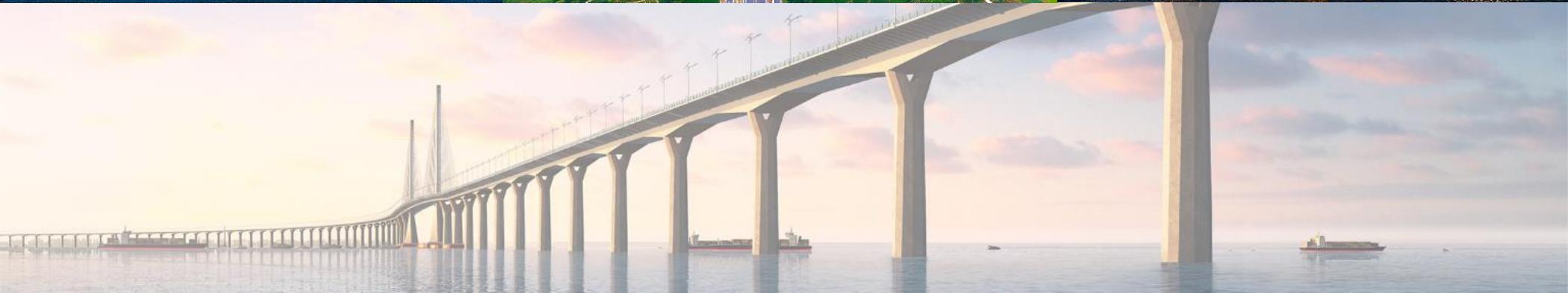




**中国交通建设股份有限公司**  
CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

01800.HK

## 2019 Interim Results Presentation



# Disclaimer

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# Financial Summary<sup>1</sup>

RMB million (except per share data)	1H 2019 (Unaudited)	1H 2018 (Unaudited)	Change
Revenue	239,087	207,586	↑ 15.2%
Gross Profit	27,972	27,859	↑ 0.4%
Operating Profit	15,657	15,041	↑ 4.1%
EBITDA <sup>1</sup>	21,353	19,633	↑ 8.8%
Profit before income tax	12,018	11,302	↑ 6.3%
Profit attributable to owners of the parent	8,757	8,257	↑ 6.1%
EPS <sup>2</sup>	0.48	0.46	↑ 4.3%

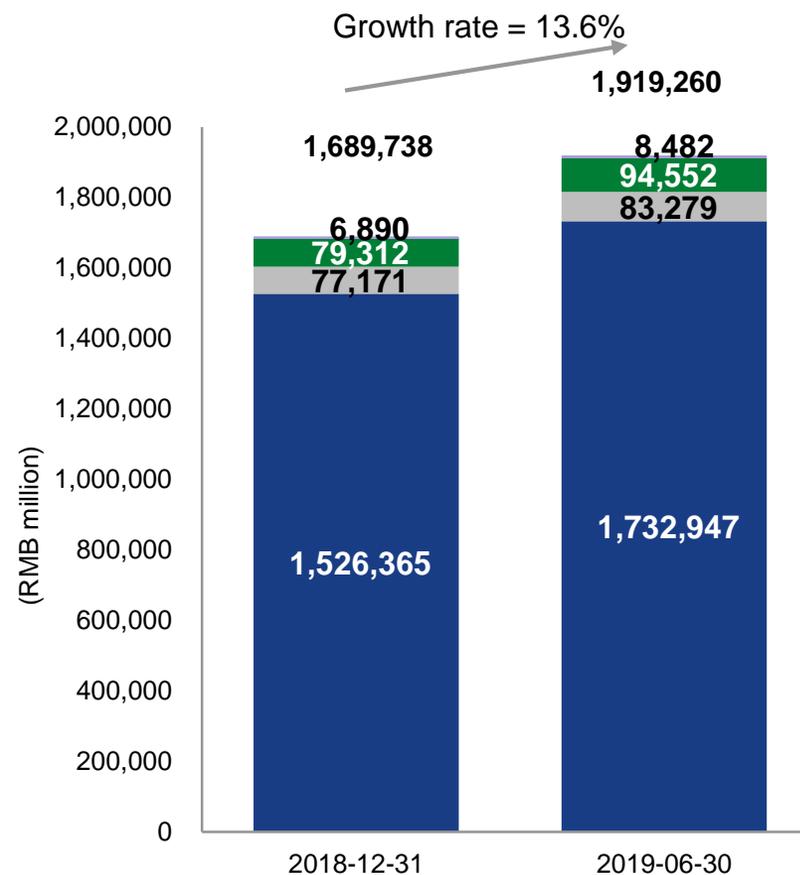
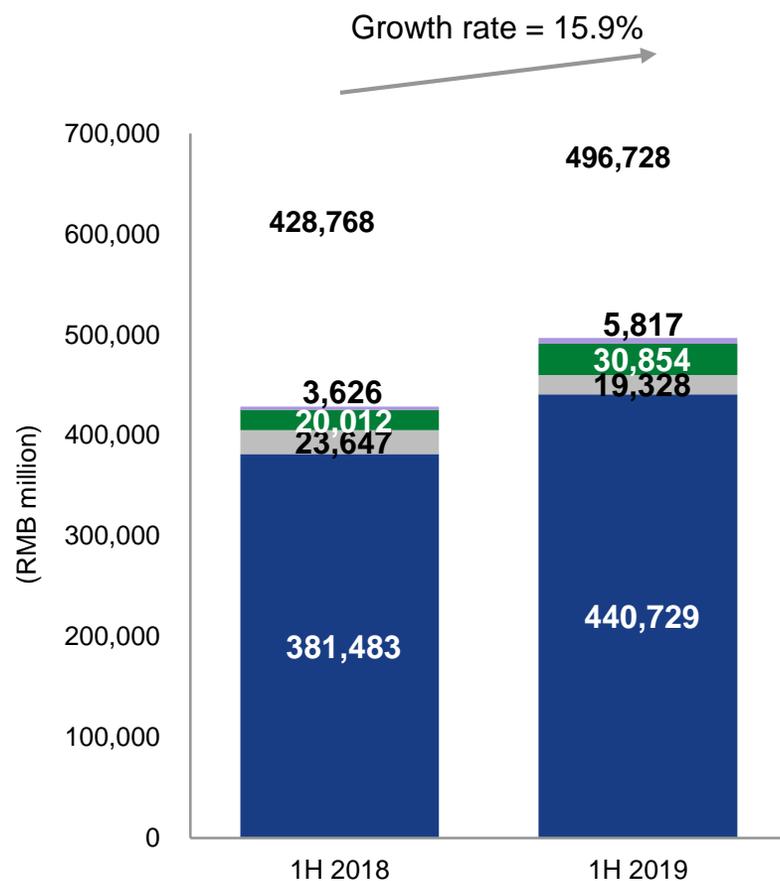
Notes:

- <sup>1</sup> EBITDA is calculated by adding back depreciation and amortisation to the operating profit.
- <sup>2</sup> In calculating the amount of basic earnings per share for the first half of 2019, the interests/dividends with an aggregate amount of approximately RMB982 million shall be excluded from profits.

# New Contracts and Backlog by Business Segments

## New Contracts

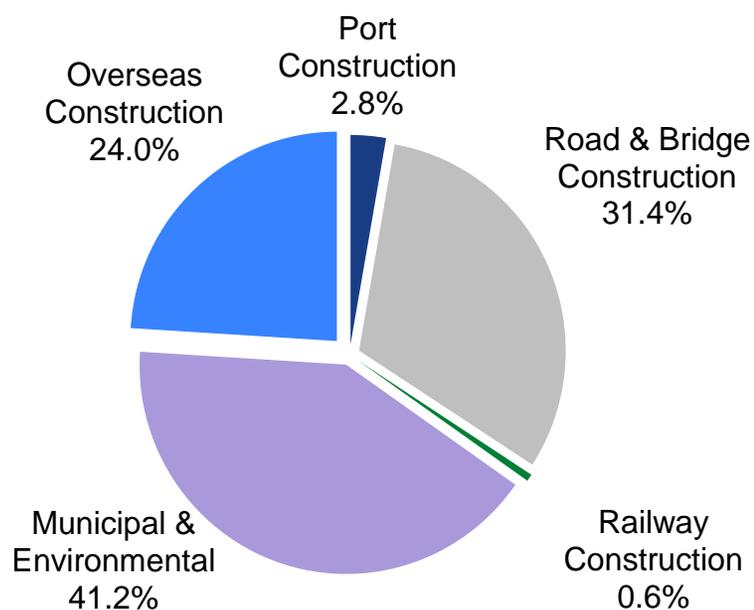
## Backlog



■ Infrastructure Construction   
 ■ Infrastructure Design   
 ■ Dredging   
 ■ Others

# New Contracts of Infrastructure Construction Business

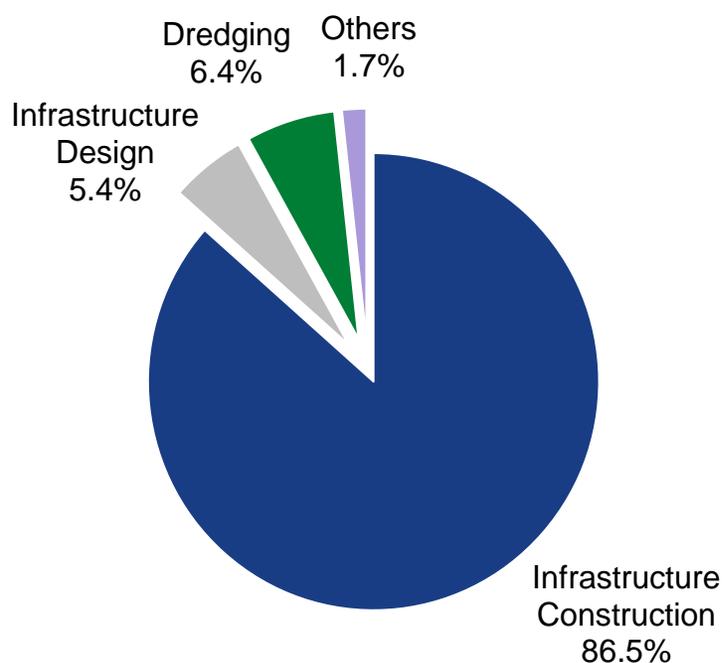
## New Contracts of Infrastructure Construction Business (1H 2019)



	1H 2019		1H 2018		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
<b>Domestic Construction</b>	<b>334,987</b>	<b>76.0%</b>	<b>263,149</b>	<b>69.0%</b>	<b>71,838</b>	<b>27.3%</b>
Port Construction	12,155	2.8%	14,166	3.7%	(2,011)	(14.2%)
Road & Bridge Construction	138,303	31.4%	156,171	40.9%	(17,868)	(11.4%)
Railway Construction	2,879	0.6%	5,935	1.6%	(3,056)	(51.5%)
Municipal & Environmental	181,650	41.2%	86,877	22.8%	94,773	109.1%
<b>Overseas Construction</b>	<b>105,742</b>	<b>24.0%</b>	<b>118,334</b>	<b>31.0%</b>	<b>(12,592)</b>	<b>(10.6%)</b>
<b>Total</b>	<b>440,729</b>	<b>100.0%</b>	<b>381,483</b>	<b>100.0%</b>	<b>59,246</b>	<b>15.5%</b>

# Contribution by Business Segments - Revenue

## Revenue (1H 2019) <sup>1</sup>



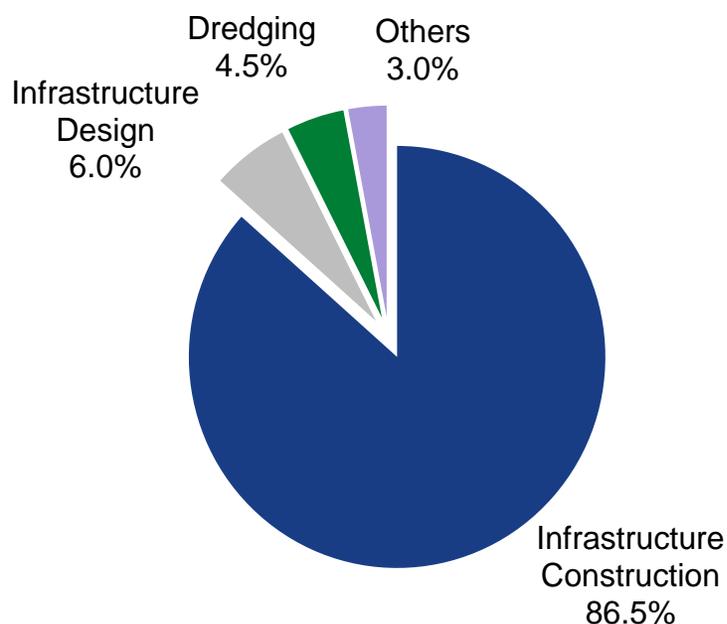
Business	1H 2019		1H 2018		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	212,434	86.5%	184,328	85.3%	28,106	15.2%
Infrastructure Design	13,220	5.4%	10,898	5.0%	2,322	21.3%
Dredging	15,614	6.4%	15,355	7.1%	259	1.7%
Others	4,225	1.7%	5,608	2.6%	(1,383)	(24.7%)
<b>Total (before elimination)</b>	<b>245,493</b>	<b>100.0%</b>	<b>216,189</b>	<b>100.0%</b>	<b>29,304</b>	<b>13.6%</b>

Note:

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

# Contribution by Business Segments - Segment Result

## Segment Result (1H 2019) <sup>1</sup>



Business	1H 2019		1H 2018		Change	
	RMB million	% of total	RMB million	% of total	RMB million	Growth
Infrastructure Construction	13,460	86.5%	12,763	86.3%	697	5.5%
Infrastructure Design	934	6.0%	846	5.7%	88	10.4%
Dredging	692	4.5%	719	4.9%	(27)	(3.8%)
Others	460	3.0%	465	3.1%	(5)	(1.1%)
<b>Total (before elimination)</b>	<b>15,546</b>	<b>100.0%</b>	<b>14,793</b>	<b>100.0%</b>	<b>753</b>	<b>5.1%</b>

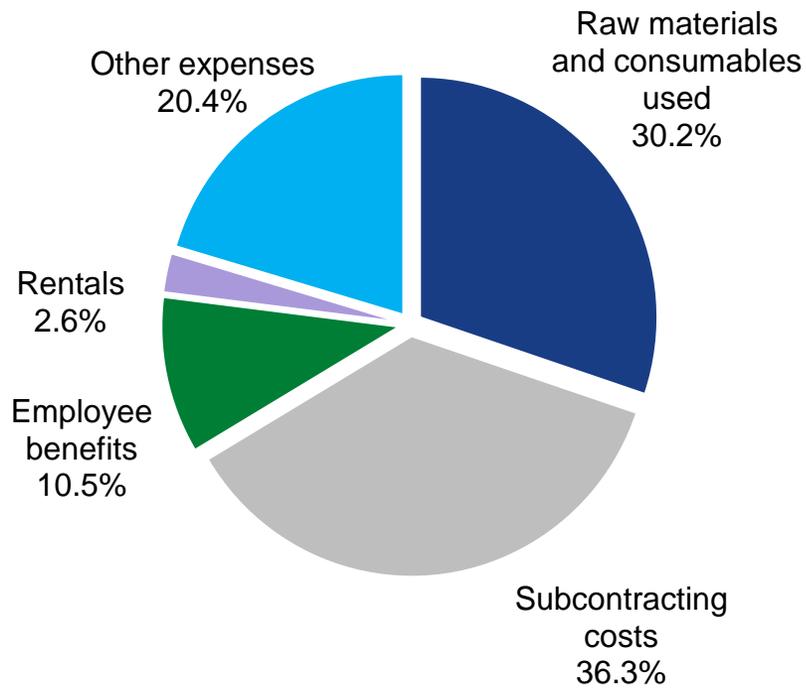
Note:

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

# Operating Cost Structure

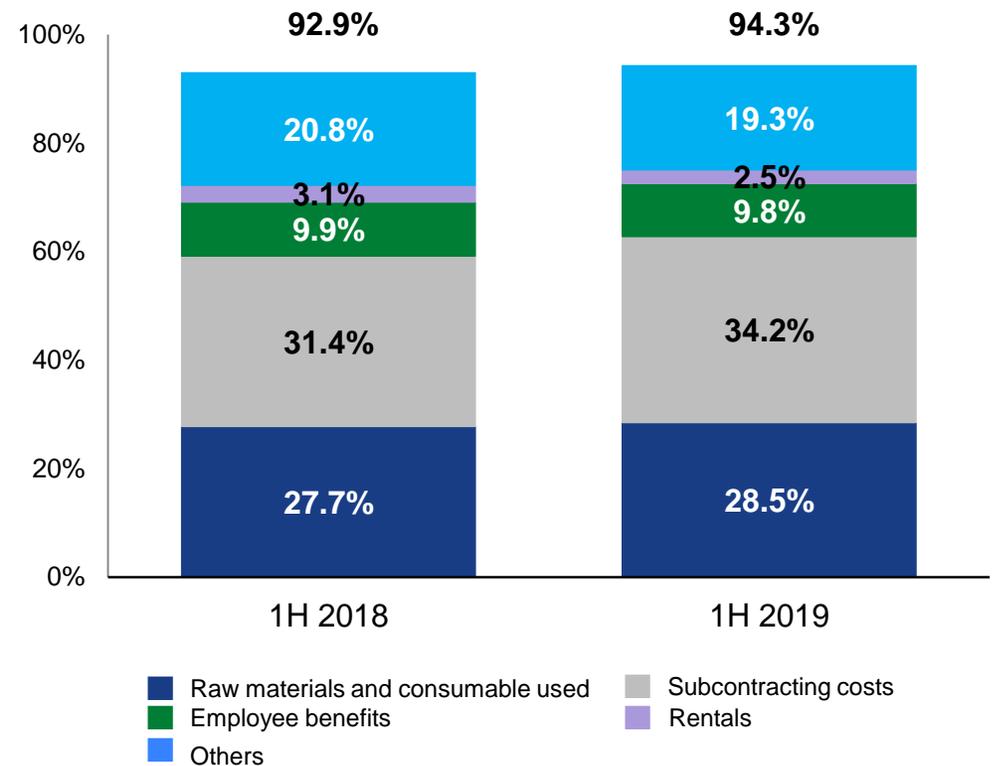
## Cost Breakdown (1H 2019)

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



## Cost Structure (1H 2019)

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 RMB212,434 million of contract value

Key Projects

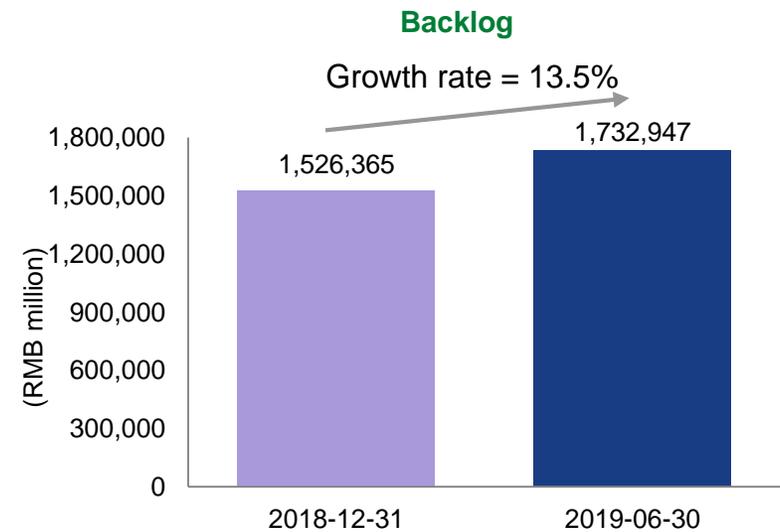


Lushan-Xiaoyuan Section of Shanghai-Jiaxing-Huzhou Highway



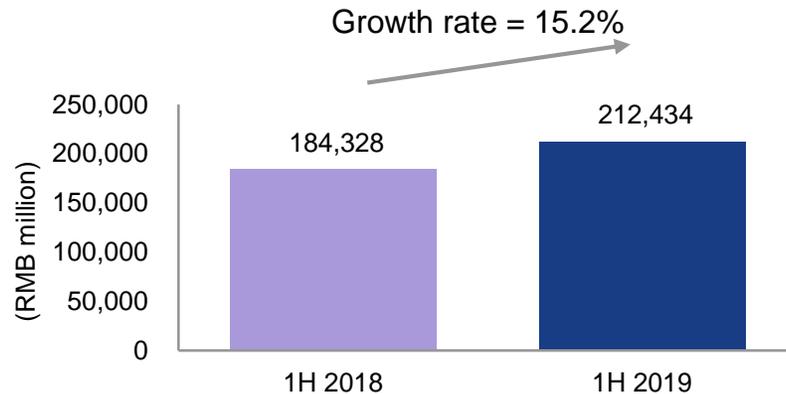
Second Poyang Lake Bridge in Jiangxi Province

New Contracts and Backlog

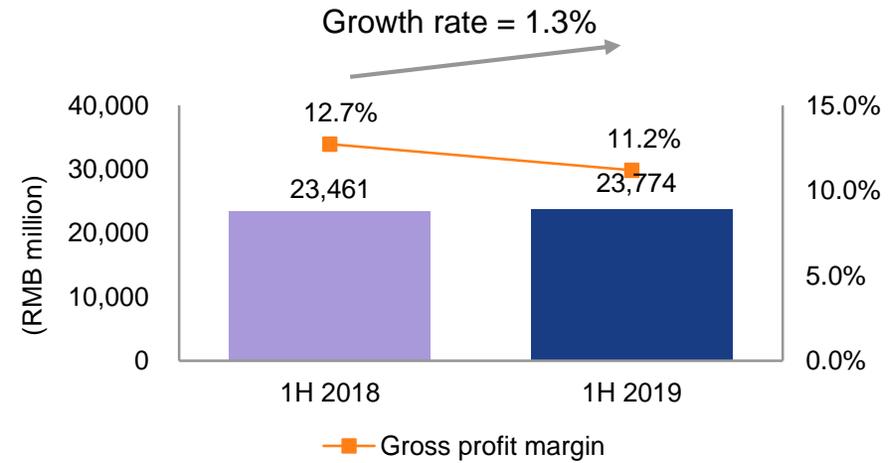


# Infrastructure Construction - Financial Performance

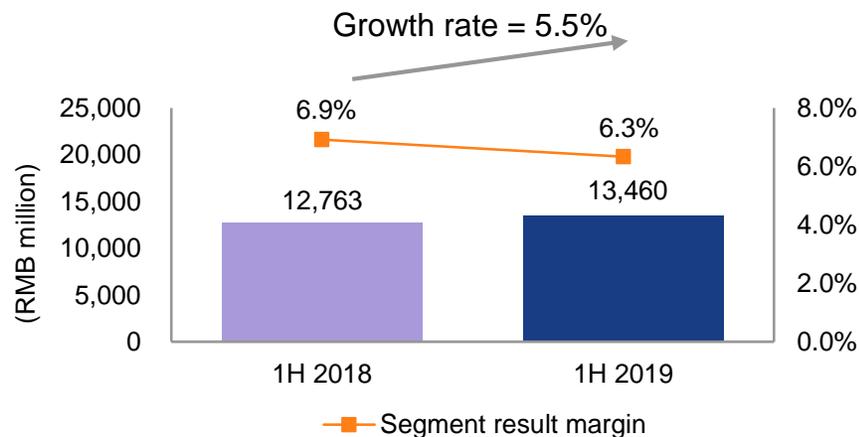
## Revenue<sup>1</sup>



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



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



## REMARKS

- ◆ The revenue increased by 15.2% was mainly due to the increase of revenue generated from road construction projects and municipal projects.
- ◆ Gross profit margin decreased to 11.2% primarily due to the decrease of high profit margin overseas projects, the increase in subcontracting costs, and the increase in price of raw materials.

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 13,220 million of contract value

Key Projects



Coal terminal of the largest coal-fired power plant in Philippines

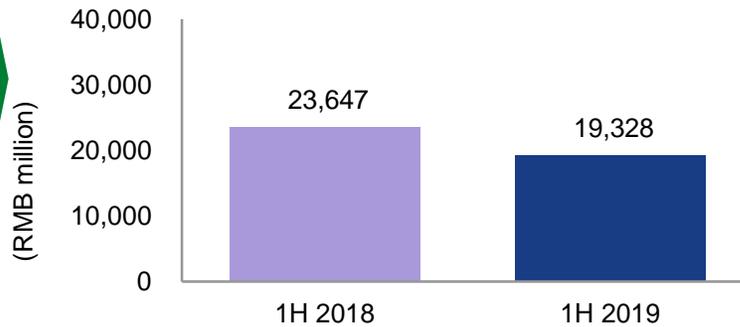


Ore terminal of Dongjiakou port area in Qingdao Port

New Contracts and Backlog

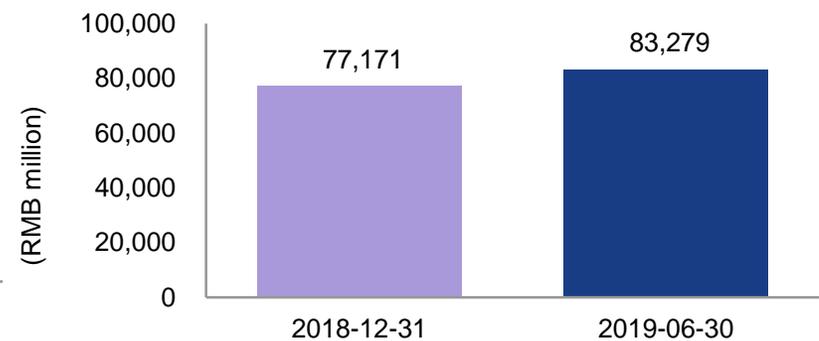
New Contracts

Growth rate = (18.3%)



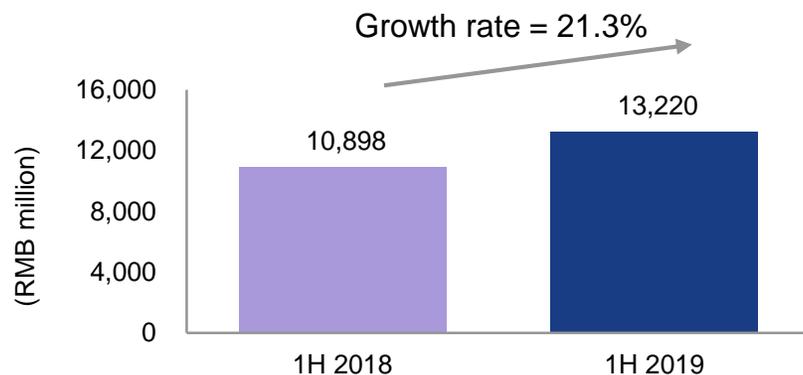
Backlog

Growth rate = 7.9%

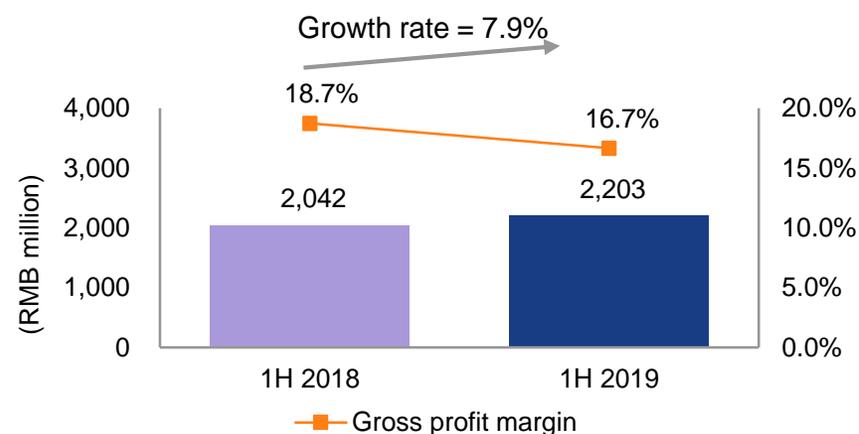


# Infrastructure Design - Financial Performance

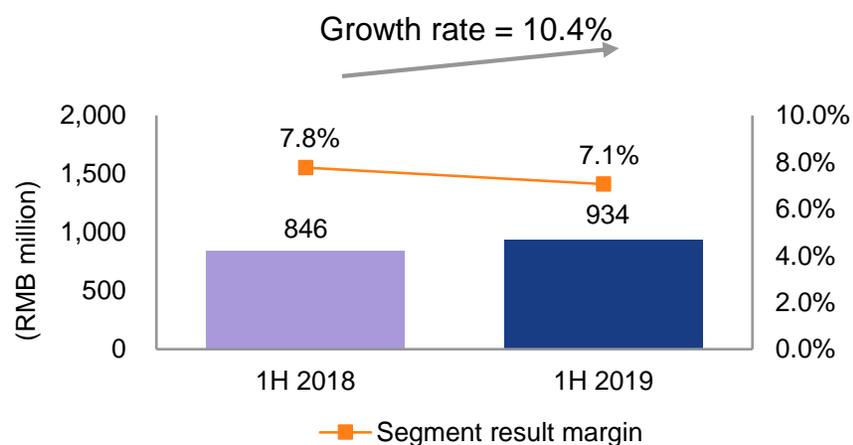
## Revenue<sup>1</sup>



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



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



## REMARKS

- ◆ The increase in revenue and decrease in gross profit margin was mainly due to the increased proportion of revenue generated from comprehensive contracts which have lower 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 15,614 million of contract value

Key Projects

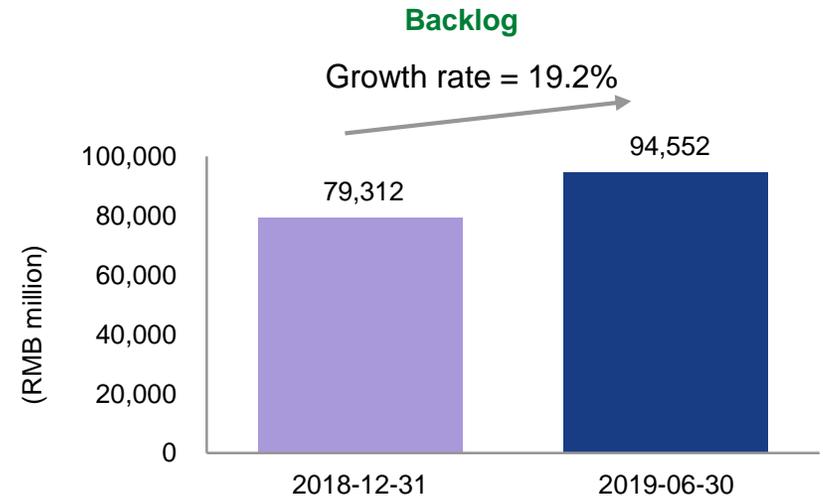
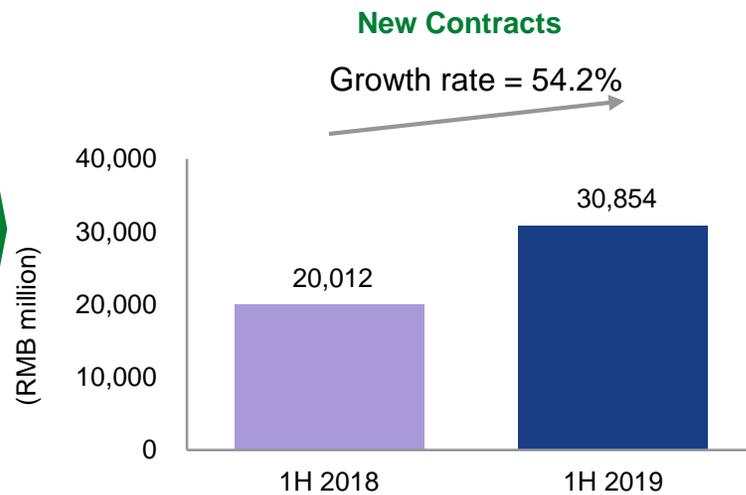


The comprehensive eco-environment project of a village in Shanghai



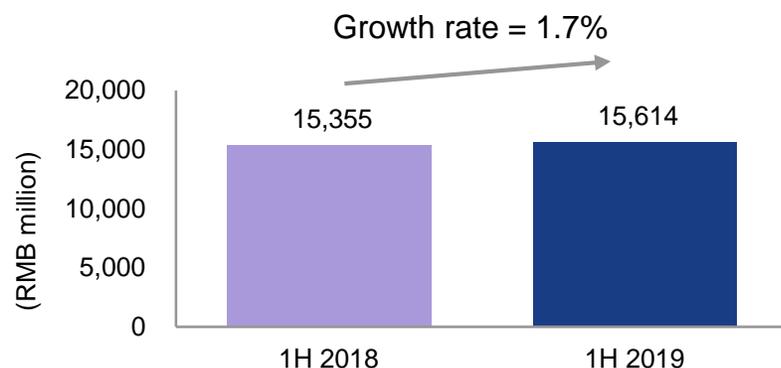
The cutter suction dredger "Tian Da" is working in Jingtang Port

New Contracts and Backlog

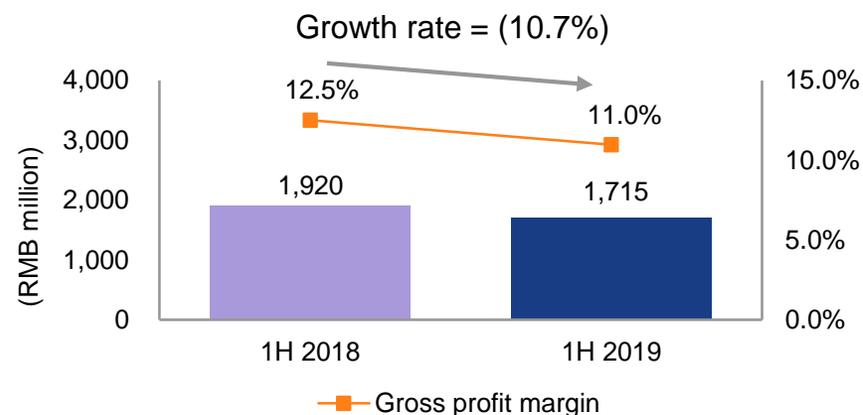


# Dredging - Financial Performance

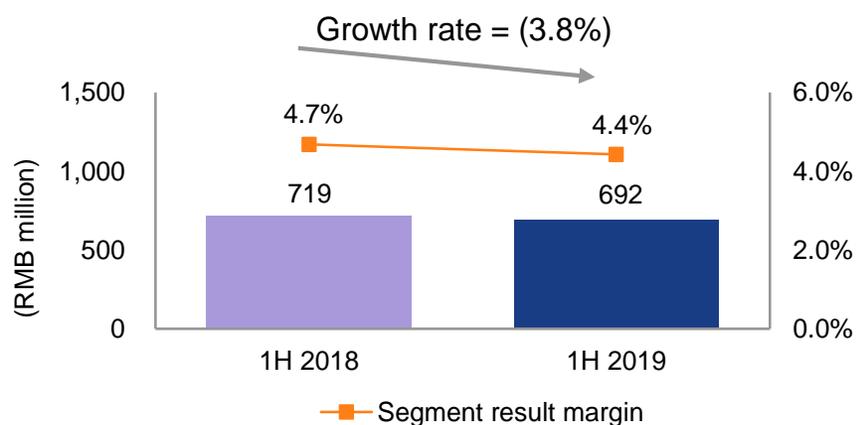
## Revenue<sup>1</sup>



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



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



## REMARKS

- ◆ The decrease in gross profit and gross profit margin was primarily attributable to the fluctuation of market environment, and the increase in subcontracting cost and the price of raw materials.

Notes:

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

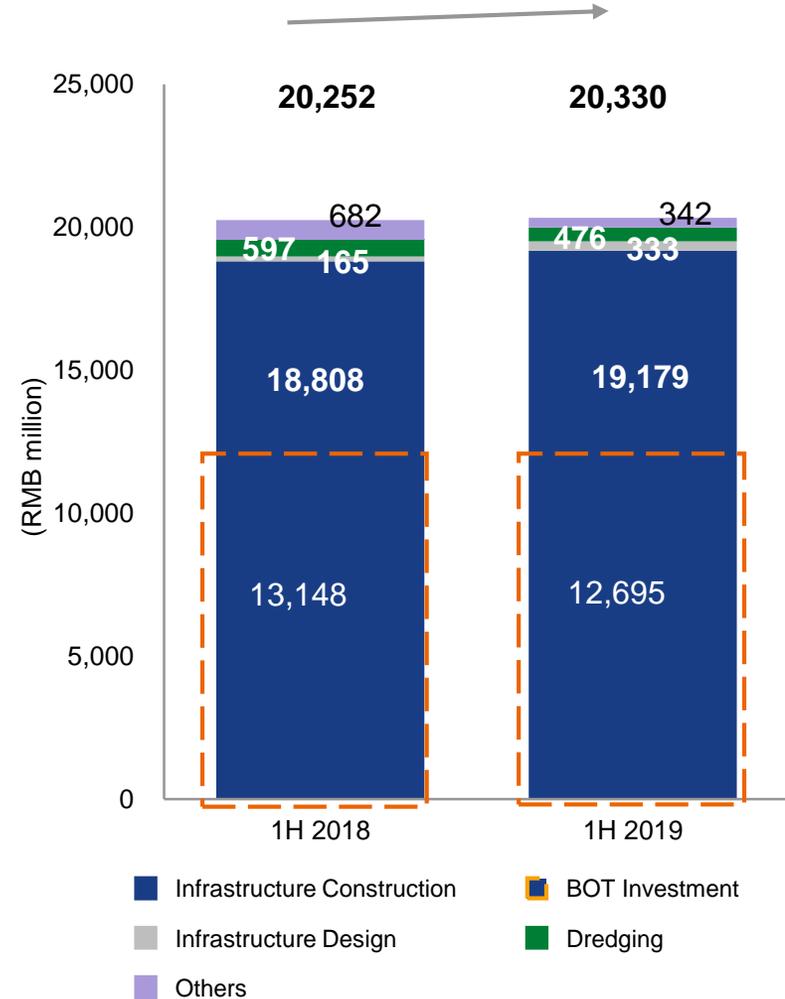
2 Segment result = revenue – cost of sales – selling and marketing expenses – administrative expenses + other income/ (expenses), net

# Capital Expenditure

<b>Infrastructure Construction Business</b>	<ul style="list-style-type: none"> <li>◆ Mainly used in investments in BOT projects, purchases of self-use property, 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>Other Business</b>	<ul style="list-style-type: none"> <li>◆ Mainly used in purchase of self-use property</li> </ul>

## Capital expenditure

Growth rate = 0.4%

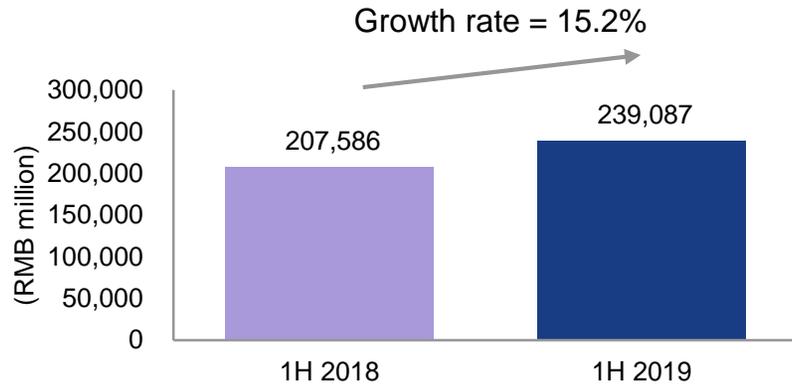


Note:

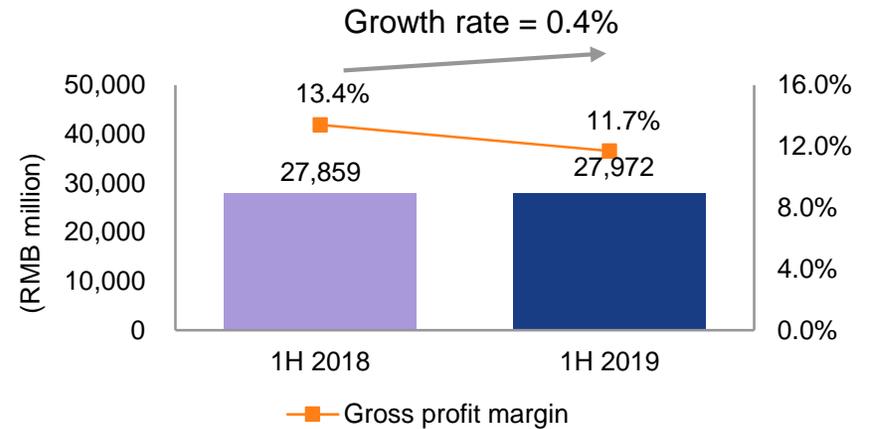
1 Capital expenditure is implemented by means of both cash purchase and financial lease

# Summary Income Statement Data

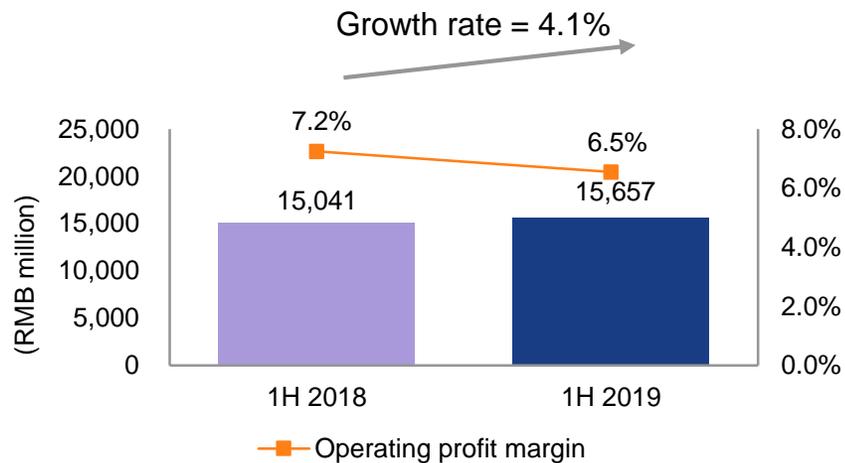
## Revenue



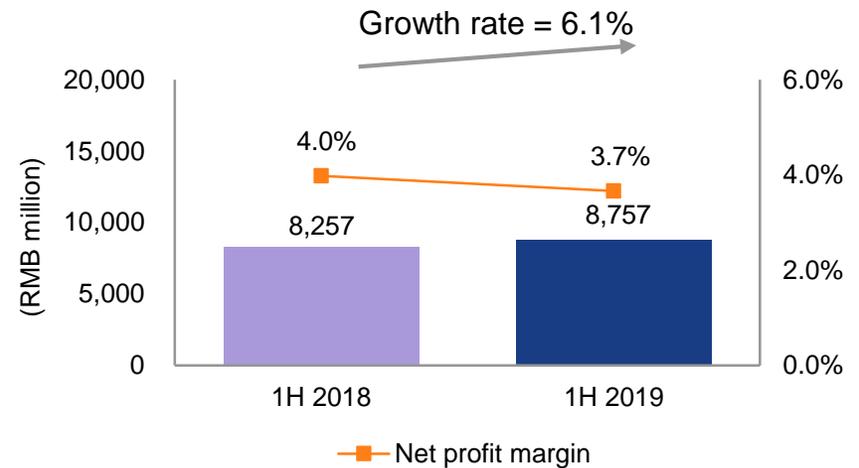
## Gross Profit



## Operating Profit



## Profit attributable to Owners of the parent



# Summary Balance Sheet Data

<i>RMB Million</i>	As at 2019-06-30	As at 2018-12-31	Change
<b>Non-current assets</b>	<b>515,063</b>	<b>478,974</b>	<b>7.5%</b>
Property, plant and equipment	55,897	56,365	(0.8%)
Intangible assets	200,991	188,370	6.7%
Equity instruments designated at fair value through other comprehensive income	27,820	21,257	30.9%
Investments in joint ventures and associates	45,222	41,665	8.5%
Trade and other receivables	128,633	118,967	8.1%
<b>Current assets</b>	<b>495,110</b>	<b>481,502</b>	<b>2.8%</b>
Inventories	52,063	46,861	11.1%
Trade and other receivables	211,400	195,887	7.9%
Contract Assets	120,300	103,981	15.7%
Cash and cash equivalents	102,174	127,413	(19.8%)
<b>Total Asset</b>	<b>1,010,173</b>	<b>960,476</b>	<b>5.2%</b>
<b>Non-current liabilities</b>	<b>267,750</b>	<b>240,925</b>	<b>11.1%</b>
Borrowings	239,776	215,384	11.3%
<b>Current liabilities</b>	<b>492,738</b>	<b>479,869</b>	<b>2.7%</b>
Trade and other payables	317,722	314,496	1.0%
Borrowings	108,120	79,243	36.4%
<b>Total liabilities</b>	<b>760,488</b>	<b>720,794</b>	<b>5.5%</b>
<b>Total equity</b>	<b>249,685</b>	<b>239,682</b>	<b>4.2%</b>
	<b>As at 2019-6-30</b>	<b>As at 2018-12-31</b>	<b>Change</b>
<b>Total Liabilities / Total Assets</b>	<b>75.3%</b>	<b>75.0%</b>	<b>0.3%</b>
<b>Net debt / Total Capital<sup>2</sup></b>	<b>49.6%</b>	<b>41.1%</b>	<b>8.5%</b>

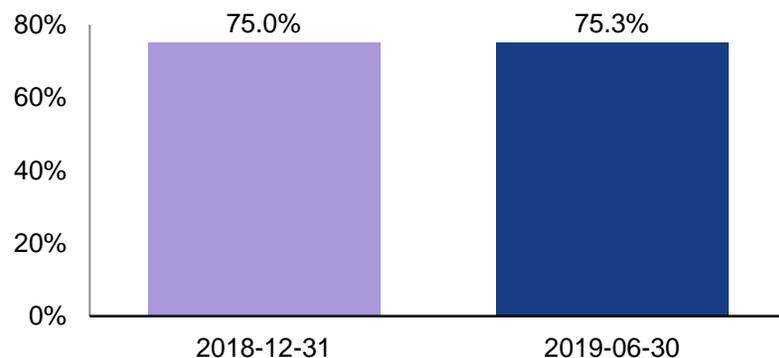
Notes:

1 Item adjusted due to changes in accounting policies.

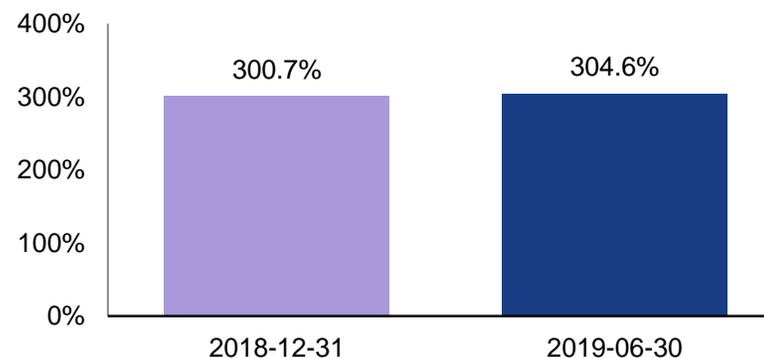
2 Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

# Summary Balance Sheet Data

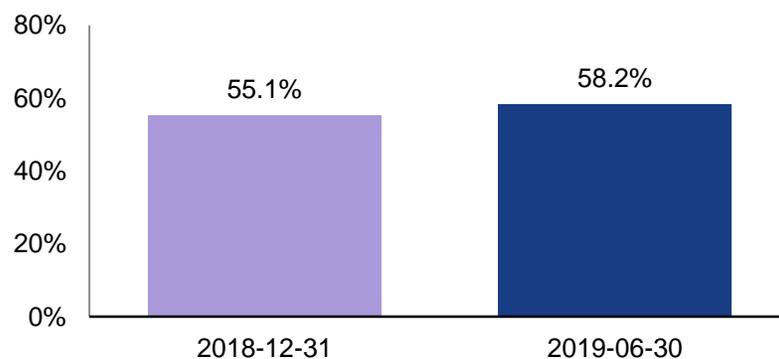
## Total Liabilities/Total Assets



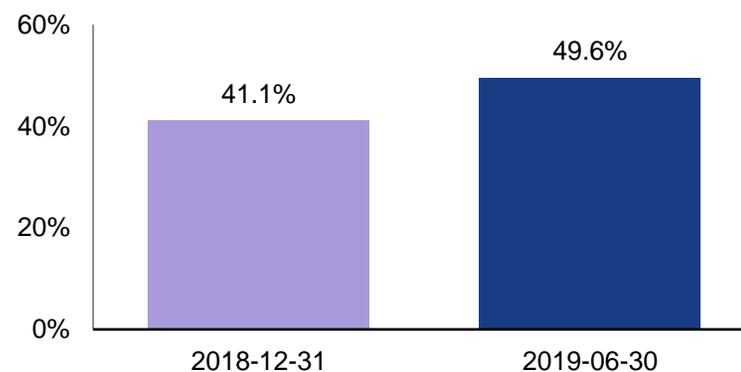
## Total Liabilities/Net Assets



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



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



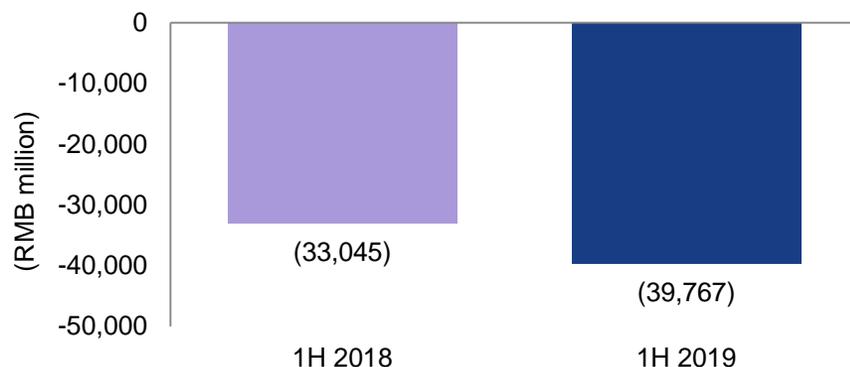
Notes:

1 Total capitalization is total equity plus total borrowings

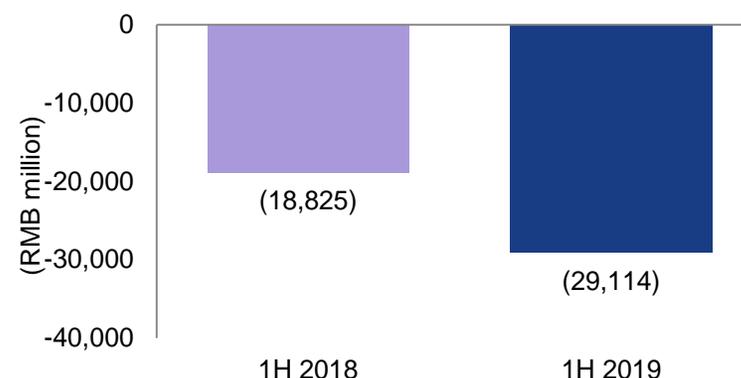
2 Net debt is total borrowings less cash and cash equivalents. Total capital is total equity plus net debt.

# Summary Cash Flow Statement Data

## Cash Flow from Operating Activities

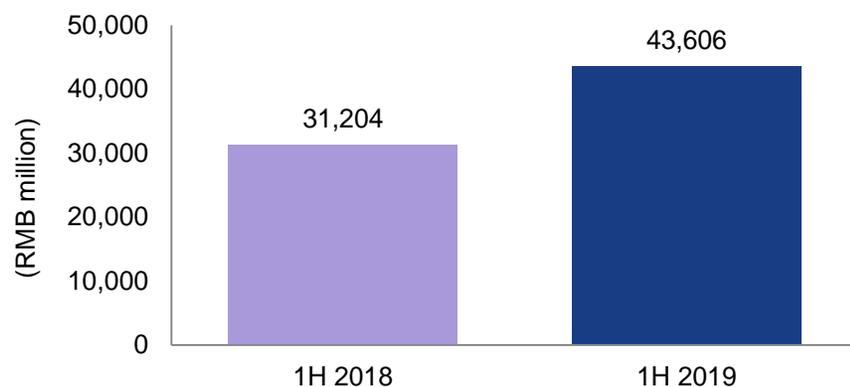


## Cash Flow from Investing Activities



### REMARKS

## Cash Flow from Financing Activities



- ◆ Net cash used in operating activities increased to RMB39,767 million primarily due to the slowdown of settlement of contract assets and collection of trade receivables.
- ◆ The increase of 54.7% in net cash used in investing activities was primarily attributable to the increase in expenditure from investment projects and the decrease in proceeds from disposal of other financial assets at fair value through profit or loss.
- ◆ Net cash generated from financing activities increased to RMB43,606 million, primarily due to the increase in proceeds of bank and other borrowings.

**Thank You**

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