China Railway Construction Corporation Limited

2017 Annual Results
1. Overview
Rising Industry Position

Moved up to Top 58 of the Fortune Global 500 2017

Ranked Among Top 3 in ENR Top 250 Global Contractors for 8 Consecutive Years

Further Improvement of Enterprise Influence and Reputation

- No. 111 in 2012
- No. 100 in 2013
- No. 80 in 2014
- No. 79 in 2015
- No. 62 in 2016
- No. 58 in 2017

- No. 79 in 2015
- No. 3 in 2016
- No. 3 in 2017

- No. 1 in 2014
- No. 2 in 2013
- No. 2 in 2012

- 2017 Top 500 China Enterprises
- 2017 China Top 100 Enterprise
- 2017 Top 100 with the most core competitiveness among listed companies
- 2017 Best Board of Directors
- Best Investor Relations Management Listed Company
Better Business Performance

Value of New Contracts

Value of Outstanding Contracts

Revenue

Gross Profit

Net Profit

Net Income Attributed to Shareholders

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of New Contracts (RMB million)</th>
<th>Value of Outstanding Contracts (RMB million)</th>
<th>Revenue (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,219,107</td>
<td>1,977,768</td>
<td>629,327</td>
</tr>
<tr>
<td>2017</td>
<td>1,508,312</td>
<td>2,396,630</td>
<td>680,981</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Profit (RMB million)</th>
<th>Net Profit (RMB million)</th>
<th>Net Income Attributed to Shareholders (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>57,950</td>
<td>14,851</td>
<td>14,000</td>
</tr>
<tr>
<td>2017</td>
<td>62,922</td>
<td>16,919</td>
<td>16,057</td>
</tr>
</tbody>
</table>

Growth Rates:
- Value of New Contracts: 23.7%
- Value of Outstanding Contracts: 21.2%
- Revenue: 8.2%
- Gross Profit: 8.6%
- Net Profit: 13.9%
- Net Income: 14.7%
Reform and Development Achieve a Breakthrough

- Formulating “Overall Plan for Comprehensively Deepening Reform” & “Guiding Opinions on Mixed-ownership Economy Development”
- Structural reform on the supply side advanced and remarkable results achieved in real estate de-stocking
- Regional business organizations developed and platform company layout basically completed
- Streamlining relevant organizations effectively with 139 legal person companies cut in 2017, 192 in total

The 2nd tallest building in Malaysia - Four Seasons Kuala Lumpur completes construction
Shanghai Songjiang 1st tram demonstration line starts operation
Addisababa-Djibouti Railway starts commercial operation
China’s first central heating project using million air-cooled units for heating, covering a long distance, crossing the Yellow River under large temperature difference heat pump technology.

China’s 1st large-diameter shield tunnel project crossing the Yellow River for heat supply, the largest central heating project in Northwest China.

With a total length of ~132 meters, a whole-machine weight of ~1,500 tons, an installed power of 3,500 kilowatts and an excavation diameter of 9.05 meters, it will pass through the 1838-meter fine sand tunnel of the Yellow River bed.

Mingzhuwan Bridge

The double-decked bridge will have three steel trusses spanning over 436 meters, ranking the 1st of the same kind.

Upper level: two-way eight-lane highway and sidewalk;
lower level: two-way BRT lane and pipelines corridor reserved.

Pingtan cross-Straits Highway-Railway Bridge

It is the cross-strait bridge with the highest difficulty in construction in the world.

China’s first cross-strait bridge with integrated highway and railway services in real sense.

Effective Technological Innovation

Market-driven Innovation Process and Well-performed Innovation Platforms

- Technological Innovation Conference held and a decision to further strengthen technological innovation issued.
- Major systems for technological innovations such as the “Administrative Approach to Technological Innovation Platform” formulated and mechanism for technological innovation management improved.
- Three projects such as “Key Technology and Application of High-Speed Railway Seamless Lines in Complex Environments” won the 2017 National Technological Progress 1st and 2nd Prizes respectively.
- Received 84 provincial and ministerial-level awards in technological progress awards, 8 national-level survey and design awards, and 10 Zhan Tianyou Civil Engineering Awards.
- 1,719 patents granted, including 375 invention patents.

Mingzhuwan Bridge

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- Upper level: two-way eight-lane highway and sidewalk;
lower level: two-way BRT lane and pipelines corridor reserved.

Pingtan cross-Straits Highway-Railway Bridge

- It is the cross-strait bridge with the highest difficulty in construction in the world.
- China’s first cross-strait bridge with integrated highway and railway services in real sense.

“Chuxin” tunnel shield machine for heat supply

- China’s first central heating project using million air-cooled units for heating, covering a long distance, crossing the Yellow River under large temperature difference heat pump technology.
- China’s 1st large-diameter shield tunnel project crossing the Yellow River for heat supply, the largest central heating project in Northwest China.
- With a total length of ~132 meters, a whole-machine weight of ~1,500 tons, an installed power of 3,500 kilowatts and an excavation diameter of 9.05 meters, it will pass through the 1838-meter fine sand tunnel of the Yellow River bed.
2. 2017 Main Business Sector Overview
## Strengths in Construction Contraction Further Solidifying

### Value of New Contracts

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (RMB million)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,059,251</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1,293,185</td>
<td>22.1%</td>
</tr>
</tbody>
</table>

### Value of Outstanding Contracts

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (RMB million)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,812,989</td>
<td>18.4%</td>
</tr>
<tr>
<td>2017</td>
<td>2,147,289</td>
<td></td>
</tr>
</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (RMB million)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>540,135</td>
<td>8.1%</td>
</tr>
<tr>
<td>2017</td>
<td>584,128</td>
<td></td>
</tr>
</tbody>
</table>

### Gross Profit and Margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (RMB million)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>36,980</td>
<td>8.6%</td>
</tr>
<tr>
<td>2017</td>
<td>40,145</td>
<td></td>
</tr>
</tbody>
</table>

### Landmark Projects

- Yinchuan Airport Yellow River Bridge
- Beijing Subway Line 9
- Xiamen Maqing Road newly-built overpass
### Survey, Design and Consultancy Operations Maintaining Market Leading Position

<table>
<thead>
<tr>
<th>Value of New Contracts (RMB million)</th>
<th>Value of Outstanding Contracts (RMB million)</th>
<th>Revenue (RMB million)</th>
<th>Gross Profit and Margin (RMB million)</th>
<th>Landmark Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,512 to 17,078</td>
<td>6,291 to 8,625</td>
<td>12,257 to 14,539</td>
<td>3,692 to 4,784</td>
<td></td>
</tr>
<tr>
<td>Growth Rate: 36.5%</td>
<td>Growth Rate: 37.1%</td>
<td>Growth Rate: 18.6%</td>
<td>Growth Rate: 29.6%</td>
<td></td>
</tr>
<tr>
<td>2016 to 2017</td>
<td>2016 to 2017</td>
<td>2016 to 2017</td>
<td>2016 to 2017</td>
<td></td>
</tr>
</tbody>
</table>

- **Landmark Projects**
  - Zhuhai Jinhai Bridge, China’s first cross-sea bridge with integrated highway and railway services, starts construction.
  - Xi’an-Chengdu Railway High-speed starts operation.
  - Successful application of floating damping energy-dissipation bridge collision avoidance facility at Zhuhai Jinhai Bridge, China’s first cross-sea bridge with integrated highway and railway services.
## Manufacturing Operations Continuing to Grow

### Landmark Projects

1. **Delegation of Nigerian Federal Ministry of Transportation**
   - Checking and accepting the large-scale maintenance machinery equipment used by the Lagos-Ibadan Rail Line Project.

2. **"New water source-1"**
   - The 1st double shield TBM developed by China, completed at Lanzhou Water Source Construction Project.

3. **The world’s first coal mine shield**
   - Rapid excavation equipment was successfully delivered.

### Value of New Contracts

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<tr>
<th>Year</th>
<th>Value (RMB million)</th>
<th>Growth Rate</th>
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<tr>
<td>2016</td>
<td>19,962</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>28,379</td>
<td>42.2%</td>
</tr>
</tbody>
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### Value of Outstanding Contracts

<table>
<thead>
<tr>
<th>Year</th>
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<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>12,317</td>
<td>100.5%</td>
</tr>
<tr>
<td>2017</td>
<td>24,692</td>
<td></td>
</tr>
</tbody>
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### Gross Profit and Margin

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<tr>
<th>Year</th>
<th>Value (RMB million)</th>
<th>Growth Rate</th>
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<tr>
<td>2016</td>
<td>3,593</td>
<td>2.7%</td>
</tr>
<tr>
<td>2017</td>
<td>3,689</td>
<td></td>
</tr>
</tbody>
</table>
Real Estate Operations Healthy and Steady

**Landmark Projects**

- **Chengdu**
  - CRCC· Xipai Guoji
  - Lot area: 80,000 m²
  - Salable area: 260,000 m²

- **Changsha**
  - CRCC· Yanghuyuan
  - Lot area: 43,000 m²
  - Floor area: 250,000 m²

- **Hangzhou**
  - CRCC· Jiangnan Guojicheng
  - Lot area: 91,000 m²
  - Saleable area: 337,000 m²

**Revenue**

- **(RMB million)**
  - **2016**: 38,320
  - **2017**: 42,587
  - Growth rate: 11.1%

**Sales Volume**

- **(RMB million)**
  - **2016**: 49,481
  - **2017**: 68,413
  - Growth rate: 38.3%

**Saleable Area**

- **(10,000 m²)**
  - **2016**: 438
  - **2017**: 517
  - Growth rate: 18.1%
3. 2017 Financial Highlights
Revenue and Profits Continuing to Grow

Revenue

(RMB million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Growth Rate</th>
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<tbody>
<tr>
<td>2016</td>
<td>629,327</td>
<td>8.2%</td>
</tr>
<tr>
<td>2017</td>
<td>680,981</td>
<td></td>
</tr>
</tbody>
</table>

Net Profit and Margin

(RMB million, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Profit</th>
<th>Net Profit</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>14,851</td>
<td>2.36%</td>
<td>81.7%</td>
</tr>
<tr>
<td>2017</td>
<td>16,919</td>
<td>2.48%</td>
<td></td>
</tr>
</tbody>
</table>

2017 Revenue Breakdown by Segments

- Construction Contracting: 81.7%
- Survey, Design and Consultation: 16.0%
- Manufacturing: 14.6%
- Real Estate: 8.5%
- Logistics and others: 10.5%

Note: (1) Including intersegmental transactions
Financial Position Further Strengthening

<table>
<thead>
<tr>
<th></th>
<th>Total Asset (RMB million)</th>
<th>Shareholders’ Equity (RMB million)</th>
<th>Net Assets Attributed to the Shareholders (RMB million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016.12.31</td>
<td>759,345</td>
<td>148,716</td>
<td>131,187</td>
</tr>
<tr>
<td>2017.12.31</td>
<td>821,887</td>
<td>178,649</td>
<td>149,412</td>
</tr>
</tbody>
</table>

Growth Rate: 8.2% for Total Asset
Growth Rate: 20.1% for Shareholders’ Equity
Growth Rate: 13.9% for Net Assets Attributed to the Shareholders
Net Cash Flows from Operating Activities Continue to Improve

Net Cash Flows from Operating Activities

(RMB million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Cash Flows from Operating Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>37,138</td>
</tr>
<tr>
<td>2017</td>
<td>25,404</td>
</tr>
</tbody>
</table>

Net Cash Flows from Financing Activities

(RMB million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Cash Flows from Financing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-26,273</td>
</tr>
<tr>
<td>2017</td>
<td>23,775</td>
</tr>
</tbody>
</table>

Net Cash Flows from Investing Activities

(RMB million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Cash Flows from Investing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>-2,111</td>
</tr>
<tr>
<td>2017</td>
<td>-36,688</td>
</tr>
</tbody>
</table>
Asset-Liability Ratio Entered a Decline Channel

Actively take measures such as clear the debt, broaden the capital market financing channels, etc. to achieve the ‘four years drop in a row’ in **asset-liability ratio**
4. Growth Strategies and Outlook
Development Strategy

Construction-oriented, relevant diversification, integrated operation and advance through transformation, so as to develop into a high value-creating construction industry group with world-leading economic, technological and competitive power.

Construction-oriented
- Construction-oriented, seize the historical opportunity of the domestic infrastructure market, follow and integrate for industrial restructuring and business expansion into the “Beijing-Tianjin-Hebei integration”, “Yangtze River Economic Belt” and other national strategies and the “Belt and Road Initiative”, do the layout of related markets
- Focus on national special industry planning, continue to expand the field of attractive segments in order to lay the foundation for the company’s long-term and sustainable development

Advance through Transformation
- Fully grasp the development opportunities of construction industry, building information, Internet technology, etc.
- Actively integrate into these leading technology in the various sectors of the industry and the industrial chain of all aspects, so as to promote the transformation and upgrading of enterprise industry structure, business model and operation model, and promote the development by transformation

Relevant Diversification
- Actively expand via diversification
- Do the layout of new industry which can play a synergistic effect with the existing business, enhance the overall profitability of the enterprise, enhance the competitiveness of the main business, expand the brand influence, and have broad market prospects, in line with the national strategic development needs of the emerging industries

Integrated Operation
- Construct the operating mode integrating with investment, design, construction, operation, real estate development and other industries
- Give full play to the whole industry chain advantage of
Q&A