



中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

1H 2021 Results

Stock code:03311.HK

17th August 2021





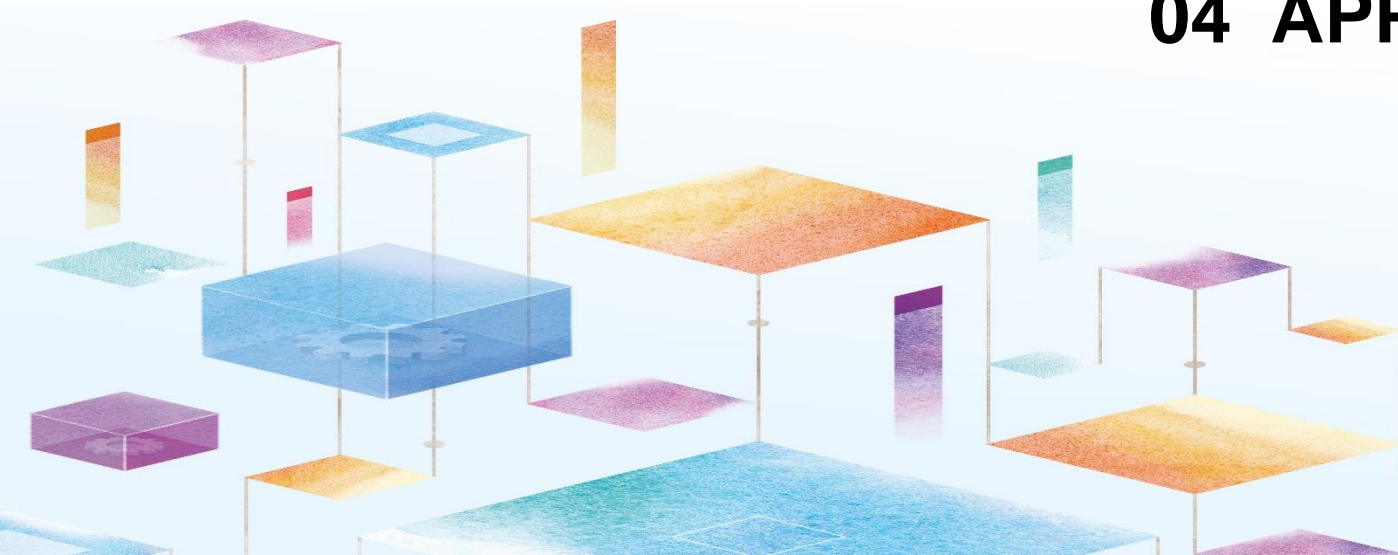
CONTENTS

01 1H 2021 RESULTS

02 BUSINESS HIGHLIGHTS

03 OUTLOOK AND STRATEGIES

04 APPENDIX





中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

01

1H 2021 RESULTS



2021 Interim Results - Highlights



中國建築國際集團有限公司
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED
(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

Balanced and strong growth

Revenue increased in 1H 2021 by 30% to HK\$36.4bn compared to the level of 1H2020.
Net profit increased by 21% to HK\$3.5bn.

Significant improvement in OCF

The strategic transformation in the Mainland China has made notable progress.
Net operating cash outflow in the first half of 2021 narrowed significantly to HK\$0.97bn.



Consistent high dividend payout

With the objective to generate value for shareholders, the group maintained a constant c30% dividend payout ratio, proposed interim dividend of HK\$20 cents per share.

Great breakthrough in MiC technology

Hailong Technology achieved another impossible feat, constructing a 7-storey permanent MiC building within 12 days. 80% of the components were automatically produced, saving 40% time and 25% building materials compared to in-site construction.



Achieve Rapid Growth in Business Performance & Create Value for Shareholders



中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)



Strong growth in revenue and profits



Consistently return profits to shareholders

Revenue

HK\$36.37 billion

+30%

Gross profit

HK\$6.01 billion

+19%

Net profit

HK\$3.50 billion

+21%

EPS

HK\$69.4 cents

+21%

DPS

HK\$20 cents

+18%

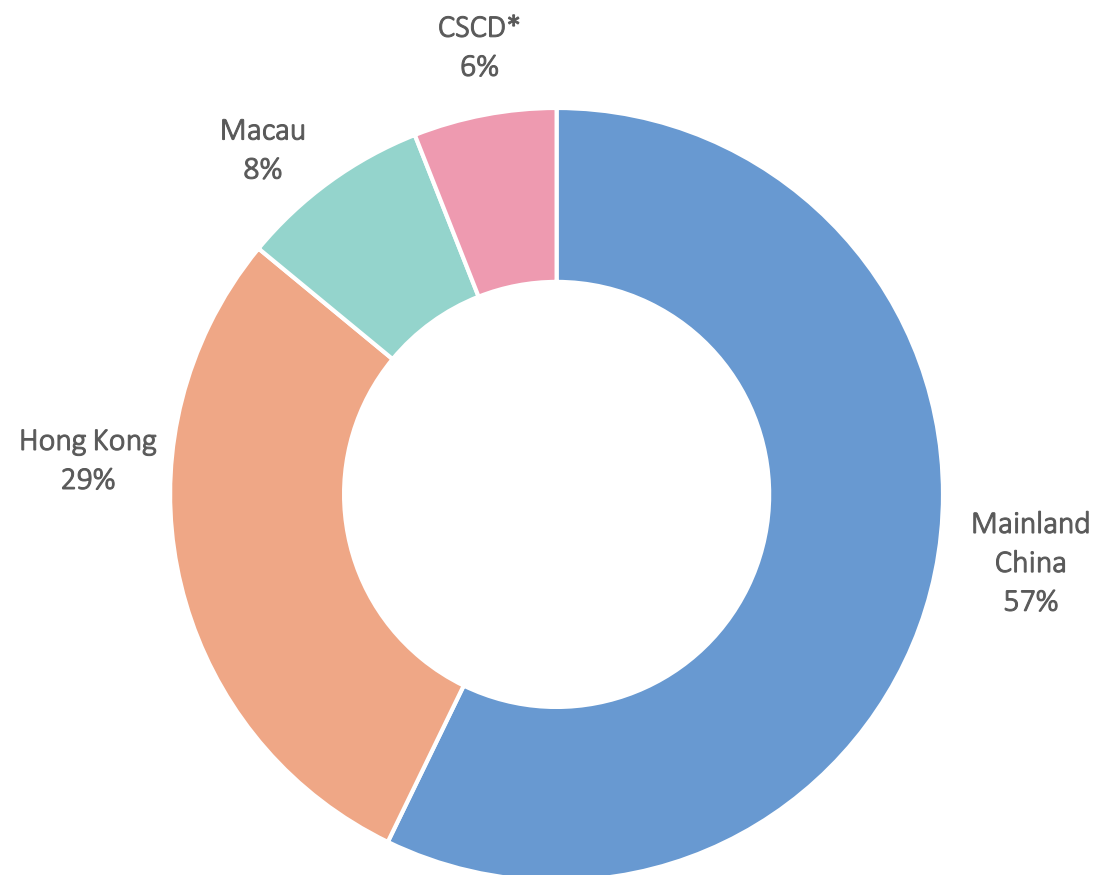


Maintain a Balanced Regional Distribution

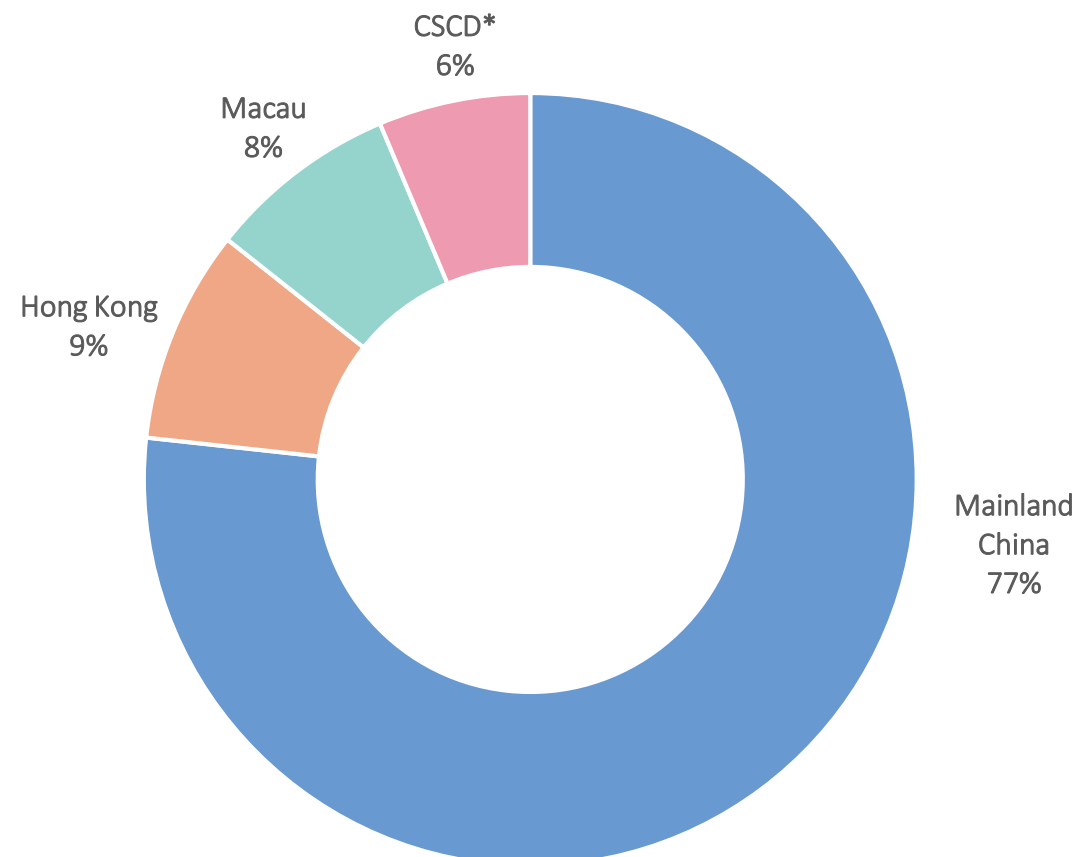


中國建築國際集團有限公司
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED
(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

Breakdown of Revenue



Breakdown of Gross Profit



* China State Construction Development

*For comparison purposes, the revenue and gross profit in Mainland China accounted for 50% and 76% in 1H 2020 respectively



Solid Financial Position with Significant Improvement in OCF

Net gearing ratio in a reasonable range

- Net gearing ratio was 54.9% at 30 June 2021, kept at a reasonable level.

	31/12/2020	30/6/2021
Equity (HK\$ million)	49,094	52,105
Net assets per share (HK\$)	11.54	12.99
Cash (HK\$ million)	22,455	20,324
Net Gearing Ratio (%)	54.8	54.9

Net operating cash outflows narrowed significantly

- The net operating cash outflow in 1H 2021 was HK\$0.97 billion, a significant progress compared to 1H 2020.

	(HK\$ million)	1H 2020	1H 2021
	Cash Inflow in Mainland China	14,410	19,623
–	Cash Outflow in Mainland China	18,407	21,035
=	Net Cash Inflow/Outflow in Mainland China	-3,997	-1,412
+	Net Cash Inflow/Outflow in Hong Kong & Macau	-1,033	441
=	Operating Cash Flow	-5,030	-971

- Operating cash flow in 1H 2021 includes HK\$3.72bn in land payments for projects such as GTR (corresponding to HK\$1.85 billion in 1H 2020)



Dual Financing Channels Underpin Sustainable Development



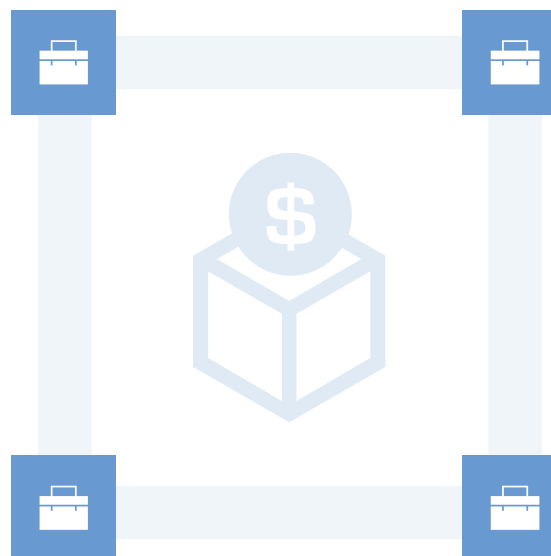
中國建築國際集團有限公司
CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED
(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

Reduce financing expenses

For the six months ended 30 June 2021, financing cost fell 0.34 pp from 1H2020 to 4.22%

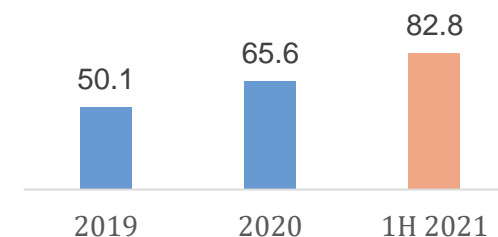
Combination of dual financing channels

In 1H 2021, the Group issued RMB 1 billion medium-term notes and other direct financing instruments. The proportion of direct financing in Mainland China has steadily increased and the financing channels for RMB and USD are functioning well.

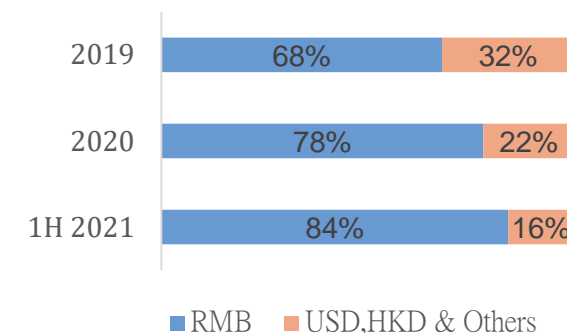


Sufficient committed credit line

Committed but Unutilized Credit Facilities and Other Banking Facilities (HK\$ billion)



Debt portfolio by currency

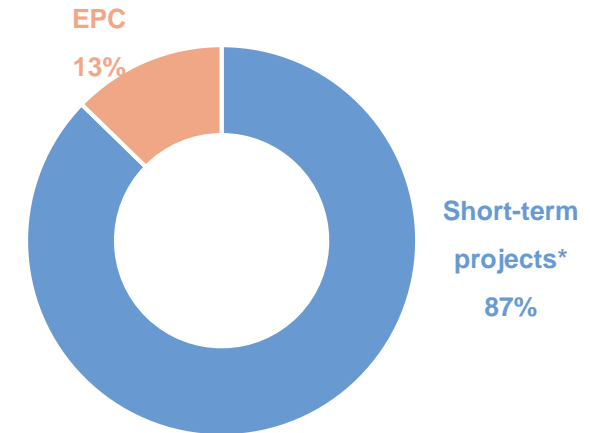


Rapid Growth in New Contracts & Optimize New Contracts and Backlogs Mix

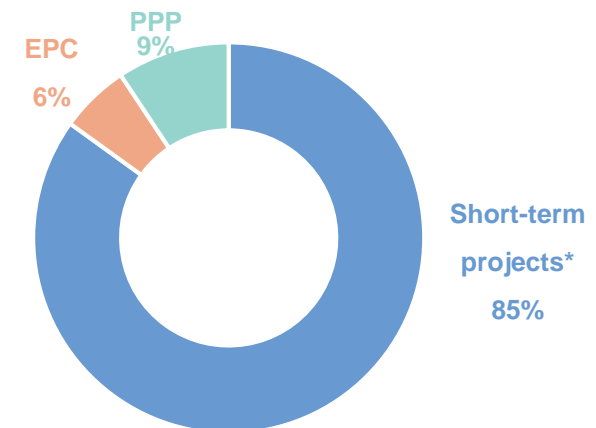
New Contracts (HK\$ billion)	1H 2020	1H 2021	Change
Mainland China	21.46	36.20	▲ 68.7%
Hong Kong	13.43	17.18	▲ 27.9%
Macau	12.75	12.60	▼ 1.2%
CSCD	2.58	4.55	▲ 76.6%
Total	50.22	70.53	▲ 40.4%

(HK\$ billion)	30/6/2020		30/6/2021	
	Total Value	Backlog	Total Value	Backlog
Mainland China	276.25	161.67	336.02	192.34
Hong Kong	91.23	57.10	96.48	55.70
Macau	43.31	19.40	56.25	27.32
CSCD	17.60	9.42	21.07	10.58
Total	428.39	247.59	509.82	285.94

**New Contracts by Business in
Mainland China – 1H 2021**



**New Contracts by Business in
Mainland China – 1H 2020**



*Including GTR and other investment projects

02

BUSINESS HIGHLIGHTS





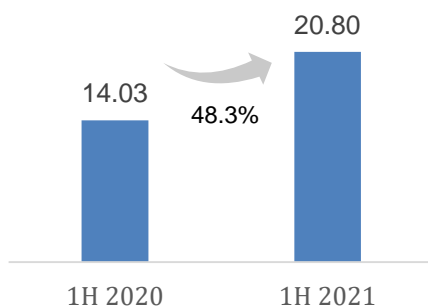
Solidify Gains from Business Transformation Stimulate the Commercialization of Construction Technology



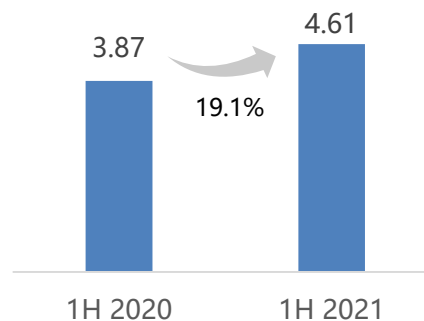
Projects

- The Group continued to consolidate the gains from pattern optimization for investment business. Investment models such as government targeted repurchase of resettlement housing (GTR) and other faster turnover projects gradually formed a national layout, and the turnover rate has been greatly improved while the profit margin remains stable.
- The Group acquired many EPC projects such as Internal Medicine building of Shekou Hospital by taking the advantage of superior technologies and project management system.

Revenue(HK\$ billion)



Gross Profit (HK\$ billion)



Internal Medicine Building of Shekou Hospital in Shenzhen, Guangdong



GTR project in Wenzhou, Zhejiang





Steady Expansion Driven by Competitive Differentiation



Projects

- The HKSAR government continuously invests in the infrastructure. The annual construction expense will increase to around HK\$300bn, and more public projects such as hospitals and environmental engineering projects will be launched.
- Based on advantages of traditional technology, management, and quality control, the Group actively optimizes its strategy, from “cost control” to “achieve win-win between owners and contractors”. With differentiated competitiveness in technology, investment, etc., the Group gains better reputation and more opportunities from owners and maintains the leading position in Hong Kong.
- In the progress of strengthening R&D and reshaping the management system, the gross profit margin has fluctuated due to the increased operating cost caused by short-term concentrated investment. At the same time, the net profit margin has been kept stable through equity investment. The Group will make great effort to realize the goal of “from the biggest towards the strongest” and endeavor to improve the profitability while increasing the scale.

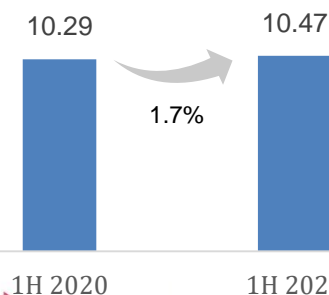


Commercial and Residential Accommodation at Wong Chuk Hang

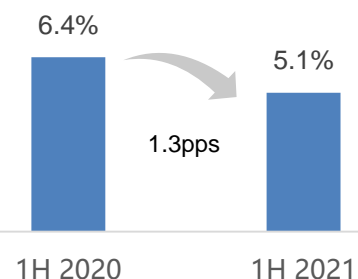


Development of Hostel and Academic Building Complex at Hong Kong Baptist University

Revenue(HK\$ billion)



Gross Margin





Leading Contractor with Improving Profitability



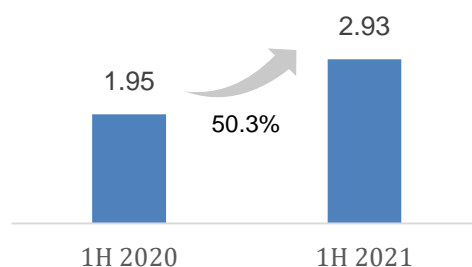
Projects

- Macau's economy is gradually picking up. In order to stabilize the economy and expand domestic demand, the Macau SAR government continue to launch construction projects.
- The Group utilized its competitive advantages in large scale construction, maintaining its market-leading position.
- In 2021, the Group won the GEG's Cotai Phase 4 Project with contract sum of approximately HK\$12.6 billion, which is the largest solely conducted contract in the Group's history.

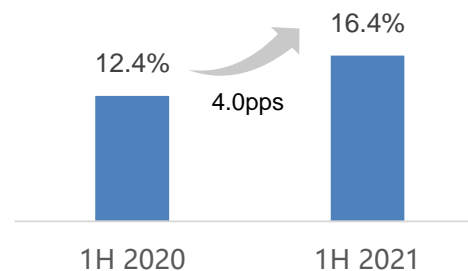


GEG's Cotai Phase 4 Project

Revenue(HK\$ billion)



Gross Margin



Studio City Phase II





A New Growth Impetus Benefited from Prosperous Markets in HK, Macau & Mainland China



Projects

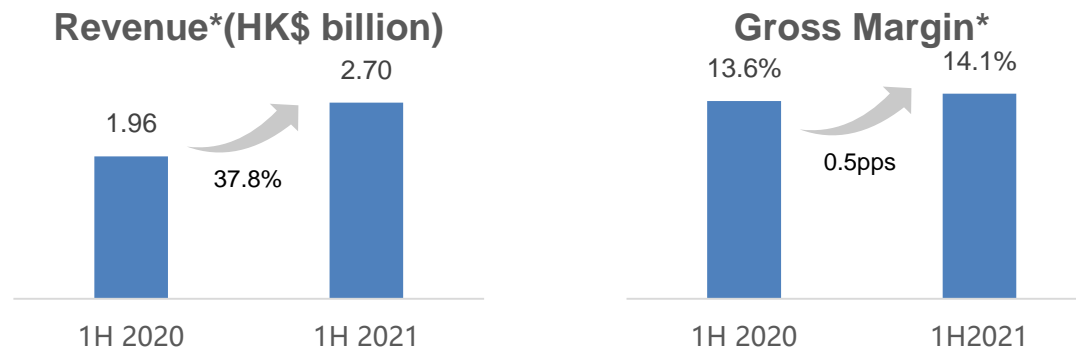
- With the strategy of “Expanding HK & Macau, exploring the Mainland, shrinking overseas”, CSCD continue to consolidate market share and expand the business scale, maintaining leading position in high-end façade market.
- In 2021, CSCD achieved a breakthrough in market development, winning several high-end curtain wall projects in HK, Macau and Mainland, realizing rapid growth in revenue and profit.
- CSCD aims at HK\$1 billion net profit and correspondingly increase the dividend payout ratio during the 14th Five-Year Plan Period.



Residential project in Cheung Sha Wan, Hong Kong



Huawei flagship store project



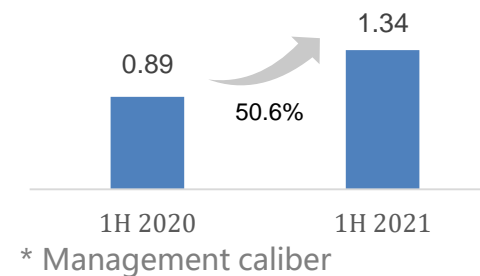
* This data comes from CSCD(00830.HK) 1H 2021 results announcement



Modular Integrated Construction (MiC)

- In 1H 2021, Hailong Technology's revenue increased by 50.6% year-on-year to HK\$1.34 billion, and the gross margin of external customer remained above 40%.
- In 1H 2021, Hailong Technology, one of the Group's business driver, directly leverages the group's new contracts of more HK\$ 10 billions. More than 50% of the Group's projects use MiC and other technologies of Hailong.

Revenue*(HK\$ billion)



Hailong Technology - Leader in the prefabricated construction Ver 4.0

- ✓ Hailong Technology led the development of prefabricated buildings from Ver 1.0 to 4.0, which respectively featuring with traditional components and Mic technology, and continuously add value to prefabricated construction through product upgrading.
- ✓ Hailong Technology took only 12 days to build a 7-storey MiC model building. Hailong Technology extended the boundaries of MiC technology with a view to making greater achievements in the field of urban construction.

Prefabricated construction Ver 4.0 – Provide integrated, high-end & value-added solution

Ver 1.0	Ver 2.0	Ver 3.0	Ver 4.0
Simple prefabricated Prefabricated floor panels, prefabricated exterior wall panels	Integration Components Decorative exterior wall, wall hanging board	Integrated Bathroom Concrete system, light steel system	MiC technology Integrating architecture, structure, water and electricity, and decoration



kindergarten projects in Shenzhen, Guangdong



7-storey MiC building



Continuous Progress in ESG Performance



Achievement in sustainable development was approved by international authoritative.

- Confirmed as FTSE4Good Constituent for the fifth consecutive year
- Hang Seng Corporate Sustainability Benchmark Index for the sixth consecutive year
- Hang Seng ESG 50 Index for the first time



Hang Seng Corporate
Sustainability Index
Series Member 2020-2021



Construction technology boosts ESG development

- Innovative technology such as MiC will help the Group move towards the “Dual Carbon ” goals and lead the Group to continue to make progress in all aspects of sustainable development.

Life Cycle Advantages of Hailong MiC

01

Manufacturing

- ✓ **Environmental protection:** working in an indoor factory, reducing air pollutants, dust, noise, and construction waste.
- ✓ **Time-saving:** different modules can be manufactured simultaneously, shortening the construction period, also reducing the impact of bad weather.

02

Engineering

- ✓ **Construction safety:** avoiding the risk of workers working at height and reduce accidents
- ✓ **Labour demand:** reducing the number of workers needed on site helps ease the shortage and ageing of construction workers

03

Recycle

- ✓ **Higher efficiency:** modules can be reused in other projects, reducing resource consumption

8 Management Systems and 21 Tools

- ✓ The Group's management control system consists of two tiers, which are 8 management systems and 21 control tools. Those tools support control systems specifically. This mechanism can basically cover all aspects of the company's operation and escort the company's high-quality development.

01

**"4+12"
Comprehensive
reporting system**

- Monthly Report
- Semi-annual and annual reports

02

**Operating budget
and financial
monitoring system**

- Monthly operating budget
- Financial operation indicator monitoring

03

**Marketing
Management
System**

- Key potential project classification and mgmt
- Pre-assessment of large-scale projects

04

**Business
resource
allocation system**

- Financial information model
- Business resource allocation model
- Ergonomic hook
- R&D mgmt
- Investment map

05

**Operational
control system**

- Professional operation mgmt
- Project budget execution monitoring
- Project operation control

06

**Customer
Management
System**

- Classified strategic customer tracking service
- Customer stress testing system

07

**Safety
production
control system**

- Epidemic prevention and flood control
- Safety inspection and safety production assessment
- Security risk mgmt and control
- Investigation of responsibility for work safety accidents

08

**Risk control
system**

- Three-star rating evaluation of project risk

Obtain a series of large-scale landmark projects such as GEG's Cotai Phase 4 project (the largest solely conducted contract in the Group's history)

Concentrate on target cities when selecting investment projects, to better control risks in a timely manner

Reduce expenses through fine management. e.g. the highway in Shanxi province turned a loss into a profit in the 1H 2021





03

OUTLOOK AND STRATEGIES





Moderate growth in infrastructure investment

- In 1H 2021, the issuance of special bonds and the progress of fiscal expenditure were slow, which restricted infrastructure investment to some extent, but the overall growth rate of infrastructure investment remained stable.
- In 2H 2021, prudent monetary policy and proactive fiscal policy will bring more liquidity to the industry. With the acceleration of special bond issuance and the implementation of major projects, infrastructure investment will maintain moderate growth and continue to be economic stabilizer.



Technology transformation is optimizing the construction industry

- Under the trend of intelligent construction, MiC and other new technologies will help enterprises to move to a new stage of high-quality development.
- The proposed goal of "Emission Peak and Carbon Neutrality" will promote the transformation and upgrading of the industry towards green building.
- Led by the strategy of enabling science, the Group continues to enhance the leading abilities of science and technology, and seize the opportunity of technology innovation.



*The Group continuously invests in **Science and technology** to empower business and underpin a leading position in the construction industry.*

Promote Development



Relying on strong engineering technology and management experience, the Group has continuously innovated to solve problems, and formed a comprehensive and perfect international engineering management system. Based on the six core technologies, the Group triggers business growth, cultivates relevant markets, and establishes competitive advantages of science and technology brands.

Boost Competitiveness



The Group responds to the owners' ever higher requirements of quality and efficiency, takes digital design and systematic management as the starting point, constantly strengthens the ability to build core projects for high-quality products, enhances the added value of products, and consolidates the group's differentiated competitive advantage.

Lead Transformation



Well perceiving that the new construction industrialization is a profound change in the construction production mode, the group will insist on planning the scientific and technological development at a higher station, seize the bridgehead of the construction information, intelligent and industrial development, and constantly seek for the next growth pole of construction technology.

Six Core Technologies

- **MiC - Rapid construction**
- Construction of **large-scale hotels**
- Construction and operation in **environmental protection projects**
- Construction of **large-scale hospitals** under international standards
- **Tunnel construction** under complex environment
- **High-end façade** processing and construction



New Contracts

No less than HK\$ 140 billion



Net Profit

Double Digit Growth

Dividend payout ratio

About 30%

The Group has great confidence –

To generate sustainably positive OCF in the 14th Five-Year Plan Period

To achieve growth with high-quality earnings

And to create sustainable value for shareholders





中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

04

APPENDIX



Company Profile

Stock Info

- ◆ Listed on the HKEx in July, 2005;
- ◆ Outstanding Shares: 5,038million ordinary shares;
- ◆ Total Market Cap: Approximately US\$ 3.6 billion;
- ◆ Average Daily Volume: Approximately US\$ 7 million

Company Info

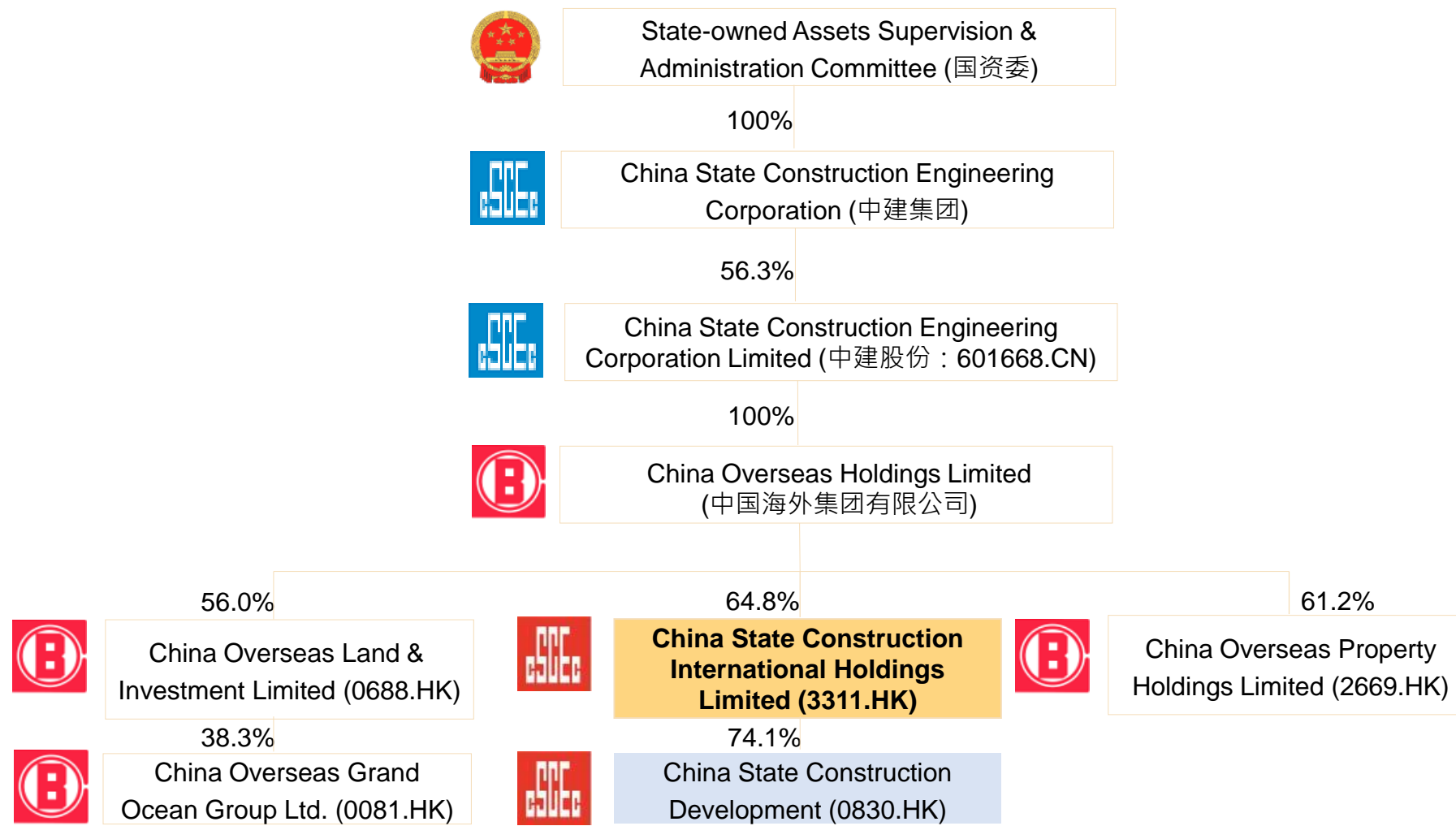
- ◆ Fully licensed construction company with long track record and strong market recognition;
- ◆ Over 1,000 cross-regional construction projects completed, including many iconic projects;
- ◆ The largest contractor for HK & Macau government projects for 10 consecutive years;
- ◆ Extensive international contracting experience and outstanding track record;
- ◆ Focused on the development of infrastructure investment business with the accumulated investment of more than RMB 420 billion and business coverage of over 60 cities in Mainland China in recent years.

Construction License Held

Region	Category	License
HK	5 Major Categories (Building, Waterworks, Road & Drainage, Port, and Site Formation)	Group C
Macau	All Categories	Qualified Contractor
India	All Categories	Qualified Contractor
UAE	All Categories	Qualified Contractor
Mainland China	Building, Foundation, Municipal Construction	Class I
Mainland China	Supervisory Consultancy	Class A in 9 Categories
Mainland China	Pre-cast Production	"National High-Tech Enterprise"
Qianhai, Shenzhen	Construction, Road, Port & Channel, Municipal Construction	Class S
Hengqin, Zhuhai	EPC: Construction, Municipal, and Mechanical & Electrical Engineering Specialized Contract : Foundation, Decoration, Mechanical & Electrical Installation	Class S*

*Based on the certification of project owner

Shareholder Structure



Corporate Milestone



中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

- 1979
- CSCEC dispatched teams to Hong Kong to establish China State Construction (Hong Kong) and commenced construction business in Hong Kong.
 - 1981
 - Successfully obtained 5 highest-grade construction licenses – buildings construction works, port works, road and drainage works, water works and site formation.

- 1987 – 1988
- Established 2 project management companies taking over CSCEC's projects in Hong Kong.
 - 1992
 - China Overseas Landing Investment (COLI) was listed in HKEx including construction business in Hong Kong.



- 1987 – 1988
- Established 2 project management companies taking over CSCEC's projects in Hong Kong.
 - 1992
 - China Overseas Landing Investment (COLI) was listed in HKEx including construction business in Hong Kong.



- 2005
- Spun off from COLI to conduct construction and infrastructure business independently, and successfully listed by introduction in HKEx.

- 2006
- Acquired China Construction Engineering (Macau) Co., Ltd from the Parent Company to enter into Macau market.

- 2007
- Acquired Shenzhen China Overseas Construction Limited from the Parent Company to expand into construction market in Mainland China .
 - Acquired Shenyang Huanggu Thermal Power Plant, an infrastructure operation project with stable cash flows, from COLI; entered into infrastructure investment business in Mainland China .

- 2009
- Joined hands with the Parent Companies to develop infrastructure market in Mainland China .
 - The Board was awarded with Directors of The Year Awards 2009 in the category of Listed Company: Board of Directors.

- 2010
- Successfully extended the affordable housing market in the Mainland China .
 - Acquired Nanjin 2nd Yangtze River Bridge and Yangyu Highway projects in Shanxi with stable cash flow generation.

- 2011
- Became a constituent of Morgan Stanley China Index.

- 2012
- Acquired Far East Global.
 - Won the bid in Hong Kong- Zhuhai-Macau Bridge project.
 - Selected as the constituent of FTSE China Index.
 - Became a constituent of Hang Seng Sustainability Index.

- 2013
- Received investment grade ratings from S&P, Moody's and Fitch respectively and successfully issued collateral bonds.

- 2014
- Awarded MGM Cotai project in Macau.
 - Acquired China Overseas Port Limited from parent company to further expand the operation of infrastructure business.
 - Credit ratings were upgraded by Moody's and Fitch respectively.
- 2015
- Extend business with PPP model in Mainland China .
- 2016
- Credit rating was upgraded by Fitch.
 - Issue new shares to parent company to acquire China Overseas Building.
- 2017
- New orders exceeded HK\$ 100 billion
 - Successfully issued 10-years US\$ Guaranteed Notes
- 2018
- Successfully issued HK\$ 500 million in advanced US dollar perpetual capital instruments, making it the first time in history.
- 2019
- Completed the first ever US\$500 million asset securitization transaction.
 - Issued US\$500 million subordinated guaranteed perpetual capital securities.
 - Obtained the highest AAA rating from China Chengxin International Credit Rating (CCXI) and United Ratings.
- 2020
- Issued the first RMB 2 billion panda corporate bonds, entering into the domestic Renminbi capital market for the first time.
 - The subsidiary for mainland operation obtained AAA ratings from United Ratings and CCXI, laying the a groundwork for further exploration of the Renminbi capital market.
 - The subsidiary for mainland operation issued the first RMB 0.5 billion medium term note.
- 2021
- Confirmed as a FTSE4Good Constituent for the fifth consecutive year.

1979 – 1986

1987 – 1993

1994 – 2003

2005 – 2007

2008 – NOW

Market Entrance

Initial Development

Scale Expansion, Stable Development

Gained Strong Recognition as a Top-tier Contractor and Infrastructure Developer





中國建築國際集團有限公司

CHINA STATE CONSTRUCTION INTERNATIONAL HOLDINGS LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

WeChat

CSCI03311



For Further Enquiries:

Mr. HE Chen

Deputy General Manager

- Corporate Finance Department

Tel: +852 28621718

Mobile/WeChat: +852 95389197

Email: chen_he@cohl.com



Disclaimer

- These materials have been prepared by China State Construction International Holdings Ltd. (“CSCI” or the “Company”) solely for information use during its presentation. It may not be reproduced or redistributed to any other person without the permissions from CSCI. By attending this presentation, you are agreeing to be bound by the foregoing restrictions.
- It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the company’ s financial or trading position or prospects. The information and opinions in these materials are provided as at the date of this presentation and are subject to change without notice. None of the Company nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of these materials.
- The information in this material contains certain forward-looking statements. These include statements regarding outlook on future development schedules, business plans and expectations of capital expenditures.
- These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated by the Company.
- The materials and information in the presentations and other documents are for informational purposes only, and are not an offer or solicitation for the purchases or sale of any securities or financial instruments or to provide any investment service or investment advice.

