

2024 Third Quarter Results Presentation of China Communications Construction (601800SH,1800HK)

Time: 31 October 2024 11: 00-12: 00

Location: Conference call

Attendees of the Company:

Securities Affairs Representative: Yu Jingjing

On-site Participating Organisations: Citibank, China International Capital Corporation, Huatai Securities, GF Securities, and other domestic and foreign institutions and investors.

Part 1: 2024 Third Quarter Operating Results Report

In the context of the overall economic downturn and industry pressure in the first three quarters, the Company has taken multiple measures to cut costs and increase revenue, resulting in a relatively stable overall operation.

In terms of market development, the Company achieved year-on-year growth. In the first three quarters, the Company achieved a new contract amount of RMB 1,280,500 million, a year-on-year increase of 9.3%. In terms of regions, the domestic market saw a year-on-year increase of 5.9%, with the majority of the growth coming from urban construction business. The main regions for market development were

Guangdong, Zhejiang, Chongqing, and Shandong. The overseas market achieved a new contract amount of more than RMB 265,100 million, a year-on-year increase of 24.7%, accounting for 21% of the total new contract amount and continuing to grow. The main regions for overseas market development were Africa, Asia, and Oceania.

In terms of apparent data, the Company's Q1-Q3 revenue was RMB 536,600 million, a year-on-year decrease of 2.2%, mainly due to the impact of the macroeconomic situation, resulting in a slower conversion speed of order revenue. In addition, the Company took proactive measures to control risks and suspended projects where funding could not be secured. In the third quarter, revenue decreased by 1.6% year-on-year and began to show signs of improvement. The Company's net profit attributable to shareholders reached RMB 16,200 million, a year-on-year decrease of 0.61%. The net profit ratio remained stable and saw a slight increase year-on-year. Excluding non-recurring items, the Company's net profit attributable to shareholders decreased by 32.8% for the quarter, mainly due to the Company's efforts to solidify its assets, leading to the revitalization of assets through the issuance of private REITs and similar projects such as Anjiang and Jiayu North. The Company's debt-to-asset ratio was 75.2% and remained stable.

In terms of cash flow, the Company's cumulative operating cash flow was still in a net outflow state due to the impact of rigid payments. However, the quarterly cash flow showed a significant decrease and the payment-to-receipt ratio improved.

Overall, the Company has been able to operate smoothly under various pressures. In addition, the Company has also strengthened a series of internal management measures and focused on improving its core capabilities. **On one hand**, we can see a slight increase in gross profit margin year-on-year, a 0.2 percentage point increase mainly due to the development of the three-link integration and the strengthening of project management, which has led to an increase in our purchasing and subcontracting management capabilities. **On the other hand**, we have continuously worked to solidify our assets. The "solidifying assets" project is an important part of the Company's strategic layout for the 14th Five-Year Plan. In recent years, we have been continuously carrying out and systematically reviewing the Company's assets, creating a list, and gradually implementing them. In the third quarter, we issued the largest publicly traded highway REITs in the market so far, the first-ever publicly traded highway real estate investment trust (REIT) for state-owned enterprises since the Company's Jiatong Expressway in 2022, and the first publicly traded holding real estate ABS with an offering scale of RMB 4,956 million since the Qingyuan Bridge was issued last year. We have made great progress in revitalizing assets.

So far, the Company has completed the preliminary construction of a multi-level REITs system. In the future, we will continue to work with the "solidifying assets" project to further promote the revitalization of the Company's existing assets. This concludes our brief report on the Company's performance in the third quarter.