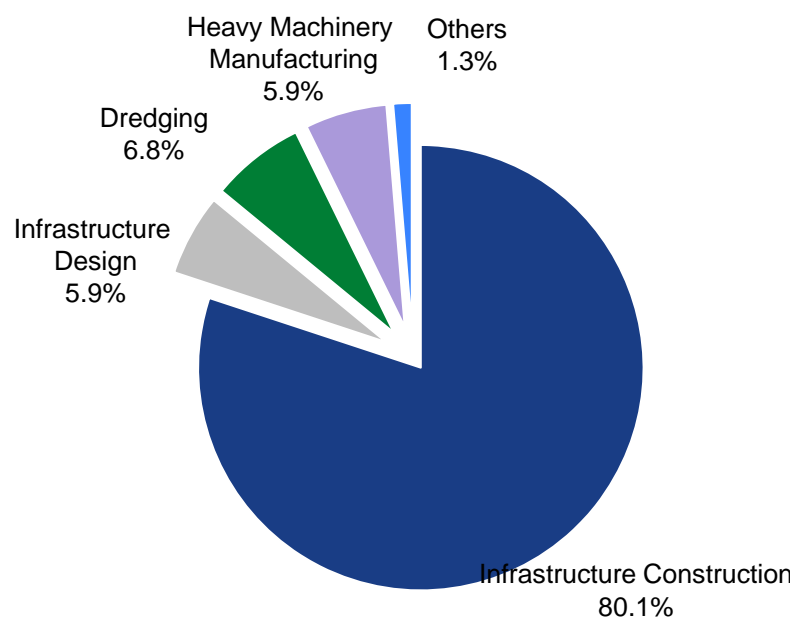
New Contracts of Infrastructure Construction Business (2016)



	2016		2015		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Domestic Construction	406,556	66.4%	403,207	74.7%	3,349	0.8%
Port Construction	31,628	5.2%	53,064	9.8%	(21,436)	(40.4%)
Road & Bridge Construction	134,946	22.0%	151,794	28.2%	(16,848)	(11.1%)
Railway Construction	24,326	4.0%	27,063	5.0%	(2,737)	(10.1%)
PPP Projects	155,538	25.4%	85,900	15.9%	69,638	81.1%
Municipal & Others	60,118	9.8%	85,386	15.8%	(25,268)	(29.6%)
Overseas Construction	205,859	33.6%	136,249	25.3%	69,610	51.1%
Total	612,415	100.0%	539,456	100.0%	72,959	13.5%

Contribution by Business Segments - Revenue

Revenue (2016) ¹



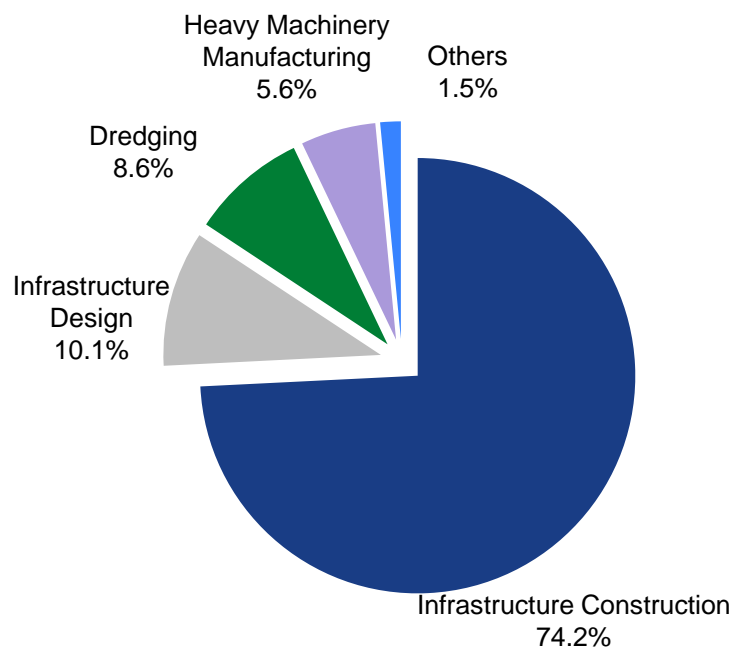
Business	2016		2015		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	357,158	80.1%	345,475	80.0%	11,683	3.4%
Infrastructure Design	26,328	5.9%	24,483	5.7%	1,845	7.5%
Dredging	30,282	6.8%	33,515	7.8%	(3,233)	-9.6%
Heavy Machinery	26,006	5.9%	24,104	5.5%	1,902	7.9%
Others	5,897	1.3%	4,323	1.0%	1,574	36.4%
Total (before elimination)	445,671	100.0%	431,900	100.0%	13,771	--

Notes:

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

Contribution by Business Segments - Segment Result

Segment Result (2016) ¹



Business	2016		2015		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	23,604	74.2%	18,259	69.3%	5,345	29.3%
Infrastructure Design	3,203	10.1%	2,923	11.1%	280	9.6%
Dredging	2,740	8.6%	3,752	14.2%	(1,012)	-27.0%
Heavy Machinery	1,773	5.6%	1,491	5.7%	282	18.9%
Others	485	1.5%	(69)	-0.3%	554	802.9%
Total (before elimination)	31,805	100.0%	26,356	100.0%	5,449	--

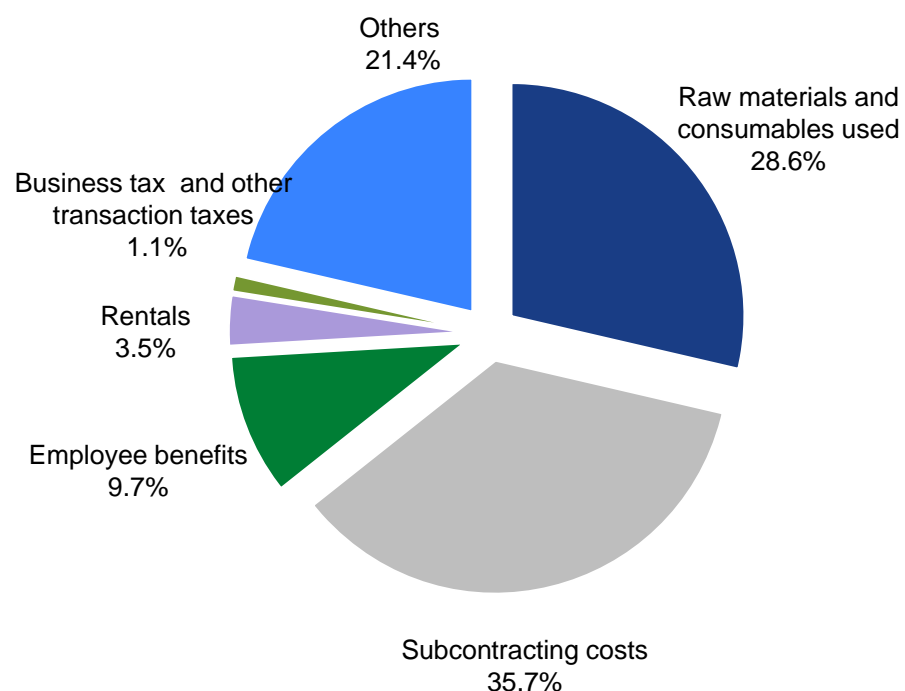
Notes:

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

Operating Cost Structure

Cost Breakdown (2016)

As % of operating costs¹

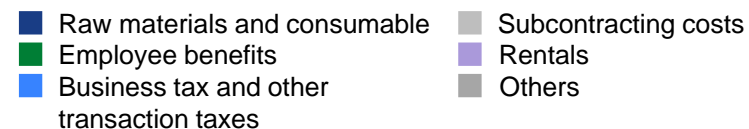
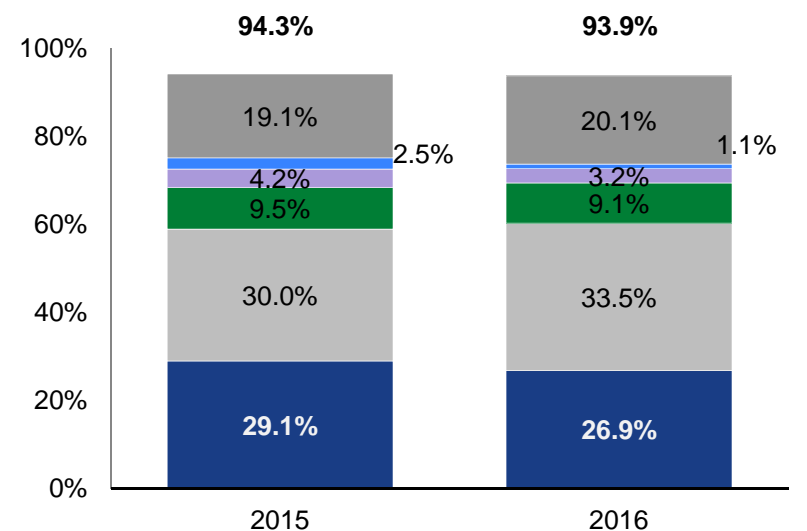


Note:

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

Cost Structure (2016)

As % of sales



Infrastructure Construction - Business Performance

Completed projects with RMB 357,158 million of contract value

Key Projects



Beipanjiang Bridge

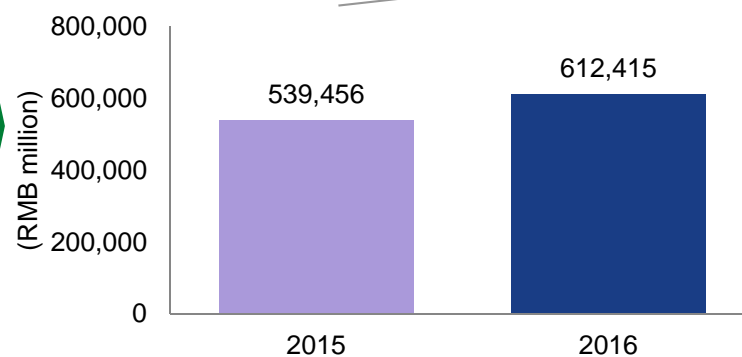


Hambantota Port in Sri-Lanka

New Contracts and Backlog

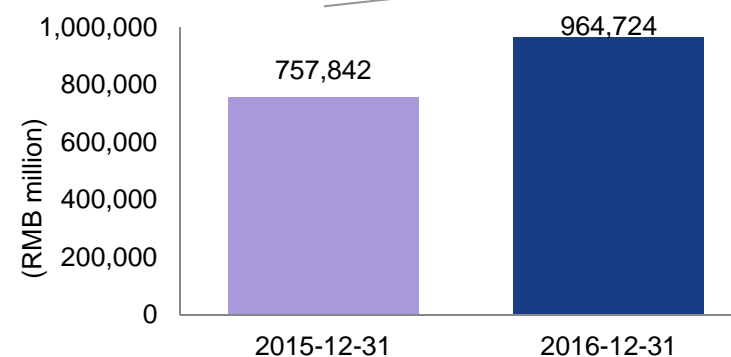
New Contracts

Growth rate = 13.5%



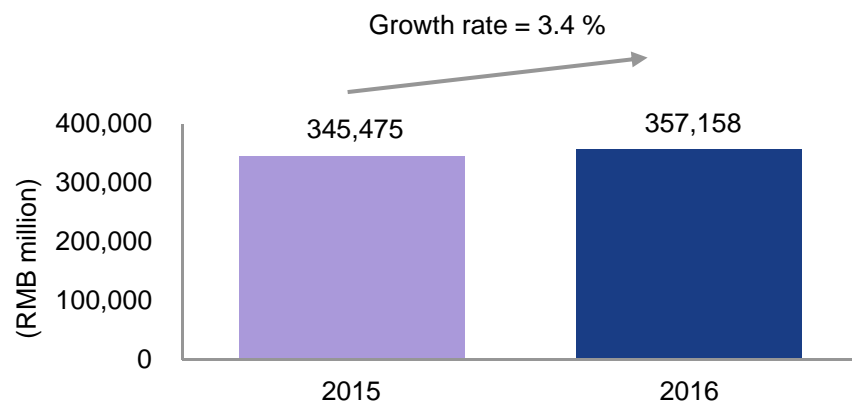
Backlog

Growth rate = 27.3%

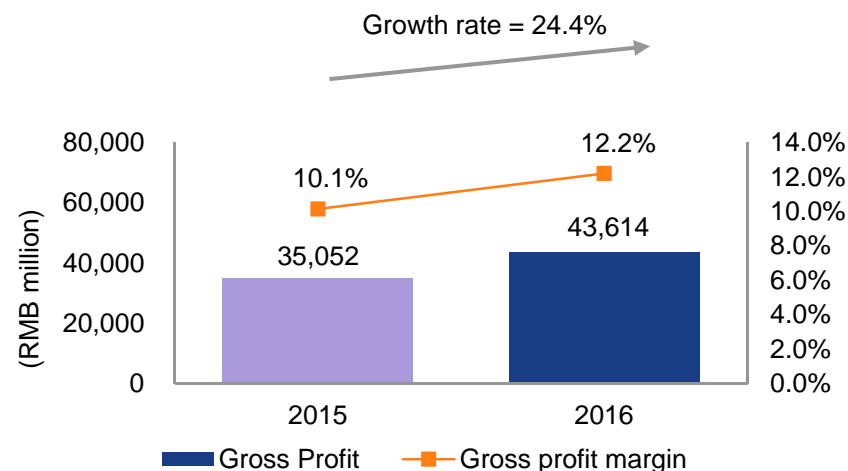


Infrastructure Construction - Financial Performance

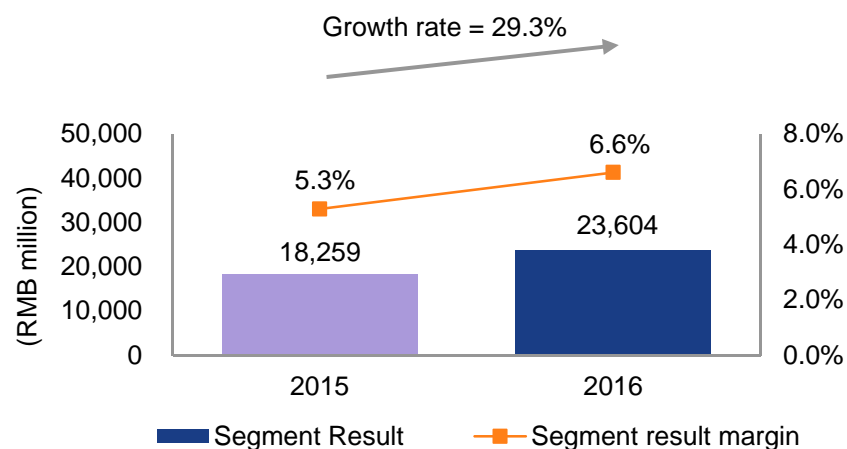
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ♦ The increase in revenue was primarily attributable to the increase of revenue from overseas projects, PPP projects and domestic road and bridge construction projects.
- ♦ Gross profit margin increased to 12.2% in 2016 from 10.1% in 2015, mainly attributable to the revenue generated from overseas projects and PPP projects that has relatively higher 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 RMB 26,328 million of contract value

Key Projects



Qingshuihe Bridge

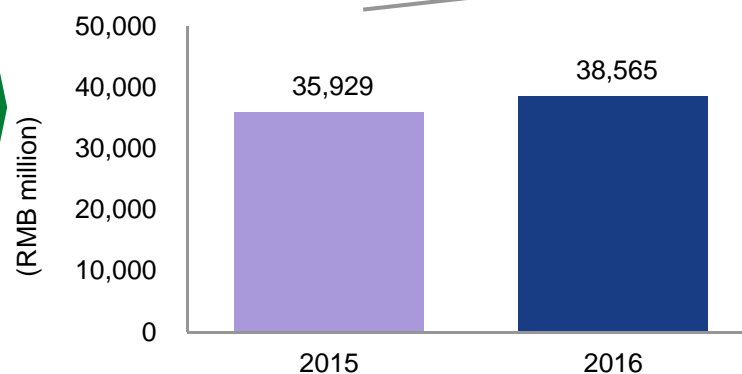


Wuhan-Shenzhen Highway

New Contracts and Backlog

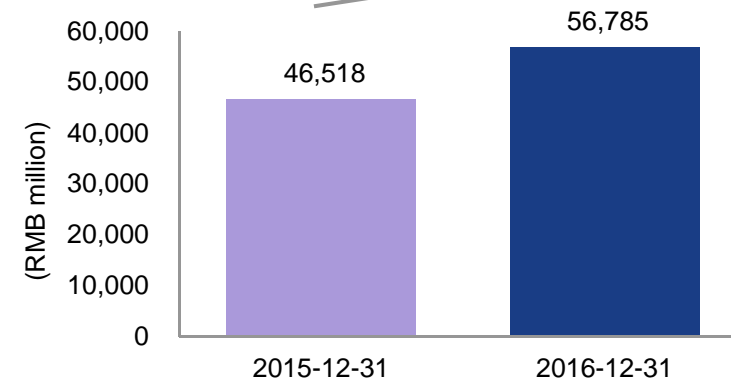
New Contracts

Growth rate = 7.3%



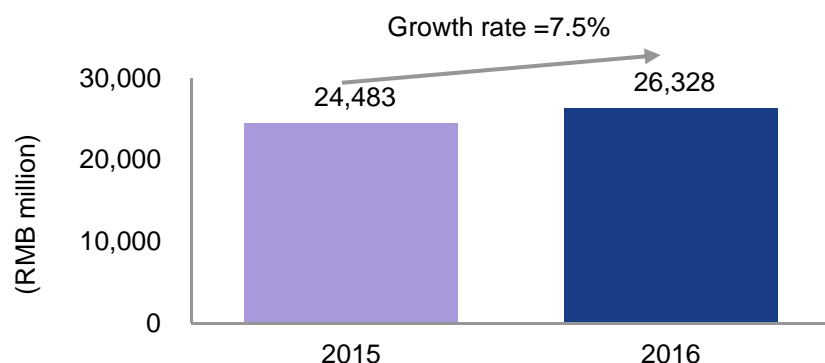
Backlog

Growth rate = 22.1%

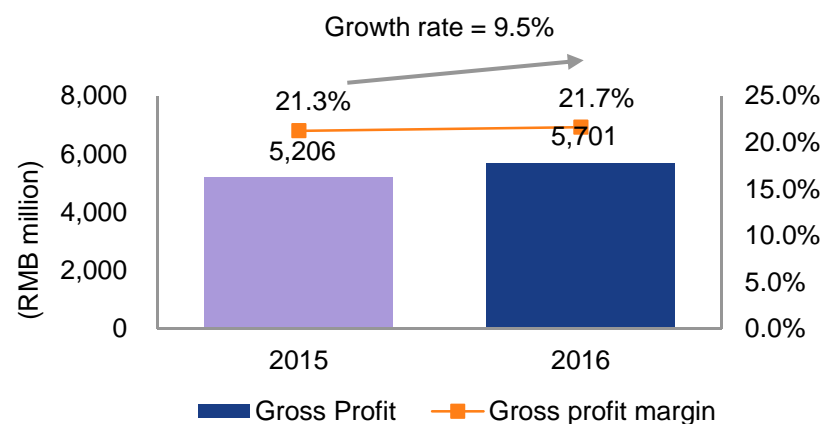


Infrastructure Design - Financial Performance

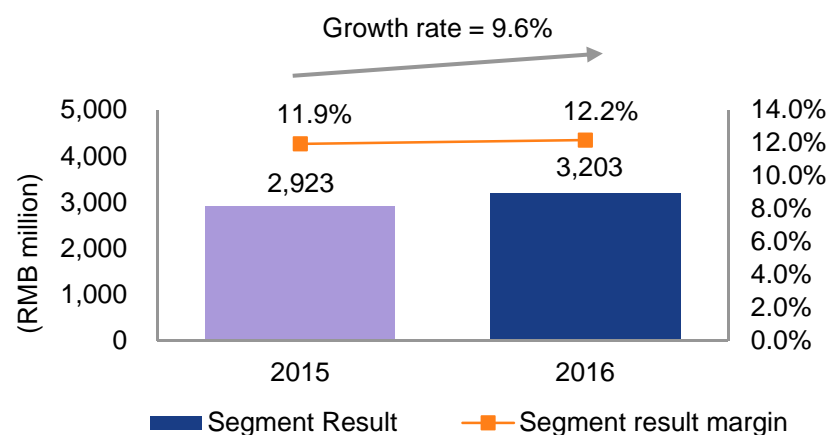
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The increase in revenue was primarily attributable to the increase in the aggregate value of comprehensive contracts, which was in turn driven by higher demand for the Group's specialised design skills and experience in complex projects.
- ◆ Gross profit margin slightly increased to 21.7% in 2016 from 21.3% in 2015.

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 30,282 million of contract value

Key Projects



Environmental dredging in Wuhan

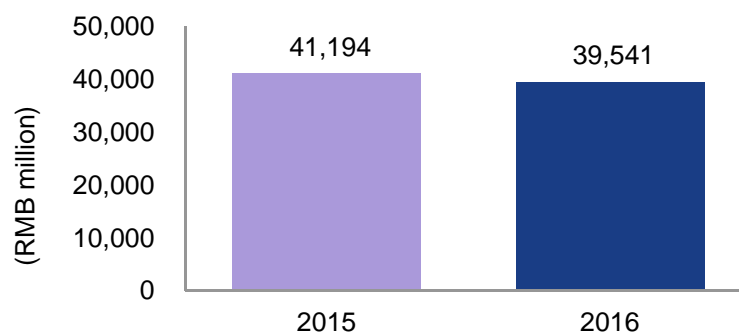


“Wan Qing Sha” in Colombo Port City

New Contracts and Backlog

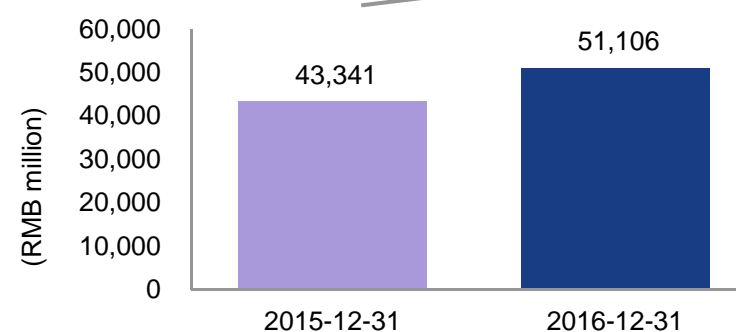
New Contracts

Growth rate = -4.0%



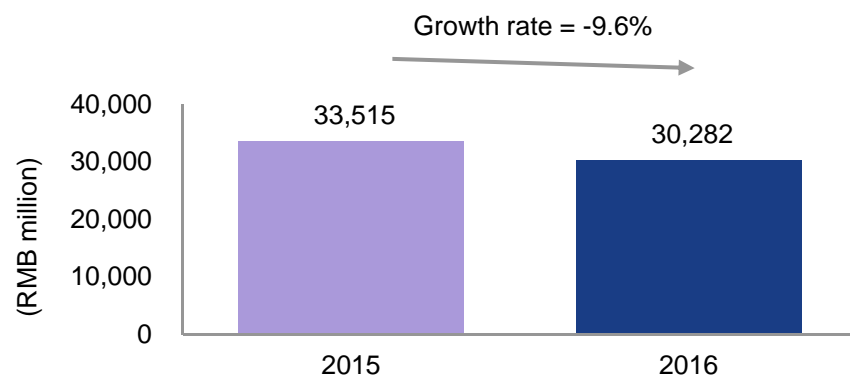
Backlog

Growth rate = 17.9%

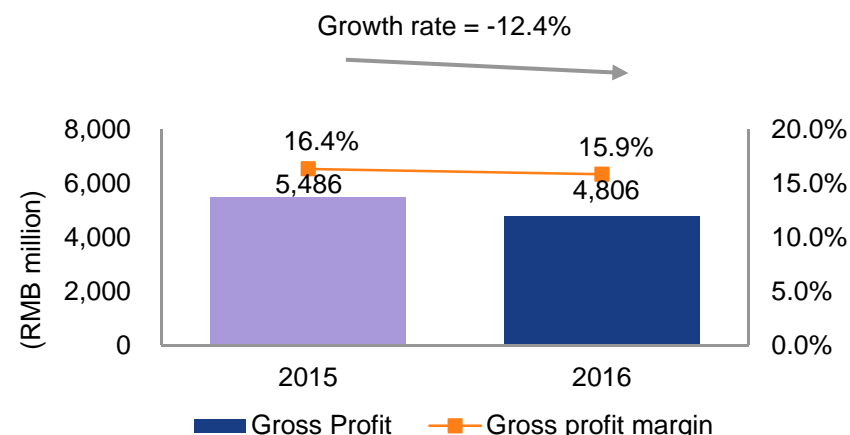


Dredging - Financial Performance

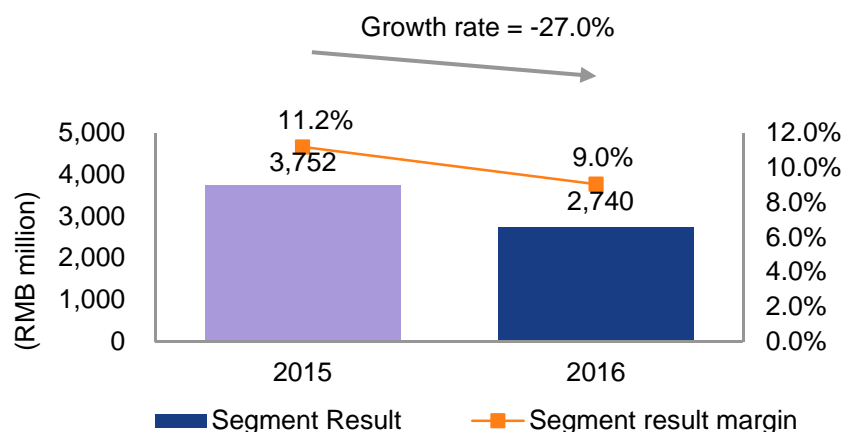
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ♦ The decrease in revenue was primarily attributable to some projects at early stage, of which the revenue has not been fully generated.
- ♦ Gross profit from the dredging business in 2016 was RMB4,806 million, representing a decrease of RMB680 million, or 12.4%, from RMB5,486 million in 2015. Gross profit margin for the dredging business decreased to 15.9% in 2016 from 16.4% in 2015, mainly attributable to the decrease of revenue and the completion of certain projects with higher 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

Heavy Machinery Manufacturing - Business Performance

Completed projects with RMB 26,006 million of contract value

Key Projects



Fully automated terminal in Long Beach, US

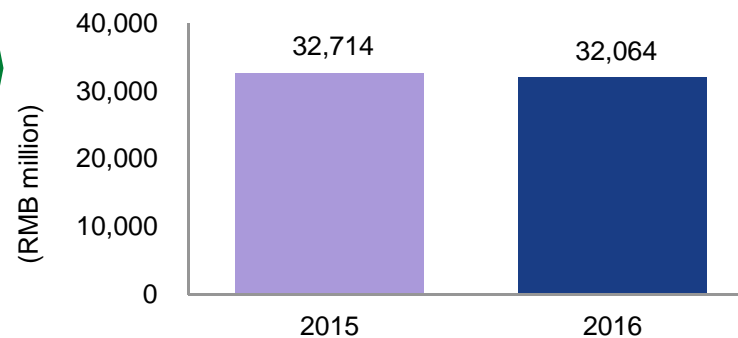


The wind power installation platform

New Contracts and Backlog

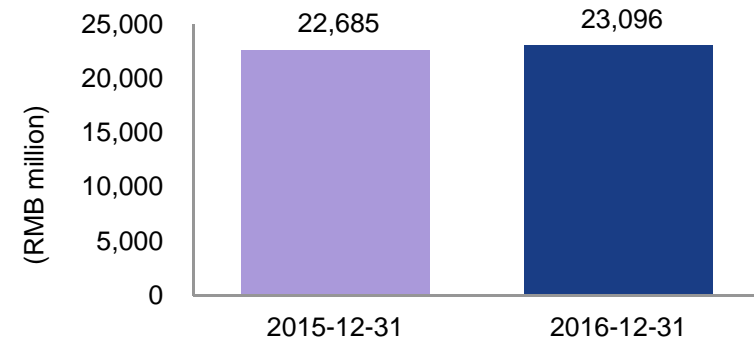
New Contracts

Growth rate = -2.0%



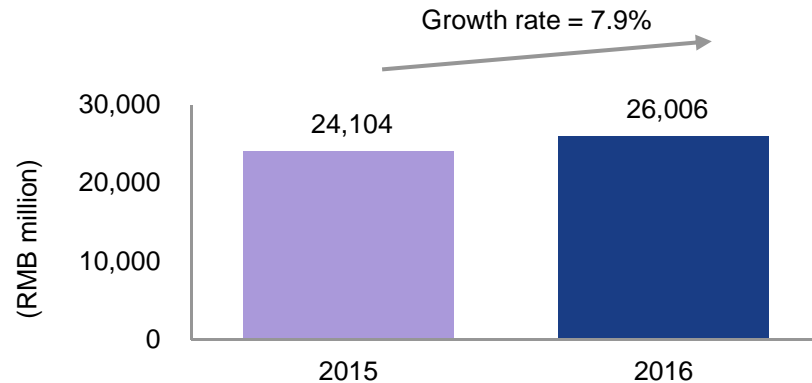
Backlog

Growth rate = 1.8%

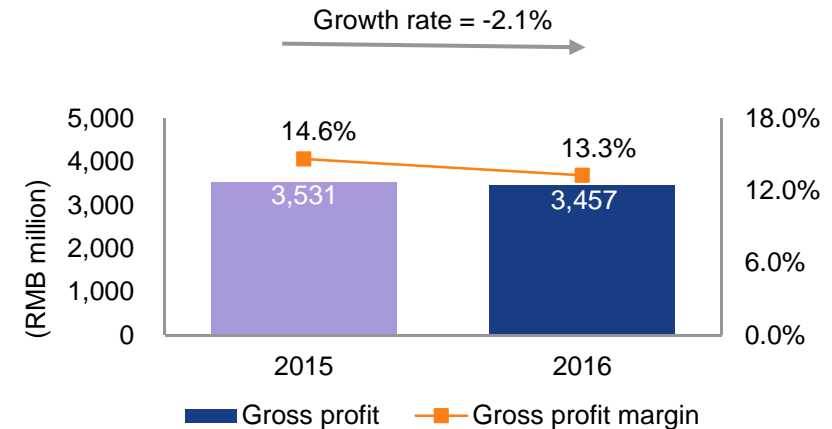


Heavy Machinery Manufacturing - Financial Performance

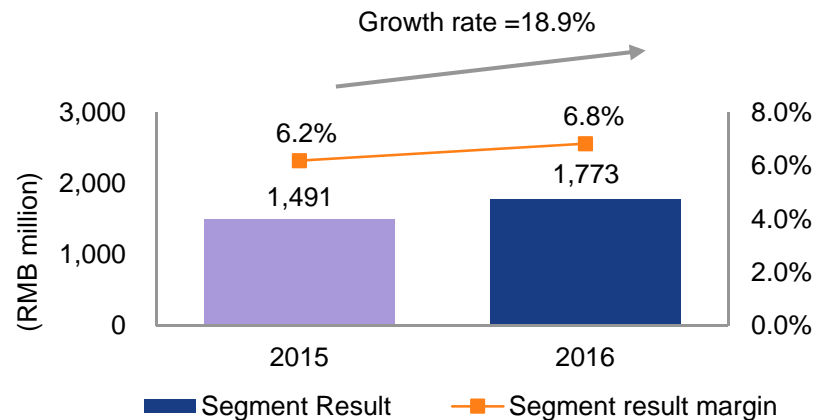
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- Gross profit from the heavy machinery manufacturing business in 2016 was RMB3,457 million, representing a slight decrease of RMB74 million, or 2.1%, from RMB3,531 million in 2015. Gross profit margin decreased to 13.3% in 2016 from 14.6% in 2015.

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 capital injection in BOT projects, purchases of self-use property as well as machinery and equipment

Infrastructure Design Business

- ◆ Mainly used in the purchase of equipment

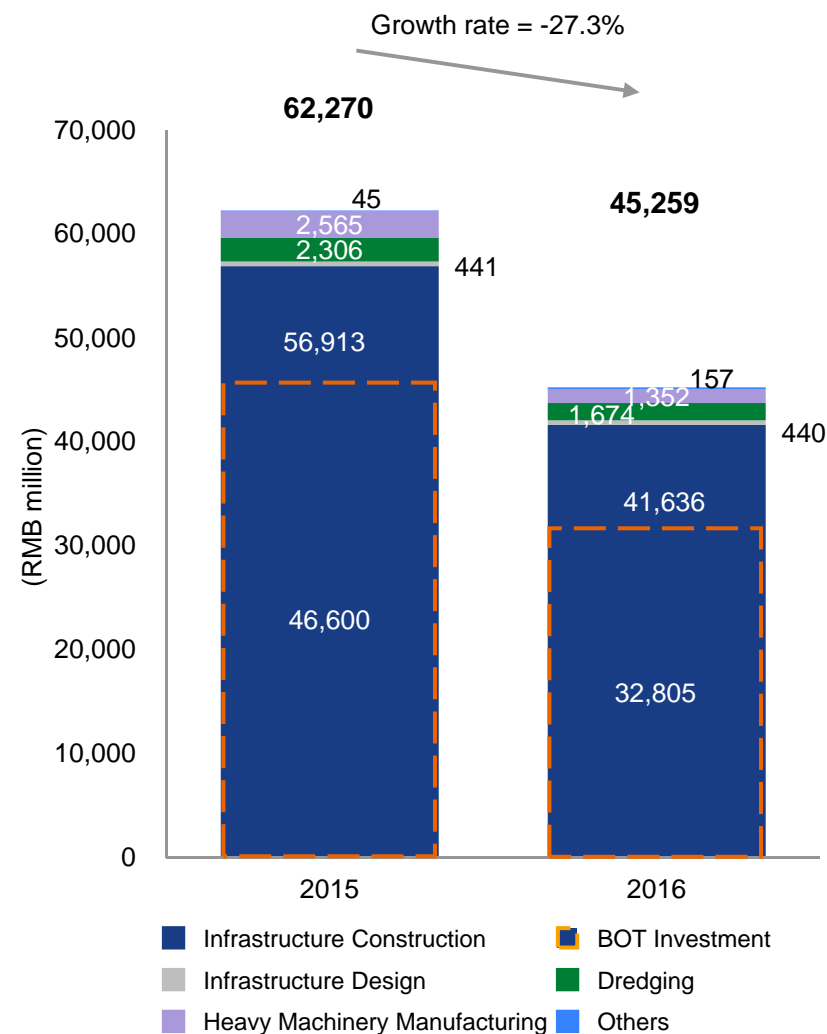
Dredging Business

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

Heavy Machinery Manufacturing Business

- ◆ Mainly used in the purchase of self-use equipment and the completion of existing plants

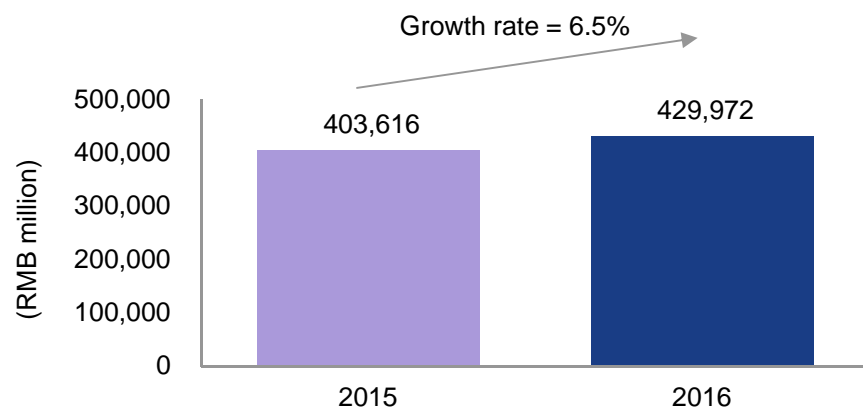
Capital expenditure



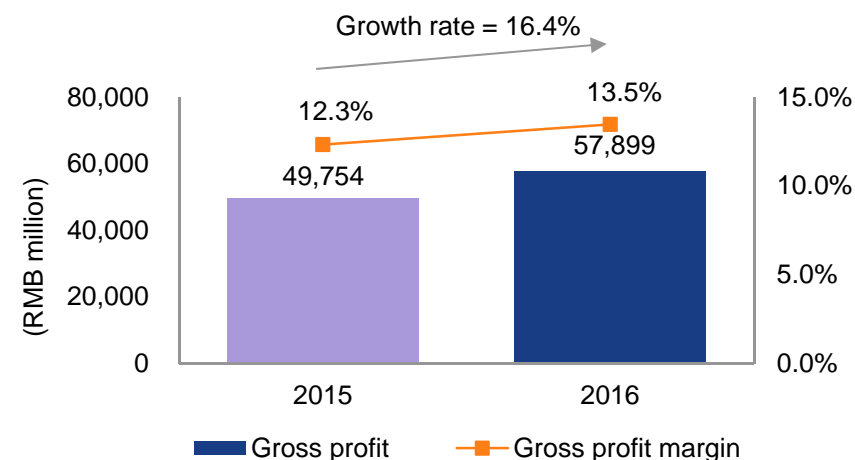
Note: Capital expenditure is implemented by means of both cash purchase and financial lease

Summary Income Statement Data

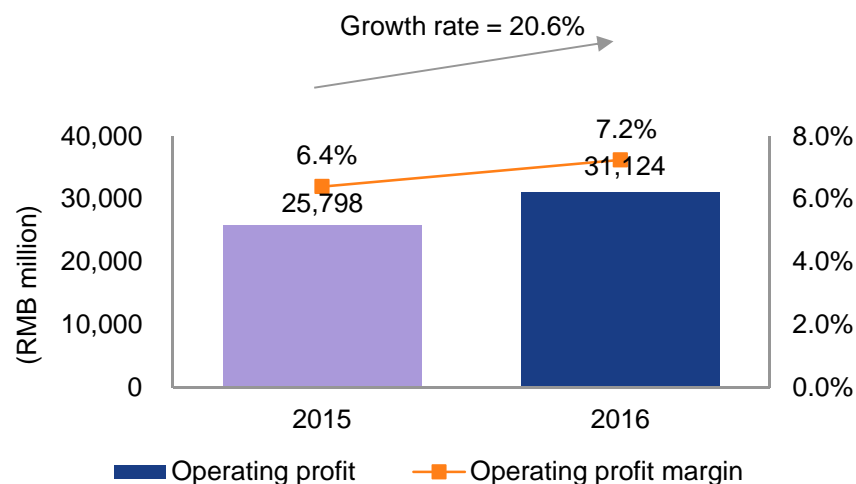
Revenue



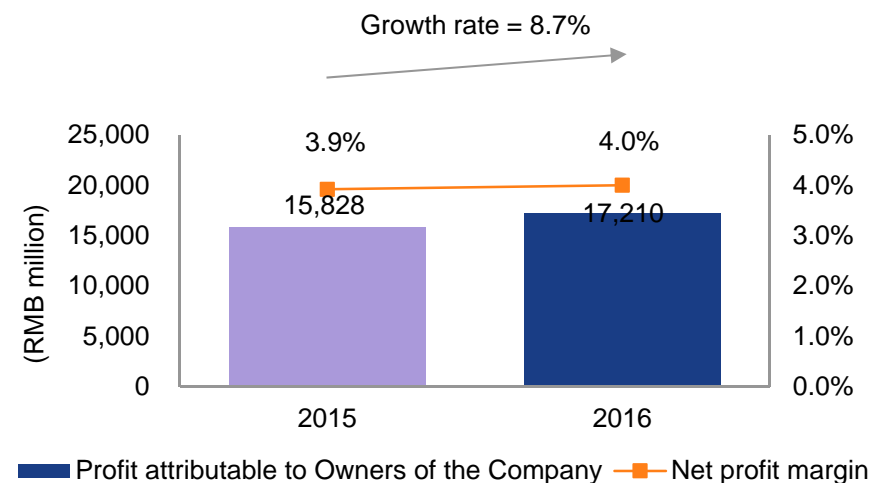
Gross Profit



Operating Profit



Profit attributable to Owners of the Company



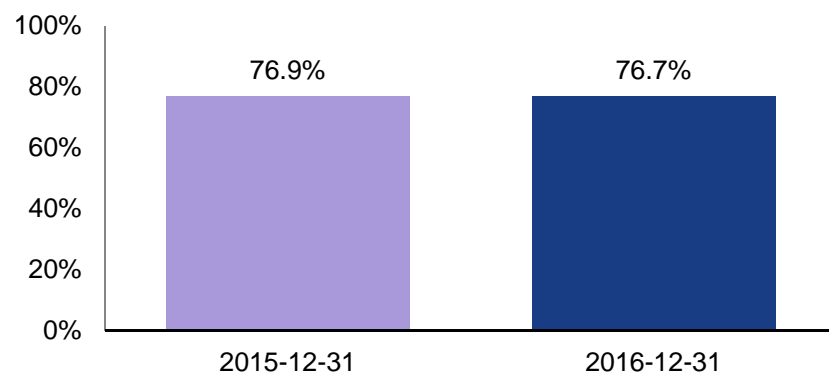
Summary Balance Sheet Data

RMB Million	As at 2016-12-31	As at 2015-12-31	Change %
Non-current assets	363,936	338,575	7.5%
Property, plant and equipment	66,775	67,973	(1.8%)
Intangible assets	143,380	141,345	1.4%
Available-for-sale financial assets	21,679	22,322	(2.9%)
Trade and other receivables	95,558	77,816	22.8%
Current assets	437,146	392,738	11.3%
Inventories	45,554	51,904	(12.2%)
Trade and other receivables	190,485	167,914	13.4%
Amounts due from customers for contract work	85,973	74,645	15.2%
Available-for-sale financial assets	-	46	N/A
Cash and cash equivalents	108,720	94,960	14.5%
Total Asset	801,082	731,313	9.5%
Non-current liabilities	190,558	189,227	0.7%
Borrowings	173,996	168,578	3.2%
Current liabilities	423,954	373,080	13.6%
Trade and other payables	292,990	257,379	13.8%
Borrowings	99,484	86,605	14.9%
Total liabilities	614,512	562,307	9.3%
Total equity	186,570	169,006	10.4%

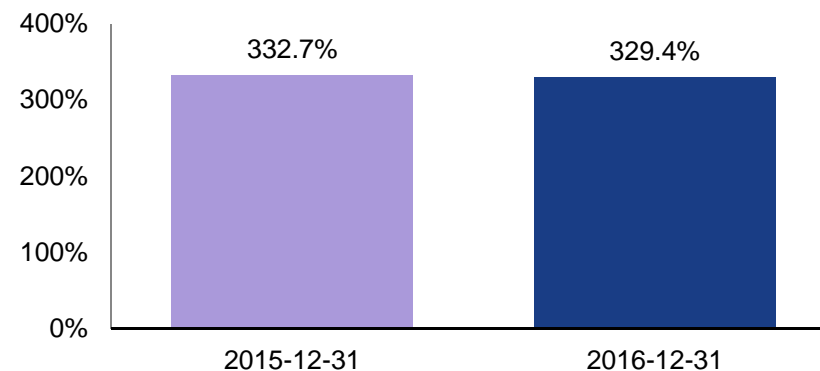
	As at 2016-12-31	As at 2015-12-31	Change
Total Liabilities / Total Assets	76.7%	76.9%	(0.2)%
Net debt / Total Capital¹	46.9%	48.7%	(1.8)%

Summary Balance Sheet Data

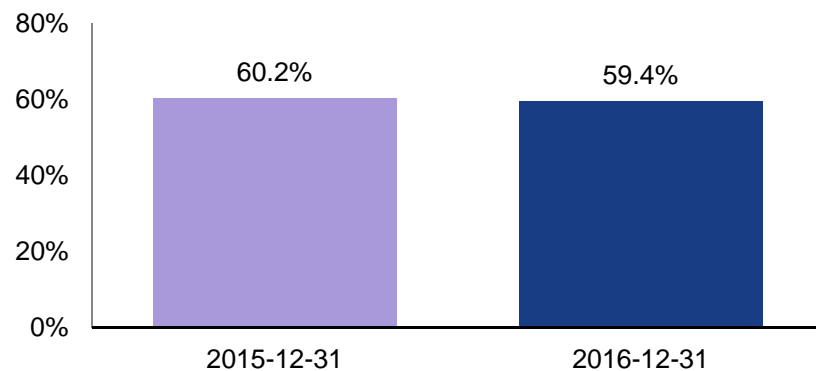
Total Liabilities/Total Assets



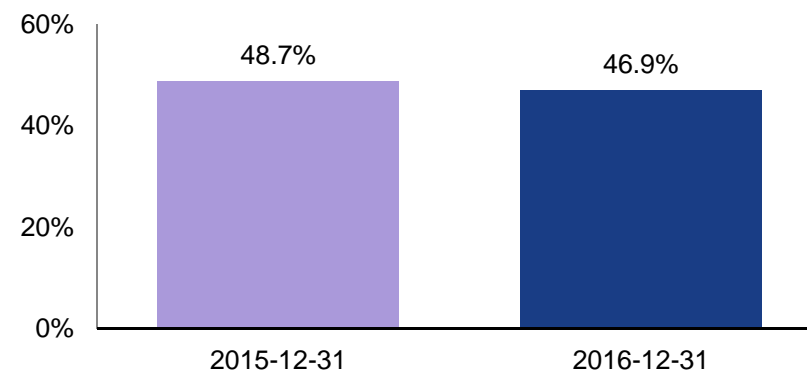
Total Liabilities/Net Assets



Total Debt/ Total Capitalization¹



Net debt / Total Capital²



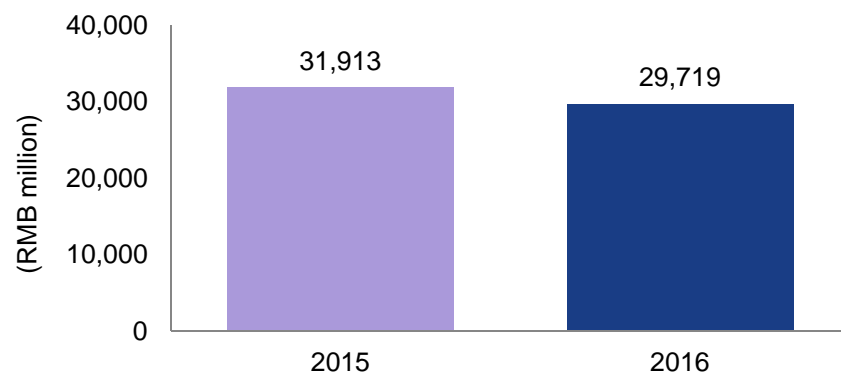
Note:

1. Total capitalization is total equity plus total debt

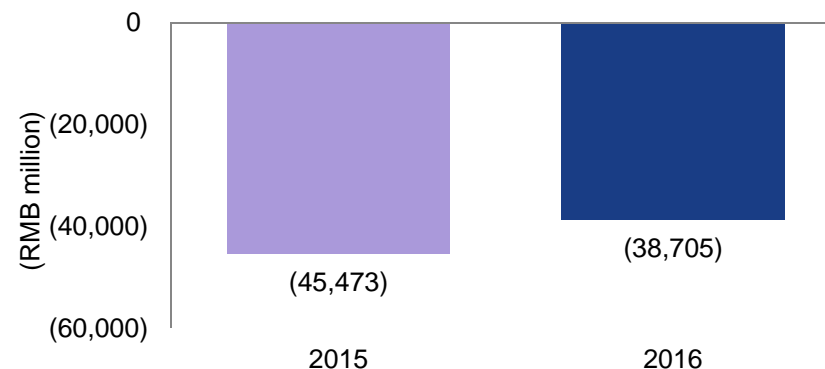
2. Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

Summary Cash Flow Statement Data

Cash Flow from Operating Activities

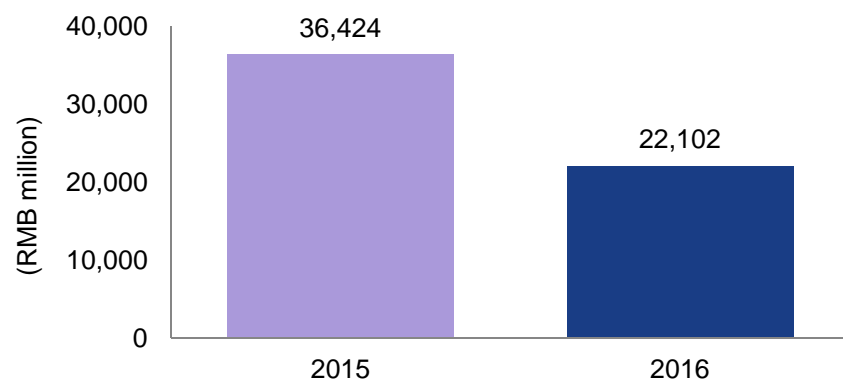


Cash Flow from Investing Activities



REMARKS

Cash Flow from Financing Activities



- ◆ Net cash generated from operating activities dropped to RMB29,719 million from RMB31,913 million in 2015, primarily attributable to changes in working capital, in particular, due to increase in trade and other receivables and contract work-in-progress.
- ◆ The slight decrease in net cash used in investing activities was primarily attributable to the decrease in the purchase of intangible assets and purchase of property, plant and equipment (“PPE”) and purchase of available-for-sale investments.
- ◆ Net cash generated from financing activities decreased to RMB22,102 million, primarily because the decrease in borrowings, proceeds from financial instruments classified as equity.

Thank You

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