



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

01800.HK

2018 Annual Results Presentation



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Financial Summary ¹

Year Ended

RMB million (except per share data)	2018年度	2017年度	Change
Revenue	488,666	460,067	↑ 6.2%
Gross Profit	64,611	60,437	↑ 6.9%
EBITDA ²	43,453	40,442	↑ 7.4%
Operating Profit	33,321	31,768	↑ 4.9%
Profit attributable to parent of the Company from continuing operations	19,819	17,913	↑ 10.6%
Profit attributable to parent of the Company	19,819	20,943	↓ 5.5%
EPS ³	1.16	1.23	↓ 5.5%

Notes:

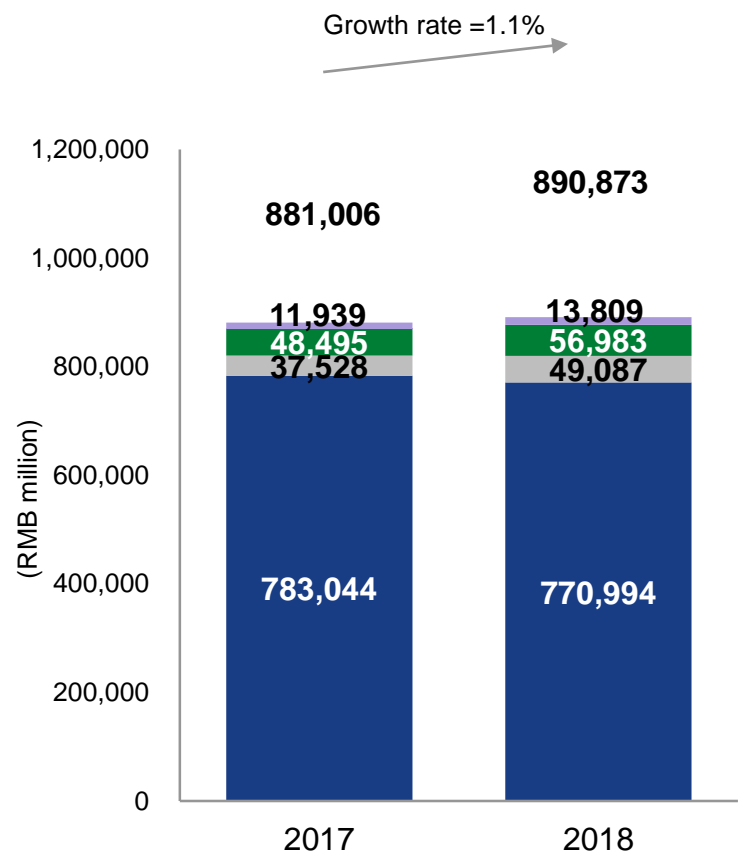
1 Upon the completion of the equity transfer of ZPMC on 27 December 2017, ZPMC was classified as a discontinued operation

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

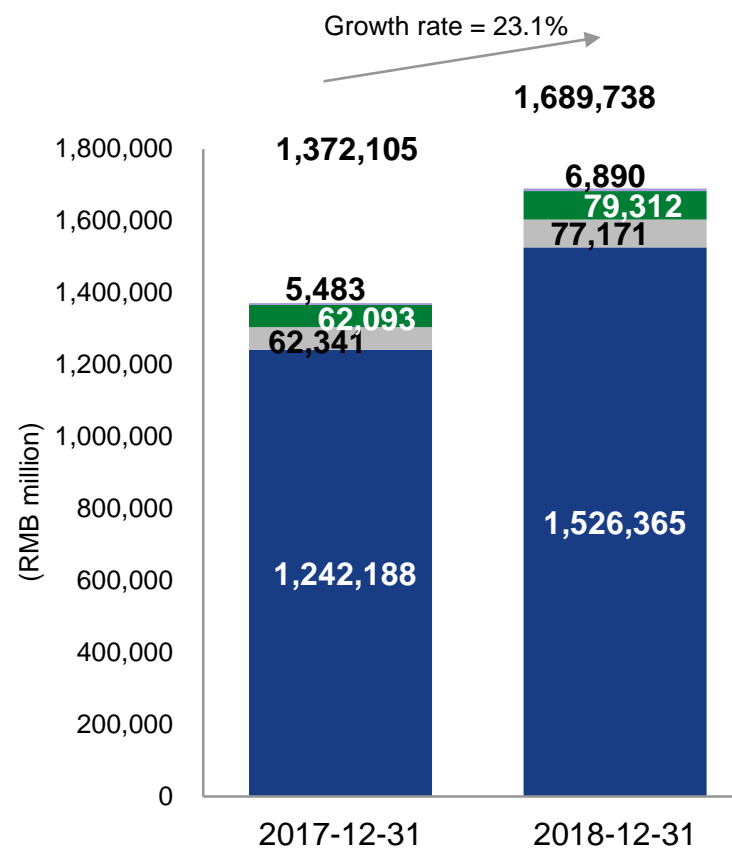
3 In calculating the amount of basic earnings per share, the interests/dividends with an aggregate amount of approximately RMB1,018 million shall be excluded from profits

New Contracts and Backlog by Business Segments

New Contracts



Backlog



■ Infrastructure Construction

■ Infrastructure Design

■ Dredging

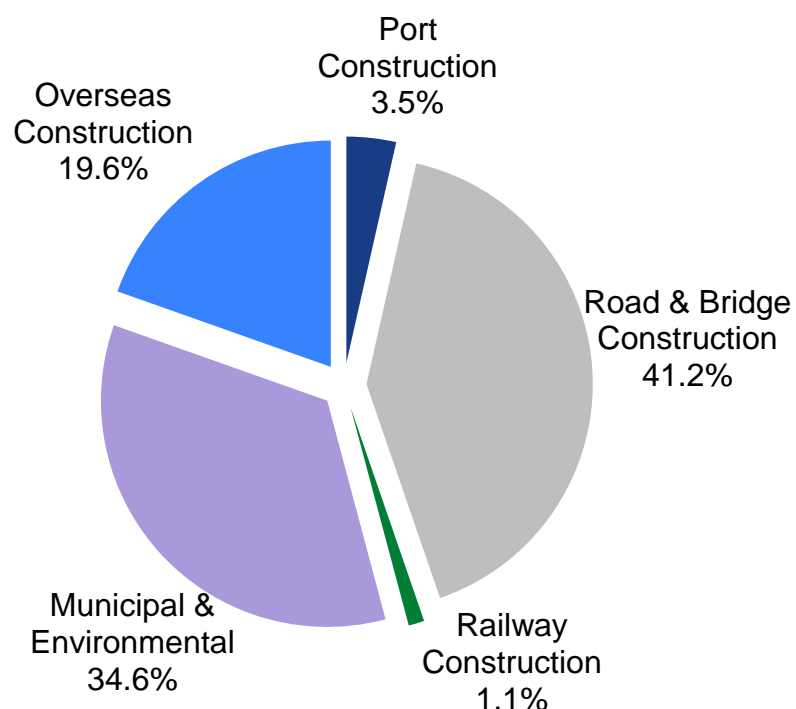
■ Others

Note:

- 1 The accumulated value of new contracts in 2017 amounted to RMB881,006 million, being the comparative data after deducting the affected new contract amount of ZPMC.
- 2 The business excluding ZPMC in the former heavy machinery manufacturing business segment have been classified into other businesses segment.

New Contracts of Infrastructure Construction Business

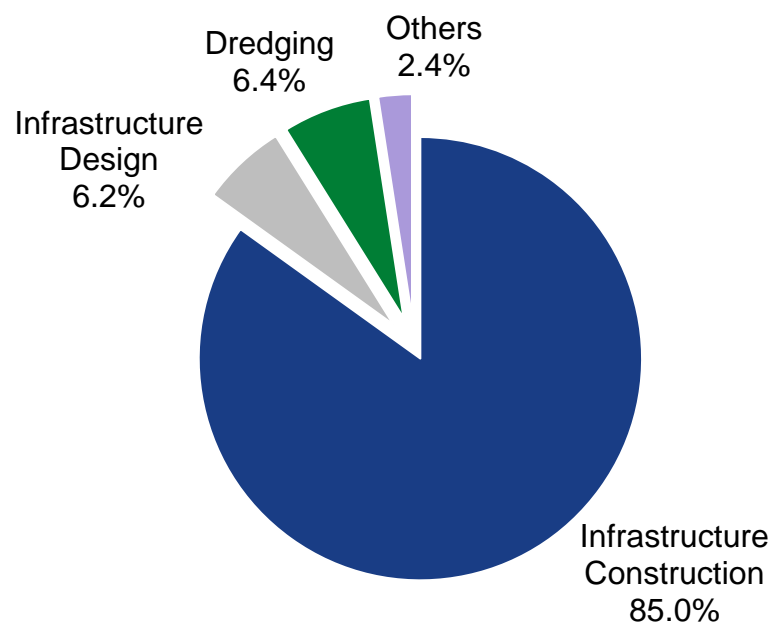
New Contracts of Infrastructure Construction Business (2018)



	2018		2017		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Domestic Construction	619,962	80.4%	574,233	73.3%	45,729	8.0%
Port Construction	27,284	3.5%	29,677	3.8%	(2,393)	(8.1%)
Road & Bridge Construction	317,534	41.2%	298,140	38.0%	19,394	6.5%
Railway Construction	8,678	1.1%	15,487	2.0%	(6,809)	(44.0%)
Municipal & Environmental	266,466	34.6%	230,929	29.5%	35,537	15.4%
Overseas Construction	151,032	19.6%	208,811	26.7%	(57,779)	(27.7%)
Total	770,994	100.0%	783,044	100.0%	(12,050)	(1.5%)

Contribution by Business Segments - Revenue

Revenue (2018) ¹



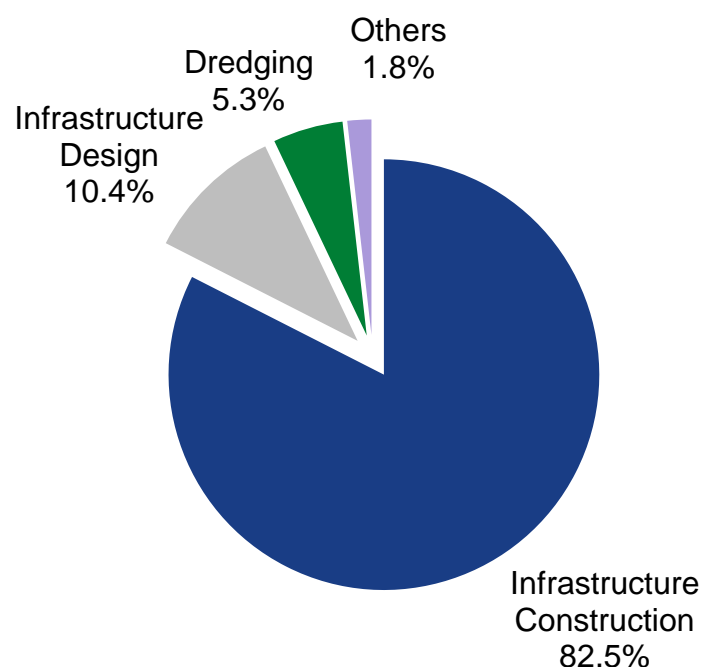
Business	2018		2017		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	431,817	85.0%	410,014	85.3%	21,803	5.3%
Infrastructure Design	31,557	6.2%	26,965	5.6%	4,592	17.0%
Dredging	32,796	6.4%	34,108	7.1%	(1,312)	(3.8%)
Others	12,402	2.4%	9,546	2.0%	2,856	29.9%
Total (before elimination)	508,572	100.0%	480,633	100.0%	27,939	5.8%

Notes:

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

Contribution by Business Segments - Segment Result

Segment Result (2018) ¹



Business	2018		2017		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	27,726	82.5%	25,846	81.4%	1,880	7.3%
Infrastructure Design	3,510	10.4%	3,207	10.1%	303	9.4%
Dredging	1,769	5.3%	2,766	8.7%	(997)	(36.0%)
Others	604	1.8%	(50)	(0.2%)	654	1308%
Total (before elimination)	33,609	100.0%	31,769	100.0%	1,840	5.8%

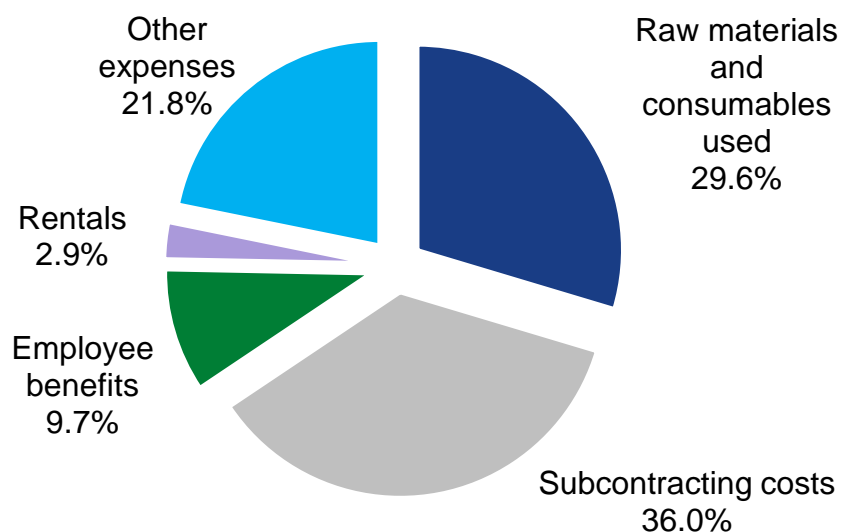
Notes:

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

Operating Cost Structure

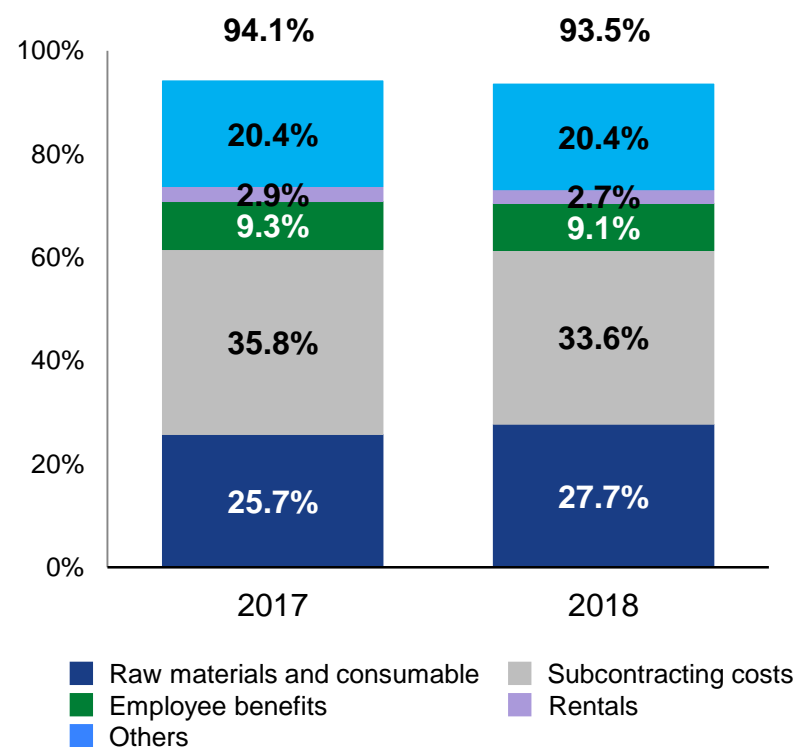
Cost Breakdown (2018)

As % of operating costs¹



Cost Structure (2018)

As % of sales



Note:

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

Infrastructure Construction - Business Performance

Completed projects with RMB431,817 million of contract value

Key Projects



Phase I Hutchison Laem Chabang Port
in Thailand

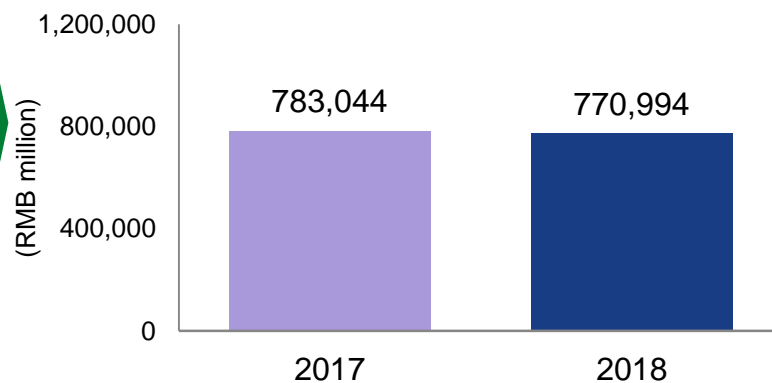


Heilongjiang Yichun-Suihua Highway,
the 16th Tien-yow Jeme Prize

New Contracts and Backlog

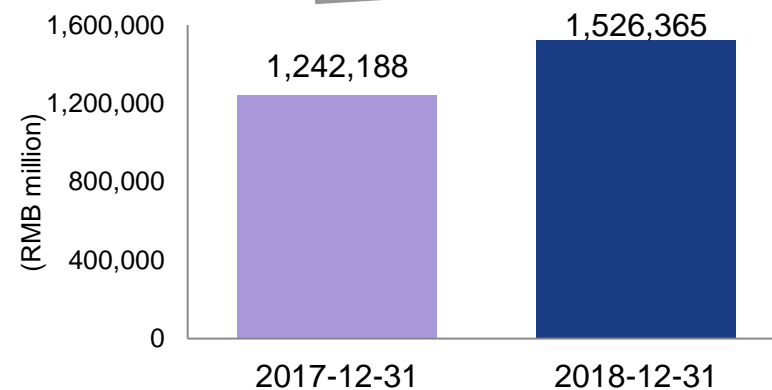
New Contracts

Growth rate = (1.5%)



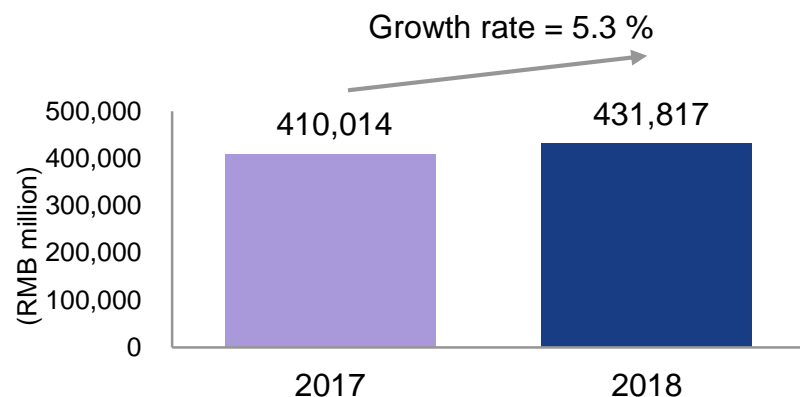
Backlog

Growth rate = 22.9%

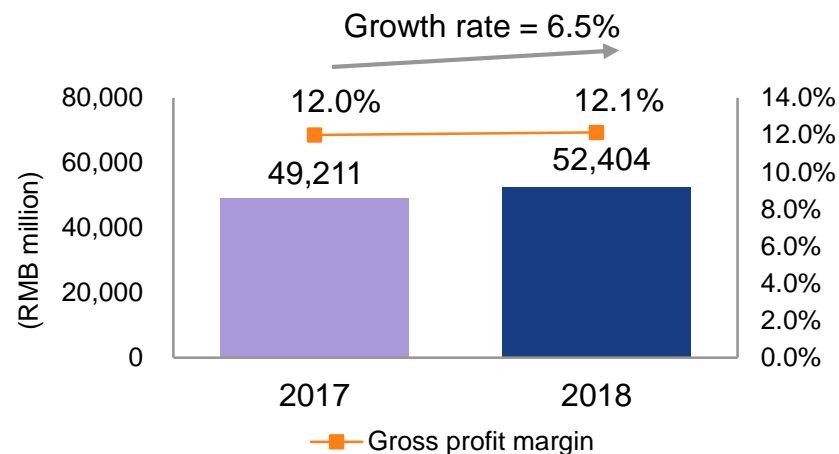


Infrastructure Construction - Financial Performance

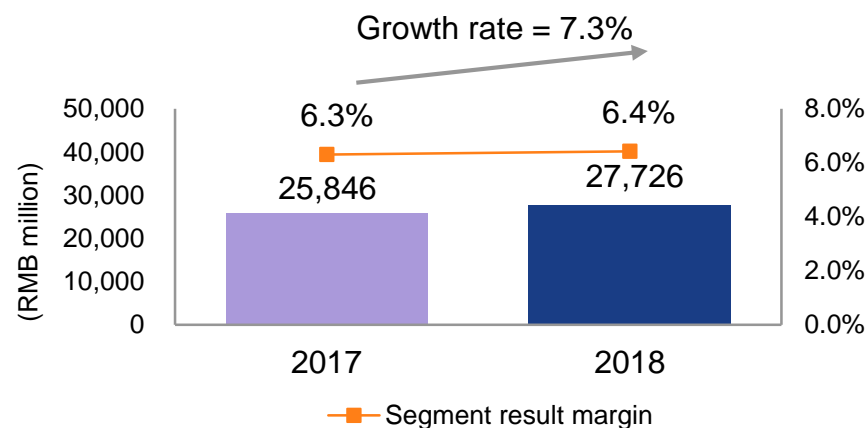
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The increase in revenue was primarily attributable to increase of construction contract generated from PPP investment projects which was partially offset by decrease in revenue from overseas projects.
- ◆ Gross profit margin slightly increased 12.1% in 2018 from 12.0% in 2017.
- ◆ Operating profit margin slightly increased to 6.4% in 2018 from 6.3% in 2017.

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 RMB31,557 million of contract value

Key Projects



Hainan Puqian Bridge, domestic sea crossing bridge with the highest seismic precautionary intensity

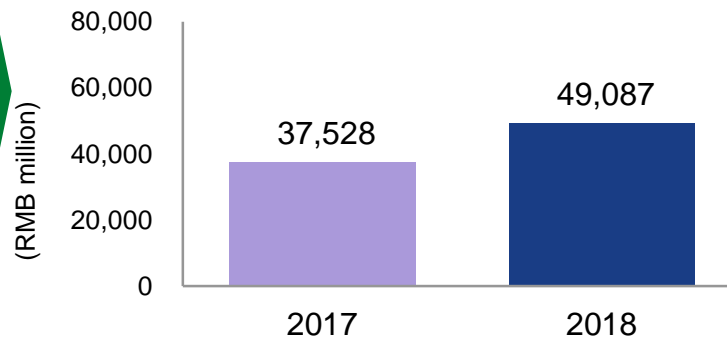


Qinghai Dalijiashan-Xunhua Highway,

New Contracts and Backlog

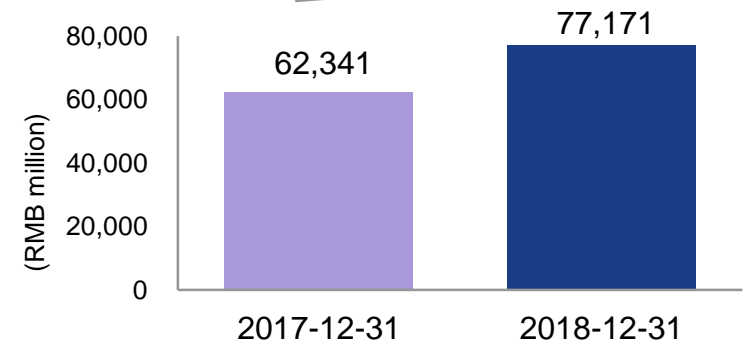
New Contracts

Growth rate = 30.8%



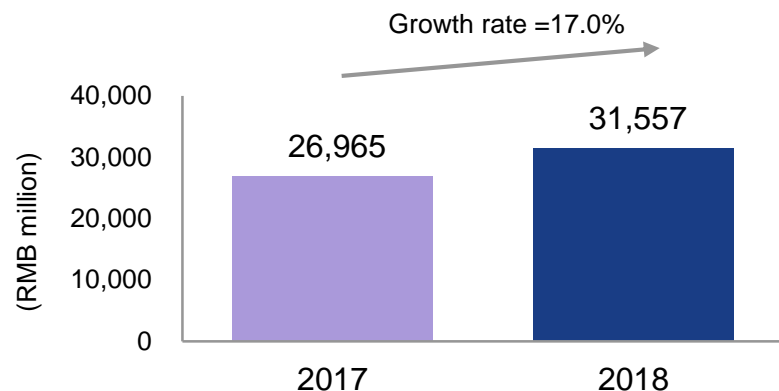
Backlog

Growth rate = 23.8%

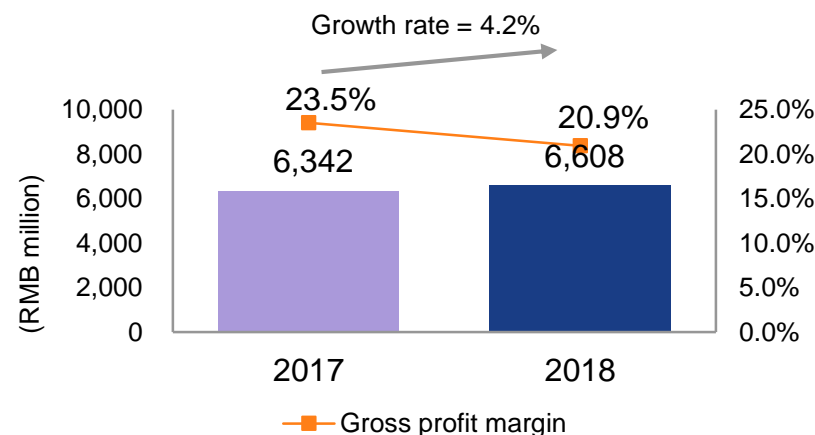


Infrastructure Design - Financial Performance

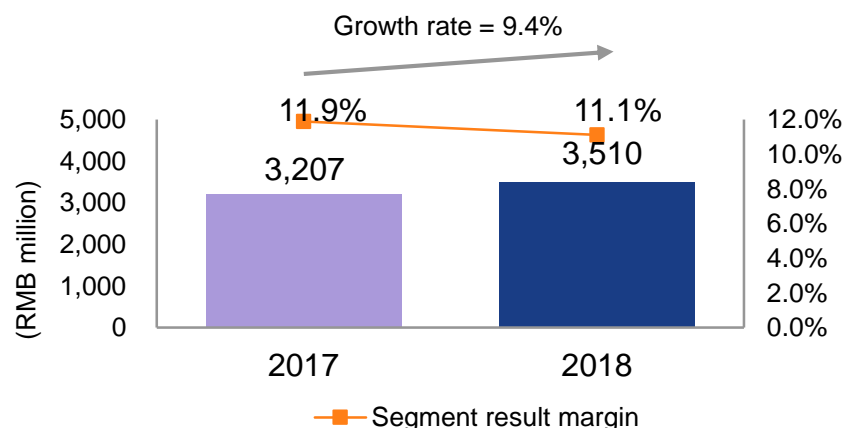
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ Revenue increased by 17.0% to RMB31,557 million in 2018 mainly attributable to the growing scale of comprehensive contracts.
- ◆ Gross profit margin decreased to 20.9% in 2018 from 23.5% in 2017, mainly attributable to the increased proportion of revenue generated from comprehensive contracts, which have lower gross profit margin.
- ◆ Operating profit margin decreased to 11.1% in 2018 from 11.9% in 2017.

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 RMB32,796 million of contract value

Key Projects



Phase I of West Barbor Basin Dredging of Lvsu Port Area in Qidong Port, Jiangsu

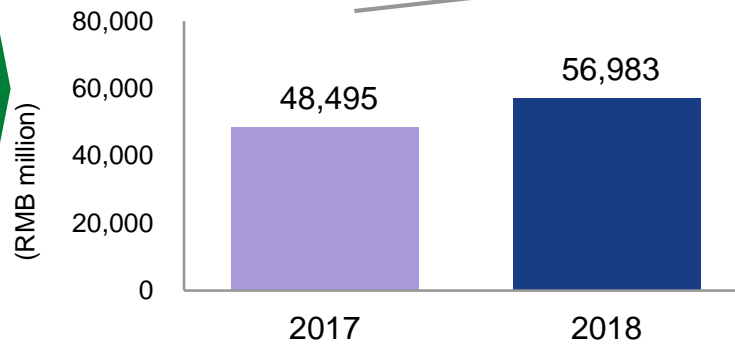


Beach building project of Haizhou Bay in Rizhao, the first domestic returning port to sea project

New Contracts and Backlog

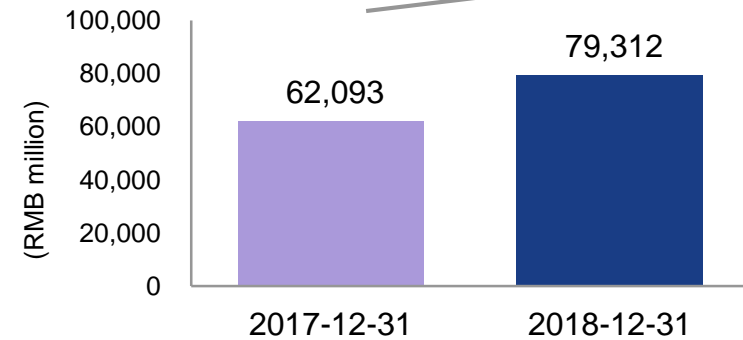
New Contracts

Growth rate = 17.5%



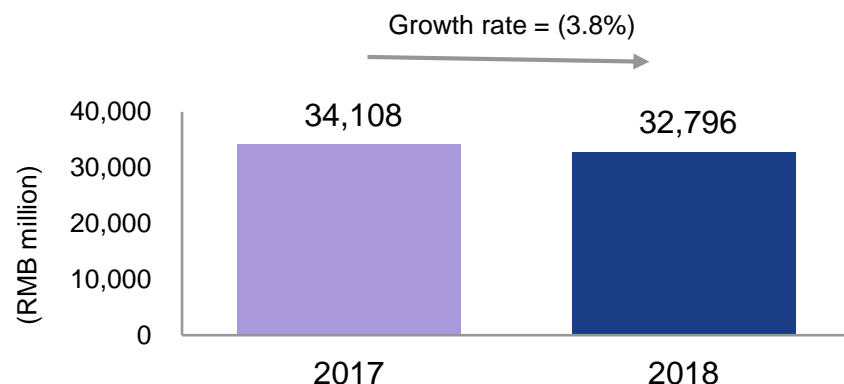
Backlog

Growth rate = 27.7%

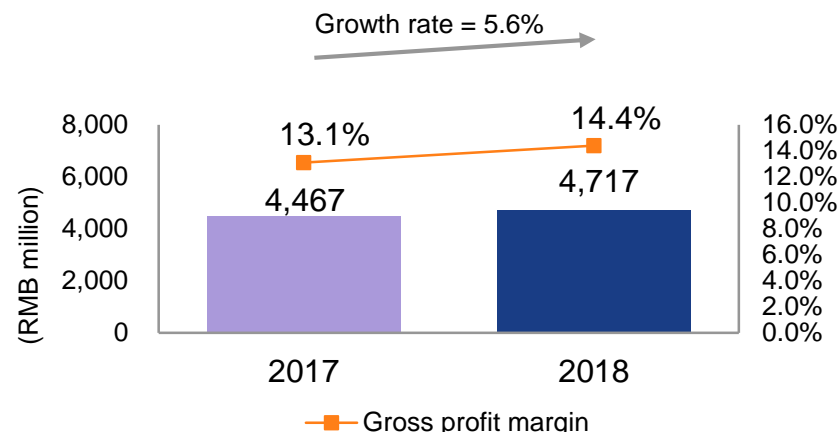


Dredging - Financial Performance

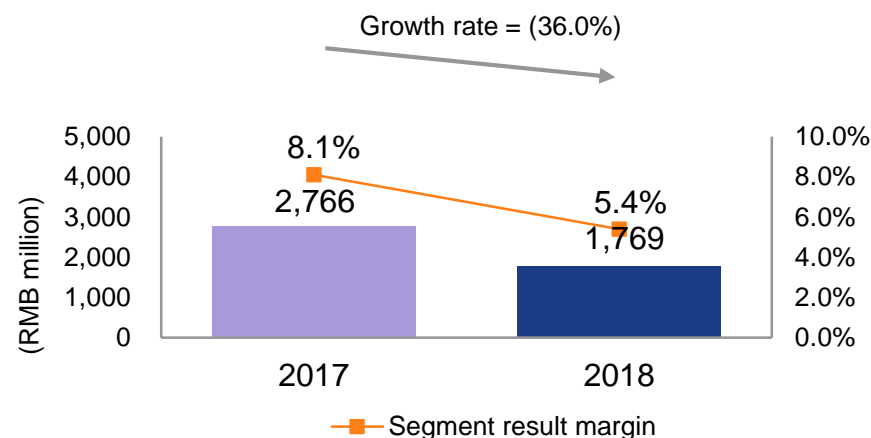
Revenue¹



Gross Profit¹



Segment Result^{1,2}



REMARKS

- ◆ The decrease in revenue was primarily attributable to decreasing dredging activities.
- ◆ Gross profit margin increased to 14.4% mainly attributable to certain projects with higher profit margin.
- ◆ Operating profit was RMB1,769 million in 2018, representing a decrease of 36.0%, mainly attributable to the decrease in other income.

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

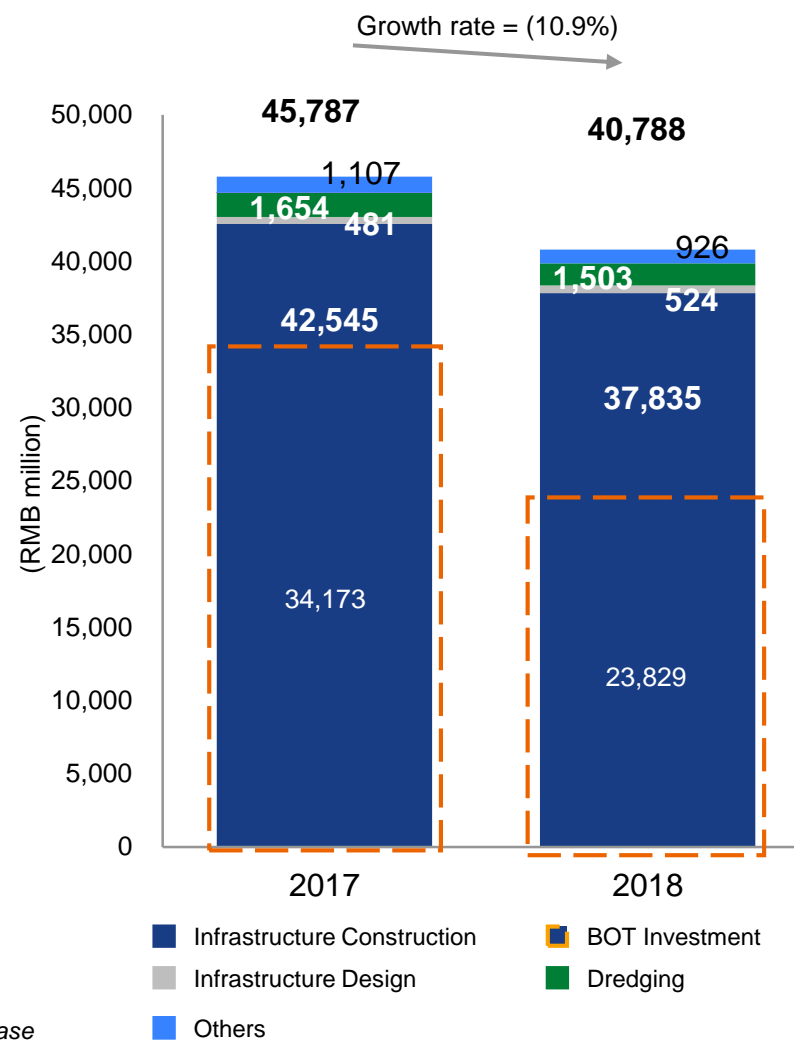
Capital Expenditure

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
Other Businesses	◆ Mainly used in purchase of equipment for providing finance lease service to the Company

Note:

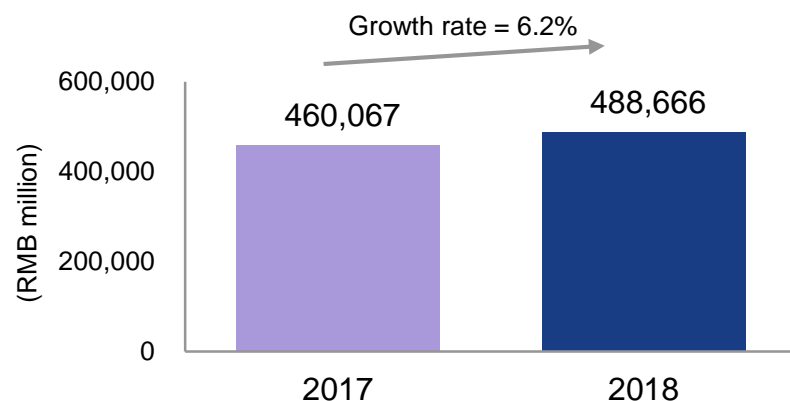
1. Capital expenditure is implemented by means of both cash purchase and financial lease

Capital expenditure

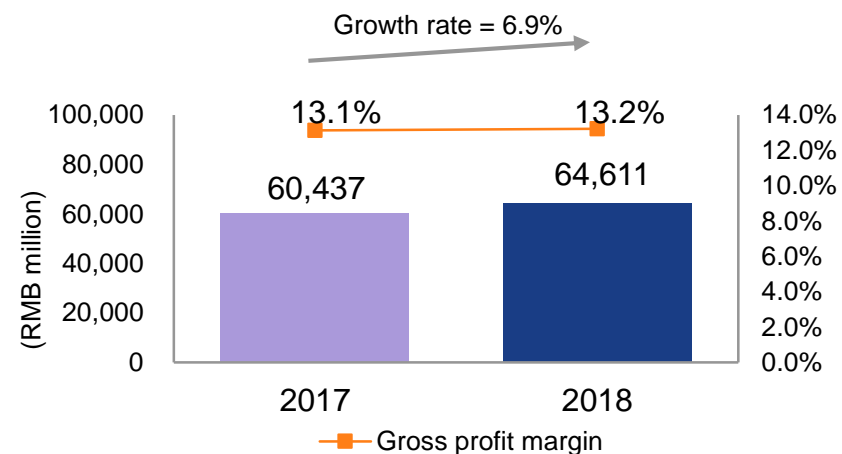


Summary Income Statement Data

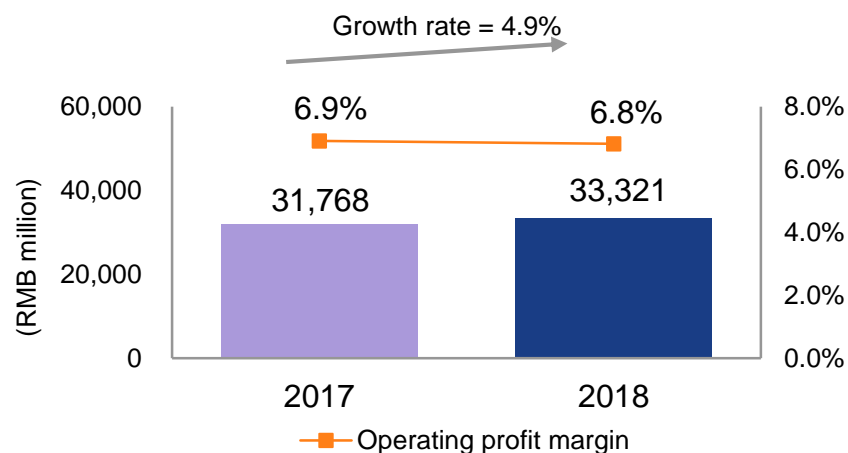
Revenue



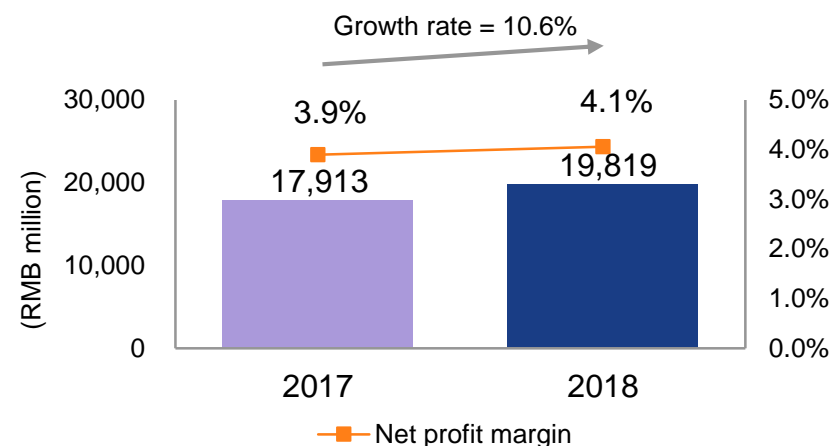
Gross Profit



Operating Profit



Profit attributable to parent of the Company from continuing operations



Summary Balance Sheet Data

RMB Million	As at 2018-12-31	As at 2017-12-31	Change
Non-current assets	478,974	400,343	19.6%
Property, plant and equipment	56,365	52,751	6.9%
Intangible assets	188,370	161,158	16.9%
Equity Instruments at fair value through other comprehensive income	21,257	-	N/A
Available-for-sale financial assets	-	25,908	N/A
Trade and other receivables	118,967	112,710	5.6%
Current assets	481,502	449,545	7.1%
Inventories	46,861	40,536	15.6%
Trade and other receivables	195,887	181,745	7.8%
Contract assets	103,981	-	N/A
Amounts due from customers for contract work	-	89,577	N/A
Cash and cash equivalents	127,413	129,197	(1.4%)
Total Asset	960,476	849,888	13.0%
Non-current liabilities	240,925	197,583	21.9%
Borrowings	215,384	178,522	20.6%
Current liabilities	479,869	446,711	7.4%
Trade and other payables	314,496	332,703	(5.5%)
Borrowings	79,243	82,680	(4.2%)
Total liabilities	720,794	644,294	11.9%
Total equity	239,682	205,594	16.6%
	As at 2018-12-31	As at 2017-12-31	Change
Total Liabilities / Total Assets	75.0%	75.8%	(0.8)%
Net debt / Total Capital¹	41.1%	39.1%	2.0%

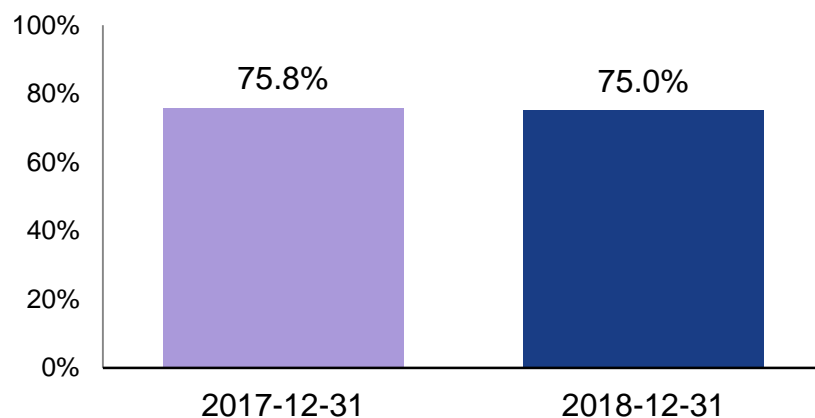
Notes:

¹ Item adjusted due to changes in accounting policies.

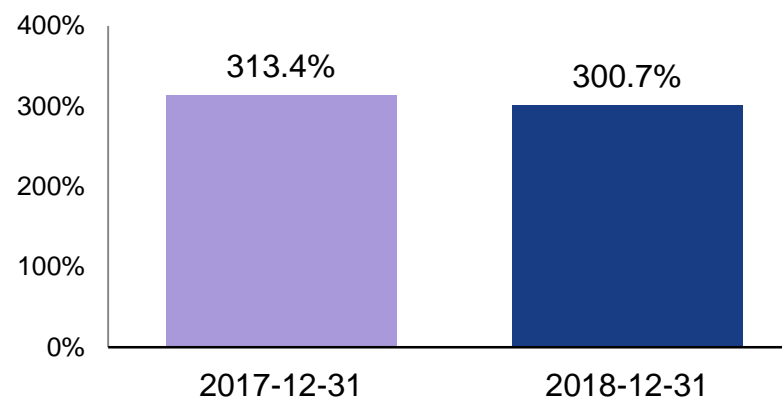
² Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

Summary Balance Sheet Data

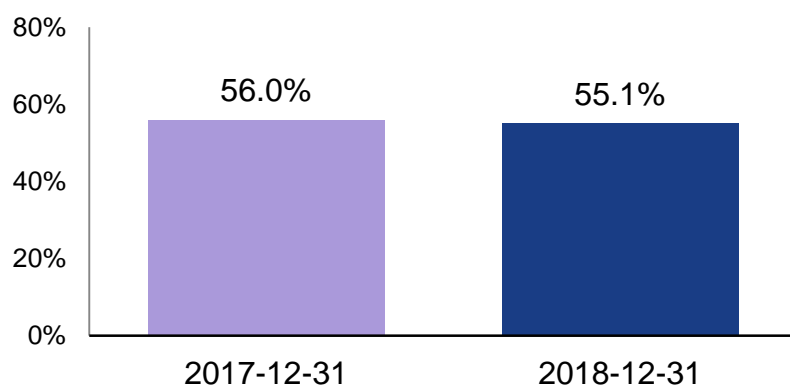
Total Liabilities/Total Assets



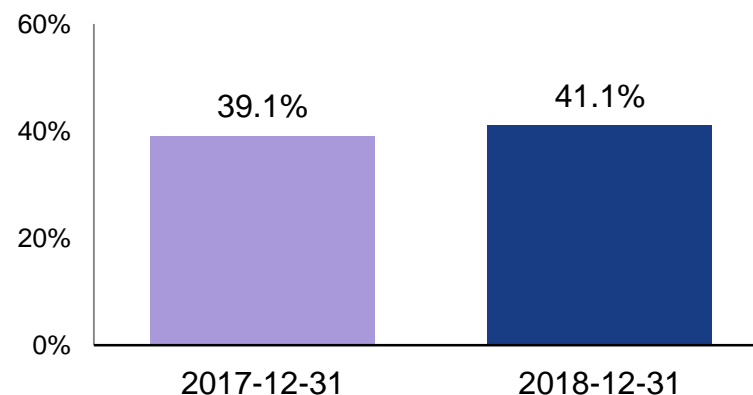
Total Liabilities/Net Assets



Total Debt/ Total Capitalization¹



Net debt / Total Capital²



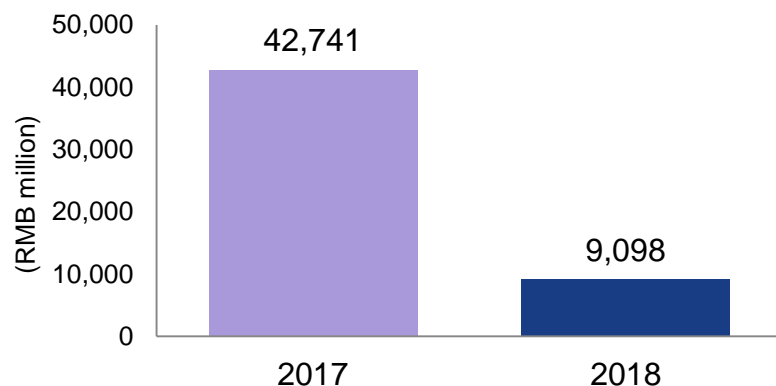
Note:

1 Total capitalization is total equity plus total debt

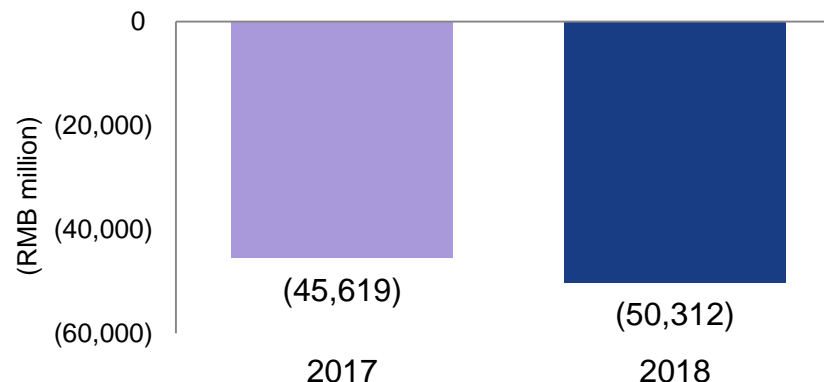
2. Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

Summary Cash Flow Statement Data

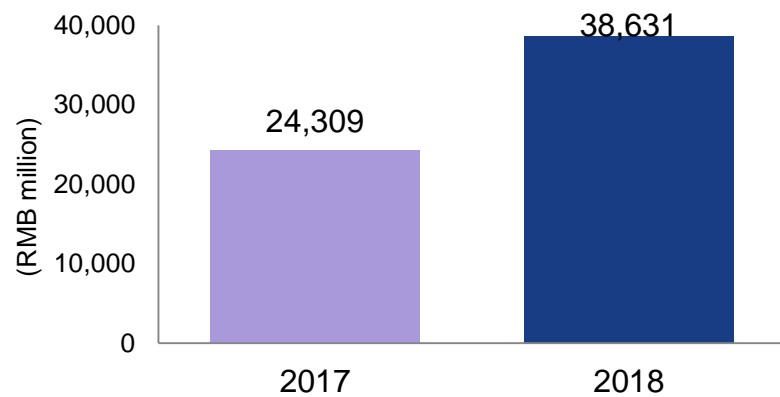
Cash Flow from Operating Activities



Cash Flow from Investing Activities



Cash Flow from Financing Activities



REMARKS

- ◆ Net cash generated from operating activities decreased to RMB9,098 million from RMB42,741 million, primarily due to increase in trade and other receivables in 2018 and the one-off large portion of advance payment of certain large projects in 2017.
- ◆ Net cash used in investing activities increased by 10.3%, primarily due to was primarily attributable to the increase in additional investments in associates, additional investments in joint ventures and additions to prepaid land lease payments respectively.
- ◆ Net cash generated from financing activities increased by 58.9%, primarily due to the increase in proceeds from financial instruments classified as equity and decrease in repayments of bank and other borrowings.

Thank You

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