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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt about any of the contents of this supplemental circular or as to what action to take in relation to this supplemental circular, you should consult appropriate independent advisers to obtain independent professional advice.

If you have sold or transferred all your shares in China Communications Construction Company Limited, you should at once hand this supplemental circular together with the supplemental form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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中國交通建設股份有限公司

CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1800)**

### **SUPPLEMENTAL CIRCULAR FOR THE ANNUAL GENERAL MEETING:**

#### **(1) CONTINUING CONNECTED TRANSACTIONS:**

#### **REVISION OF ANNUAL CAP FOR THE PROJECT CONTRACTING SERVICES UNDER THE MUTUAL PROJECT CONTRACTING FRAMEWORK AGREEMENT;**

#### **(2) ESTIMATED CAP FOR THE INTERNAL GUARANTEES OF THE GROUP IN 2021;**

#### **(3) PROPOSED LAUNCH OF ASSET-BACKED SECURITIZATION;**

#### **(4) PROPOSED ISSUE OF BONDS;**

#### **(5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**

#### **(6) PROPOSED ELECTION OF EXECUTIVE DIRECTORS;**

#### **(7) PROPOSED ELECTION OF A SHAREHOLDER REPRESENTATIVE SUPERVISOR; AND**

#### **(8) SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING**

**Independent Financial Adviser to  
the Independent Board Committee and the Independent Shareholders**



**SOMERLEY CAPITAL LIMITED**

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This supplemental circular should be read together with the circular and notice of the AGM dated 30 April 2021. A letter from the Board is set out on pages 4 to 17 of this supplemental circular. A letter from the Independent Board Committee is set out on pages 18 to 19 of this supplemental circular. A letter from Somerley, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 28 of this supplemental circular.

The AGM of the Company will be held as originally scheduled at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 10 June 2021. The supplemental notice of the AGM is set out on pages 29 to 30 of this supplemental circular.

A supplemental form of proxy for the AGM is enclosed with this supplemental circular. Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed supplemental form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. before 2:00 p.m. on Wednesday, 9 June 2021). Completion and return of the supplemental form of proxy will not preclude you as a Shareholder from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

18 May 2021

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## CONTENTS

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	<i>Pages</i>
<b>DEFINITIONS . . . . .</b>	<b>1</b>
<b>LETTER FROM THE BOARD . . . . .</b>	<b>4</b>
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE . . . . .</b>	<b>18</b>
<b>LETTER FROM SOMERLEY . . . . .</b>	<b>20</b>
<b>SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING . . . . .</b>	<b>29</b>
<b>APPENDIX I – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION. . . . .</b>	<b>31</b>
<b>APPENDIX II – GENERAL INFORMATION . . . . .</b>	<b>54</b>

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## DEFINITIONS

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*In this supplemental circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“A Share(s)”	domestic share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange under the stock code 601800 and traded in RMB
“AGM”	the annual general meeting of the Company to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 10 June 2021
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Board”	the board of directors of the Company
“CCCG”	China Communications Construction Group (Limited), a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company
“CCCG Group”	CCCG and its subsidiaries, excluding the Group
“China Urban and Rural”	China Urban and Rural Holding Group Co., Ltd. (中國城鄉控股集團有限公司), a subsidiary of CCCG as at the Latest Practicable Date
“Company”	China Communications Construction Company Limited, a joint stock limited company duly incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Hong Kong Stock Exchange under the stock code 1800 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code 601800
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas-listed foreign invested share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange under the stock code 1800 and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the committee of Directors consisting of Mr. HUANG Long, Mr. ZHENG Changhong and Dr. NGAI Wai Fung who are independent non-executive Directors, formed to advise the Independent Shareholders on the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement
“Independent Shareholders”	the Shareholders, other than CCCG and its associates who will abstain from voting on the relevant resolution in relation to the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement at the AGM
“Latest Practicable Date”	14 May 2021, being the latest practicable date for ascertaining certain information included herein before the printing of this supplemental circular
“Mutual Project Contracting Framework Agreement”	the mutual project contracting framework agreement entered into between the Company and CCCG on 29 August 2018, as amended by the supplemental agreements entered into on 2 January 2019, 27 December 2019, 31 March 2020, 29 October 2020 and 30 March 2021, respectively
“OriginWater”	Beijing OriginWater Technology Co., Ltd. (北京碧水源科技股份有限公司), a joint stock company incorporated in the PRC with limited liability, the A shares of which are listed on the Shenzhen Stock Exchange under the stock code 300070
“PPP”	Public-Private-Partnership, the cooperative model between governments and private sector, which refers to the mechanisms through which governments build profit sharing, risk pooling and long-term cooperating relationship with the private sector, such as granting exclusivity rights, services purchasing and co-investment, so as to enhance the availability of public products and services and improve supplying efficiency
“PRC”	the People’s Republic of China and for the purpose of this supplemental circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Somerley” or “Independent Financial Adviser”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders on the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement
“Supervisor(s)”	the supervisor (s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Supplemental Agreement to the Mutual Project Contracting Framework Agreement”	the supplemental agreement to the Mutual Project Contracting Framework Agreement entered into between the Company and CCCG on 30 March 2021
“%”	per cent

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## LETTER FROM THE BOARD

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**中國交通建設股份有限公司**  
**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1800)**

*Executive Director*

WANG Tongzhou

*Non-executive Director*

LIU Maoxun

*Independent non-executive Directors*

HUANG Long

ZHENG Changhong

NGAI Wai Fung

*Registered Office:*

85 De Sheng Men Wai Street

Xicheng District

Beijing 100088

the PRC

*Principal Place of Business in Hong Kong:*

Room 2805, 28th Floor

Convention Plaza Office Tower

1 Harbour Road, Wanchai

Hong Kong

18 May 2021

*To the Shareholders,*

Dear Sir or Madam,

- (1) CONTINUING CONNECTED TRANSACTIONS:  
REVISION OF ANNUAL CAP FOR THE PROJECT CONTRACTING SERVICES  
UNDER THE MUTUAL PROJECT CONTRACTING  
FRAMEWORK AGREEMENT;**
- (2) ESTIMATED CAP FOR THE INTERNAL GUARANTEES  
OF THE GROUP IN 2021;**
- (3) PROPOSED LAUNCH OF ASSET-BACKED SECURITIZATION;**
- (4) PROPOSED ISSUE OF BONDS;**
- (5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (6) PROPOSED ELECTION OF EXECUTIVE DIRECTORS; AND**
- (7) PROPOSED ELECTION OF A SHAREHOLDER REPRESENTATIVE  
SUPERVISOR**

### **A. INTRODUCTION**

Reference is made to the announcement of the Company dated 30 March 2021 in relation to, among others, the entering into of the Supplemental Agreement to the Mutual Project Contracting Framework Agreement to revise the existing annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement.

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## LETTER FROM THE BOARD

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The purpose of this supplemental circular is to provide you with, among other things, (i) details of revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement, the estimated cap for the internal guarantees of the Group in 2021, the proposed launch of asset-backed securitization, the proposed issue of bonds, the proposed amendments to the Articles of Association, the proposed election of executive Directors, and the proposed election of a Shareholder representative Supervisor; (ii) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders on the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement; (iii) a letter from Somerley containing its advice to the Independent Board Committee and the Independent Shareholders on the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement; and (iv) a supplemental notice of the AGM, in order to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

### **B. REVISION OF ANNUAL CAP FOR THE PROJECT CONTRACTING SERVICES UNDER THE MUTUAL PROJECT CONTRACTING FRAMEWORK AGREEMENT**

#### **1. Background**

On 29 August 2018, the Company and CCCG entered into the Mutual Project Contracting Framework Agreement, pursuant to which, among other things, the Group agreed to provide project contracting services to CCCG Group for its real property development projects for the three years from 1 January 2019 to 31 December 2021.

On 31 March 2020, the Company and CCCG entered into the supplemental agreement to the Mutual Project Contracting Framework Agreement to (i) expand the scope of the project contracting services from provision of construction services for real property development projects that may be undertaken by CCCG Group to provision of construction, design, consultation and management services for real property development and wastewater treatment projects that may be undertaken by CCCG Group; and (ii) revise the existing annual cap for project contracting services fees to be received by the Group from CCCG Group for the year ended 31 December 2020 from RMB3,500 million to RMB16,000 million.

For details, please refer to the announcements of the Company dated 29 August 2018 and 31 March 2020, and the circulars of the Company dated 28 September 2018 and 20 May 2020.

On 30 March 2021, the Company and CCCG entered into the Supplemental Agreement to the Mutual Project Contracting Framework Agreement to revise the existing annual cap for project contracting services fees to be received by the Group from CCCG Group for the year ending 31 December 2021 from RMB4,000 million to RMB19,200 million.

## LETTER FROM THE BOARD

### 2. Revision of the Existing Annual Cap for Project Contracting Services

Details of the revision of the existing annual cap for the year ending 31 December 2021 and the historical amounts for the two years ended 31 December 2020 are set out as below:

<b>Transaction</b>	<b>Actual amount for the year ended 31 December 2019 <i>RMB million</i></b>	<b>Actual amount for the year ended 31 December 2020 <i>RMB million</i></b>	<b>Existing annual cap for the year ending 31 December 2021 <i>RMB million</i></b>	<b>Revised annual cap for the year ending 31 December 2021 <i>RMB million</i></b>
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The project contracting services provided by the Group to CCCG Group	4,552	12,431	4,000	19,200
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It is proposed that the annual cap for the project contracting services provided by the Group under the Mutual Project Contracting Framework Agreement will be revised from RMB4,000 million to RMB19,200 million based on the following reasons:

- (i) the increasing demands for the project contracting services from CCCG Group for wastewater treatment projects. In September 2020, OriginWater, which is principally engaged in environmental protection and water treatment business, became a subsidiary of China Urban and Rural, the wholly-owned subsidiary of CCCG. Please refer to the circular of the Company dated 20 May 2020 for details. As at the Latest Practicable Date, the Group has 43 wastewater treatment projects which are in construction or expected to commence construction in 2021 from China Urban and Rural. The estimated project contracting services fees to be recognised from the aforementioned projects for the year ending 31 December 2021 amount to RMB6,919 million;
- (ii) the increasing demands for the project contracting services from CCCG Group for real property projects and other projects. In recent years, the PRC central government has been gradually stimulating the economy by further strengthening its infrastructure expenses and CCCG Group, as a central enterprise, is awarded more PPP projects, real property projects and other government construction projects. As at the Latest Practicable Date, the Group has 70 real property projects and other projects which are in construction or expected to commence construction in 2021 from CCCG Group. The estimated project contracting services fees to be recognised from the aforementioned projects for the year ending 31 December 2021 amount to 12,281 million;
- (iii) the actual project contracting services fees paid by CCCG Group to the Group for the year ended 31 December 2020 of RMB12,431 million; and
- (iv) the estimated capacity of the Group. The Group is estimated to be capable of provision of such project contracting services to CCCG Group based on its current capacity.



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## LETTER FROM THE BOARD

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The Board confirms that, as at the Latest Practicable Date, the existing annual cap for project contracting services fees to be received by the Group from CCCG Group under the Mutual Project Contracting Framework Agreement for the year ending 31 December 2021 has not yet been exceeded.

Save for the revision of the existing annual cap disclosed above, all other principal terms of the Mutual Project Contracting Framework Agreement remain unchanged.

### **3. Pricing Policies**

The fees payable by CCCG Group to the Group for the project contracting services provided by the Group under the Mutual Project Contracting Framework Agreement shall be arrived at arm's length negotiation between the parties with reference to and taking into account the factors set out below:

- (i) with reference to the prevailing market prices;
- (ii) after taking into consideration the various aspects of the projects, such as project scale, construction period, technical difficulties and risk factors; and
- (iii) the Group will refer to not less than five quotations for similar services provided by it to independent third parties, so as to assess and review whether the services quotations to CCCG Group in accordance with items (i) and (ii) above are fair and reasonable, and no less favourable than those offered by the Group to independent third parties.

### **4. Payment**

The specific payment terms (including time and method of payment) for the project contracting services provided by the Group to CCCG Group will be agreed by the parties in the individual agreements to be entered into by them, with reference to the payment terms of similar services in the market and the payment terms offered by the Group to independent third parties.

### **5. Internal Control and Corporate Governance Measures**

To safeguard the rights and interests of the Shareholders, the Company has adopted the following internal control procedures and corporate governance measures in relation to the continuing connected transactions under the Mutual Project Contracting Framework Agreement and the annual caps thereunder:

- (i) The Company has formulated certain internal rules and policies in relation to the management and control of connected transactions, such as the Management Measures of Connected Transactions for the Company;
- (ii) The Company will refer to its quotations for similar services to independent third parties, so as to assess and review whether the services quotations provided by the Group to CCCG Group are fair and reasonable;

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## LETTER FROM THE BOARD

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- (iii) The Company has established a systematic corporate governance structure to ensure effective internal control, including implementation of the general manager accountability system under the leadership of its board of directors, establishment of its institutional structure based on the decision-making, execution and monitoring systems, and formulation of different work procedures and risk control systems based on different job duties;
- (iv) The Company will prudently review the reports submitted by its subsidiaries on the actual transaction amounts (including the actual transaction amounts of the relevant quarter and accumulated actual transaction amounts) and the prediction of the transaction amounts of the outstanding period of the relevant year on a quarterly basis;
- (v) The audit and internal control committee of the Company will conduct internal assessments on the internal control measures of the Company on an annual basis to ensure that the internal control measures in respect of continuing connected transactions remain complete and effective, and review the annual report and financial report which consist of the implementation of and opinions on the continuing connected transactions during the relevant period in respect of the fairness of the continuing connected transactions and whether the actual transaction amount incurred are within the annual caps; and
- (vi) The independent non-executive Directors and auditors of the Company will also conduct annual review of the continuing connected transactions.

The Board is of the view that the above mechanism is adequate to monitor the actual amounts of the continuing connected transactions under the Mutual Project Contracting Framework Agreement.

### **6. Reasons for and Benefits of the Transactions**

The Group provides the project contracting services for real property and wastewater treatment projects that may be undertaken by CCCG Group. CCCG has made certain progress in exploring each of the aforesaid areas, which therefore boosts the demands for project contracting services. The Board believes that the provision of project contracting services to CCCG Group will help the Company to accumulate more experience in relevant sectors, improve the business performance and expand the business scale, which will further strengthen the market competitiveness and facilitate the Group's business development.

The Directors, including the independent non-executive Directors, having made all reasonable and due inquiries, consider that the transactions of providing project contracting services under the Mutual Project Contracting Framework Agreement are entered into on normal commercial terms in the ordinary and usual course of business of the Company, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### **7. Implications under the Hong Kong Listing Rules**

As at the Latest Practicable Date, CCCG is the controlling Shareholder of the Company holding approximately 57.99% interests in the issued ordinary shares of the Company, and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the project contracting services under the Mutual Project Contracting Framework Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio of the revised annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement exceeds 5%, the project contracting services under the Mutual Project Contracting Framework Agreement and the revised annual cap are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Mr. Wang Tongzhou and Mr. Liu Maoxun, being the Directors of the Company, are also the directors of CCCG and therefore are deemed to have material interests in the Mutual Project Contracting Framework Agreement and have abstained from voting on the relevant Board resolution. Save for the aforementioned Directors, none of the other Directors has or is deemed to have a material interest in the above continuing connected transactions.

### **8. General Information**

The Company is a leading transportation infrastructure enterprise in the PRC focusing on “big transportation” and “big city” and its core businesses are infrastructure construction, infrastructure design and dredging. Its scope of business mainly consists of the investment, design, construction, operation and management of port, waterway, land reclamation, river basin, road and bridge, railway, urban rail transit, municipal infrastructure, construction and environmental protection at home and abroad. The Company is engaged in providing customers with integrated solutions services for each stage of the infrastructure projects leveraging on its extensive operating experience, expertise and know-how accumulated from projects undertaken in a wide range of areas over the decades.

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 57.99% equity interests in the issued ordinary shares of the Company as at the Latest Practicable Date. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

An ordinary resolution will be proposed at the AGM to approve the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement.

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## LETTER FROM THE BOARD

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### C. ESTIMATED CAP FOR THE INTERNAL GUARANTEES OF THE GROUP IN 2021

According to the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, a listed company, with the amount of guarantees aggregated over a period of twelve consecutive months exceeding 50% of its latest audited net assets and with the absolute amount exceeding RMB50 million, or when providing guarantees to enterprises with asset-to-liability ratio exceeding 70%, shall submit the transaction of granting guarantees to the shareholders' general meeting for consideration and approval, as well as make a timely disclosure.

The Company estimated that the cap for the internal guarantees of the Company in 2021 will amount to RMB78,400 million, among which, RMB15,200 million will be provided by the Company to its wholly-owned subsidiaries, RMB43,200 million will be provided by the Company to its non wholly-owned subsidiaries, and RMB20,000 million will be provided by the Company's subsidiaries to their respective subsidiaries.

The estimated cap for above guarantees can be adjusted accordingly on the basis of the possible changes: (i) the guarantee amounts for wholly-owned subsidiaries and non wholly-owned subsidiaries shall be adjusted within their respective aggregate guarantee amount; and (ii) the guarantee amount provided by the Company's subsidiaries to their respective subsidiaries and the mutual guarantee amount between certain subsidiaries could be adjusted among the subsidiaries of the Company according to the actual business needs.

The resolution in relation to the estimated cap for the internal guarantees of the Group in 2021 will be valid from the date of passing the resolution at the AGM until the date of next annual general meeting of the Company. To the best knowledge and belief of the Company, none of those companies receiving guarantees is a connected person of the Company.

The aforesaid resolution, which has been resolved at the forty-seventh meeting of the fourth session of the Board held on 29 April 2021, will be subject to the Shareholders' approval by way of an ordinary resolution at the AGM. The Board also proposed to the Shareholders to authorise the chairman of the Board and/or the president and/or the chief financial officer of the Company to take charge of all matters in relation to internal guarantees within the approved amount.

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## LETTER FROM THE BOARD

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### D. PROPOSED LAUNCH OF ASSET-BACKED SECURITIZATION

The Company intends to launch asset-backed securitization in accordance with the following particulars:

- |    |   |   |
|----|---|---|
| a. | Category of asset-backed securitization:        | Including securitization of accounts receivable and accounts payable in the supply chain, and securitization of leased assets, partnership shares, government subsidies, infrastructure assets, commercial real estate, PPP projects and other underlying assets, which will be issued by the Group in one or more installments in light of the actual underlying assets of the Group subject to the requirements of relevant regulatory authorities in the PRC, and appropriate arrangement will be taken, including but not limited to the guarantee measures such as holding of certain subordinated products, liquidity support and deficiency payment. |
| b. | Issuer:   | The Group   |
| c. | Aggregate principal amount:                     | Not exceeding RMB60,000 million which will be issued in one or more installments  |
| d. | Effective term of the Shareholders' resolution: | 12 months   |

The abovementioned proposed launch of asset-backed securitization requires approval of the Shareholders by way of an ordinary resolution. Accordingly, the Board proposed to seek the approval of the Shareholders by way of an ordinary resolution at the AGM to approve the abovementioned proposed launch of asset-backed securitization, to authorise the chairman of the Board and/or the president and/or the chief financial officer of the Company to deal with all relevant matters in relation to asset-backed securitization.

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## LETTER FROM THE BOARD

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### E. PROPOSED ISSUE OF BONDS

The Company intends to issue bonds in accordance with the following particulars:

- |    |   |  |
|----|---|--|
| a. | Category of bonds:                              | Company bonds, overseas bonds and other categories of bonds  |
| b. | Issuer:   | The Company  |
| c. | Aggregate principal amount:                     | Not exceeding RMB20,000 million or equivalent  |
| d. | Term:   | No upper limit to the term of the bonds  |
| e. | Use of proceeds:                                | To replenish the Company's working capital, repay loans, optimise liability structure, apply to the construction of projects in line with national industry policies, etc. |
| f. | Effective term of the Shareholders' resolution: | From the date of passing the Shareholders' resolution to the completion date of the issue of bonds   |

The abovementioned proposed issue of bonds requires approval of the Shareholders by way of a special resolution. Accordingly, the Board proposed to seek the approval of the Shareholders by way of a special resolution at the AGM to approve the abovementioned proposed issue of bonds and to authorise the chairman of the Board and/or the president and/or the chief financial officer of the Company, to deal with all relevant matters in relation to the implementation of the abovementioned proposed issue of bonds, including without limitation:

- (1) to determine the details of the abovementioned proposed issue and listing of bonds, including but not limited to the categories of the bonds, currency, the matters as to whether to issue in a number of tranches and categories, arrangements for amount and duration of each tranche and category, method of issue, term and method of repayment for principal and payment of interests, underwriting, the matters as to whether any terms for repurchase and redemption will be in place, pricing and determination of coupon rate or other means of identification, details of use of the fund raised therefrom, measures for guaranteeing the repayment, the guarantee, the listing of the bonds, place of issue and listing, and the selection of qualified professional advisers in the issue of the bonds;
- (2) to participate in all of the negotiations on behalf of the Company relevant to the proposed issue and listing of bonds, to execute all agreements and other necessary documents, and to conduct appropriate information disclosure;
- (3) to carry out the competent authorities for approval(s) of the abovementioned proposed issue and listing of bonds, and adjust the specific issue plan according to the competent authorities' comments (if any); and
- (4) to carry out take all necessary actions to deal with/make decisions on the abovementioned proposed issue and listing of bonds.

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## LETTER FROM THE BOARD

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### F. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of 9,024,000 H Shares being repurchased and cancelled and all 145,000,000 preference shares being redeemed and cancelled by the Company, the Board proposed to make amendments to the relevant articles of the Articles of Association. In addition, in accordance with the Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial), the Board proposed to make amendments to the relevant articles of the Articles of Association after taking into account the actual situations of the Company based on the principles of prudence, appropriateness and necessity. For details of the proposed amendments to the Articles of Association, please refer to Appendix I of this supplemental circular.

A special resolution will be proposed at the AGM to approve the proposed amendments to the Articles of Association.

### G. PROPOSED ELECTION OF EXECUTIVE DIRECTORS

At the meeting of the Board held on 29 April 2021, the Board considered and resolved to submit resolutions in relation to the election of Mr. Wang Haihuai (“**Mr. Wang**”) and Mr. Liu Xiang (“**Mr. Liu**”) as executive Directors of the fourth session of the Board for consideration and approval by way of ordinary resolutions by the Shareholders at the AGM.

The biographical details of Mr. Wang and Mr. Liu are set out as follows:

**Mr. Wang Haihuai**, born in 1968, Chinese nationality with no overseas permanent residence, is the president and deputy secretary of the Party Committee of the Company and also serves as a director, the general manager and the deputy secretary of the Party Committee of China Communications Construction Group (Limited) (“**CCCC**”). Mr. Wang joined the Company in 1991 and has extensive operational and management experience. He served as the chairman and the general manager of CCCC Second Harbour Engineering Co., Ltd. (中交第二航務工程局有限公司), the general manager of the port and waterway dredging division of the Company, the vice president of the Company and the deputy general manager of CCCG. Mr. Wang graduated from Chongqing Jiaotong University with a major in harbour and channel engineering and subsequently obtained a master’s degree in the business administration for executives from Wuhan University, and is a professorate senior engineer and senior economist.

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## LETTER FROM THE BOARD

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**Mr. Liu Xiang**, born in 1968, Chinese nationality with no overseas permanent residence, is the deputy secretary of the Party Committee of the Company and also serves as the deputy secretary of the Party Committee and an employee director of CCG. Mr. Liu has extensive experience in corporate administration. He held positions as the inspector at the deputy director level of the Party mass work department, the deputy director of the Party mass work department and the secretary of the Youth League Committee of China Aerospace Science and Industry Corporation Limited (中國航天科工集團有限公司) (“**CASIC**”), the chairman of the supervisory committee of Guizhou Aerospace Industry Co., Ltd. (貴州航天工業有限責任公司) and the director of the discipline inspection and supervision department, the deputy head of the Party disciplinary inspection group and the director of the human resource department of CASIC. Mr. Liu successively graduated from Anhui Institute of Education majoring in Chinese, Renmin University of China majoring in literature and arts and Beihang University with a master’s degree in business administration. Mr. Liu possesses a master diploma and a master’s degree in literature and is a senior political engineer at the research institute level.

Save as disclosed above, Mr. Wang and Mr. Liu have not held any position with the Company or any of its subsidiaries and have not been directors or supervisors in any other listed companies in the past three years. In addition, except for those stated above, Mr. Wang and Mr. Liu do not have any relationship with any other Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder of the Company. Mr. Wang and Mr. Liu do not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong as at the Latest Practicable Date.

The resolutions in relation to the election of Mr. Wang and Mr. Liu as executive Directors of the Company are subject to approval by the Shareholders at the AGM, and the terms of office of Mr. Wang and Mr. Liu will commence from the date of approval by the Shareholders at the AGM to the date of completion of the re-election of the fourth session of the Board.

The emolument of Mr. Wang and Mr. Liu as executive Directors will be determined in accordance with the Articles of Association and the remuneration policy of the Company.

Save as disclosed above, the Directors consider that there is no other information relating to Mr. Wang and Mr. Liu which is required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any matter which needs to be brought to the attention of the Shareholders.

Ordinary resolutions will be proposed at the AGM to approve the election of Mr. Wang and Mr. Liu as executive Directors.

### **H. PROPOSED ELECTION OF A SHAREHOLDER REPRESENTATIVE SUPERVISOR**

At the meeting of the Supervisory Committee held on 29 April 2021, the Supervisory Committee considered and resolved to submit a resolution in relation to the election of Mr. Zhao Xi’an (“**Mr. Zhao**”) as a Shareholder representative Supervisor of the fourth session of the Supervisory Committee of the Company for consideration and approval by way of an ordinary resolution by the Shareholders at the AGM.



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## LETTER FROM THE BOARD

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The biographical details of Mr. Zhao are set out as follows:

**Mr. Zhao Xi'an**, born in 1961, Chinese nationality with no overseas permanent residence, is a member of the Party Committee and chief economist of the Company, and also serves as a member of the Party Committee and the general manager of the new industry development division of CCCG, and the chairman of CCCG Xiong'an Investment Co., Ltd. (中交雄安投資有限公司). Mr. Zhao joined the Company in 1983 and has extensive management experience. He served as the deputy secretary of the Party Committee, the vice chairman and the general manager of CCCC Second Highway Consultants Co., Ltd. (中交第二公路勘察設計研究院有限公司), and the assistant to the president and the general manager of the investment division of the Company. Mr. Zhao graduated from Tongji University majoring in road engineering and subsequently obtained a master's degree in engineering from Wuhan University of Technology, and is a professorate senior engineer.

Save as disclosed above, Mr. Zhao has not held any position with the Company or any of its subsidiaries and has not been a director or supervisor in any other listed companies in the past three years. In addition, except for those stated above, Mr. Zhao does not have any relationship with any other Director, Supervisor, senior management, substantial Shareholder or controlling Shareholder of the Company. Mr. Zhao does not have any interest in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong as at the Latest Practicable Date.

The resolution in relation to the election of Mr. Zhao as a Shareholder representative Supervisor of the Company is subject to approval by the Shareholders at the AGM, and the term of office of Mr. Zhao will commence from the date of approval by the Shareholders at the AGM to the date of completion of the re-election of the fourth session of the Supervisory Committee.

The emolument of Mr. Zhao as a Shareholder representative Supervisor will be determined in accordance with the Articles of Association and the remuneration policy of the Company.

Save as disclosed above, the Directors consider that there is no other information relating to Mr. Zhao which is required to be disclosed pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited nor any matter which needs to be brought to the attention of the Shareholders.

An ordinary resolution will be proposed at the AGM to approve the election of Mr. Zhao as a Shareholder representative Supervisor.

### **I. RECOMMENDATION**

The Board considers that the aforementioned proposals are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions at the AGM.

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## LETTER FROM THE BOARD

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### **J. THE AGM**

The AGM of the Company will be held as originally scheduled at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 10 June 2021. The supplemental notice, which should be read together with the notice of the AGM dated 30 April 2021, is set out on pages 29 to 30 of this supplemental circular.

As a result of the additional proposed resolutions subsequent to the despatch of the notice of AGM, the original form of proxy for the AGM sent together with the notice of the AGM does not contain the additional resolutions proposed as set out in this supplemental circular. In this connection, a supplemental form of proxy for the AGM is enclosed with this supplemental circular. Whether or not you intend to attend the AGM, you are requested to complete and return the original and the supplemental forms of proxy for AGM in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. before 2:00 p.m. on Wednesday, 9 June 2021). Completion and return of the original and the supplemental forms of proxy will not preclude you as a Shareholder from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

The supplemental form of proxy will not affect the validity of any form of proxy duly completed and delivered by you in respect of the resolutions set out in the notice of the AGM. If you have completed and delivered the original form of proxy and validly appointed a proxy to attend and act for you at the AGM but do not complete and deliver the supplemental form of proxy, your proxy will be entitled to vote at his discretion on the resolutions set out in the supplemental notice of the AGM dated 18 May 2021. If you do not complete and deliver the original form of proxy but have completed and delivered the supplemental form of proxy and validly appointed a proxy to attend and act for you at the AGM, unless otherwise instructed, your proxy will be entitled to vote at his discretion on the resolutions set out in the notice of the AGM dated 30 April 2021. Any vote of the Shareholders at the AGM shall be taken by poll unless otherwise required by the Hong Kong Listing Rules.

For particulars of the other resolutions proposed at the AGM, eligibility for attending the AGM, registration procedures for attending the AGM, closure of register of members and other matters regarding the AGM, please refer to the notice of the AGM and the circular of the Company dated 30 April 2021.

CCCG, which holds approximately 57.99% interests in the issued ordinary shares of the Company as at the Latest Practicable Date, is required to abstain from voting at the AGM on the resolution approving the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement. Save as mentioned above, to the best of the Directors' knowledge, information and belief, none of the other Shareholders has any material interest in the continuing connected transactions of the project contracting services under the Mutual Project Contracting Framework Agreement and the revised annual cap thereof and therefore will be required to abstain from voting on the relevant resolutions at the AGM. In addition, to the best of the Directors' knowledge, information and belief, none of the Shareholders will be required to abstain from voting on the other resolutions as set out in this supplemental circular.

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## LETTER FROM THE BOARD

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### K. ADDITIONAL INFORMATION

The Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders on the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement. Somerley, the Independent Financial Adviser, has been appointed in accordance with the Hong Kong Listing Rules to advise the Independent Board Committee and the Independent Shareholders on the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement. Your attention is also drawn to the letter from the Independent Board Committee set out on pages 18 to 19, the letter from Somerley set out on pages 20 to 28 of this supplemental circular, and other information set out in the appendix to this supplemental circular.

By order of the Board  
**China Communications Construction Company Limited**  
**ZHOU Changjiang**  
*Company Secretary*

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# LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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中國交通建設股份有限公司  
**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1800)**

18 May 2021

*To the Independent Shareholders*

Dear Sir or Madam,

**REVISION OF ANNUAL CAP FOR  
THE PROJECT CONTRACTING SERVICES UNDER  
THE MUTUAL PROJECT CONTRACTING FRAMEWORK AGREEMENT**

Reference is made to the supplemental circular of the Company dated 18 May 2021 (the “**Supplemental Circular**”). Unless the content otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Supplemental Circular.

We have been appointed by the Board as the Independent Board Committee for the purpose of providing you with our opinion as to whether the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Somerley has been appointed by the Company as the Independent Financial Adviser to advise you and us in this respect. Details of its recommendation, together with the principal factors and reasons it has taken into consideration in arriving at its recommendation are set out in the letter from Somerley on pages 20 to 28 of the Supplemental Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 17 of the Supplemental Circular. Having taken into consideration the information contained in the letter from the Board, the interests of Independent Shareholders and the advice and recommendation of Somerley, we consider that the continuing connected transactions in respect of the project contracting services under the Mutual Project Contracting Framework Agreement are conducted in the ordinary and usual course of business of the Group on normal commercial terms, and the revised annual cap thereof is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend that the Independent Shareholders to vote in favor of the resolution in relation to the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement at the AGM.

Yours faithfully,  
for and on behalf of  
the Independent Board Committee of  
**China Communications Construction Company Limited**

<b>HUANG Long</b>	<b>ZHENG Changhong</b>	<b>NGAI Wai Fung</b>
<i>Independent</i>	<i>Independent</i>	<i>Independent</i>
<i>Non-executive Director</i>	<i>Non-executive Director</i>	<i>Non-executive Director</i>

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## LETTER FROM SOMERLEY

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*Set out below is the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement, which has been prepared for the purpose of inclusion in this supplemental circular.*



### SOMERLEY CAPITAL LIMITED

20th Floor  
China Building  
29 Queen's Road Central  
Hong Kong

18 May 2021

*To: The Independent Board Committee and the Independent Shareholders of  
China Communications Construction Company Limited*

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS: REVISION OF ANNUAL CAP FOR THE PROJECT CONTRACTING SERVICES UNDER THE MUTUAL PROJECT CONTRACTING FRAMEWORK AGREEMENT**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the continuing connected transactions contemplated under the Mutual Project Contracting Framework Agreement (the “**Continuing Connected Transactions**”). Details of the Continuing Connected Transactions are set out in the supplemental circular issued by the Company to the Shareholders dated 18 May 2021 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

On 30 March 2021, the Company and CCCG entered into the fifth supplemental agreement (the “**Supplemental Agreement**”) to the Mutual Project Contracting Framework Agreement to revise the existing annual cap for project contracting services fees to be received by the Group from CCCG Group for the year ending 31 December 2021 from RMB4,000 million to RMB19,200 million (the “**Revised Annual Cap**”).

CCCG is the controlling shareholder of the Company holding approximately 57.99% of the Shares as at the Latest Practicable Date. It is therefore a connected person of the Company under the Hong Kong Listing Rules. Since the highest applicable percentage ratio of the Revised Annual Cap for the project contracting services under the Mutual Project Contracting Framework Agreement exceeds 5%, the project contracting services under the Mutual Project Contracting Framework Agreement and the Revised Annual Cap are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

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## LETTER FROM SOMERLEY

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The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Huang Long, Mr. Zheng Changhong and Dr. Ngai Wai Fung, has been established to advise the Independent Shareholders on the terms of the Continuing Connected Transactions (including the Revised Annual Cap) and to make a recommendations as to voting. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

During the past two years, we have, on three occasions acted as an independent financial adviser to the Company in relation to (i) two possible subscriptions of A share convertible bonds by CCCG (as disclosed in the Company's circulars dated 20 May 2020 and 30 May 2019); and (ii) the transfer of shares and capital increase in CCCC Dredging (Group) Co., Ltd. by CCCG (as disclosed in the Company's circular dated 10 July 2019). The past engagements were limited to providing independent advisory services to the Company pursuant to the Hong Kong Listing Rules, for which we received normal professional fees relevant to these type of engagements. Accordingly, we do not consider the past engagements would affect our independence to act as the independent financial adviser to the Company under the current engagement.

We are not associated with the Company, CCCG or their respective core connected persons, close associates or associates (all defined under the Hong Kong Listing Rules) and accordingly are considered eligible to give independent advice on the above matter. Apart from normal professional fees payable to us in connection with this or similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, CCCG or their respective core connected persons, close associates or associates.

In formulating our opinion, we have reviewed, among other things, the Mutual Project Contracting Framework Agreement, the Supplemental Agreement, the annual reports of the Company for the years ended 31 December 2020 and 31 December 2019, and the information as set out in the Circular. We have also discussed with the management of the Group (the "**Management**") regarding the basis and rationale for determining the Revised Annual Cap.

We have relied on the information and facts supplied, and the opinions expressed, by the Directors and the Management and have assumed that they are true, accurate and complete. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, or to doubt the truth or accuracy of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

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# LETTER FROM SOMERLEY

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## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendation, we have considered the principal factors and reasons set out below:

### **(1) Information of the Group**

The Company was initiated and founded by CCCG. The Company's H Shares (stock code: 1800) were listed on the Main Board of the Hong Kong Stock Exchange in 2006. The Company's A Shares (stock code: 601800) were listed on the Shanghai Stock Exchange in 2012.

The Group's principal business includes primarily infrastructure construction, infrastructure design and dredging. Infrastructure construction business is the major contributor to the Group's revenue and profits, accounting for approximately 86.2% of the total revenue for the year ended 31 December 2020. The infrastructure construction operation includes, among others, infrastructure construction of ports, roads, bridges and railways in the PRC and overseas. The infrastructure design represents, among others, consulting and planning service, feasibility study, survey and design. The dredging operation includes infrastructure dredging, maintenance dredging, environmental dredging, reclamation and supporting projects related to dredging and land reclamation. For the year ended 31 December 2020, the Group generated revenue and profit attributable to the owners of the Company of approximately RMB624.5 billion and RMB16.5 billion respectively and the net asset value attributable to the owners of the Company amounted to approximately RMB245.1 billion as at 31 December 2020.

### **(2) Information of CCCG**

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company, holding approximately 57.99% equity interest in the issued ordinary shares of the Company as at the Latest Practicable Date. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

### **(3) Background and principal terms of the Mutual Project Contracting Framework Agreement including the Supplemental Agreement**

The Mutual Project Contracting Framework Agreement was entered into between the Company and CCCG on 29 August 2018 for a term of three years from 1 January 2019 to 31 December 2021. Pursuant to the Mutual Project Contracting Framework Agreement, among other things, the Group agreed to provide construction, design, consultation and management services for real property development and wastewater treatment projects that may be undertaken by CCCG Group. According to the Supplement Agreement, the Company and CCCG Group agreed to revise the existing annual cap for project contracting services fees to be received by the Group from CCCG Group for the year ending 31 December 2021 from RMB4,000 million to RMB19,200 million.



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## LETTER FROM SOMERLEY

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Save for the proposed revision of the existing annual cap disclosed above, all other principal terms of the Mutual Project Contracting Framework Agreement entered into on 29 August 2018, as amended by the supplemental agreements entered into on 2 January 2019, 27 December 2019, 31 March 2020, 29 October 2020 and 30 March 2021, remain unchanged. Details of other principal terms of the Mutual Project Contracting Framework Agreement are set out in the circulars of the Company dated 28 September 2018 and 20 May 2020.

**(4) Reasons for and the benefits of the entering into the Mutual Project Contracting Framework Agreement**

As stated in the letter from the Board contained in the Circular, the Group provides the project contracting services for real property and wastewater treatment projects that may be undertaken by CCCG Group. CCCG has made certain progress in exploring each of the aforesaid areas, which therefore boosts the demands for project contracting services. The Directors believe that the provision of project contracting services to CCCG Group will help the Company to accumulate more experience in relevant sectors, improve the business performance and expand the business scale, which will further strengthen the market competitiveness and facilitate the Group's business development.

Having considered the above and the potential increase in the revenue of the Group due to additional business to be introduced by CCCG Group, we concur with the Directors that the entering into the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

**(5) Pricing policies**

As disclosed in the letter from the Board contained in the Circular, the fees payable by CCCG Group to the Group for the project contracting services provided by the Group under the Mutual Project Contracting Framework Agreement shall be arrived at arm's length negotiation between the parties with reference to and taking into account the factors set out below:

- (i) with reference to the prevailing market prices;
- (ii) after taking into consideration the various aspects of the projects, such as project scale, construction period, technical difficulties and risk factors; and
- (iii) the Group will refer to not less than five quotations for similar services provided by it to independent third parties, so as to assess and review whether the services quotations to CCCG Group in accordance with items (i) and (ii) above are fair and reasonable, and no less favourable than those offered by the Group to independent third parties.

In view of the above, we have obtained and reviewed a number of records of the Group in relation to the service quotation comparison as prescribed above. Overall, we consider the pricing policies of the Group sufficient and effective to safeguard the Shareholders' interests.

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## LETTER FROM SOMERLEY

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### **(6) Payment**

The specific payment terms (including time and method of payment) for the project contracting services provided by the Group to CCCG Group will be agreed by the parties in the individual agreements to be entered into by them, with reference to the payment terms of similar services in the market and the payment terms offered by the Group to independent third parties.

We consider that the aforesaid practice will safeguard the interests of the Shareholders as it ensures the payment terms offered to connected parties to be comparable to that offered to independent third parties. In addition, we have reviewed various construction projects of the Company and we note that payment terms are typically dependent on construction progress and we consider this to be common for transactions in this nature.

### **(7) Internal control and corporate governance measures**

As disclosed in the letter from the Board contained in the Circular, the Company has adopted the following internal control and corporate governance measures in relation to the continuing connected transactions under the Mutual Project Contracting Framework Agreement and the annual caps thereunder to safeguard the rights and interests of the Shareholders:

- (i) the Company has formulated certain internal rules and policies in relation to the management and control of connected transactions;
- (ii) the Company will refer to its quotations for similar services to independent third parties, so as to assess and review whether the services quotations provided by the Group to CCCG Group are fair and reasonable;
- (iii) the Company has established a systematic corporate governance structure to ensure effective internal control;
- (iv) the Company will prudently review the reports submitted by its subsidiaries on the actual transaction amounts and the prediction of the transaction amounts of the outstanding period of the relevant year on a quarterly basis;
- (v) the audit and internal control committee of the Company will conduct internal assessments on the internal control measures of the Company on an annual basis and review the annual report and financial report which consist of the implementation of and opinions on the continuing connected transactions during the relevant period in respect of the fairness of the continuing connected transactions and whether the actual transaction amount incurred are within the annual caps; and
- (vi) the independent non-executive Directors and auditors of the Company will also conduct annual review of the continuing connected transactions.

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## LETTER FROM SOMERLEY

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Further details of the Company's internal control and corporate governance measures can be referred to the sub-section headed "5. Internal Control and Corporate Governance Measures" under the section headed "B. Revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement" in the letter from the Board contained in the Circular.

We have reviewed the aforesaid internal control and corporate governance measures and consider them effective and adequate to monitor the transactions under the Mutual Project Contracting Framework Agreement on the basis that (i) making reference to service quotations provided to independent third parties when providing service quotations to connected persons of the Group shall ensure the fairness and reasonableness of the terms of the relevant transactions; (ii) periodic reporting on a quarterly basis will allow the Company to monitor the utilisation of the relevant annual caps on a regular interval, which is considered appropriate for a company engaging in, among others, infrastructure construction business since construction projects typically involve a lengthy planning process and, to certain extent, have less ad-hoc element; (iii) the establishment of a systematic corporate governance structure enables the Company to self-regulate by assigning monitoring responsibilities to different departments; and (iv) regular reviews by the audit and internal control committee of the Company, independent non-executive Directors and auditors of the Company shall further enhance the internal control measures of the Company. Overall, we consider the Company's internal control and corporate governance measures sufficient and effective to safeguard the interests of the Shareholders.

### **(8) The Revised Annual Cap**

As stated in the letter from the Board contained in the Circular, the actual transaction of project contracting services provided by the Group to CCCG Group for the year ended 31 December 2020 was approximately RMB12,431 million. It is proposed to increase the existing annual cap for project contracting services of RMB4,000 million to the Revised Annual Cap of RMB19,200 million for the year ending 31 December 2021.

The Revised Annual Cap is determined with reference to, among other things, the following factors: (i) the actual project contracting services fees paid to the Group by CCCG Group for the year ended 31 December 2020 of approximately RMB12,431 million; (ii) the adjustment of services scope, details of which can be referred to the circular of the Company dated 20 May 2020; (iii) OriginWater's demand for the project contracting services of the Group; (iv) the increasing demands for the project contracting services from CCCG Group for real property projects and other projects; and (v) the estimate capacity of the Group for provision of project contracting services.

Based on our discussion with the Management, we note that the Revised Annual Cap was also determined by the various projects that might be undertaken by CCCG Group. Accordingly, we have obtained and reviewed a complete list with the aforesaid projects that might be undertaken by CCCG Group for the year ending 31 December 2021 according to the expected project progress information provided by CCCG (the "**Project List**"). Based on the Project List, we have obtained and reviewed, on a random sampling basis, a number of contracts of the projects in the Project List and we note that the details of reviewed contracts are the same as those in the Project List.

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## LETTER FROM SOMERLEY

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Set out in the table below is the breakdown of the Revised Annual Cap for the year ending 31 December 2021.

	<b>For the year ending 31 December 2021</b> <i>(RMB million)</i> <i>(Approximately)</i>
(i) Project contracting services to be provided to Shanghai Zhenhua Heavy Industries Co. Ltd. (“ZPMC”)	3,227
(ii) Wastewater treatment projects	6,919
(iii) Real property construction projects	5,471
(iv) State development construction projects	3,480
(v) Others	103
	<hr/>
<b>The Revised Annual Cap</b>	<b>19,200</b>
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In order to ascertain the fairness and reasonableness of the Revised Annual Cap, we have further discussed with the Management and reviewed the breakdown of the Project List as follows:

**(i) *Project contracting services to be provided to ZPMC***

The expected total sum of project contracting services to be provided to ZPMC, a subsidiary of CCCG, for the year ending 31 December 2021 amounts to approximately RMB3,227 million (accounting for approximately 16.8% of the Revised Annual Cap). As advised by the Management, this was mainly determined according to additional public-private partnership investment projects contracting demand from ZPMC. According to the Project List, the Group has 23 ongoing projects with ZPMC and the average contract value amounts to approximately RMB140.3 million.

**(ii) *Wastewater treatment projects***

The scope of services under the Mutual Project Contracting Framework Agreement was expanded in 2020 and in September 2020, OriginWater, which is principally engaged in environmental protection and water treatment business, became a subsidiary of China Urban and Rural, the wholly-owned subsidiary of CCCG. As at the Latest Practicable Date, the Group has 43 wastewater treatment projects which are in construction or expected to commence construction in 2021 from China Urban and Rural. The estimated project contracting services fees to be recognised from the aforementioned projects for the year ending 31 December 2021 amount to approximately RMB6,919 million for the year ending 31 December 2021, which accounts for approximately 36.0% of the Revised Annual Cap.

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## LETTER FROM SOMERLEY

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***(iii) Real property construction projects***

In our review of the Project List, we note that the demand for real property construction projects from CCCG Group has increased significantly from 2020. The Group has 39 ongoing real property construction projects and the average contract value amounts to approximately RMB140.3 million with CCCG Real Estate Group Co., Ltd and China National Real Estate Development Group Corporation, both of which are wholly-owned subsidiaries of CCCG. As advised by the Management, the increase in demand for real property construction projects is mainly due to (i) additional projects from the two aforesaid companies; and (ii) the entering into of construction phase for certain projects. As a result, the expected total revenue to be recognised from the aforesaid real property construction projects for the year ending 31 December 2021 amounts to approximately RMB5,471 million, which accounts for approximately 28.5% of the Revised Annual Cap.

***(iv) State development construction projects***

As advised by the Management, CCCG Group plays an important role in state development, which involves in various development projects assigned by the PRC central government including, but not limited to, infrastructures and national facilities. In recent years, the PRC central government began stimulating the economy by further strengthening its infrastructure expense and CCCG Group has been awarded various types of construction projects. Therefore, CCCG Group's demand for the project contracting services to be provided by the Group is also expected to increase. Based on the Project List, the Group has been engaged by CCCG Group for various government construction projects and the expected total revenue to be recognised for the year ending 31 December 2021 amounts to approximately RMB3,480 million, which accounts for approximately 18.1% of the Revised Annual Cap. According to the Project List, the Group has 8 ongoing state development projects and the average contract value amounts to approximately RMB435.0 million.

As advised by the Management, the expected length of the aforesaid contracts usually ranges from one to three years and some of these contracts are already in progress but not yet completed. CCCG Group, on regular basis according to the progress of the projects, settles the project contracting services fees with the Group. Each settlement amount will be recognised as the transaction amount of the project contracting services under the Mutual Project Contracting Framework Agreement. The Revised Annual Cap for the year ending 31 December 2021 was determined based on the revenue expected to be recognised for the year ending 31 December 2021 and the portion of the revenue recognised in other years has been excluded. We have discussed with the Management and reviewed the Project List and note only the revenue expected to be recognised in 2021 is included in the estimation of the Revised Annual Cap for the year ending 31 December 2021.

Overall, according to our review as set out above, we understand that the Revised Annual Cap was determined based on expected revenue of both new and existing contracts entered into between the Group and CCCG Group to be recognised for the year ending 31 December 2021 and we are of the view that the Revised Annual Cap for the year ending 31 December 2021 is reasonable.

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## LETTER FROM SOMERLEY

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### OPINION AND RECOMMENDATION

Having considered the above principal factors and reasons, we consider that the Continuing Connected Transactions (including the Revised Annual Cap) are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We are also of the view that the terms of the Continuing Connected Transactions (including the Revised Annual Cap) are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM to approve the Revised Annual Cap.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Danny Cheng**  
*Director*

*Mr. Danny Cheng is a licensed person registered with the Securities and Futures Commission and a responsible officer of Somerley Capital Limited, who is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 15 years of experience in the corporate finance industry.*

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## SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING

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中國交通建設股份有限公司  
**CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**  
*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*  
**(Stock Code: 1800)**

### SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING

Reference is made to the notice of the annual general meeting (the “AGM”) of China Communications Construction Company Limited (the “Company”) dated 30 April 2021 (the “Notice”), which sets out the time and venue of the AGM and contains the resolutions to be proposed at the AGM for shareholders’ approval.

**SUPPLEMENTAL NOTICE IS HEREBY GIVEN** that the AGM will be held as originally scheduled at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on 10 June 2021 for the purpose of considering and, if thought fit, passing the following resolutions in addition to the resolutions set out in the Notice (unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the supplemental circular of the Company dated 18 May 2021):

#### **As Ordinary Resolutions**

8. To consider and approve the resolution in relation to the revision of annual cap for the project contracting services under the Mutual Project Contracting Framework Agreement.
9. To consider and approve the estimated cap for the internal guarantees of the Group in 2021.
10. To consider and approve the launch of asset-backed securitization by the Group: (i) that the aggregate principal amount of the securities shall not exceed RMB60,000 million; (ii) that the chairman of the Board and/or the president and/or the chief financial officer of the Company be authorised to deal with all relevant matters in relation to asset-backed securitization.

#### **As Special Resolutions**

11. To consider and approve the proposed issue of bonds by the Company, including company bonds, overseas bonds and other categories of bonds, (i) that the aggregate principal amount of the bonds shall not exceed RMB20,000 million; and (ii) that the chairman of the Board and/or the president and/or the chief financial officer of the Company be authorised to deal with all relevant matters relating to the issue of bonds.
12. To consider and approve the proposed amendments to the Articles of Association.

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## SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING

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### As Ordinary Resolutions

13. To consider and approve the election of Mr. Wang Haihuai and Mr. Liu Xiang as executive Directors:
  - 13.1 To consider and approve the election of Mr. Wang Haihuai as an executive Director; and
  - 13.2 To consider and approve the election of Mr. Liu Xiang as an executive Director.
14. To consider and approve the election of Mr. Zhao Xi'an as a Shareholder representative Supervisor.

By Order of the Board  
**China Communications Construction Company Limited**  
**Zhou Changjiang**  
*Company Secretary*

Beijing, the PRC  
18 May 2021

*As at the date of this notice, the Directors are WANG Tongzhou, LIU Maoxun, HUANG Long<sup>#</sup>, ZHENG Changhong<sup>#</sup> and NGAI Wai Fung<sup>#</sup>.*

<sup>#</sup> *Independent non-executive Director*

*Notes:*

1. The supplemental circular of the AGM containing the above resolutions as set out in this supplemental notice has been despatched to the Shareholders on 18 May 2021.
2. A supplemental form of proxy for the AGM is enclosed with this supplemental notice. Whether or not you intend to attend the AGM, you are requested to complete and return the supplemental form of proxy for AGM in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. before 2:00 p.m. on Wednesday, 9 June 2021). Completion and return of the supplemental forms of proxy will not preclude you as a Shareholder from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

The supplemental form of proxy will not affect the validity of any form of proxy duly completed and delivered by you in respect of the resolutions set out in the notice of the AGM. If you have completed and delivered the original form of proxy and validly appointed a proxy to attend and act for you at the AGM but do not complete and deliver the supplemental form of proxy, your proxy will be entitled to vote at his discretion on the resolutions set out in the supplemental notice of the AGM dated 18 May 2021. If you do not complete and deliver the original form of proxy but have completed and delivered the supplemental form of proxy and validly appointed a proxy to attend and act for you at the AGM, unless otherwise instructed, your proxy will be entitled to vote at his discretion on the resolutions set out in the notice of the AGM dated 30 April 2021.

3. Please refer to the notice of the AGM dated 30 April 2021 for details of other resolutions to be proposed for consideration and approval at the AGM, closure of register of members, eligibility for attending the AGM and registration procedures for attending the AGM and other matters regarding the AGM.
4. The cumulative voting method shall be adopted for the voting of resolutions No. 13 and No. 14. The cumulative voting method refers to the voting for the election of directors or supervisors at the general meetings where each share is entitled to the same number of votes which equals to the total number of directors or supervisors to be elected, and shareholders may consolidate their voting rights when casting a vote.



# APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
1.	<p><b>Article 1</b> These Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines on Articles”), the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the State Council Guiding Opinions on the <u>Experimental Development of Preference Shares, the Experimental Administrative Measures on Preference Shares</u>, the Constitution of the Communist Party of China (hereinafter referred to as the “Party Constitution”) and other relevant requirements with an aim to safeguard the legal interests of China Communications Construction Company Limited (hereinafter referred to as the “Company”), its shareholders and creditors and regulate the organization and conduct of the Company.</p>	<p><b>Article 1</b> These Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines on Articles”), the Listing Rules of the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Constitution of the Communist Party of China (hereinafter referred to as the “Party Constitution”), <u>the Working Rules of Basic Organizations of the State-owned Enterprises of the Communist Party Committee of China (Trial)</u> and other relevant requirements with an aim to safeguard the legal interests of China Communications Construction Company Limited (hereinafter referred to as the “Company”), its shareholders and creditors and regulate the organization and conduct of the Company.</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
2.	<p><b>Article 11</b> As required by the Party Constitution, the Company shall establish an organization of the Communist Party of China, in which the Party organization shall play the <u>core leadership role and core political role</u>, providing direction, managing the overall situation and ensuring implementation. The Company shall establish the working institutions of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</p>	<p><b>Article 11</b> As required by the Party Constitution, the Company shall establish an organization of the Communist Party of China, in which the Party organization shall <u>play the leadership role</u>, providing direction, managing the overall situation and ensuring implementation. The Company shall establish the working institutions of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.</p>
3.	<p><b>Article 14</b> There must be ordinary shares in the Company. Subject to the approval from examination and approval departments authorized by the State Council, the Company may create preference shares and other classes of shares. Preference shareholders and ordinary shareholders are regarded as different classes of shareholders.</p> <p>Preference shares refer to the other class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company are restricted. <u>Special matters relating to preference shares of the Company are set out separately in Chapter 22 of these Articles of Association.</u></p>	<p><b>Article 14</b> There must be ordinary shares in the Company. Subject to the approval from examination and approval departments authorized by the State Council, the Company may create preference shares and other classes of shares. Preference shareholders and ordinary shareholders are regarded as different classes of shareholders.</p> <p>Preference shares refer to the other class of shares governed separately under the Company Law as compared to the ordinary shares governed by the general provisions. Preference shareholders shall participate in the distribution of profits and residual assets of the Company in priority to ordinary shareholders, but their rights in respect of participating in decision making and management of the Company are restricted.</p>
4.	<p><b>Article 15</b> The shares issued by the Company shall have a par value. <u>Of which the ordinary shares have a par value of RMB1 per share, and the preference shares have a par value of RMB100 per share.</u></p>	<p><b>Article 15</b> The shares issued by the Company shall have a par value. The ordinary shares have a par value of RMB1 per share.</p>

# APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
5.	<p><b>Article 20</b> With the approval from securities authorities of the State Council, the Company issued 4,025,000,000 overseas-listed foreign shares (H shares) (including the shares issued upon the exercise of the overallotment option, but excluding part of shares transferred/reduced from state-owned shares) in 2006 after its incorporation. Upon completion of the abovementioned issuance, the registered capital of the Company was changed to RMB14,825,000,000 and the total share capital was changed to 14,825,000,000 shares.</p> <p>With the approval from the China Securities Regulatory Commission, the Company issued 1,349,735,425 domestic-listed shares (A shares) (excluding part of shares transferred/reduced from state-owned shares) under the initial public offering in 2012. Upon completion of the aforementioned share offering, the registered capital of the Company was changed to RMB16,174,735,425, and the total share capital was changed to 16,174,735,425 shares, among which 11,747,235,425 shares are RMB-denominated ordinary shares and 4,427,500,000 shares are overseas-listed foreign shares, representing 72.63% and 27.37% respectively.</p> <p>With the approval from the China Securities Regulatory Commission, the Company issued a total of 145,000,000 preference shares under the non-public offering in 2015.</p>	<p><b>Article 20</b> With the approval from securities authorities of the State Council, the Company issued 4,025,000,000 overseas-listed foreign shares (H shares) (including the shares issued upon the exercise of the overallotment option, but excluding part of shares transferred/reduced from state-owned shares) in 2006 after its incorporation. Upon completion of the abovementioned issuance, the registered capital of the Company was changed to RMB14,825,000,000 and the total share capital was changed to 14,825,000,000 shares.</p> <p>With the approval from the China Securities Regulatory Commission, the Company issued 1,349,735,425 domestic-listed shares (A shares) (excluding part of shares transferred/reduced from state-owned shares) under the initial public offering in 2012. Upon completion of the aforementioned share offering, the registered capital of the Company was changed to RMB16,174,735,425, and the total share capital was changed to 16,174,735,425 shares, among which 11,747,235,425 shares are RMB-denominated ordinary shares and 4,427,500,000 shares are overseas-listed foreign shares, representing 72.63% and 27.37% respectively.</p> <p>On 23 October 2020, after the cancellation of 9,024,000 overseas-listed foreign shares repurchased by the Company, the Company's registered share capital and total share capital changed to RMB16,165,711,425 and 16,165,711,425 shares, comprising 11,747,235,425 RMB-denominated ordinary shares and 4,418,476,000 overseas-listed foreign shares, representing 72.67% and 27.33% of the registered capital, respectively.</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
6.	<p><b>Article 27</b> The shares of the Company held by the promoters shall not be transferred within one year upon the incorporation of the Company. The shares of the Company issued before the initial public offering shall not be transferred within one year since the listing and trading of the Company's shares on the stock exchange(s).</p> <p>The Directors, Supervisors and senior management of the Company shall declare to the Company their holdings in the Company's shares (including preference shares) and inform the same if there are any changes in their holdings subsequently. During their terms of office, shares being transferred every year must not exceed twenty-five percent of their holdings in the Company's shares in the same class. No transfer of their holdings shall be made within one year after the Company's ordinary shares were listed; <u>their holdings in the Company's preference shares can apply for trading or transferring upon issuance without restricted period.</u> No transfer of their holdings in the Company's shares shall be made within six months after they cease to hold their respective offices.</p>	<p><b>Article 27</b> The shares of the Company held by the promoters shall not be transferred within one year upon the incorporation of the Company. The shares of the Company issued before the initial public offering shall not be transferred within one year since the listing and trading of the Company's shares on the stock exchange(s).</p> <p>The Directors, Supervisors and senior management of the Company shall declare to the Company their holdings in the Company's shares and inform the same if there are any changes in their holdings subsequently. During their terms of office, shares being transferred every year must not exceed twenty-five percent of their holdings in the Company's shares in the same class. No transfer of their holdings shall be made within one year after the Company's ordinary shares were listed. No transfer of their holdings in the Company's shares shall be made within six months after they cease to hold their respective offices.</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
7.	<p><b>Article 32</b> The Company may buy back its shares in accordance with laws, administrative regulations, departmental rules and provisions hereof after reporting such buyback to the competent authorities of the State for approval if:</p> <ul style="list-style-type: none"> <li>(1) it reduces its registered capital;</li> <li>(2) it merges with another company that holds the shares of the Company;</li> <li>(3) it uses shares for employee stock ownership plan or equity incentive;</li> <li>(4) shareholders require the Company to purchase their shares because of their objection to the resolution made at a shareholders' general meeting on the merger or division of the Company;</li> <li>(5) it uses shares to convert corporate bonds issued by the Company that are convertible into stocks;</li> <li>(6) it is necessary for the Company to maintain its value and shareholders' interests;</li> <li>(7) other circumstances permitted under laws or administrative regulations.</li> </ul> <p><u>The Company may repurchase and cancel the Company's preference shares in accordance with the Articles of Association and subject to the relevant laws, regulations and regulatory documents; The Company shall repurchase and cancel such preference shares when the Company merges with other companies holding the Company's preference shares.</u></p>	<p><b>Article 32</b> The Company may buy back its shares in accordance with laws, administrative regulations, departmental rules and provisions hereof after reporting such buyback to the competent authorities of the State for approval if:</p> <ul style="list-style-type: none"> <li>(1) it reduces its registered capital;</li> <li>(2) it merges with another company that holds the shares of the Company;</li> <li>(3) it uses shares for employee stock ownership plan or equity incentive;</li> <li>(4) shareholders require the Company to purchase their shares because of their objection to the resolution made at a shareholders' general meeting on the merger or division of the Company;</li> <li>(5) it uses shares to convert corporate bonds issued by the Company that are convertible into stocks;</li> <li>(6) it is necessary for the Company to maintain its value and shareholders' interests;</li> <li>(7) other circumstances permitted under laws or administrative regulations.</li> </ul>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
8.	<p><b>Article 34</b> In the event that the Company purchases its shares due to the reasons stated in clauses (1) and (2) of Article 32 hereof, a resolution thereon shall be made at a shareholders' general meeting. Where the Company purchases its shares under the circumstances set out in clauses (3), (5) and (6) of Article 32 hereof, it may be resolved by more than two-thirds of Directors present at the Board meeting in accordance with the Articles of Association or the authorization of the general meeting.</p> <p>In the event that the Company purchases its shares in accordance with Article 32 of the Articles of Association due to the reason stated in (1), the shares shall be cancelled within ten days from the date of purchase; in the event that it is due to the reason stated in (2) or (4), the shares shall be transferred or cancelled within six months.</p> <p>The shares of the Company purchased by the Company in accordance with clauses (3), (5) and (6) of Article 32 shall not exceed ten percent of the total issued shares of the Company, and shall be transferred or cancelled within three years.</p> <p><u>The total number of outstanding preference shares shall be written down accordingly upon repurchase of preference shares by the Company in accordance with the provisions of this Article.</u></p>	<p><b>Article 34</b> In the event that the Company purchases its shares due to the reasons stated in clauses (1) and (2) of Article 32 hereof, a resolution thereon shall be made at a shareholders' general meeting. Where the Company purchases its shares under the circumstances set out in clauses (3), (5) and (6) of Article 32 hereof, it may be resolved by more than two-thirds of Directors present at the Board meeting in accordance with the Articles of Association or the authorization of the general meeting.</p> <p>In the event that the Company purchases its shares in accordance with Article 32 of the Articles of Association due to the reason stated in (1), the shares shall be cancelled within ten days from the date of purchase; in the event that it is due to the reason stated in (2) or (4), the shares shall be transferred or cancelled within six months.</p> <p>The shares of the Company purchased by the Company in accordance with clauses (3), (5) and (6) of Article 32 shall not exceed ten percent of the total issued shares of the Company, and shall be transferred or cancelled within three years.</p>

# APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
9.	<p><b>Article 68</b> The Company shall convene an extraordinary general meeting within two months of the happening of an event if:</p> <p>(1) the number of directors is below the required quorum as prescribed in the Company Law or is less than two-thirds of the required quorum hereunder;</p> <p>(2) the losses not yet made up by the Company account for one-third of the total paid-up share capital;</p> <p>(3) the shareholders individually or jointly holding more than ten percent of total voting shares of the Company make a request (the number of shares held is calculated based on that as at the date when the shareholders propose a written request);</p> <p>(4) the Board of Directors considers it necessary or the Supervisory Committee proposes convening the meeting;</p> <p>(5) more than half of all the independent directors of the Company agree with the proposal of holding such a meeting;</p> <p>(6) other cases as required by laws, administrative regulations, departmental rules or these Articles of Association.</p> <p><u>In calculating the proportion of the shareholdings as prescribed in item (3) of this Article, only votes of ordinary shares and votes of preference shares with voting rights restored shall be counted.</u></p>	<p><b>Article 68</b> The Company shall convene an extraordinary general meeting within two months of the happening of an event if:</p> <p>(1) the number of directors is below the required quorum as prescribed in the Company Law or is less than two-thirds of the required quorum hereunder;</p> <p>(2) the losses not yet made up by the Company account for one-third of the total paid-up share capital;</p> <p>(3) the shareholders individually or jointly holding more than ten percent of total voting shares of the Company make a request (the number of shares held is calculated based on that as at the date when the shareholders propose a written request);</p> <p>(4) the Board of Directors considers it necessary or the Supervisory Committee proposes convening the meeting;</p> <p>(5) more than half of all the independent directors of the Company agree with the proposal of holding such a meeting;</p> <p>(6) other cases as required by laws, administrative regulations, departmental rules or these Articles of Association.</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
10.	<p><b>Article 105</b> When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights represented by the number of voting shares. Each share held by ordinary shareholders shall have one voting right; <u>the holders of preference shares with voting rights restored shall be entitled to have such voting rights in accordance with the provisions of Article 297 and Article 300 of the Articles of Association.</u></p> <p>.....</p>	<p><b>Article 105</b> When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights represented by the number of voting shares. Each share held by ordinary shareholders shall have one voting right.</p> <p>.....</p>
11.	<p><b>Article 124</b> Resolutions made at a shareholders' general meeting shall be announced promptly in accordance with the listing rules of the place of listing of the Company's shares. The announcement shall set out details on the number of shareholders and proxies present at the meeting, the total number of voting shares held and the percentage of the total number of voting shares of the Company, voting method, voting results of each proposal and the details of the resolutions passed. The announcement shall contain respective statistical figures on the holders of domestic and foreign shares, <u>and preference shareholders with voting rights</u> present at the meeting as well as their voting, and an announcement thereon shall be made.</p>	<p><b>Article 124</b> Resolutions made at a shareholders' general meeting shall be announced promptly in accordance with the listing rules of the place of listing of the Company's shares. The announcement shall set out details on the number of shareholders and proxies present at the meeting, the total number of voting shares held and the percentage of the total number of voting shares of the Company, voting method, voting results of each proposal and the details of the resolutions passed. The announcement shall contain respective statistical figures on the holders of domestic and foreign shares present at the meeting as well as their voting, and an announcement thereon shall be made.</p>



# APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
12.	<p><b>Article 231</b> The Party Committee of the Company shall perform its duties pursuant to the Party Constitution, the Working Rules for the CPC Party Group and other regulations of the Party.</p> <p>(1) To ensure and supervise the effective implementation of directions and policies of the Party and the state as well as the execution of material strategic decisions of the Party Central Committee and the State Council and the arrangement on relevant material works of the Party Committee of the SASAC and Party organization of higher levels in the Company;</p> <p>(2) To strengthen the leadership and gate keeping role in the process of selection and appointment of personnel and adhere to the principle of the Party exercising leadership over the cadres, the principle of the legitimate selection of operators by the Board, and the exercise of power as regards the right of cadres' appointment by the operators in accordance with laws. The Party Committee shall deliberate and give opinions on the proposed candidates nominated by the Board or the president or recommend candidates to be nominated to the Board or the president as well as assess the proposed candidates and give opinions collectively upon inspection over such candidates with the Board;</p>	<p><b>Article 231</b> The Party Committee of the Company shall play the leadership role, providing direction, managing the overall situation, ensuring implementation, and discussing and making decisions on major business matters in accordance with the regulations. The major responsibilities of the Party Committee are:</p> <p>(1) to enhance the building of politics of the Party, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;</p> <p>(2) to thoroughly study and implement Xi Jinping Thought on Socialism with Chinese Characteristics in the new era, learn and propagate the Party's theory, thoroughly implement the Party's line, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organization at a higher level in the Company;</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
	<p>(3) <u>To study and discuss reform, development and stability of the Company, and substantial matters on operation and management decided by the Company as well as material issues relating to the interests of the Company's staff, and provide advices and recommendations in this regard. To support the general meeting, the Board, the Supervisory Committee and the management in performing their duties according to laws and support the congress of employee representatives in carrying out its work;</u></p> <p>(4) <u>To assume full responsibility for enforcing strict discipline of the Party. To lead the Company's ideological and political work, united front work, creation of spiritual civilization, creation of corporate culture as well as mass organizations such as the labour union and the Communist Youth League. To play a leading role in the construction of the Party's working style and a clean and honest government, and support the disciplinary committee in fulfilling its responsibility of supervision in practice;</u></p> <p>(5) <u>To strengthen the building of the Company's primary Party organization and ranks of Party members, to give full play to the role of Party branches as militant bastions and to the role of Party members as vanguard and exemplar, to unite and lead cadres and employees to devote themselves into the reform and development of the Company;</u></p> <p>(6) <u>Other material matters that fall within the scope of duties of the Party Committee.</u></p>	<p>(3) <u>to investigate and discuss the significant operational and management matters and support the general meeting, the Board of Directors, the Supervisory Committee and the Executive Committee to exercise their rights and perform their duties in accordance with the laws;</u></p> <p>(4) <u>to strengthen its leadership and gate keeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team, cadre team and talents team of the Company;</u></p> <p>(5) <u>to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support the discipline inspection commission of the Company to fulfil their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote Party self-governance exercised fully and with rigor into the grassroots level;</u></p> <p>(6) <u>to strengthen the building of grass-root Party organizations and the Party member service, unit and lead officials and employees to devote themselves into the reform and development of the Company;</u></p> <p>(7) <u>to lead the ideological and political work, the spirit and civilization construction, and the united front work of the Company and lead mass organizations such as the labour union, the Communist Youth League and women's organization.</u></p>

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**APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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No.	Original Articles	Amended Articles
13.	<p><b>Article 232</b> The Party Committee shall formulate the relevant working rules and rules of procedures to have detailed requirements on the working rules for the Party Committee as well as the contents and decision making procedures for the Standing Party Committee of the Company in order to ensure the work quality and efficiency of the Party Committee and Standing Party Committee of the Company, improve and complete the system and mechanism for the Party Committee’s participating in the decision making process on major issues and give full play to the <u>core</u> role of the Party Committee of the Company.</p>	<p><b>Article 232</b> The Party Committee shall formulate the relevant working rules and rules of procedures to have detailed requirements on the working rules for the Party Committee as well as the contents and decision making procedures for the Standing Party Committee of the Company in order to ensure the work quality and efficiency of the Party Committee and Standing Party Committee of the Company, improve and complete the system and mechanism for the Party Committee’s participating in the decision making process on major issues and give full play to the <u>leadership</u> role of the Party Committee of the Company.</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
14.	<p><b>Article 241</b> The Company shall allocate ten percent of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds fifty percent of the registered capital of the Company.</p> <p>If the statutory reserve of the Company is insufficient to make up for the losses brought forward from the previous year, profits for the current year shall be applied to make up for such losses before making allocations to the statutory reserve in accordance with the aforementioned requirement.</p> <p>Upon allocation of the after-tax profits to the statutory reserve, the Company may allocate a part of the after-tax profits to the discretionary reserve as approved by a resolution passed at the general meeting.</p> <p>Upon making up for the losses incurred and allocating to the statutory reserve, the balance of after-tax profits shall be paid for the <u>preference shares dividends at first and the remaining</u> should be distributed to the ordinary Shareholders in proportion to their shareholding, save for distribution which is not made in proportion to shareholding as specified in these articles of association.</p> <p>If the aforementioned regulations are violated at the general meeting where the Company distributes profits to the Shareholders prior to making up for losses and allocating to the statutory reserve, the Shareholders shall return to the Company the profits distributed as a result of violation of the regulations.</p> <p>The shares of the Company owned by the Company shall not form part of the profits distribution.</p>	<p><b>Article 241</b> The Company shall allocate ten percent of its profits to the statutory reserve of the Company when distributing its after-tax profits for the year, provided that no further appropriation is required if the accumulated statutory reserve exceeds fifty percent of the registered capital of the Company.</p> <p>If the statutory reserve of the Company is insufficient to make up for the losses brought forward from the previous year, profits for the current year shall be applied to make up for such losses before making allocations to the statutory reserve in accordance with the aforementioned requirement.</p> <p>Upon allocation of the after-tax profits to the statutory reserve, the Company may allocate a part of the after-tax profits to the discretionary reserve as approved by a resolution passed at the general meeting.</p> <p>Upon making up for the losses incurred and allocating to the statutory reserve, the balance of after-tax profits should be distributed to the ordinary Shareholders in proportion to their shareholding, save for distribution which is not made in proportion to shareholding as specified in these articles of association.</p> <p>If the aforementioned regulations are violated at the general meeting where the Company distributes profits to the Shareholders prior to making up for losses and allocating to the statutory reserve, the Shareholders shall return to the Company the profits distributed as a result of violation of the regulations.</p> <p>The shares of the Company owned by the Company shall not form part of the profits distribution.</p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
15.	<p><b>Article 282</b> After the Company’s property has been sorted out and the balance sheet and a list of property have been prepared, the liquidation team shall formulate a proposal for liquidation and report the same to the shareholders’ general meeting or the people’s court for confirmation.</p> <p>The residual property after the respective settlement of the liquidation expenses, staff wages, social insurance expenses and statutory compensation, the payment of taxes in arrears and the discharge of the Company’s liabilities shall be used to firstly pay the sum of par value of the preference shares and the resolved but not paid current dividends to the preference shareholders; and in the case of insufficiency payment, the remaining assets shall be distributed in proportion to the shareholding percentage of each shareholder holding preference shares. Upon the distribution according to the former article, the remaining shall be distributed according to shareholdings of ordinary shares held by the shareholders.</p> <p>During the period of liquidation, the Company shall subsist, but cannot carry on any operating activities that are not related to the liquidation. The property of the Company shall not be distributed among the shareholders before the completion of the settlements as provided for in the preceding article.</p>	<p><b>Article 282</b> After the Company’s property has been sorted out and the balance sheet and a list of property have been prepared, the liquidation team shall formulate a proposal for liquidation and report the same to the shareholders’ general meeting or the people’s court for confirmation.</p> <p>The residual property after the respective settlement of the liquidation expenses, staff wages, social insurance expenses and statutory compensation, the payment of taxes in arrears and the discharge of the Company’s liabilities shall be distributed according to shareholdings of ordinary shares held by the shareholders.</p> <p>During the period of liquidation, the Company shall subsist, but cannot carry on any operating activities that are not related to the liquidation. The property of the Company shall not be distributed among the shareholders before the completion of the settlements as provided for in the preceding article.</p>
16.	<b>Chapter 22 Special Provisions of Preference Shares</b>	All articles in this Chapter shall be deleted.

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
17.	<p><b>Article 291</b> Except prescribed otherwise by laws, administrative regulations, departmental rules and regulations, the local securities supervision and administration authorities at the place of listing the Company's shares and the Articles of Association, the rights and obligations of the preference shareholders and the management of the preference shares shall comply with the relevant stipulations in the Company Law and the Articles of Association. With the approval of the securities regulatory body under the State Council or other relevant regulatory authorities, the Company may issue the preference shares. The issued preference shares of the Company shall not exceed 50% of the total number of the ordinary shares of the Company and the amount of funds raised shall not exceed 50% of the net assets before the issuance. The preference shares repurchased or converted shall not be included in the calculation.</p>	Delete this article

# APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
18.	<p><b>Article 292</b> <u>The preference shareholders of the Company shall be entitled to the following rights:</u></p> <p>(1) <u>To obtain the dividend in accordance with the terms and proportion of their preference shares held;</u></p> <p>(2) <u>In the case of meeting the conditions prescribed by Article 297 thereof, the preference shareholders of the Company shall be entitled to attend and vote at the shareholders' general meeting of the Company;</u></p> <p>(3) <u>To inspect the Articles of Association, the shareholders' register, the counterfoils of corporate bonds, the minutes of the shareholders' general meeting, the resolutions of the Board Meeting, the Meeting Resolutions of the Supervisory Committee and the financial and accounting reports;</u></p> <p>(4) <u>In the case of occurring the situations prescribed in Article 298, to restore the voting rights in accordance with the means stipulated by the article, until the Company has fully paid the dividends of preference shares payable for the year;</u></p> <p>(5) <u>To be distributed the remaining properties of the Company superior to the ordinary shareholders;</u></p> <p>(6) <u>Other rights entitled to the preference shareholders as prescribed by laws, administrative regulations, departmental rules and regulations and the Articles of Association.</u></p>	<p><u>Delete this article</u></p>

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
19.	<p><b>Article 293</b> <u>The Company shall be entitled to repurchase the preference shares under the issuance plan of the Company in compliance with the conditions prescribed by relevant laws and regulations.</u></p> <p><u>The redemption right of the preference shares under the issuance shall be owned by the Company, without setting the redemption rights for preference shareholders.</u></p> <p><u>The redemption period of the preference shares is from the fifth anniversary of the first dividend accruing date (in the event of issuing by tranches, on the first dividend accruing date of each tranche respectively) up to the date when all the preference shares have been redeemed in full.</u></p> <p><u>Following the fifth anniversary of the first dividend accruing date (in the event of issuing by tranches, on the first dividend accruing date of each tranche respectively), the Company is entitled to redeem and withdraw all or part of the preference shares under the issuance on every dividend distribution date. Where a partial redemption was decided to be carried out by the Company, the Company shall redeem the preference shares from all preference shareholders of the same tranche by the same proportion. Save for the requirements of relevant laws and regulations, the redemption of the preference shares is not subject to other conditions.</u></p> <p><u>The redemption price shall be the par value plus current resolved payment of but unpaid dividends on the preference shares.</u></p>	Delete this article



## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
20.	<p><b>Article 294</b> Pursuant to Articles of Association, the Company may distribute dividends to the preference shareholders if there are distributable after-tax profit left after recovering losses and making allocations to its reserve fund according to relevant laws.</p> <p>The preference shares of the Company adopt the fixed dividend rate with single step-up in dividend rate arrangement. The method of calculating the dividend rate shall be executed as prescribed by the issuance plan.</p> <p>The shareholders' general meeting shall authorize the Board of Directors to deal with issues related to the distribution of dividends of preference shares to preference shareholders in its sole discretion according to the provisions of the issuance plan under normal circumstances of the declaration and payment of dividends of preference shares, on condition that it has been approved by laws, regulations, Articles of Association and relevant regulatory authorities and it has met the framework and principles considered and approved at the shareholder's general meeting. In the event of canceling of all or part of the current dividends of the preference shares, it shall still require the consideration and approval at the shareholders' general meeting.</p>	Delete this article

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
	<p>The preference shares issued in different tranches will have equal priority to dividend distribution. The preference shareholders shall take precedence over ordinary shareholders in distribution of dividends. The Company will not distribute any profit to ordinary shareholders unless the agreed current dividend on preference shares has been fully distributed.</p> <p>The dividends on the preference shares under the issuance are not cumulative, that is, the difference between the dividends actually paid to the preference shareholders and the dividends which should have been fully paid in the previous year will not be carried forward to the following year.</p> <p>Once the preference shareholders have received dividends at the specified dividend rate, they shall not be entitled to the distribution of the remaining profit together with ordinary shareholders.</p> <p>For the preference shares under the issuance, the preference shares under the same issuance shall have the same setting of terms. The preference shareholders shall be superior to the ordinary shareholders in the distribution of the Company's profits and remaining properties. The setting of other terms of the preference shares under the issuance is different from the ordinary shares. The terms of different setting have been prescribed in the issuance plan and the Articles of Association.</p>	

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
21.	<p><b>Article 295</b> <u>The Company shall pay the dividends of the preference shares in cash.</u></p> <p><u>Dividends on the preference shares issued by the Company shall be paid annually. Dividend payment method shall be enforced according to the issuance plan.</u></p> <p><u>Any tax payable for the dividend on the preference shares shall be incurred by preference shareholders in accordance with relevant laws and regulations.</u></p>	Delete this article
22.	<p><b>Article 296</b> <u>Unless the occurrence of any trigger events for compulsory payment, the Shareholders' general meeting of the Company shall be entitled to determine to cancel the payment of part or full current dividend on the preference shares, which shall not be deemed a default of the Company.</u></p> <p><u>Trigger events for compulsory payment means the occurrence of any of the following events within 12 months prior to the dividend payment date: (1) the payment of dividend to the ordinary shareholders by the Company (including cash, shares, a combination of both cash and shares and other methods in compliance with the laws and regulations); (2) the reduction of registered share capital (except for the redemption and withdrawal of Shares due to share incentive plan or the redemption and withdrawal of ordinary shares with the proceeds from issuing preference shares).</u></p>	Delete this article

# APPENDIX I PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
23.	<p><b>Article 297</b> <u>The preference shareholders have no right to make a request to, convene, preside to, attend, or attend by proxy any shareholders' general meeting, nor do their preference shares have voting rights, save as the matters to be voted by the preference shareholders in accordance with the laws and regulations or the Articles of Association.</u></p> <p><u>Only in any of the following circumstances of the Company, the notice of Shareholder's general meeting shall be delivered to the preference shareholders prior to convention of such meeting by the Company. The Company shall also comply with the required notice procedure for ordinary shareholders set forth in the Company Law and the Articles of Association. The preference shareholders are entitled to attend the shareholders' general meetings and vote on the following matters separately from the ordinary shareholders. In this case, each preference share shall have one vote, but the preference shares held by the Company shall have no voting right:</u></p> <p>(1) <u>any amendment to the provisions of the Articles of Association regarding the preference shares;</u></p> <p>(2) <u>any reduction of the registered capital of the Company by more than 10%, whether on an individual or cumulative basis;</u></p> <p>(3) <u>any merger, division, dissolution or change of organizational form of the Company;</u></p>	Delete this article

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
	<p>(4) <u>any issuance of preference shares by the Company;</u></p> <p>(5) <u>any other circumstances prescribed by laws, administrative regulations, departmental rules or the Articles of Association.</u></p> <p><u>Resolutions on the matters above shall be approved by at least two thirds of the votes represented by the preference shareholders present at the meeting (excluding the preference shareholders with voting rights restored), in addition to the approval by at least two thirds of the votes represented by the ordinary shareholders present at the meeting (including the preference shareholders with voting rights restored).</u></p>	
24.	<p><b>Article 298</b> <u>If the Company fails to pay dividends to the preference shareholders as agreed for three accounting years in aggregate or two consecutive accounting years, the preference shareholders shall have the right to attend the shareholders' general meetings and vote with ordinary shareholders from the date immediately following the day when the shareholders' general meeting has approved the cancellation of payment of part of or full current dividend on the preference shares or the date immediately following the dividend payment date when the current dividend has not been paid as agreed. The restoration of voting rights shall last until the day on which the Company has fully paid the dividend of preference shares for the current year.</u></p>	Delete this article

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
25.	<p><b>Article 299</b> <u>If the Company repurchase its ordinary shares, or is subject to a merger, division or any other circumstances that may lead to changes in the Company's shares and shareholders' equity and thereby affect the interests of the preference shareholders under the issuance, the Company shall adjust the stimulated conversion price upon restoration of voting rights according to the actual situation in a fair, just and equitable principals to fully protect and keep balance of the interests of the preference shareholders and the ordinary shareholders. The contents and the mechanism relating to the adjustment of the stimulated conversion price upon restoration of voting rights will be formulated in accordance with the PRC laws and administrative regulations.</u></p>	Delete this article
26.	<p><b>Article 300</b> <u>The formula of calculating the ordinary voting rights entitled to per preference share at the time of restoring the voting rights is: <math>N=V/P_n</math>.</u></p> <p><u>Wherein, V is the total par value of preference shares held by the preference shareholders; the stimulated conversion price <math>P_n</math> is average price of ordinary A shares of the Company for twenty trading days prior to the date of the approval of the resolution relating to the issuance plan of the preference shares by the Board. The number of voting rights restored shall be rounded down to the nearest integer.</u></p> <p><u>The stimulated conversion price at the time of restoring the voting rights will be adjusted as prescribed by the issuance plan.</u></p>	Delete this article

## APPENDIX I      PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No.	Original Articles	Amended Articles
27.	<p><b>Article 301</b> After the voting rights of the preference shareholders are restored, the voting rights of the preference shareholders under the voting rights restoration terms from the date of full payment shall be immediately terminated when the Company has fully paid the current payable dividends of the preference shares, unless the laws, regulations and the Articles of Association stipulate otherwise. The voting rights of preference shareholders will be restored again if any subsequent event occurs under the voting rights restoration terms.</p>	Delete this article
28.	<p><b>Article 302</b> If the Company is subject to liquidation, the residual property of the Company after the payment of the liquidation expenses, salaries, social security contribution and legal compensation for its employees, taxes in arrears and the Company's debts, shall be distributed to the shareholders in the following sequences and method:</p> <ol style="list-style-type: none"> <li>1. pay the sum of par value of the preference shares plus current resolved payment of but unpaid dividends to the preference shareholders. If the residual property is not sufficient to pay, then such distribution shall be made on a pro rata basis in accordance with the shareholding percentages of the preference shareholders;</li> <li>2. distribute to ordinary shareholders on a pro rata basis in accordance with the shareholding percentages of the Ordinary Shareholders in the total ordinary shares.</li> </ol>	Delete this article

\* The Articles of Associations and its proposed amendments were written in Chinese, without formal English version. As such, any English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.

**1. RESPONSIBILITY STATEMENT**

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

**2. DISCLOSURE OF INTERESTS****(a) Interests and Short Positions of Directors, Supervisors and Chief Executives**

As at the Latest Practicable Date, none of the Directors, Supervisors and chief executives of the Company and their respective associates had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which was (a) required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which any such Director, Supervisor, chief executive or member of senior management was taken or deemed to have under such provisions of the SFO); (b) required to be recorded in the register of interests required to be kept by the Company pursuant to section 352 of the SFO; or (c) otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Hong Kong Listing Rules in force as at the Latest Practicable Date.

Mr. Wang Tongzhou, the Director of the Company, concurrently acts as the chairman of the board of directors, the general manager and the secretary of the Party Committee of CCCG. Mr. Liu Maoxun, the Director of the Company, concurrently acts as the director of CCCG.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates (as defined in the Hong Kong Listing Rules) was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Hong Kong Listing Rules as if each of them were a controlling Shareholder).



**4. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors or Supervisors had any interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement, subsisting at the date of this supplemental circular, which is significant in relation to the business of the Group.

**5. CONSENT AND QUALIFICATION OF EXPERT**

- (a) The following is the qualification of the expert who has given an opinion or advice which is contained in this supplemental circular:

<b>Name</b>	<b>Qualification</b>
Somerley	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, the above expert did not have any shareholding directly or indirectly in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group and it had no interest, either directly or indirectly, in any assets which have been, since 31 December 2020 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (c) As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this supplemental circular with the inclusion herein of its letter and reference to its name and letter, where applicable, in the form and context in which it appears.

**6. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within a year without payment of any compensation (other than statutory compensation)).

**7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

**8. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Room 2805, 28th Floor Convention Plaza Office Tower 1 Harbour Road, Wanchai, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this supplemental circular up to and including the date of the AGM:

- (a) the letter from the Independent Board Committee, the text of which is set out in this supplemental circular;
- (b) the letter from Somerley, the text of which is set out in this supplemental circular;
- (c) the written consent of Somerley as referred to in this appendix; and
- (d) the Mutual Project Contracting Framework Agreement and the Supplemental Agreement to the Mutual Project Contracting Framework Agreement.