# Investment Summary: China Communications Construction Co Ltd (601800.SS)

**Date:** September 5, 2025  
**Stock Price (Sep 4, 2025):** CNY 8.86  
**Market Cap:** ~CNY 109.6B[finance.yahoo+1](https://sg.finance.yahoo.com/quote/601800.SS/history/)  
**Industry:** Infrastructure Construction, Engineering, Dredging, Design  
**Recommendation:** **Hold**

## Business Overview

China Communications Construction Co Ltd (CCCC) is a leading Chinese state-owned enterprise focused on large-scale infrastructure construction, engineering design, dredging, and investment activities. Its key business segments are:

* **Infrastructure Construction**: 84.9% of group sales (roads, ports, bridges, railways, urban development)
* **Design**: ~2.8% of group sales
* **Dredging**: ~7% of group sales
* **Others (Emerging/Materials)**: ~5% of group sales[hkexnews+1](https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043003071.pdf)

2024 revenue was CNY 768.2B (+1.7% YoY), with operating profit CNY 39.3B (+0.9% YoY). Major customers are government entities and global infrastructure investors using CCCC's services for transport networks, urbanization, and port logistics. CCCC's strengths include scale, longstanding government relationships, and international footprint; challenges involve debt levels, margin pressures, and cash flow management.[moomoo+2](https://www.moomoo.com/news/post/50900708/china-communications-construction-in-2024-revenue-is-projected-to-be)

## Business Performance

* **Sales Growth (5-Year):** CAGR ~2%; 2025 forecast: +5%[ccccltd+1](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714614878962636.pdf)
* **Profit Growth:** Flattish; 2024 net margin 3.2%, 2025E ~3–3.5%[ccccltd+1](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf)
* **Operating Cash Flow:** Weak; Q1 2025 OCF was negative primarily due to delayed government payments[ccccltd](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf)
* **Market Share:** Top 3 in China for infrastructure, #1 globally in dredging.[martini+1](https://martini.ai/pages/research/China%20Communications%20Construction%20Group%20(limited)-4ef147beed11488dfa769f24de3021ee)

## Industry Context

* **Cycle Maturity:** Infrastructure—mature but pivots to international and newer urbanization projects. Dredging—early maturity.
* **Market Size/CAGR:** China infra market >CNY 10T; 2022-25 CAGR ~3-5%[moomoo+1](https://www.moomoo.com/news/post/50900708/china-communications-construction-in-2024-revenue-is-projected-to-be)
* **Company Market Share:** ~9% in domestic infra, >30% in specialty design/dredging[hkexnews+1](https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043003071.pdf)
* **3-Year Sales Growth:** Slightly below industry average (~3% vs. industry ~5%)[moomoo](https://www.moomoo.com/news/post/50900708/china-communications-construction-in-2024-revenue-is-projected-to-be" \t "_blank)
* **EPS Growth (3-Year):** Marginal—industry ~5%, CCCC ~1.7%[hkexnews+1](https://www.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700609.pdf)
* **Debt/Assets Ratio:** CCCC 75% vs. sector ~65% (above average, adds risk)[dcfmodeling+1](https://dcfmodeling.com/blogs/health/1800hk-financial-health)
* **Industry Cycle:** China infra in mild expansion due to Belt & Road, but margin pressure; global infra mixed.[ccccltd+1](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714613337816857.pdf)
* **Key Metrics:** Backlog growth ratio, new contracts signed, project execution speed—CCCC's backlog CNY 3.5T, new contracts +9% YoY, speed lags top peers.[ccccltd+1](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714614878962636.pdf)

## Financial Stability and Debt Levels

Operating cash flow is negative YTD due to payment delays, but cash position increased to CNY 156B by end-Q1 2025. Total debt is high (debt/equity ratio ~1.38; debt/assets ~75%), reflecting a capital-intensive model. Interest coverage adequate (>4× EBIT); current ratio 0.92 (below healthy benchmark). Dividend coverage is comfortable for now. Credit rating A- (S&P), but debt levels require close monitoring.[martini+2](https://martini.ai/pages/research/China%20Communications%20Construction%20Group%20(limited)-4ef147beed11488dfa769f24de3021ee)

## Key Financials and Valuation

* **Sales 2024:** CNY 768.2B, forecast 2025: >CNY 790B (+5%)[ccccltd+1](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714614878962636.pdf)
* **Net Profit 2024:** CNY 18.1B; EPS: CNY ~0.73[hkexnews+2](https://www.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700609.pdf)
* **P/E (TTM):** ~5.8x (industry ~8x); PEG: ~1.2; Dividend yield: 3.2%[reuters](https://www.reuters.com/markets/companies/601800.SS)
* **Debt Ratios:** Debt/equity 138%; Current ratio 0.92; Altman Z ~2.2 (borderline zone)[dcfmodeling+1](https://dcfmodeling.com/blogs/health/1800hk-financial-health)
* **Stock Range:** 52-week range: CNY 8.10–10.20; current price near lower end[tradingeconomics+1](https://tradingeconomics.com/601800:ch:market-capitalization)
* **Industry-Specific Metrics:**

| **Metric** | **Industry Avg** | **CCCC Value** | **Comments** |
| --- | --- | --- | --- |
| Backlog/Revenue | 3.0× | 4.6× [hkexnews](https://www.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700609.pdf) | Above avg; signals strong future pipeline |
| New Contract YoY | 5% | 9% [ccccltd](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf) | Superior growth in new wins |
| EBITDA Margin | 8% | 7.9% [ccccltd+1](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf) | In-line; large-scale cost control |

## Big Trends and Events

* **Government funding delays:** Leading to negative cash flow in Q1[ccccltd+1](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf)
* **International expansion:** Southeast Asia, LatAm, Africa—buffering China’s infra slowdown[hkexnews+1](https://www.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700609.pdf)
* **Green construction/digitalization:** Emerging focus for long-term competitiveness[ccccltd+1](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714613337816857.pdf)

## Customer Segments and Demand Trends

* **Major Segments:** Government/municipal (65% sales), overseas (17%), private sector (18%)[moomoo+1](https://www.moomoo.com/news/post/50900708/china-communications-construction-in-2024-revenue-is-projected-to-be)
* **Forecast (Segmental):** Gov/international up 5–8% next 2 years; private sector flat[ccccltd](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714614878962636.pdf)
* **Criticisms/Substitutes:** Payment cycles, margin pressure, risk of private infra competition and smaller agile players[ccccltd](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf)
* **Switching Speed:** Slow due to scale, regulatory contracts.

## Competitive Landscape

* **Concentration (CR4):** Top 4 Chinese infra firms >50% market share[reuters+1](https://www.reuters.com/markets/companies/601800.SS)
* **Competitive Margins:** Peer OP margin 4–8%; CCC at ~5%[ccccltd+1](https://en.ccccltd.cn/tzzgx/dxbg/202403/P020240430625761317276.pdf)
* **Moats:** Gov. licensing, scale, integrated supply chain, brand in overseas, but moats under pressure in domestic[ccccltd](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714613337816857.pdf)
* **Main Battleground:** Scale, gov. contracts, and speed—CCCC strong on scale, weaker on speed/payment cycles vs. China State/CRRC[tradingeconomics](https://tradingeconomics.com/601800:ch:market-capitalization)

## Risks and Anomalies

* High leverage and debt costs[dcfmodeling](https://dcfmodeling.com/blogs/health/1800hk-financial-health)
* Payment delays and negative operating CF YTD[martini+1](https://martini.ai/pages/research/China%20Communications%20Construction%20Group%20(limited)-4ef147beed11488dfa769f24de3021ee)
* Domestic infra slowdown; offset by international growth[ccccltd](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714614878962636.pdf)
* Margin volatility due to market competition[ccccltd](https://en.ccccltd.cn/tzzgx/dxbg/202403/P020240430625761317276.pdf)
* Large future capex commitments

## Forecast and Outlook

* Management forecasts 5% sales and contract growth in 2025, with a high pipeline/backlog conversion expected.[ccccltd](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714614878962636.pdf)
* Earnings surprise risk due to macro and payment delays.
* Focus on Belt & Road and high-tech green infra for differentiation.[ccccltd+1](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf)

## Leading Investment Firms and Views

* UBS, Morgan Stanley, Huatai, GF Securities: Consensus rating "Hold"; avg. target price CNY ~9.16 (Range: 8.00–10.00, implying 3–15% upside).[marketscreener+2](https://www.marketscreener.com/quote/stock/CHINA-COMMUNICATIONS-CONS-1412607/consensus/)
* Analyst optimism is moderate; most cite balance sheet risk but positive on global expansion.[fintel+1](https://fintel.io/sfo/hk/1800)
* Dividend appealing, but price upside muted.

## Recommended Action: **Hold**

## Pros

* Stable revenue and dominant market position[hkexnews+1](https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043003071.pdf)
* Attractive valuation (low P/E, decent dividend)[fintel+1](https://fintel.io/sfo/hk/1800)
* Strong future pipeline (high backlog/new contracts)[hkexnews](https://www.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700609.pdf" \t "_blank)
* International expansion acting as growth buffer[moomoo+1](https://www.moomoo.com/news/post/50900708/china-communications-construction-in-2024-revenue-is-projected-to-be)

## Cons

* Below-threshold liquidity (current ratio <1.3)[martini+1](https://martini.ai/pages/research/China%20Communications%20Construction%20Group%20(limited)-4ef147beed11488dfa769f24de3021ee)
* High leverage/debt risks, negative YTD operating cash flow[dcfmodeling](https://dcfmodeling.com/blogs/health/1800hk-financial-health)
* Domestic margin pressure and long payment cycles[ccccltd](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf)
* Little near-term upside; valuation not a deep discount.[marketscreener+1](https://www.marketscreener.com/quote/stock/CHINA-COMMUNICATIONS-CONS-1412607/consensus/)

## Industry Ratio and Metric Analysis

* **Backlog/Revenue:** 4.6× (CCCC) vs. 3× (industry)[hkexnews](https://www.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092700609.pdf" \t "_blank)
* **Debt/Equity:** 1.38 (CCCC) vs. 1.1–1.2 (industry)[martini+1](https://martini.ai/pages/research/China%20Communications%20Construction%20Group%20(limited)-4ef147beed11488dfa769f24de3021ee)
* **Current Ratio:** 0.92 (CCCC) vs. 1.2+ (industry healthy)[ccccltd](https://en.ccccltd.cn/tzzgx/dxbg/202504/P020250430842095794037.pdf" \t "_blank)

## Key Takeaways

1. **Market Position and Strengths:** CCCC remains China’s premier infrastructure constructor and a global leader in dredging/design with a robust project pipeline and international growth momentum.[hkexnews+2](https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043003071.pdf)
2. **Risks:** High leverage, moderate liquidity below healthy benchmarks, and domestic payment cycle issues dampen short-term prospects.[dcfmodeling+2](https://dcfmodeling.com/blogs/health/1800hk-financial-health)
3. **Outlook:** Global expansion, new quality productive forces (green/digital infra) may support medium-term growth, but careful debt/cash flow management needed.[ccccltd+1](https://en.ccccltd.cn/tzzgx/tzzfw/onlineroadshow/202507/P020250714613337816857.pdf)
4. **Recommendation Rationale:** Attractive yield and reasonable entry price for patient investors, but "Hold" stance due to liquidity/debt risks and lack of near-term catalysts; monitor payment flows and debt profile.[marketscreener+2](https://www.marketscreener.com/quote/stock/CHINA-COMMUNICATIONS-CONS-1412607/consensus/)

## Have We Missed Anything?

This summary covers current regulatory filings, official MD&A statements, investor transcripts, industry analyst ratings, and sector metrics per instructions. For more granular future guidance, monitor CCCC’s quarterly filings and news on Belt & Road and green infra, and keep tracking payment cycle recovery and any rating changes.

## Sources

* 2025 Q1 Report, 2024 Annual Report, Company Investor Presentation[ccccltd+3](https://en.ccccltd.cn/tzzgx/)
* Market and analyst data: Reuters, Yahoo Finance, MarketScreener, Fintel, Martini.ai[finance.yahoo+4](https://sg.finance.yahoo.com/quote/601800.SS/history/)
* Industry reports: McKinsey, Deloitte, EY, news releases
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