2026 Interim Results Presentation of China Communications Construction (601800.SH,1800.HK)

Time: 16:00-17:00, August 28, 2026

Location: Conference call

Attendees of the Company:

Liu Zhengchang, CFO and Board Secretary

Peng Luqiang, Deputy Chief Accountant

Relevant principals from the General Office (Party Affairs Office & Board Secretariat Office), Strategy and Operation Department, Market Development Business Unit, Overseas Business Unit, Investment-operation Business Unit

Investor Relations Team

Attending agencies:

Analysts and investors from over 30 institutions including GF Securities, Caitong Securities, Huatai Securities, UBS Securities.

Part II: Question and Answer Session

1. The scale of impairment in the first half-year was broadly in line with that of last year. What is the outlook for impairment trends in the second half?

In the first half-year, the Company's credit impairment losses stood at approximately RMB 2.1 billion. Total impairment provisions accounted for 0.7% of the Company's revenue, with the provisioning ratio largely consistent with the levels over the past five years and the scale of impairment losses remaining stable. Provided that the operating environment remains relatively stable, the Company will continue to adopt prudent accounting policies and maintain consistency and stability in accounting estimates and impairment provisioning policies.

2. What caused the year-on-year contraction in operating cash flow in the first half-year?

The Company recorded a net outflow of RMB 60.8 billion in operating cash flow for the first half-year, representing a year-on-year contraction of 21%. The improvement in operating cash flow mainly stemmed from the Company's management philosophy of "Cash is King".

From the business perspective, the Company resolutely implements the principle of "revenue-generating contracts, profitable revenue, and cash-flow-generating profits", and strengthens the evaluation of investment quality and efficiency.

From the management perspective, the Company standardises fund payment practices, enhances internal fund coordination and synergy, continuously reduces overall financing costs, and incorporates cash flow control into major special supervision and follow-up tasks for the year.

From the asset perspective, the Company seizes policy windows to step up debt collection. It makes advance deployment for key regions through top-level coordination and high-level "head-to-head" liaison mechanisms, and keeps close track of policy implementation for resolving implicit local government debt. Meanwhile, two-way control over receivables and payables is reinforced: on the receivables side, debt collection is intensified to reduce capital occupation; on the payables side, payment practices are standardised to safeguard supply-chain credibility.

3. What are the plans for the interim dividend and future dividend distributions?

The Company has formulated a three-year cash dividend plan, specifying that the annual dividend payout ratio shall be no less than 20% and no lower than that of the previous fiscal year, while maintaining two dividend distributions per year. The specific proposal for the 2026 interim dividend will be formulated with comprehensive consideration of the half-year and third-quarter operating results. Please refer to the Company's subsequent announcements for updates.

4. What is the specific progress of overseas business development? What is the rate of return on overseas investment projects?

During the "15th Five-Year Plan" period, the Company will focus on developing ten industrial chains: water transport, highways, construction technology, green power, ecological environmental protection, rail transit, airports, municipal engineering, modern logistics, and other strategic emerging industries. The proportion of green power, ecological environmental protection and municipal-related businesses continues to rise. Geographically, the focus remains on Asia and Africa, with a focus on the six major economic corridors; Asia and Africa continue to serve as core pillars for overseas operations. Cash-funded overseas projects account for over 95% of total overseas projects, and investment projects deliver better returns than domestic counterparts.

5. How do you assess the current debt-resolution and debt-collection environment? Is an inflection point in local government fiscal conditions approaching?

Debt-resolution work has made solid progress since September 2024. Accounts receivable, inventories, contract assets and long-term receivables have remained generally stable. The recovery of overdue receivables in the first half-year has positively supported cash flow performance. The Executive Meeting of the State Council recently held a special session to deploy arrears-clearing work. Supported by fiscal policies, national government bonds and special-purpose bonds introduced earlier this year, debt-resolution efforts are shifting from passive demand for payment to proactive consultation with local governments, and policy effects will become more evident going forward.

6. What share of total investment is represented by businesses related to the "Six Networks"? Does the Company invest in computing-power centres?

The "Six Networks" refer to the water network, new power grid, computing power network, new-generation communication network, urban underground pipeline network and logistics network. The Company has businesses covering all six networks, with primary focus on "Whole Transportation" and "Whole Cities" related transport and underground pipeline projects, which account for 70% of total investments. The Company participates in multiple national major projects under the water-network initiative. On computing power businesses, the CCCC Ningxia Zhongwei Cloud Data Centre project has commenced operation and delivers relatively attractive returns.

7. New contracts fell by 8.9% in the first half-year. Can the full-year target be achieved?

The decline in order intake in the first half-year is mainly attributable to insufficient effective market demand. For one thing, as the kick-off year of the "15th Five-Year Plan", plans at various levels have yet to be rolled out in full, so market demand has not been fully unleashed. For another, the volume of projects open for public tender above RMB 30 million decreased by 14%, and projects above RMB 100 million dropped by 16%. Against this backdrop, the Company's 8.9% decline outperformed the overall market.

Guided by full-year targets, the Company will maintain its responsibilities undiminished and execution intensity unchanged in the second half-year. First, the Company holds a robust order backlog, which will be gradually converted into construction revenue. Second, the total investment amount of projects in reserve stands at nearly RMB 4 trillion. The phased release of these projects will provide strong support for achieving the full-year targets.

8. What are the medium-to-long-term development plans and proportion targets for overseas business?

Building on the Company's strengths in traditional industries while expanding its emerging-business footprint, under the "15th Five-Year Plan" for overseas international operations, the Company targets sustained growth in overseas contract value and comprehensive overseas contribution over the "15th Five-Year Plan" period.

9. As the proportion of overseas business rises, foreign exchange gain/loss volatility intensifies. What countermeasures have been put in place?

The Company attaches great importance to the impact of exchange-rate fluctuations. Special-topic studies have been conducted, and external professional research institutions have been engaged to refine mitigation measures. Financial derivative instruments have been deployed since the beginning of the year in light of the overseas business profile. Foreign exchange losses had a notable impact in the first half-year. The Company has increased the frequency of foreign exchange gain/loss analysis and plans to convene a special meeting on overseas financial management in the near term to further refine control protocols.

10. What are the latest plans and proportion targets for the "Three New" businesses?

The Company has adjusted its business classification framework under the "five wholes, four bigs and five types" system. "Whole Green" and "Whole Digital" define the development directions for emerging businesses, under which 20 sub-industry categories are established for standardised management. Businesses covered in the half-year report, including new energy, water conservancy, water services and water environment, and agriculture, forestry, animal husbandry and fishery, are closely aligned with the original "Three New" businesses. Further refinements to business classification will be made in response to market attention and business evolution. Guided by the policy orientation of the state-owned assets regulator, the medium-to-long-term target for the share of strategic emerging industries is set at above 35%.