
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any of the contents of this circular or as to what action to take in relation to this 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 circular together with the 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)

- (1) PROPOSED ADOPTION OF 2022 INCENTIVE SCHEME;**
(2) PROPOSED ADOPTION OF THE MANAGEMENT MEASURES;
(3) PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES;
(4) PROPOSED ISSUE AND GRANT OF THE NEW A SHARES UNDER THE 2022 INCENTIVE SCHEME PURSUANT TO THE SPECIFIC MANDATE;
(5) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE THE RELEVANT MATTERS RELATED TO THE 2022 INCENTIVE SCHEME;
(6) NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING;
AND
(7) NOTICE OF 2023 FIRST H SHARE CLASS MEETING

A notice convening the EGM 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 Thursday, 27 April 2023 is set out on pages EGM-1 to EGM-2 of this circular.

A notice convening the H Share Class Meeting of the Company to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC immediately after the conclusion of the EGM and the A Share Class Meeting or any adjournment thereof on Thursday, 27 April 2023 is set out on pages HSCM-1 to HSCM-2 of this circular.

Whether or not you intend to attend the EGM and/or the H Share Class Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM and/or the H Share Class Meeting or any adjournment thereof (i.e. before 2:00 p.m. on Wednesday, 26 April 2023). Completion and return of the form of proxy will not preclude you as a Shareholder from attending and voting in person at the EGM and/or the H Share Class Meeting or at any adjourned meeting should you so wish.

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DEFINITIONS

In this circular, unless the content otherwise requires, the following expressions 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 SSE under the stock code 601800 and traded in Renminbi
“A Share Class Meeting”	the 2023 first class meeting for holders of the A Shares of the Company to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC on Thursday, 27 April 2023 immediately after the conclusion of the EGM, or any adjournment thereof
“Administrative Measures”	the Administrative Measures on Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
“Appraisal Management Measures”	the Appraisal Management Measures for Implementation of the 2022 Restricted Share Incentive Scheme of the Company
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“CCCCG”	China Communications Construction Group (Limited)* (中國交通建設集團有限公司), a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company
“Class Meeting(s)”	A Share Class Meeting and/or H Share Class Meeting
“Company”	China Communications Construction Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the H Shares of which are listed on the Hong Kong Stock Exchange under the stock code 1800 and the A Shares of which are listed on the SSE under the stock code 601800
“Company Law”	the Company Law of the People’s Republic of China
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the 2023 second extraordinary 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 Thursday, 27 April 2023

DEFINITIONS

“Grant Date”	the date on which the Company grants the Restricted Shares to the Participant(s), which must be a trading day
“Grant Price”	the price of each Restricted Share granted to the Participant(s)
“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
“H Share Class Meeting”	the 2023 first class meeting for holders of the H Shares of the Company to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC on Thursday, 27 April 2023 immediately after the conclusion of the EGM and the A Share Class Meeting, or any adjournment thereof
“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
“Incentive Scheme”, “2022 Incentive Scheme” or “Scheme”	the 2022 Restricted Share Incentive Scheme (Draft) of the Company
“Latest Practicable Date”	27 March 2023, being the latest practicable date prior to the printing of this circular of ascertaining certain information
“Lock-up Period”	the period during which the Restricted Share(s) shall not be transferred or used as guarantee or for repayment of debts
“Management Measures”	the Management Measures of the 2022 Restricted Share
“Ordinary Share(s)”	the A Share(s) and the H Share(s) (or either of them, as the case may be)
“Ordinary Shareholder(s)”	holder(s) of the Ordinary Share(s)
“Participant(s)”	the directors, senior management, middle management and core personnel of the Company to be granted with the Restricted Shares under the Incentive Scheme
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee under the board of directors of the Company

DEFINITIONS

“Restricted Share(s)”	the A Share(s) of the Company granted to the Participant(s) according to the conditions and price stipulated in the Incentive Scheme, which are subject to a Lock-up Period and can only be unlocked for trading when the unlocking conditions stipulated in the Incentive Scheme are satisfied
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration Commission of the State Council
“Securities Law”	the Securities Law of the People’s Republic of China
“Share(s)”	share(s) in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM and the Class Meetings to issue and allot not more than 117 million ordinary A Shares as Restricted Shares under the 2022 Incentive Scheme
“SSE”	the Shanghai Stock Exchange
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

LETTER FROM THE BOARD



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 Directors

WANG Tongzhou

WANG Haihui

LIU Xiang

SUN Ziyu

Registered Office:

85 De Sheng Men Wai Street

Xicheng District

Beijing 100088

the PRC

Non-executive Director

MI Shuhua

Principal Place of Business

in Hong Kong:

Room 2805, 28th Floor

Convention Plaza Office Tower

1 Harbour Road, Wanchai

Hong Kong

Independent non-executive Directors

LIU Hui

CHAN Wing Tak Kevin

WU Guangqi

ZHOU Xiaowen

4 April 2023

To the Shareholders,

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF 2022 INCENTIVE SCHEME;**
(2) PROPOSED ADOPTION OF THE MANAGEMENT MEASURES;
(3) PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES;
(4) PROPOSED ISSUE AND GRANT OF THE NEW A SHARES UNDER THE
2022 INCENTIVE SCHEME PURSUANT TO THE SPECIFIC MANDATE;
(5) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE THE
RELEVANT MATTERS RELATED TO THE 2022 INCENTIVE SCHEME;
(5) NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING;
AND
(6) NOTICE OF 2023 FIRST H SHARE CLASS MEETING

I. INTRODUCTION

Reference is made to the announcement of the Company dated 15 December 2022 in relation to (i) the proposed adoption of the 2022 Incentive Scheme; (ii) the proposed adoption of the Management Measures; (iii) the proposed adoption of the Appraisal Management Measures; (iv) the proposed issue and grant of the new A Shares under the 2022 Incentive Scheme pursuant to the specific mandate; and (v) the proposed authorization to the Board to handle the relevant matters related to the 2022 Incentive Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the notice of the EGM, the notice of the H Share Class Meeting and all the information which is necessary in order to enable you to make an informed decision on whether to vote for or against the abovementioned proposed resolutions at the EGM and the H Share Class Meeting.

II. PROPOSED ADOPTION OF THE 2022 INCENTIVE SCHEME

The principal terms of the 2022 Incentive Scheme are summarized as follows. For the full text, please refer to the **Appendix I** to this circular. A special resolution will be proposed at the EGM and the H Share Class Meeting to consider and, if thought fit, to approve the adoption of the 2022 Incentive Scheme.

(i) Purposes of the Incentive Scheme

The purpose of the Incentive Scheme is to further promote the establishment and improvement of the long-term incentive mechanism of the Company, attract and retain talents, fully mobilise the enthusiasm of the Directors, senior management, middle management and core personnel of the Company, and effectively align the interests of the Shareholders, the Company with the individual interests of the operators to focus on and work collectively for the long-term development of the Company.

(ii) Form and source of the Restricted Shares to be granted

The incentive instruments adopted in the Incentive Scheme are the Restricted Shares. The source of the Restricted Shares is the ordinary A Shares to be issued to the Participants by the Company.

(iii) Number of the Restricted Shares to be granted

A total number of up to 117 million Restricted Shares are proposed to be granted under the Incentive Scheme, representing 0.996% of the total issued ordinary A Shares of the Company (i.e. 11,747,235,425 ordinary A Shares) as at the Latest Practicable Date. Specifically:

1. First grant: 99.40 million Restricted Shares are granted under the first grant, representing 84.957% of the total Restricted Shares that are proposed to be granted under the Incentive Scheme and 0.846% of the total issued ordinary A Shares of the Company as at the Latest Practicable Date;
2. Reserved grant: 17.60 million Restricted Shares are granted under the reserved grant, representing 15.043% of the total Restricted Shares that are proposed to be granted under the Incentive Scheme and 0.150% of the total issued ordinary A Shares of the Company as at the Latest Practicable Date.

LETTER FROM THE BOARD

The total number of underlying shares involved in all effective share incentive schemes of the Company (being up to 117 million Restricted Shares) shall not exceed 10% of the total issued ordinary A Shares of the Company as at the Latest Practicable Date (i.e. approximately 1,174,723,543 A Shares), and the total number of restricted shares to be granted under all effective share incentive schemes to any one of the Participants under the Incentive Scheme shall not exceed 1% of the total issued ordinary A Shares of the Company. Save for the Incentive Scheme, the Company has not adopted any other share schemes as at the Latest Practicable Date.

Where any grant of Restricted Shares to a Director, chief executive of the Company or any of their associates would result in the ordinary A Shares issued and to be issued in respect of all shares granted to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the ordinary A Shares in issue, such further grant of Restricted Shares must be approved by the Shareholders at the general meeting.

(iv) Participants

1. *Basis for determining the Participants*

(1) *Legal basis for determining the Participants*

The Participants are determined in accordance with the Company Law, the Securities Law, the Trial Measures on Implementation of Share Incentive Schemes by State-Owned Listed Companies (Domestic) (《國有控股上市公司(境內)實施股權激勵試行辦法》), the Notice on Issues Concerning Regulating the Implementation of the Share Incentive Schemes by State-owned Listed Companies (《關於規範國有控股上市公司實施股權激勵制度有關問題的通知》), the Notice on Matters Concerning Further Improving Share Incentive Work of the State-Owned Listed Companies (《關於進一步做好中央企業控股上市公司股權激勵工作有關事項的通知》), the Guidelines for the Implementation of Share Incentive Schemes by the State-Owned Listed Companies (《中央企業控股上市公司實施股權激勵工作指引》), the Administrative Measures and the Hong Kong Listing Rules, as well as other relevant laws, regulations, normative documents and the relevant requirements of the Articles of Association and the actual situation of the Company.

(2) *Positions held by Participants in the Company*

The Participants are the incumbent directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries) at the time of the implementation of the Incentive Scheme.

Details of the basis for determining the Participants, please refer to “Chapter IV I. BASIS FOR DETERMINING THE PARTICIPANTS” as set out in the Appendix I to this circular.

LETTER FROM THE BOARD

2. *Scope of the Participants*

(1) *First grant*

The total number of the Participants at the first grant under the Incentive Scheme does not exceed 668. The specific scope of the Participants may include the directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries).

The proposed Participants under the first grant do not include the directors of the Company. For details of the allocation of the Restricted Shares under the first grant, please refer to the section headed “(v) The allocation of the Restricted Shares to be granted”.

None of the Participants shall be a person in charge of a central State-owned enterprise administrated by the Party Committee of SASAC, an independent Director, a supervisor, a Shareholder or actual controller individually or collectively holding more than 5% of the Shares and their respective spouse, parents or children.

Among the above Participants, a director must be elected at a general meeting, and a senior management member must be appointed by the Board. All Participants should be appointed, employed or hired by the Company or any of the branch or subsidiary of the Company when they are granted with incentive interests.

The Participants shall not participate in the share incentive schemes of two or more listed companies at the same time.

(2) *Reserved grant*

Participants of the reserved grant shall be determined within 12 months from the date on which the Incentive Scheme is considered and approved at the EGM, the A Share Class Meeting and the H Share Class Meeting. Upon the proposal by the Board, the opinions of the independent Directors and the Supervisory Committee, the professional opinions of the lawyers and the issuance of legal opinions, the Company will disclose the relevant information of the Participants on the designated website in a timely and accurate manner as required. If the Participants are not determined for more than 12 months, the reserved interests shall lapse. The basis for determining the Participants of the reserved grant shall refer to the basis of the first grant.

LETTER FROM THE BOARD

3. *Persons who are prohibited to participate in the 2022 Incentive Scheme*

- (1) he or she has been determined as an ineligible person by the SSE in the last 12 months;
- (2) he or she has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;
- (3) he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
- (4) he or she is prohibited from being a director or senior management of a company under the Company Law;
- (5) he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
- (6) he or she falls under any other circumstances as determined by the CSRC.

4. *Verification of the Participants*

- (1) After the Incentive Scheme is considered and approved by the Board and prior to the EGM, the A Share Class Meeting and the H Share Class Meeting held by the Company, the Company shall publish the list of the Participants internally for not less than 10 days.
- (2) The Company shall carry out self-investigations on the trading of shares and derivatives of the Company by insiders during the six months' period prior to the announcement of the Incentive Scheme to examine whether there has been any insider trading. A person who possesses inside information and involves in trading the shares, shall not be a Participant, save as where such trading does not constitute insider trading pursuant to laws, administrative regulations and relevant judicial interpretations. A person who leaks inside information that leads to insider trading shall not be a Participant.
- (3) The Supervisory Committee shall review the list of the Participants and take sufficient consideration of the public opinions. The Company shall disclose the explanation of the Supervisory Committee regarding the review of the list of Participants and the status of announcement five days prior to the consideration of the Incentive Scheme at the EGM, the A Share Class Meeting and H Share Class Meeting. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the Supervisory Committee of the Company.

LETTER FROM THE BOARD

5. *Relevant corporate measures*

The Company has adopted the following corporate governance measures on the adoption and implementation of the 2022 Incentive Scheme:

- (1) At present and in the future, the Participants do not and will not participate in the design, implementation, administration and management of the 2022 Incentive Scheme. Pursuant to the terms of the Incentive Scheme, the Remuneration and Appraisal Committee is responsible for preparing the Incentive Scheme and the grant plan, formulating the Appraisal Management Measures, leading and organizing the assessment of the Participants (including but not limited to determining the eligibility of the Participants to unlock their Restricted Shares and the number thereof). According to the relevant regulations, all members of the Remuneration and Appraisal Committee are non-executive Directors, and they shall not be the Participants under the 2022 Incentive Scheme. As at the Latest Practicable Date, the Remuneration and Appraisal Committee comprises one non-executive Director (namely Mr. Mi Shuhua) and four independent non-executive Directors (namely Mr. Liu Hui, Mr. Chan Wing Tak Kevin, Mr. Wu Guangqi and Mr. Zhou Xiaowen), none of whom is a Participant under the 2022 Incentive Scheme.
- (2) When the Board considers matters relating to the Incentive Scheme, any Director who is a Participant or a related party of any Participant shall abstain from voting. In addition, when matters relating to the Incentive Scheme is being considered at the general meeting, the A Share class meeting and the H Share class meeting, any Shareholder who is a Participant or a related party of any Participant shall abstain from voting.

LETTER FROM THE BOARD

(v) The allocation of the Restricted Shares to be granted

The allocation of the Restricted Shares proposed to be granted under the Incentive Scheme among the Participants is set out in the table below:

Name	Position	Number of Restricted Shares to be granted (0'000 shares)	Percentage of the total Restricted Shares to be granted	Percentage of the total issued ordinary A Shares of the Company as at the Latest Practicable Date		
ZHU Hongbiao	Chief financial officer	35	0.299%	0.003%		
YANG Zhichao	Vice president	35	0.299%	0.003%		
ZHOU Changjiang	Secretary to the Board	30	0.256%	0.003%		
Middle management personnel and core personnel (no more than 665)	Connected persons at the first grant	YOU Ruikai (由瑞凱)	Director of a subsidiary	20	0.171%	0.002%
		YOU Bin (游斌)	Director of a subsidiary	20	0.171%	0.002%
		ZHANG Zhiming (張志明)	Director of a subsidiary	20	0.171%	0.002%
		ZHANG Wensheng (張文勝)	Director of a subsidiary	15	0.128%	0.001%
		PAN Zhongming (潘中明)	Supervisor of a subsidiary	15	0.128%	0.001%
		LI Huiming (李惠明)	Director of a subsidiary	20	0.171%	0.002%
		HAN Guoming (韓國明)	Director of a subsidiary	20	0.171%	0.002%
		LI Yingjun (李英俊)	Director of a subsidiary	20	0.171%	0.002%
		WU Song (吳松)	Director of a subsidiary	15	0.128%	0.001%
		LIU Jianjun (劉建軍)	Supervisor of a subsidiary	15	0.128%	0.001%
		CAI Fengxiang (蔡奉祥)	Director of a subsidiary	20	0.171%	0.002%
		LIAO Jiajun (廖家軍)	Director of a subsidiary	20	0.171%	0.002%
		ZHOU Taoyu (周桃玉)	Supervisor of a subsidiary	15	0.128%	0.001%
		CHEN Shiyong (陳士勇)	Supervisor of a subsidiary	15	0.128%	0.001%
		Sub-total		250	2.137%	0.021%
		Other middle management personnel and core personnel (no more than 651)		9,590	81.966%	0.817%
Sub-total		9,840	84.103%	0.838%		
Total of the first grant (no more than 668)		9,940	84.957%	0.846%		
Reserved grant		1,760	15.043%	0.150%		
Total		11,700	100.000%	0.996%		

LETTER FROM THE BOARD

Notes:

1. The Participants shall not be a participant in the share incentive schemes of two or more listed companies at the same time and shall not be a Shareholder or actual controller of the Company holding more than 5% of the Shares of the Company and their respective spouse, parents or children.
2. The total number of the Company's shares granted under all effective share incentive schemes to any of the aforesaid Participants does not exceed 1% of the total issued ordinary A Shares of the Company as at the Latest Practicable Date. The total number of underlying shares involved in all effective share incentive schemes of the Company does not exceed 10% of the total issued ordinary A Shares of the Company as at the Latest Practicable Date.
3. The value of the incentive interests granted to the Directors and senior management shall be determined at no more than 40% of the total remuneration level (including the value of interests granted) at the time of grant, and the value of the interests granted to other Participants such as the core personnel in management, technology and business shall be determined reasonably by the Board. If relevant policies are adjusted within the term of the Incentive Scheme, the Board may revise this clause in accordance with the adjustments stipulated by relevant authorities.
4. The total number of the issued shares and shares to be issued for the incentive interests granted to any of the Participants in the past 12 months does not exceed 0.1% of the total issued ordinary A Shares of the Company as at the Latest Practicable Date.
5. Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

(vi) Term, Grant Date, unlocking arrangements and selling restrictions

1. *Term of the Incentive Scheme*

The Term of the Incentive Scheme shall commence from the completion date of registration of the Restricted Shares under the first grant and end on the date of all the Restricted Shares granted to the Participants having been unlocked or repurchased, the maximum period of which shall not exceed 72 months.

2. *Grant Date of the Incentive Scheme*

The Grant Date shall be determined by the Board after the Incentive Scheme is submitted to the EGM, the A Share Class Meeting and the H Share Class Meeting for approval. Within 60 days from the date on which the Incentive Scheme is approved by the EGM, the A Share Class Meeting and the H Share Class Meeting and the conditions for the grant are satisfied, the Company will hold the Board meeting to grant the Participants and complete the registration, announcement and other relevant procedures in accordance with the relevant regulations. In the event the Company fails to complete the procedures mentioned above within such 60-day period, it shall terminate the implementation of the Incentive Scheme. The Restricted Shares which have not been granted shall lapse. The reserved portion shall be granted by the Board within 12 months after the Incentive Scheme is approved by the EGM, the A Share Class Meeting and the H Share Class Meeting.

LETTER FROM THE BOARD

The Grant Date must be a trading day, and the Company shall not grant any Restricted Shares to the Participants during any of the following period:

- (1) the Restricted Shares may not be granted after the Company becomes aware of inside information until and including the trading day following the announcement of such information; in particular, the Restricted Shares may not be granted during the period commencing one month immediately before the earlier of:
 - 1) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange under the Hong Kong Listing Rules) for approving any annual, interim, quarterly or any other interim results of the Company (whether or not required by the Hong Kong Listing Rules); and
 - 2) the deadline for the Company to announce annual or interim results under the Hong Kong Listing Rules, or quarterly or any other interim results (whether or not required by the Hong Kong Listing Rules), and ending on the date of the results announcement. No incentive interests may be granted during any period of delay in publishing a results announcement by the Company;
- (2) within 10 days prior to the publication of estimated results and preliminary results of the Company;
- (3) the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the shares and derivatives of the Company or the date on which decision-making procedures commence and ending on the date of disclosure in accordance with laws;
- (4) such other period as stipulated by the CSRC, the SSE and the Hong Kong Stock Exchange.

The aforementioned period shall not be included in the 60-day period. Where a Participant who is a Director or a member of the senior management reduces his/her shareholding in the Company within 6 months prior to the grant of the Restricted Shares, the grant of the Restricted Shares shall be postponed for 6 months from the date of the latest shareholding reduction in accordance with the short-term trading requirements under the Securities Law. Such postponement shall not be included in the abovementioned 60-day period.

The Company will also comply with the relevant requirements of the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules when granting the Restricted Shares to the Directors.

If the relevant laws, administrative regulations, departmental regulations or normative documents change in the future, the new requirements shall prevail.

LETTER FROM THE BOARD

3. *Lock-up Period of the Incentive Scheme*

The Restricted Shares granted under the Incentive Scheme shall be unlocked in three batches, and the Lock-up Period of each batch is 24 months, 36 months and 48 months respectively from the completion date of registration of the corresponding grant. During the Lock-up Period, the Restricted Shares granted to the Participants under the Incentive Scheme shall be restricted for sale and shall not be transferred, used as security or for repayment of debts. The shares entitled by the Participants as a result of the capitalisation issue, bonus issue and sub-division of shares, etc. in connection with the granted Restricted Shares that have not yet been unlocked are simultaneously locked in accordance with the Incentive Scheme. Upon unlocking, the Company will handle the unlocking matters for the Participants who meet the conditions, and the Restricted Shares held by the Participants who do not meet the unlocking conditions will be repurchased by the Company.

4. *Unlocking arrangements under the Incentive Scheme*

The unlocking schedule for the Restricted Shares of the Incentive Scheme under the first grant and the reserved grant are set out below:

Unlocking arrangements	Unlocking schedule	Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted
The first unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 36-month period from the date of completion of registration of such grant	34%
The second unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 48-month period from the date of completion of registration of such grant	33%

LETTER FROM THE BOARD

Unlocking arrangements	Unlocking schedule	Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted
The third unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 60-month period from the date of completion of registration of such grant	33%

5. *Selling restrictions under the Incentive Scheme*

The selling restrictions under the Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and the relevant laws, regulations, normative documents and the Articles of Association, the details of which are as follows:

- (1) Where a Participant is a Director and a member of the senior management, the number of shares that may be transferred by him/her each year during his/her term of office shall not exceed 25% of the total number of the shares of the Company held by him/her; and no transfer of the shares of the Company shall be made within six months from his/her departure from the Company.
- (2) Where a Participant is a Director and a member of the senior management, if he/she disposes of any shares of the Company held by him/her within 6 months after they were acquired or acquire any shares within 6 months after they were disposed of, the gains arising from the transactions shall belong to the Company, and the Board shall collect all such gains.

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- (3) Participant who is a Director or a member of the senior management shall prolong the Lock-up Period of 20% of the aggregate Restricted Shares granted to him/her to the expiry of his/her term of office and the unlocking of the Restricted Shares is subject to his/her performance appraisal or the result of economic duty audit during such term.

Whether a Participant is a Director or a member of the senior management shall be determined based on the position such Participant holds at the time when he/she was granted the Restricted Shares under the Incentive Scheme; performance appraisal or economic duty audit of a Participant refers to those conducted during the term of office during the year when the Participants were granted the Restricted Shares under the Incentive Scheme.

- (4) If, during the term of the Incentive Scheme, there is any amendment to the requirements regarding transfer of Shares held by a Director and a member of the senior management under the Company Law, the Securities Law and relevant laws, regulations, normative documents and the Articles of Association, such provisions of the amended the Company Law, the Securities Law and relevant laws, regulations, normative documents and the Articles of Association shall apply to the shares of the Company transferred by the corresponding Participants.

(vii) Grant Price and basis of determination of the Grant Price

1. The first grant

(1) Grant Price under the first grant

The Grant Price under the first grant shall be RMB5.33 per share, i.e. upon fulfilment of grant conditions, Participants are entitled to purchase the ordinary A Shares of the Company granted to the Participants by the Company at the price of RMB5.33 per Share.

(2) Basis for determining the Grant Price under the first grant

According to the Article 23 of the Administrative Measures and the Article 26 of the Guidelines for Implementation of Share Incentive Schemes by the State-Owned Listed Companies (《中央企業控股上市公司實施股權激勵工作指引》), the Grant Price under this grant shall not be less than the nominal value of the Shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices:

- 1) the average trading price of the A Shares of the Company on the last trading day prior to the date of announcement of the Incentive Scheme (i.e. RMB8.875 per share);

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- 2) any of the average trading prices of the A Shares of the Company for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of the Incentive Scheme (i.e. RMB8.837 per share, RMB8.413 per share and RMB8.449 per share).

Based on the above pricing principles, the Grant Price under the first grant of the Restricted Shares under the Incentive Scheme shall be RMB5.33 per share.

2. *The reserved grant*

The grant of the reserved Restricted Shares is subject to the consideration and passing of related resolutions by the Board and the disclosure of related information. The Grant Price of the reserved Restricted Shares shall not be less than the nominal value of the shares, and shall not be lower than 60% of the higher of the following prices:

- (1) the average trading price of the A Shares of the Company on the last trading day prior to the date of announcement of Board resolutions on the grant of the reserved Restricted Shares;
- (2) any of the average trading prices of the A Shares of the Company for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of Board resolutions on the grant of the reserved Restricted Shares.

(viii) Conditions of grant and unlocking of the Restricted Shares

1. *Conditions of grant of the Restricted Shares*

The Company shall only grant Restricted Shares to the Participants in accordance with the Incentive Scheme upon satisfaction of all of the following conditions:

- (1) *None of the following events with respect to the Company has occurred:*
 - 1) a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement of the Company for the latest accounting year;
 - 2) a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement of the Company for the latest accounting year;
 - 3) the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - 4) prohibition from implementation of a share incentive scheme by laws and regulations;

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- 5) other circumstance as determined by the CSRC.
- (2) *None of the following events with respect to the Participant has occurred:*
- 1) he or she has been determined as an ineligible person by the SSE in the last 12 months;
 - 2) he or she has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;
 - 3) he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
 - 4) he or she is prohibited from being a director or senior management of a company under the Company Law;
 - 5) he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
 - 6) he or she falls under any other circumstances as determined by the CSRC.
- (3) *The Company is deemed to have achieved the performance target if all of the following conditions are satisfied:*
- 1) the weighted average return on net assets for 2021 shall not be less than 7.5%, and not lower than 50 percentile of benchmarking enterprises or the industry average;
 - 2) on the basis of the results for 2020, the growth rate of the net profit for 2021 shall not be less than 8%, and not lower than 50 percentile of benchmarking enterprises or the industry average;
 - 3) the economic value added (EVA) performance targets set by SASAC in 2021.

If the Company fails to meet the conditions of the grant, no Restricted Share shall be granted according to the Incentive Scheme by the Company in the current period; if the Participants fail to meet the conditions of the grant, no Restricted Share shall be granted to Participants according to the Incentive Scheme by the Company in the current period.

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2. *Unlocking conditions for the Incentive Scheme*

The Restricted Shares may only be unlocked by the Company in accordance with the Incentive Scheme upon satisfaction of all of the following conditions:

(1) *None of the following events with respect to the Company has occurred:*

- 1) a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement of the Company for its most recent accounting year;
- 2) a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement of the Company for its most recent accounting year;
- 3) the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
- 4) prohibition from implementation of any share incentive scheme by laws and regulations;
- 5) other circumstance as determined by the CSRC.

(2) *None of the following events with respect to the Participant has occurred:*

- 1) he or she has been determined as an ineligible person by the SSE in the last 12 months;
- 2) he or she has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;
- 3) he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
- 4) he or she is prohibited from being a director or senior management of a company under the Company Law;
- 5) he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
- 6) he or she falls under any other circumstances as determined by the CSRC.

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In case of occurrence of any of the circumstances as stipulated in paragraph (1) above to the Company, all the Restricted Shares that have been granted to the Participants but not yet unlocked under the Incentive Scheme shall be repurchased by the Company in accordance with regulations; in case of occurrence of any of the circumstances as stipulated in paragraph (2) above to a Participant, the Restricted Shares that have been granted to such Participant but not yet unlocked under the Incentive Scheme shall be repurchased by the Company in accordance with regulations.

(3) *Achievement of the performance appraisal conditions of the Company*

The Restricted Shares under the Incentive Scheme shall be unlocked based on the performance appraisal to be conducted on an annual basis during the three accounting years (2023–2025):

- 1) The performance appraisal targets for unlocking the Restricted Shares to be granted under the first and the reserved grant under the Incentive Scheme is shown in the following table:

Unlocking Period	Performance appraisal targets
The First Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<ol style="list-style-type: none">(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2023 shall not be less than 8%, and not lower than 75 percentile of benchmarking enterprises or the industry average;(2) the weighted average returns on net assets for 2023 shall not be less than 7.7%, and not lower than 75 percentile of benchmarking enterprises or the industry average;(3) achieve the economic value added (EVA) performance targets of SASAC for 2023.

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Unlocking Period	Performance appraisal targets
The Second Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<p>(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2024 shall not be less than 8.5%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(2) the weighted average returns on net assets for 2024 shall not be less than 7.9%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(3) achieve the economic value added (EVA) performance targets of SASAC for 2024.</p>
The Third Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<p>(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2025 shall not be less than 9%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(2) the weighted average returns on net assets for 2025 shall not be less than 8.2%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(3) achieve the economic value added (EVA) performance targets of SASAC for 2025.</p>

Notes:

1. “Net profit” represents the net profit in the consolidated statements announced in the annual financial statements of the Company;
2. If the major asset restructuring as determined by a superior authority or strategic measures as debt-to-equity, increase in capital and shares, rights issue, issuance of preferred shares and perpetual bonds implemented by the Company in response to the call of national policies related to deleveraging and debt reduction may affect the relevant performance indicators and force majeure events encountered by the Company have significant influence on operating results, resulting in incomparability of relevant performance indicators, the Board is authorized to restore the actual value of the relevant performance indicators.

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Pursuant to the Article 26 of the Administrative Measures, in the event that the Company's performance appraisal targets of Restricted Shares in certain Unlocking Period could not be achieved, all Participants' current Restricted Shares shall not be unlocked and shall be repurchased and cancelled by the Company at the lower of the Grant Price and the market price (i.e. the average trading price of the Company's underlying shares in one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) of such shares in accordance with the Incentive Scheme.

2) Selection of benchmark companies of unlocking appraisal

The Company falls within the "construction – civil engineering construction" industry under the industry classification by the CSRC. The above average performance of the "industry peers" refers to those of all A-share listed companies falling within the "construction – civil engineering construction" industry. The principal business of the Company is infrastructure construction, and 26 listed companies are selected by the Company as the benchmark companies based on the types of the business, the operating scale and other aspects. Details are listed as follows:

Stock Code	Stock Name	Stock Code	Stock Name
601668.SH	China State Construction	600491.SH	Longyuan Construction
601669.SH	PowerChina	600284.SH	Pudong Construction
601868.SH	China Energy Engineering	601068.SH	China Aluminum International
601186.SH	China Railway Construction	002941.SZ	Xinjiang Communications Construction
601390.SH	China Railway	600820.SH	Shanghai Tunnel Engineering
601117.SH	China National Chemical Engineering	603316.SH	Chengbang Eco-Environment
601618.SH	China Metallurgical	603843.SH	Zhengping Road & Bridge
600170.SH	Shanghai Construction	605598.SH	Geoharbour
002051.SZ	China CAMC	603815.SH	Anhui Gourgen Traffic Construction
002307.SZ	Xinjiang Beixin Road & Bridge	002061.SZ	Zhejiang Communications Technology

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Stock Code	Stock Name	Stock Code	Stock Name
002542.SZ	China Zhonghua Geotechnical Engineering	600072.SH	CSSC Science & Technology
002628.SZ	Chengdu Road & Bridge	0659.HK	NWS Holdings
600463.SH	Beijing Airport	1038.HK	CK Infrastructure Holdings

If the industry classification of the Company or the industry constituent stock of industry peers is adjusted by relevant institutions during the term of the Incentive Scheme, the Company shall adopt the latest updated industry classification information for the appraisal in the respective year. If there are any significant changes in principal business or extreme values or abnormal values with overly excessive operating performance variation in the samples of the industry peers or benchmark companies, the Board may remove or change the relevant samples according to the actual situations.

(4) *Achievement of the performance appraisal conditions at subsidiary level*

According to the performance appraisal conditions for the subsidiaries established by the Company, the linkage coefficients of unlocking quota of the Participants in the subsidiaries with the results of performance appraisal of the subsidiaries they belong to are as follows:

Rank of appraisal	A	B	C	D
Appraisal coefficient for the subsidiary	100%	100%	80%	0

The actual unlocking amounts held by the Participants in the appraisal year of the subsidiary = appraisal coefficient for the subsidiary × the amounts of Restricted Shares that are planned to be unlocked in the appraisal year of the subsidiary.

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(5) *Achievement of the performance appraisal conditions of the Participants at individual level*

The individual appraisal of the Participants shall be conducted annually in accordance with the Appraisal Management Measures, the percentage of unlocking of the Restricted Shares for the year shall be determined in accordance with individuals' performance evaluation results. The individuals' actual unlocking limit for the current year = individual appraisal coefficient × limit of shares planned to be unlocked by individuals in the current year. Details are as follows:

Rank of appraisal	A	B	C	D
Appraisal coefficient for individual	100%	100%	80%	0

If the Restricted Shares currently, held by the Participants, are unable to be wholly or partly unlocked as a result of the performance appraisal at the Company, subsidiary or individual level, such shares shall not be unlocked, or be deferred until the next Unlocking Period, and the Company shall repurchase those Restricted Shares at the lower of the Grant Price and the market price (i.e. the average trading price of the Company's underlying Shares in the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of the repurchase) of the shares during repurchasing.

3. *Scientificity and reasonableness of the appraisal indicators*

The appraisal indicators of the Incentive Scheme are categorised into three levels, i.e. company level, the subsidiary level and the individual level.

The Company has selected compound growth rate of net profit, the weighted average returns on net assets and EVA as the performance appraisal indicators at company level. The above indicators are the core financial indicators of the Company, reflecting the Company's ability of development, shareholders' return and creating value of the Company, respectively. After a reasonable forecast and taking into account the incentive effect of the Incentive Scheme, the Company has set reasonable performance appraisal targets for the Incentive Scheme. The setting of performance targets for the Incentive Scheme is challenging on the basis of ensuring the feasibility of the Incentive Scheme, and can realize the principle of "incentive and constraint equivalence". In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which comprehensively evaluates the performance of the Participants in an accurate and all-round manner. The Company will determine whether the Participants meet the Unlocking Conditions based on their performance appraisal results.

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In conclusion, the appraisal system for the Incentive Scheme is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Participants and can serve the appraisal goal of the Incentive Scheme.

Details of the unlocking conditions, please refer to “Chapter VIII CONDITIONS OF GRANTING AND UNLOCKING RESTRICTED SHARES” as set out in the Appendix I to this circular.

(ix) Methods and procedures for adjustments

1. *Methods of adjusting the number of Restricted Shares*

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation or other issues of the Company in the period from the date of the announcement on the Incentive Scheme to the completion of the registration of the Restricted Shares granted to the Participants, the number of the Restricted Shares shall be adjusted accordingly. The adjustment methods are as follows:

(1) *Capitalisation issue, bonus issue and sub-division of shares*

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Restricted Shares before the adjustment; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares (i.e. the increase in the number of shares per share upon capitalisation issue, bonus issue and sub-division of shares); Q represents the adjusted number of the Restricted Shares.

(2) *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Restricted Shares before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of the Restricted Shares.

(3) *Share consolidation*

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); Q represents the adjusted number of the Restricted Shares.

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(4) *Dividend distribution and new issue*

Under the circumstances of dividend distribution or issue of new shares by the Company, no adjustment will be made to the number of the Restricted Shares.

2. *Methods of adjusting the Grant Price*

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation, dividend distribution or other issues of the Company in the period from the date of the announcement on the Incentive Scheme to the completion of registration of the Restricted Shares granted to the Participants, the Grant Price shall be adjusted accordingly. The adjustment methods are as follows:

(1) *Capitalisation issue, bonus issue and sub-division of shares*

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares; P represents the adjusted Grant Price.

(2) *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

(3) *Share consolidation*

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); P represents the adjusted Grant Price.

(4) *Dividend distribution*

$$P = P_0 - V$$

Where: P_0 represents the Grant Price before the adjustment; V represents the dividend per share; P represents the adjusted Grant Price. Upon adjustment of dividends, P shall still be greater than 1.

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(5) *New issue*

Under the circumstance of issue of new shares by the Company, no adjustment will be made to the Grant Price.

3. *Adjustment procedures of the Incentive Scheme*

- (1) The EGM shall authorize the Board to adjust the number of the Restricted Shares or the Grant Price for the reasons listed above. After adjusting the number of the Restricted Shares or the Grant Price in accordance with the above provisions, the Board shall make a timely announcement and notify the Participants.
- (2) If the number and Grant Price of and other terms under the Restricted Shares need to be adjusted for other reasons, such adjustments shall be re-submitted to the general meeting, the A Share class meeting and the H Share class meeting for consideration and approval after being considered by the Board.
- (3) The Company shall engage a lawyer to provide professional opinions to the Board as to whether the above adjustments comply with the provisions of relevant documents of the CSRC or relevant regulatory authorities, as well as the provisions under the Articles of Association and the Incentive Scheme.

(x) Accounting treatment of and impact on the operating performance

1. *Accounting treatment*

In accordance with the requirements of the Accounting Standards for Business Enterprise No. 11 – Share-based Payments (《企業會計準則第11號 – 股份支付》), at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion status of the performance targets and other subsequent information, and recognise the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

- (1) Accounting treatment on the Grant Date: The share capital and capital reserve shall be recognized according to the granting of interests to the Participants by the Company.
- (2) Accounting treatment during the Lock-up Period: Pursuant to the requirements of the accounting standards, the services provided by the staff will be recognised as costs and the owners' equity or liabilities will also be recognised on each balance sheet date during the Lock-up Period.
- (3) Accounting treatment on the unlocking date: If the unlocking conditions are fulfilled, the Restricted Shares shall be unlocked; if all or part of the shares that have not been unlocked are repurchased by the Company, such shares will be dealt with pursuant to the accounting standards and relevant requirements.

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2. *Determination method of the fair value of the Restricted Shares*

The fair value of the Restricted Shares shall be determined on the basis of the market price on the Grant Date and the subscription price of the Participants.

3. *Impact of the share-based payments on the Company's operating performance of each period*

The Company will grant 99.40 million Restricted Shares to the Participants under the first grant. Assuming that such shares will be granted on 1 March 2023 and the difference between the closing price on the Grant Date (assuming that the closing price on the Grant Date is the closing price on the day of the Board meeting for considering the Incentive Scheme) and the Grant Price will be taken as the fair value of the Restricted Shares, it is estimated that the total amortisation expense of the Restricted Shares will amount to RMB354.8580 million. Such amortisation expense shall be recognised in phases based on the unlocking proportions during the implementation of the share incentive scheme, and will be charged to recurring gain or loss. Details are shown in the table below:

Unit: RMB0'000

2023	2024	2025	2026	2027
10,719.67	12,863.60	7,836.45	3,578.15	487.93

Note: The above figures do not constitute the final accounting cost. Other than the Grant Date, Grant Price and number of shares to be granted, accounting cost also relates to the actual number of effective and lapsed entitlements. The final result of the above impact on the operating performance of the Company shall be subject to the annual auditor's report to be issued by the auditors. The accounting treatment of the reserved Restricted Shares is the same as the accounting treatment of the Restricted Shares of the Incentive Scheme under the first grant.

The total costs incurred from the Incentive Scheme will be charged to the recurring gains or losses. As estimated by the Company based on the current condition, without considering the stimulus effects of the Incentive Scheme on the performance of the Company, the amortization of the costs of the Incentive Scheme will have an impact on the net profit of each year during its term but the impact won't be significant. Taking into consideration the positive impact of the Incentive Scheme on the development of the Company, it will stimulate the enthusiasm of the management team, improve the operating efficiency, and reduce agency costs. It is expected that the performance improvement of the Company brought by the Incentive Scheme shall far exceed the increase in costs incurred by the Incentive Scheme.

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(xi) Implementation, grant and unlocking procedures

1. Procedures for the Incentive Scheme to become effective

- (1) The Remuneration and Appraisal Committee shall be responsible for preparing the Incentive Scheme, and submitting it to the Board for consideration.
- (2) The independent Directors and the Supervisory Committee shall provide opinions on matters as to whether the Incentive Scheme may benefit the Company's sustainable development, and whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole. The Company shall engage a law firm to issue legal opinion on the Incentive Scheme, and publish the legal opinion simultaneously with the Incentive Scheme. The Company will engage an independent financial adviser to provide professional opinions as to the feasibility of the Incentive Scheme, whether it is beneficial to the Company's sustainable development, whether there is any damage to the interests of the Company and its impact on the interests of the Shareholders.
- (3) Before convening the EGM, the A Share Class Meeting and the H Share Class Meeting, the Company shall publish the name and position of the Participants internally via Company website or other channels for not less than 10 days. The Supervisory Committee shall review the list of the Participants under the share incentives and take sufficient consideration of public opinions. The Company shall disclose the explanation of the Supervisory Committee regarding the review of the list of Participants and the announcements of such list five days prior to the consideration of the Incentive Scheme at the EGM, the A Share Class Meeting and the H Share Class Meeting.
- (4) The Company should carry out self-investigation on the trading of the Company's shares by insiders during the six months' period prior to the announcement of the Incentive Scheme to examine whether there was any insider trading.
- (5) The Incentive Scheme shall be reviewed and approved by SASAC upon the approval and consent of CCCG.
- (6) The Company shall issue notices on the convening of the EGM, the A Share Class Meeting and the H Share Class Meeting.

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- (7) When general meeting(s), A Share class meeting(s) and H Share class meeting(s) is/are convened to consider the share incentive scheme, the independent Directors shall solicit proxy voting rights from all Shareholders regarding the Incentive Scheme. Content of the share incentive scheme as specified in Article 9 of the Administrative Measures shall be proposed and voted by the Shareholders, the holders of A Shares and the holders of H Shares, and be approved by more than 2/3 of the voting rights held by the attending Shareholders. Voting by Shareholders other than the Directors, supervisors, senior management and the Shareholders individually or collectively holding more than 5% of the Company's shares shall be separately counted and disclosed.

When the Incentive Scheme is being considered at the EGM, the A Share Class Meeting and the H Share Class Meeting, any Shareholder who is a Participant or related to any Participant shall abstain from voting.

- (8) When the Incentive Scheme is considered and approved by the EGM, the A Share Class Meeting and the H Share Class Meeting, and the grant conditions as specified in the Incentive Scheme are met, the Company shall grant the Restricted Shares to the Participants within the specified time. Upon authorization by the EGM, the Board shall be responsible for the grant, unlocking and repurchase of Restricted Shares.

2. Procedures for grant under the Incentive Scheme

- (1) The Remuneration and Appraisal Committee is responsible for formulating the plan for granting Restricted Shares upon the approval of Incentive Scheme by the EGM, the A Share Class Meeting and the H Share Class Meeting;
- (2) The Board shall consider and approve the plan for granting Restricted Shares proposed by the Remuneration and Appraisal Committee;
- (3) Before the Company grants interests to the Participants, the Board shall review and announce whether the conditions for such grant as set in the Incentive Scheme have been met. The independent Directors and the Supervisory Committee shall give their clear opinions concurrently; the engaged law firm shall issue legal opinions as to whether the conditions for such grant have been met; and the independent financial adviser shall give its clear opinions concurrently;
- (4) The Supervisory Committee shall check whether the list of Participants who are granted with Restricted Shares is consistent with those as specified in the Incentive Scheme approved by the EGM, the A Share Class Meeting and the H Share Class Meeting;
- (5) The Company shall sign agreements on the granting of Restricted Shares with the Participants in order to determine their respective rights and obligations, including the amount and period of payment for such shares by the Participants;

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- (6) The Participants shall pay the consideration for subscribing the Restricted Shares into the account designated by the Company and have it verified and confirmed by a certified public accountant, otherwise such Participant shall be deemed as having waived his/her rights to subscribe for the granted Restricted Shares;
- (7) After the Incentive Scheme is considered and approved by the EGM, the A Share Class Meeting and the H Share Class Meeting, the Company shall grant the Restricted Shares to the Participants and complete the announcement and registration within 60 days. The Board shall disclose the announcement on the relevant implementation in a timely manner after the completion of the registration of the granted Restricted Shares. If the Company fails to complete the abovementioned work within 60 days, the implementation of the Incentive Scheme shall be terminated, and the Board shall disclose the reasons for the failure in a timely manner and shall not consider the share incentive scheme again within three months (the period during which a listed company is not allowed to grant restricted shares according to the Administrative Measures shall not be counted in the above 60 days);
- (8) If a senior management personnel, as a Participant, has reduced his/her holdings of the Company's shares within six months before the grant of the Restricted Shares and there is no case of trading with insider information after verification, the Company may defer the grant of Restricted Shares to such senior management personnel to six months after the date of his/her last reduction transaction in accordance with the provisions of the Securities Law on short-term trading;
- (9) Before granting the Restricted Shares, the Company shall tender applications to the SSE to grant such Restricted Shares. Upon confirmation by the SSE, the Company shall apply to the relevant securities registration and clearing institution for registration and settlement matters;
- (10) After the registration of grant of the Restricted Shares is completed, the Company shall, go through the formalities in relation to the registration with the relevant administration for industry and commerce if the registration involves change in the registered capital of the Company.

3. *Procedures for unlocking the Restricted Shares*

- (1) Prior to the unlocking date, the Company shall confirm whether the Participants have satisfied the unlocking conditions. The Board shall consider whether the unlocking conditions under the Incentive Scheme have been satisfied and the independent Directors and the Supervisory Committee shall give their relevant clear opinions. The engaged law firm shall issue legal opinions as to whether the unlocking conditions have been satisfied by the Participants. As to the Participants who have satisfied the unlocking conditions, the Company shall handle the unlocking of Restricted Shares for all Participants. Restricted Shares held by Participants who have not satisfied the unlocking conditions which shall be unlocked will be repurchased by the Company. The Company shall disclose the implementation thereof timely by way of announcement.

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- (2) Participants may transfer their unlocked Restricted Shares whereas the transfer of the Restricted Shares held by Directors and senior management personnel shall comply with the requirements of the relevant laws, regulations and normative documents.
- (3) Before unlocking the Restricted Shares of Participants, the Company shall tender applications to the SSE to unlock such Restricted Shares. Upon confirmation by the SSE, the Company shall apply to the relevant securities registration and clearing institution for registration and settlement matters.

(xii) Other rights and obligations of the Company and the Participants

1. Rights and obligations of the Company

- (1) The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of the Participants based on the requirements under the Incentive Scheme. If the Participants fail to fulfill the unlocking conditions specified under the Incentive Scheme, the Company will repurchase the Restricted Shares, which have not been unlocked by the Participants, in accordance with the principles under the Incentive Scheme.
- (2) If the Participants breach their obligations of loyalty under the Company Law, the Articles of Association and others, or impair the interests and reputation of the Company due to breach of laws, violation of professional ethics, leak of confidential information of the Company, breach of duty or malfeasance, the Company shall repurchase the Restricted Shares that have not been unlocked; if the breach is serious, the Board shall have the right to recover all or part of gains derived from the unlocked Restricted Shares.
- (3) The Company shall not provide loans or financial assistance in any other forms, including guarantee for loans, to the Participants to obtain or unlock the relevant Restricted Shares under the Incentive Scheme.
- (4) The Company shall perform its reporting, information disclosure and other obligations under the Incentive Scheme in a timely manner in accordance with the relevant requirements.
- (5) The Company shall actively assist the Participants who have satisfied the unlocking conditions to unlock the selling restrictions in accordance with the relevant requirements of the Incentive Scheme, the CSRC, the SSE and the depository and clearing company. However, the Company shall not be responsible for any losses incurred by a Participant in the case that the Restricted Shares are not unlocked as the Participant so wishes by reasons relating to the CSRC, the SSE and the depository and clearing company.
- (6) The Company shall withhold and pay the individual income tax and other taxes and fees payable by the Participants according to the relevant provisions of the national tax laws and regulations.

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- (7) The Company's determination of the Participants of the Incentive Scheme does not mean that the Participants have the right to continue to serve the Company, nor does it constitute a commitment by the Company on staff employment duration. The employment relationship between the Company and the employees will remain in compliance with the labor contracts signed with the Participants.
- (8) Other relevant rights and obligations as stipulated by laws and regulations.

2. *Rights and obligations of the Participants*

- (1) The Participants shall comply with the requirements of their positions as expected by the Company, and shall work with diligence and responsibility, strictly observe professional conduct, and make contributions to the development of the Company.
- (2) The Participants shall comply with the selling restrictions under the Incentive Scheme in respect of the Restricted Shares being granted. The Restricted Shares granted to the Participants shall not be entitled to the disposal right to be transferred, or used as guarantee, or for repayment of debt before unlocking the Restricted Shares.
- (3) The funds shall be self-financed by the Participants.
- (4) Upon completion of registration of transfer by the depository and clearing company, the Restricted Shares granted to the Participants shall enjoy the rights as those conferred on the Shares, including but not limited to the rights to dividends, rights to rights issue and voting rights conferred by such Shares. However, if, within the Lock-up Period, the Participants are entitled to Shares arising from bonus issue, conversion of capital reserve into share capital, rights issue to original Shareholders upon issuance of new Shares in connection with the Restricted Shares which have been granted to the Participants, such Shares shall not be disposed of in the secondary market or otherwise transferred and shall be subject to the same expiry date of the Lock-up Periods as that of the Restricted Shares.
- (5) Any gains obtained by the Participants under the Incentive Scheme are subject to individual income tax and other taxes and fees according to the national tax laws. The Participants agree that the Company shall withhold and pay the aforesaid individual income tax.
- (6) The Participants undertake that, where there are false representations or misleading statements contained in, or material omissions from the information disclosure documents of the Company and as a result of which the conditions of grant or arrangements for exercise of rights are not satisfied, the Participants concerned shall return to the Company all interests obtained from the Incentive Scheme from the date when it is confirmed that the relevant information disclosure documents of the Company contain false representations, misleading statements or material omissions.

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- (7) Upon approval of the Incentive Scheme at the EGM, the A Share Class Meeting and the H Share Class Meeting, the Company will sign an agreement on the granting of Restricted Shares with each Participant setting out the respective rights and obligations as well as other relevant matters.
- (8) When the Company pays cash dividends, the Participants are entitled to the cash dividends in respect of the granted Restricted Shares after being withheld and paid the individual income tax. If such Restricted Shares fail to be unlocked, the Company shall deduct the cash dividend attributable to the Participants in repurchasing and cancelling the Restricted Shares in accordance with the requirements of the Incentive Scheme and make corresponding accounting treatment.
- (9) The Restricted Shares will be ordinary A Shares after being unlocked, and therefore the Participants holding the unlocked Restricted Shares will be ordinary Shareholders who are entitled to participate in the distribution of surplus property of the Company upon liquidation of the Company in proportion of their shareholding in the total issued ordinary shares of the Company in accordance with the Articles of Association. In an event of liquidation of the Company, granted Restricted Shares but not yet unlocked will be repurchased and cancelled by the Company in accordance with the Scheme and relevant laws and regulations.
- (10) Other relevant rights and obligations as stipulated by laws and regulations.

(xiii) Handling of changes in relation to the Company and the Participants

- I. The Company will terminate the Incentive Scheme upon occurrence of any of the following events:
 - (1) a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement of the Company for its most recent accounting year;
 - (2) a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement of the Company for its most recent accounting year;
 - (3) the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
 - (4) prohibition from implementation of any share incentive scheme by laws and regulations;

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- (5) other circumstances under which the Incentive Scheme shall be terminated as determined by the CSRC.

When the Company terminates the Incentive Scheme under any of the above circumstances, the granted Restricted Shares but not yet unlocked shall be repurchased by the Company at the lower of the Grant Price and the market price at the time of repurchase (i.e. the average trading price of the Company's underlying shares on one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) of such shares during repurchasing in accordance with the relevant provisions of the Incentive Scheme pursuant to the Article 26 of the Administrative Measures.

2. The Incentive Scheme shall remain unchanged in the event that any of the following events occurs to the Company:
 - (1) change in control of the Company;
 - (2) merger or separation of the Company.
3. Where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions of grant or arrangements for unlocking the restrictions, the Restricted Shares that are not yet unlocked shall be repurchased by the Company on a uniform basis. In respect of the Restricted Shares granted to the Participants which have been unlocked, all the Participants shall return to the Company all entitlements granted. If the Participants, who are not liable for the abovementioned events, suffer loss as a result of returning the entitlements, they may claim for damages from the Company or responsible parties in accordance with the relevant arrangements under the Incentive Scheme.

The Board shall recover all the profits gained by the Participants in accordance with the preceding provisions and relevant arrangements under the Incentive Scheme.

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4. *Changes to the individual circumstances of the Participants*

- (1) If the Participants sever or terminate their labour relationship or employment relationship with the Company due to any of the following events, provided that the exercisable period limits and the performance appraisal conditions of the granted interests have been fulfilled in the year of such termination, the exercisable portion shall be exercised within a half-year period after the date of such termination, or else the interests will lapse after the half- year period. If the exercisable period limits and the performance appraisal conditions have not been fulfilled in the year of such termination, the interests shall cease to be exercisable in principle. The Restricted Shares which are not yet eligible to be unlocked shall not be unlocked and shall be repurchased by the Company at the Grant Price plus interest on fixed bank deposits in the same period.
 - 1) the Participant is transferred from the Company and ceases to take office in the Company due to organizational arrangements, or becomes disqualified for the Incentive Scheme due to change of position;
 - 2) the Participant retires upon reaching the retirement age stipulated by law;
 - 3) the Participant is deceased (his/her legal successor shall unlock the restrictions as required, instead);
 - 4) the Participant loses the capacity for civil conducts;
 - 5) the Participant is removed or dismissed by the Company due to personal reasons other than incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.
- (2) When a Participant becomes an independent Director, a supervisor or a person who is prohibited from holding the Company's Restricted Shares, the Restricted Shares held by such Participant under the Incentive Scheme that are granted but are not yet unlocked shall be repurchased by the Company at the Grant Price plus the interests on fixed bank deposits in the same period.
- (3) All Restricted Shares held by a Participant that are still locked up shall be repurchased by the Company at a repurchase price equals to the lower of the Grant Price and the market price of shares (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) if any of the following circumstance occurs to such Participant:
 - 1) such Participant proposes to terminate his/her unexpired labor contract (including employment contract and service contract) with the Company;
 - 2) such Participant opts not to renew his/her labor contract (including employment contract and service contract) with the Company when the contract expires;

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- 3) such Participant is dismissed by the Company due to incompetence to the position, disqualification in performance appraisal, negligence and other personal reasons.
- (4) All Restricted Shares held by a Participant that are still locked up shall be repurchased by the Company at a repurchase price equals to the lower of the Grant Price and the market price of shares (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) if any of the following circumstance occurs to such Participant. At the same time, the Participant shall return to the Company the income brought by the Incentive Scheme.
 - 1) the results of the economic responsibility audit and others show that his/her duties are not performed effectively or such Participant is in serious dereliction of duty or malfeasance;
 - 2) non-compliance with relevant laws and regulations of the state and the Articles of Association;
 - 3) during his/her term of office, the Participant is subject to disciplinary actions by virtue of illegal behaviours, including bribery, corruption, theft, leakage of the Company's business and technical secrets, damages to the Company's interests and reputation and resulting in material negative impact on the Company's image through related-party transactions;
 - 4) the Participant fails to perform or fails to properly perform his/her duties, resulting in substantial asset losses and other serious adverse consequences to the Company.
- (5) Other circumstances that are not specified shall be identified by the Board and the consequences shall be determined thereby.

5. *Resolution of disputes between the Company and the Participants*

Any dispute arising between the Company and the Participants shall be resolved in accordance with provisions of the Incentive Scheme and the agreements on the granting of Restricted Shares. Disputes not explicitly covered by the provisions shall be resolved by negotiation in accordance with the national laws on fair and reasonable principles. Where negotiation is unsuccessful, litigation may be instigated at a competent People's Court in the Company's place of domicile.

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(xiv) Amendments to and termination of the Incentive Scheme

1. *Procedures for amendments to the Incentive Scheme*

- (1) Any proposed amendment to the Incentive Scheme by the Company prior to consideration of the Incentive Scheme by the Shareholders at the EGM, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval of the Board.
- (2) Any proposed amendment to the Incentive Scheme by the Company after approval of the Incentive Scheme by the Shareholders at the EGM, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval at a general meeting, A Share class meeting and H Share class meeting (except for matters authorized by the EGM to the Board), and such amendment shall not:
 - 1) result in the unlocking of restrictions in advance;
 - 2) reduce the Grant Price.

There are not any specific term of the Scheme that can be changed by the Directors without the approval of the Shareholders in general meeting after the Scheme is approved at the EGM, A Share Class Meeting and H Share Class Meeting.

- (3) The independent Directors and the Supervisory Committee shall give independent opinions on whether the amended scheme is beneficial for the sustainable development of the listed company or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.
- (4) The law firm shall issue professional opinions on whether the amended scheme complies with the requirements of the Administrative Measures and relevant laws and regulations or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.

2. *Procedures for termination of the Incentive Scheme*

- (1) Any proposed termination of the Incentive Scheme by the Company prior to consideration of the Incentive Scheme by the Shareholders at the EGM, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval of the Board.
- (2) Any proposed termination of the Incentive Scheme by the Company after approval of the Incentive Scheme by the Shareholders at the EGM, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval at a general meeting, A Share class meeting and H Share class meeting.

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- (3) The law firm shall issue professional opinions on whether the termination of the Incentive Scheme complies with the requirements of the Administrative Measures and relevant laws and regulations or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.
- (4) In case of termination of the Incentive Scheme, the Company shall repurchase the Restricted Shares that are still under locked-up and deal with such repurchased shares in accordance with the Company Law.
- (5) The Company shall lodge an application to the SSE prior to the repurchase of the Restricted Shares. Upon confirmation by the SSE, the securities registration and clearing institution will handle the registration and settlement matters.
- (6) The Company terminates the implementation of the Incentive Scheme, and will not review and disclose the Incentive Scheme within three months from the date of announcement of the resolution.

(xv) Methods and procedures for repurchase

1. *Methods of adjusting the number of Restricted Shares to be repurchased*

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation or other issues of the Company upon the completion of the registration of the Restricted Shares granted to the Participants, the number of the unlocked Restricted Shares to be repurchased shall be adjusted accordingly. The adjustment methods are as follows:

(1) *Capitalisation issue, bonus issue and sub-division of shares*

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Restricted Shares before the adjustment; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares (i.e. the increase in the number of shares per share upon capitalisation issue, bonus issue and sub-division of shares); Q represents the adjusted number of the Restricted Shares.

(2) *Rights issue*

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Restricted Shares before the adjustment; P_1 represents the closing price as at the completion of registration date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of the Restricted Shares.

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(3) *Share consolidation*

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); Q represents the adjusted number of the Restricted Shares.

(4) *Dividend distribution and new issue*

Under the circumstances of dividend distribution or issue of new shares by the Company, no adjustment will be made to the number of the Restricted Shares.

2. ***Methods of adjusting the Repurchase Price***

Unless otherwise stipulated, the repurchase price of the Restricted Shares shall be the Grant Price during the repurchase made by the Company in accordance with the Incentive Scheme, except for those shall be adjusted according to the Incentive Scheme.

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation, dividend distribution or others have impacts on the total share capital or the share price of the Company upon the completion of registration of the Restricted Shares granted to the Participants, the repurchase price of the unlocked Restricted Shares to be repurchased shall be adjusted accordingly. The adjustment methods are as follows:

(1) *Capitalisation issue, bonus issue and sub-division of shares*

$$P = P_0 \div (1 + n)$$

Where: P represents the adjusted repurchase price of per Restricted Shares; P_0 represents the Grant Price; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares (i.e. the increase in the number of shares per share upon capitalisation issue, bonus issue and sub-division of shares).

(2) *Rights issue*

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue).

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(3) *Share consolidation*

$$P = P_0 \div n$$

Where: P represents the adjusted repurchase price of per Restricted Share; P_0 represents the Grant Price; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares).

(4) *Dividend distribution*

$$P = P_0 - V$$

Where: P_0 represents the repurchase price of per Restricted Shares before the adjustment; V represents the dividend per share; P represents the adjusted repurchase price of per Restricted Shares. Upon adjustment of dividends, P shall still be greater than 1.

(5) *New issue*

Under the circumstance of issue of new shares by the Company, no adjustment will be made to the repurchase price.

3. *Adjustment procedures of the Repurchase Price and Number*

- (1) The EGM shall authorize the Board to adjust the number of the Restricted Shares to be repurchased or the repurchase price for the reasons listed above. After making such adjustments in accordance with the above provisions, the Board shall make a timely announcement.
- (2) If the number of the Restricted Shares to be repurchased or the repurchase price need to be adjusted for other reasons, such adjustments shall be passed as a resolution by the Board and upon the consideration and approval by the EGM, the A Share Class Meeting and the H Share Class Meeting.

4. *Procedures of the Repurchase*

- (1) The Company shall convene a Board meeting to consider the repurchase plan and, if needed, submit it to the general meeting, the A Share class meeting and the H Share class meeting for approval as well as make a timely announcement.
- (2) The Company shall conduct the stipulated repurchase in the Incentive Scheme in accordance with the Company Law.
- (3) During such repurchase, the Company shall tender applications to the SSE for relevant procedures. Upon the confirmation by the SSE, the Company shall complete such procedures with the registration and clearing institution and make an announcement timely.

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III. OTHER RESOLUTIONS IN RELATION TO THE PROPOSED ADOPTION OF THE 2022 INCENTIVE SCHEME

(i) Proposed adoption of the Management Measures

In order to specify, among other things, the administrative bodies and their terms of reference, the implementation procedures, the treatment of special circumstances, the information disclosure and the supervision and management of the Incentive Scheme, the Company has formulated the Management Measures.

The full text of the Management Measures is set out in the **Appendix II** to this circular. A special resolution will be proposed at the EGM and the H Share Class Meeting to consider and, if thought fit, to approve the adoption of the Management Measures.

(ii) Proposed adoption of the Appraisal Management Measures

To ensure the smooth implementation of the Incentive Scheme, the Company has formulated the Appraisal Management Measures according to the Company Law and other relevant laws and regulations, the relevant requirements of the Articles of Association as well as the actual situation of the Company.

The full text of the Appraisal Management Measures is set out in the **Appendix III** to this circular. A special resolution will be proposed at the EGM and the H Share Class Meeting to consider and, if thought fit, to approve the adoption of the Appraisal Management Measures.

(iii) Proposed issue and grant of the new A shares under the 2022 Incentive Scheme pursuant to the specific mandate

The Company proposes to issue 117 million Restricted Shares (including those under the first grant and the reserved grant) to the Participants under the 2022 Incentive Scheme pursuant to the Specific Mandate, representing approximately 0.724% of the total issued ordinary shares of the Company as at the Latest Practicable Date. The Restricted Shares to be granted will be issued and allotted pursuant to the Specific Mandate which may be granted at the EGM and the Class Meetings.

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In addition to the principal terms summarized in the section headed “II. PROPOSED ADOPTION OF THE 2022 INCENTIVE SCHEME” above, further information in relation to the issue and allotment of the Restricted Shares under the 2022 Incentive Scheme are set out below:

The total funds to be raised and the proposed use of proceeds: Based on 99.40 million Restricted Shares under the first grant and the Grant Price of RMB5.33 per A Share, the total funds to be raised under the first grant shall be RMB529,802,000. Based on 17.60 million Restricted Shares under the reserved grant and assuming that the Grant Price is RMB5.33 per A Share, the total funds to be raised under the reserved grant are RMB93,808,000.

The proceeds to be received by the Company from the 2022 Incentive Scheme will be used to replenish the Company’s working capital.

Grant Price: The price of the Restricted Shares under the first grant shall be RMB5.33 per A Share. Upon fulfilment of the grant conditions, each Participant is entitled to purchase the ordinary A Shares to be issued by the Company to the Participants at the price of RMB5.33 per A Share. The Grant Price of the Restricted Shares under the first grant was determined with reference to the basis set out in the paragraph “(vii) Grant Price and basis of determination of the Grant Price” above.

Prior to each grant of reserved Restricted Shares, a Board meeting shall be convened to consider and approve the relevant proposal and details relating to the grant shall be announced accordingly. The Grant Price of the reserved Restricted Shares shall be determined with reference to the basis set out in the paragraph “(vii) Grant Price and basis of determination of the Grant Price” above.

Aggregate nominal value: The nominal value of the A Shares of the Company is RMB1.0 per A Share. The aggregate nominal value of the Restricted Shares to be granted under the Incentive Scheme (including the first grant and the reserved grant) is not more than RMB117,000,000.

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Dilution effect: The shareholding structure of the Company before and after the full issue and unlocking of the Restricted Shares granted under the Incentive Scheme to the Participants is set out as follows:

Name of Shareholder	As at the Latest Practicable Date		Assuming full granting and issue of the Restricted Shares under the Incentive Scheme	
	Number of Shares	As a percentage of total issued Shares	Number of Shares	As a percentage of total issued Shares
A Shares				
<i>Non-public</i>				
CCCG	9,374,616,604	57.99%	9,374,616,604	57.57%
Participants who are Directors or Supervisors of the subsidiaries of the Company	–	–	2,500,000	0.02%
<i>Public</i>				
Participants who are not core connected persons of the Company	–	–	114,500,000	0.70%
Total issued A Shares held by the public Shareholders	2,372,618,821	14.68%	2,372,618,821	14.57%
Total issued A Shares	11,747,235,425	72.67%	11,864,235,425	72.86%
H Shares				
<i>Non-public</i>				
CCCG	265,416,000	1.64%	265,416,000	1.63%
<i>Public</i>				
Total issued H Shares held by the public Shareholders	4,153,060,000	25.69%	4,153,060,000	25.51%
Total issued H Shares	4,418,476,000	27.33%	4,418,476,000	27.14%
Total	16,165,711,425	100%	16,282,711,425	100%

Note: It is assumed that no other Shares are issued or repurchased by the Company.

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Fund raising activities in the past 12 months: The Company has not conducted any fund raising activities involving the issuance of equity securities within 12 months immediately preceding the date of this circular.

(iv) Proposed authorization to the Board to handle the relevant matters related to the 2022 Incentive Scheme

For the purpose of implementing the 2022 Incentive Scheme, the Board submits for the Shareholders' approval to authorize the Board to handle the following matters related to the Incentive Scheme:

1. To authorize the Board to determine the Grant Date of the Restricted Shares;
2. To authorize the Board to adjust the number of the Restricted Shares to be granted based on the Incentive Scheme in the event of any capitalisation issue, bonus issue, sub-division of share, share consolidation, rights issue, and additional issue of new shares of the Company;
3. To authorize the Board to adjust the price of the Restricted Shares to be granted based on the Incentive Scheme in the event of any capitalisation issue, bonus issue, sub-division of share, share consolidation, dividend distribution, rights issue, and additional issue of new shares of the Company;
4. To authorize the Board to review whether the conditions for the granting of Restricted Shares by the Company to the Participants are met, and to handle all matters concerning the grant of the Restricted Shares and the related registration and settlement;
5. To authorize the Board to review whether the conditions for unlocking the Restricted Shares granted to Participants by the Company for such unlocking period are met, and to handle all matters concerning the unlocking of the Restricted Shares;
6. To authorize the Board, in the event the repurchasing of shares is required pursuant to the terms of the Incentive Scheme, to repurchase the Restricted Shares held by the Participants that have not been unlocked under the Incentive Scheme and to handle all matters concerning the repurchasing of such Restricted Shares, including but not limited to the registration and settlement of such Restricted Shares, amendment to the Articles of Association, change and registration of the registered capital of the Company;
7. To authorize the Board to adjust the number and price of the Restricted Shares to be repurchased based on the Incentive Scheme in the event of any capitalisation issue, bonus issue, sub-division of share, share consolidation, dividend distribution, and rights issue of the Company;
8. To authorize the Board, based on the Incentive Scheme, to deal with the Restricted Shares granted to the Participants that have been or have not been unlocked in the event of special circumstances including but not limited to resignation, retirement, and death;

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9. To authorize the Board to reject or replace the samples of benchmarking companies undergoing performance appraisal based on the Incentive Scheme and changes in benchmarking companies;
10. To authorize the Board to manage the whole process of the implementation of the Incentive Scheme in accordance with the Management Measures. However, if laws, administrative regulations, departmental rules, normative documents and relevant regulatory authorities require that such management measures be approved at general meeting of the Company or/and by relevant regulatory authorities, such management measures shall be approved accordingly;
11. Where laws, administrative regulations, departmental rules and normative documents including the Company Law, the Securities Law, the Administrative Measures and the Guidelines for Implementation of Share Incentive Schemes by the State-Owned Listed Companies (《中央企業控股上市公司實施股權激勵工作指引》) are revised, to authorize the Board to adjust relevant content of the Incentive Scheme based on the amendments;
12. To authorize the Board to handle other matters necessary to implement the Incentive Scheme, except for the rights that shall not be granted to the Board and shall be approved at general meeting(s) of the Company pursuant to relevant laws, administrative regulations, departmental rules, normative documents and the Articles of Association.

The Board submits to the EGM to approve that the period of authorization to the Board is consistent with the term of the Incentive Scheme.

A special resolution will be proposed at the EGM and the H Share Class Meeting to consider and, if thought fit, to approve the authorization to the board to handle the relevant matters related to the 2022 Incentive Scheme.

IV. HONG KONG LISTING RULES IMPLICATIONS

As the 2022 Incentive Scheme involves the grant by the Company of its new shares, the 2022 Incentive Scheme is subject to the regulation by Chapter 17 of the Hong Kong Listing Rules.

In the event that any reserved grant (i) will result in the share awards granted to any Participant(s) representing in aggregate over 1% of the issued ordinary A Shares of the Company over any 12-month period up to and including the relevant Grant Date; and/or (ii) will cause the shares awards granted to any Participant(s) who is a Director, chief executive, substantial Shareholder of the Company or any of their respective associates, representing in aggregate over 0.1% of the issued ordinary A Shares of the Company over any 12-month period up to and including the relevant Grant Date, the Company will comply with the relevant requirements under Chapter 17 of the Hong Kong Listing Rules.

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V. RESPONSIBILITY STATEMENT

This 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 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 circular misleading.

VI. RECOMMENDATION

The Board has passed the relevant resolutions to be submitted to the Shareholders for consideration and approval. At such Board meeting, none of the Directors has or is deemed to have a material interest, therefore is required to abstain from voting on the above-mentioned resolutions.

The Directors, including the independent non-executive Directors, consider that the above-mentioned resolutions 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 EGM.

VII. THE EGM AND THE H SHARE CLASS MEETING

A notice convening the EGM to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on Thursday, 27 April 2023 is set out on pages EGM-1 to EGM-2 of this circular.

A notice convening the H Share Class Meeting to be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC immediately after the conclusion of the EGM and the A Share Class Meeting or any adjournment thereof on Thursday, 27 April 2023 is set out on pages HSCM-1 to HSCM-2 of this circular.

As at the Latest Practicable Date, twenty-two Participants and/or their associates holding a total of 344,800 A Shares and controlling the exercise of the voting rights of such Shares, were required to abstain from voting on approving the resolutions on (i) the proposed adoption of the 2022 Incentive Scheme and its summary; (ii) the proposed adoption of the Management Measures; (iii) the proposed adoption of the Appraisal Management Measures; and (iv) the proposed authorization to the Board to handle the relevant matters related to the 2022 Incentive Scheme. 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 abovementioned resolutions, therefore will be required to abstain from voting on the relevant resolutions.

LETTER FROM THE BOARD

Whether or not you intend to attend the EGM and/or the H Share Class Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for holding the EGM and/or the H Share Class Meeting or any adjournment thereof (i.e. before 2:00 p.m. on Wednesday, 26 April 2023). Completion and return of the form of proxy will not preclude you as a Shareholder from attending and voting in person at the EGM and/or the H Share Class Meeting or at any adjourned meeting should you so wish.

Any vote of the Shareholders at the EGM and/or the H Share Class Meeting shall be taken by poll unless otherwise required by the Hong Kong Listing Rules. For purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM and/or the H Share Class Meeting, the register of members of the Company will be closed from Monday, 24 April 2023 to Thursday, 27 April 2023 (both days inclusive), during which time no share transfers will be registered. In order to be valid, instrument of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 21 April 2023. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Thursday, 27 April 2023 are entitled to attend and vote at the EGM and/or the H Share Class Meeting.

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

Note: The Incentive Scheme was prepared in Chinese. In the event of any discrepancy between the Chinese version and the English translation, the Chinese version shall prevail.

STATEMENTS

The Company and all directors, supervisors guarantee that there are no false records, misleading statements or material omission in the Scheme and its summary, and shall individually and jointly assume legal responsibilities for their truthfulness, accuracy and completeness.

All the Participants of the Company undertake that where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of rights, the Participants concerned shall return to the Company all interests gained under the Scheme from the date when it is confirmed that the relevant information disclosure documents contain false statement or misleading representations or material omissions.

SPECIAL NOTES

- I. The Scheme is formulated in accordance with the Securities Law of the People's Republic of China, the Company Law of the People's Republic of China, the Administrative Measures on Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》), the Trial Measures on Implementation of Share Incentive Schemes by State-Owned Listed Companies (Domestic) (Guo Zi Fa Fen Pei [2006] No. 175) (《國有控股上市公司(境內)實施股權激勵試行辦法》(國資發分配[2006]175號)), the Notice on Issues Concerning Regulating the Implementation of the Share Incentive Schemes by State-Owned Listed Companies (Guo Zi Fa Fen Pei [2008] No. 171) (《關於規範國有控股上市公司實施股權激勵制度有關問題的通知》(國資發分配[2008]171號)), the Notice on Matters Concerning Further Improving Share Incentive Work of the State-Owned Listed Companies (Guo Zi Fa Kao Fen Gui [2019] No. 102) (《關於進一步做好中央企業控股上市公司股權激勵工作有關事項的通知》(國資發考分規[2019]102號)), the Notice on the Distribution of the Guidelines for the Implementation of Share Incentive Schemes by the State-Owned Listed Companies (Guo Zi Kao Fen [2020] No. 178) (《關於印發〈中央企業控股上市公司實施股權激勵工作指引〉的通知》(國資考分[2020]178號)), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of China Communications Construction Company Limited (the “**Articles of Association**”), as well as other relevant laws, regulations, departmental regulations or normative documents.
- II. The Company shall not involve in the following circumstances where no share incentive scheme shall be implemented as provided in Clause 7 of the Administrative Measures on Share Incentives of Listed Companies:
 1. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement for the latest accounting year;
 2. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement for the latest accounting year;

3. the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 4. prohibition from implementation of a share incentive scheme by laws and regulations;
 5. other circumstance as determined by the CSRC.
- III. The Participants of the Scheme shall not involve in the following circumstances where a person shall not be a Participant as provided in Clause 8 of the Administrative Measures on Share Incentives of Listed Companies:
1. he or she has been determined as an ineligible person by the SSE in the last 12 months;
 2. he or she has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;
 3. he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
 4. he or she is prohibited from being a director or senior management of a company under the Company Law of the People's Republic of China;
 5. he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
 6. he or she falls under any other circumstances as determined by the CSRC.
- IV. The incentive instruments adopted in the Scheme are the Restricted Shares. The source of the Restricted Shares is the ordinary A Shares to be issued to the Participants by the Company.
- V. A total number of up to 117 million Restricted Shares are proposed to be granted under the Scheme, representing 0.996% of the total issued ordinary A Shares of the Company (i.e. 11,747,235,425 ordinary A Shares) as at the date of the announcement of the draft of the Scheme. In particular, 99.40 million Restricted Shares are granted under the first grant, representing 84.957% of the total Restricted Shares that are proposed to be granted under the Scheme and 0.846% of the total issued ordinary A Shares of the Company as at the date of the announcement of the draft of the Scheme; 17.60 million Restricted Shares are granted under the reserved grant, representing 15.043% of the total Restricted Shares that are proposed to be granted under the Scheme and 0.150% of the total issued ordinary A Shares of the Company as at the date of the announcement of the draft of the Scheme.

The total number of underlying shares involved in all effective share incentive schemes of the Company shall not exceed 10% of the total issued ordinary A Shares of the Company as at the date of the approval of the Scheme, and the total number of restricted shares to be granted under all effective share incentive schemes to any one of the Participants under the Scheme shall not exceed 1% of the total issued ordinary A Shares of the Company.

If a Participant is the Company's Director, chief executive or any of his/her respective associate, and the aggregate number of issued ordinary A Shares and ordinary A Shares to be issued in respect of the incentive interests granted to such Participant under all effective share incentive scheme of the Company within 12 months from the date of grant exceeds 0.1% of the total issued ordinary A Shares of the Company, such grant shall be approved by the Shareholders of the Company at the general meeting.

- VI. The number of the Participants at the first grant under the Scheme does not exceed 668, including the directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries) in office as at the date of the announcement of the Scheme. None of the Participants shall be a person in charge of a central State-owned enterprise administrated by the Party Committee of SASAC, an independent Director, a supervisor, a Shareholder or actual controller individually or collectively holding more than 5% of the Shares of the Company and their respective spouse, parents or children.

The Participants of the reserved grant represent the Participants yet not determined when approved at the general meeting, the A Share class meeting and the H Share class meeting but included in the Incentive Scheme during the lifetime, and shall be determined within 12 months from the date on which the Scheme is considered and passed at the general meeting, the A Share class meeting and the H Share class meeting. The basis for determining the Participants of the reserved grant shall refer to the basis of the first grant.

- VII. In the event of any capitalisation issue, bonus issue, sub-division of shares or share consolidation, rights issue or other issues of the Company in the period from the date of the announcement of the Scheme to the completion of the registration of the Restricted Shares by the Participants, the Grant Price and the number of the Restricted Shares shall be adjusted accordingly.
- VIII. The Term of the Scheme shall commence from the completion date of registration of the Restricted Shares under the first grant and end on the date of all the Restricted Shares granted to the Participants having been unlocked or repurchased, the maximum period of which shall not exceed 72 months.
- IX. The Restricted Shares granted under the Scheme shall be unlocked in three batches, and the Lock-up Period of each batch is 24 months, 36 months and 48 months respectively from the completion date of registration of the corresponding grant. The Restricted Shares granted to the Participants under the Scheme shall not be transferred, used as security or for repayment of debts before they are unlocked.
- X. The funds for the Participants to subscribe for the Restricted Shares are be funded by themselves. The Company undertakes not provide loans, guarantee for loans and financial assistance in any other forms to the Participants to obtain the relevant Restricted Shares under the Scheme.
- XI. The Scheme shall be considered and approved for implementation at the general meeting, the A Share class meeting and the H Share class meeting to be convened by the Company after the Scheme is considered and approved by SASAC.

XII. Within 60 days from the date on which the Scheme is approved by the general meeting, the A Share class meeting and the H Share class meeting and the conditions for the grant are satisfied, the Company will hold the Board meeting to grant the Participants and complete the registration, announcement and other relevant procedures in accordance with the relevant regulations. In the event the Company fails to complete the procedures mentioned above within such 60-day period, it shall terminate the implementation of the Scheme. The Restricted Shares which have not been granted shall lapse. The reserved portion shall be granted by the Board within 12 months after the share incentive scheme is approved by the general meeting, the A Share class meeting and the H Share class meeting.

XIII. The implementation of the Scheme shall not result in the shareholding structure to fail to meet the listing requirements.

CHAPTER I DEFINITION

Unless otherwise requires, the following expressions herein shall have the following meanings:

Administrative Measures	the Administrative Measures on Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
Appraisal Management Measures	the Appraisal Management Measures for Implementation of the 2022 Restricted Share Incentive Scheme of China Communications Construction Company Limited
Articles of Association	the Articles of Association of China Communications Construction Company Limited
CCCC, Company	China Communications Construction Company Limited
Company Law	the Company Law of the People's Republic of China
CSRC	China Securities Regulatory Commission
Depository and Clearing Corporation	Shanghai Branch of the China Securities Depository and Clearing Corporation Limited
Grant Date	the date on which the Company grants the Restricted Shares to the Participant(s), which must be a trading day
Grant Price	the price of each Restricted Share granted to the Participant(s)
Guidelines	the Guidelines for the Implementation of Share Incentive Schemes by the State-Owned Listed Companies (《中央企業控股上市公司實施股權激勵工作指引》)
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
Incentive Scheme, Scheme	the 2022 Restricted Share Incentive Scheme of China Communications Construction Company Limited
Lock-up Period	the period during which the Restricted Share(s) shall not be transferred or used as guarantee or for repayment of debts, if the conditions for exercise of entitlements by the Participant(s) are not satisfied
Notice	the Notice on Issues concerning Regulating the Implementation of the Share Incentive Schemes by State-Owned Listed Companies (《關於規範國有控股上市公司實施股權激勵制度有關問題的通知》)
Participant(s)	the directors, senior management, middle management and key personnel of the Company to be granted with the Restricted Shares under the Scheme
Restricted Share(s)	the A share(s) of the Company granted to the Participant(s) according to the conditions and price stipulated in the Incentive Scheme, which are subject to a Lock-up Period and can only be unlocked for trading when the Unlocking Conditions stipulated in the Incentive Scheme are satisfied
Securities Law	the Securities Law of the People's Republic of China
SSE	the Shanghai Stock Exchange
Term	the period commencing from the completion date of registration of the Restricted Shares under the first grant and end on the date of all the Restricted Shares having unlocked or repurchased, the maximum period of which shall not exceed 72 months
Trial Measures	the Trial Measures on Implementation of Share Incentive Schemes by State-Owned Listed Companies (Domestic) (《國有控股上市公司(境內)實施股權激勵試行辦法》)
Unlocking Condition(s)	the conditions prescribed under the Scheme which have to be satisfied to unlock the shares granted to the Participants
Unlocking Date	the date when the Restricted Share(s) can be unlocked after the Unlocking Conditions are satisfied

CHAPTER III ADMINISTRATIVE BODIES OF THE SCHEME

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Scheme. The general meeting may, within its powers and authority, authorize the Board to handle certain matters relating to the Incentive Scheme.
- II. The Board shall act as the executive and administrative body for the Scheme. The Remuneration and Appraisal Committee under the Board shall be responsible for drafting and revising the Scheme, and submitting the Scheme to the Board for review. Upon approval by the Board, the Scheme shall be further submitted to the general meeting and the A Share and the H Share class meetings of the Company for consideration. The Board may handle other matters relating to the Scheme within its scope of authority as delegated by the general meeting and the A Share and the H Share class meetings.
- III. The Supervisory Committee and independent Directors shall act as the supervisory authority for the Scheme, and shall issue opinions as to whether the Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole. The Supervisory Committee shall supervise the implementation of the Scheme as to whether it is in compliance with the relevant laws, regulations, normative documents and operational rules of the SSE, and shall be responsible for verifying the list of Participant(s). The independent Directors shall solicit voting rights by proxy from all shareholders in respect of the Scheme. In addition, independent non-executive directors are responsible for approving the grant of the Restricted Shares to the Company's directors, chief executives, or substantial shareholders or any of their respective associates in advance.
- IV. Where amendments have been made to the Incentive Scheme before the Scheme was considered and approved at the general meeting and the A Share and the H Share class meetings of the Company, the independent Directors and the Supervisory Committee shall issue independent opinions whether the amended Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole.
- V. Before any entitlements are granted to a Participant, the independent Directors and the Supervisory Committee shall issue clear opinions on the conditions to be fulfilled for the Participant to receive such entitlements as set out in the Scheme. In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under the Incentive Scheme, the independent Directors and the Supervisory Committee (where there are changes to the Participants) shall simultaneously issue clear opinions thereon.
- VI. Before the exercise of the any entitlement by a Participant, the independent Directors and the Supervisory Committee shall issue clear opinions as to whether the conditions stipulated under the Incentive Scheme for the Participant to exercise such entitlements have been fulfilled.

**CHAPTER IV BASIS FOR DETERMINING THE PARTICIPANTS AND
THE SCOPE OF THE PARTICIPANTS**

I. BASIS FOR DETERMINING THE PARTICIPANTS

(I) Legal basis for determining the Participants

The Participants of the Scheme are determined in accordance with the Company Law, the Securities Law, the Trial Measures, the Notice, the Guidelines¹, the Administrative Measures², the Hong Kong Listing Rules, as well as other relevant laws, regulations, normative documents and the relevant requirements of the Articles of Association and the actual situation of the Company.

(II) Positions held by Participants in the Company

The Participants of the Scheme are the incumbent directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries) at the time of the implementation of the Scheme.

The senior management of the Company includes the president, vice president, chief financial officer and Board secretary pursuant to the Articles of Association. All the Participants, being a senior management member, were appointed at the first meeting of the fifth session of the Board.

The middle management personnel includes persons-in-charge of departments of CCCC (the parent) and senior management of its subsidiaries in accordance with the internal rules of the Company.

The core personnel includes: (1) key technical personnel: academician; personnel awarded as national experts; national, significantly provincial and ministerial technical individuals; directors of key laboratories and research centers at state level and group level; and senior project managers, department directors and personnel holding positions above; (2) business and management personnel: persons-in-charge of the organizations in headquarter departments, and persons-in-charge of significant overseas organizations and projects; and (3) highly skilled talents: highly skilled talents awarded with China Skill Awards and awarded as great craftsmen or national expertise, etc. as well as high-rank national technical experts. Shareholders individually or in aggregate holding 5% or more of the shares of the listed company, or the de facto controller and their respective spouses, parents or children shall not be granted with share incentives.

Note 1: Article 14 of the Guidelines: The scope of participants to be granted with share incentives should focus on the core personnel, generally the directors, senior management of the listed company and the management, technology and business personnel that have direct influence on the operating performance and sustainable development of the listed company.

Note 2: Article 8 of the Administrative Measures: Share incentives may be granted by a listed company to its directors, senior management, key technical staff or key business staff, as well as other employees considered by the company to have a direct influence on its business performance and future development, excluding independent directors and supervisors. A Shareholder or actual controller individually or collectively holding more than 5% of the shares of listed companies and their respective spouse, parents or children shall not be qualified as a Participant.

II. SCOPE OF THE PARTICIPANTS

1. The total number of the Participants at the first grant under the Scheme does not exceed 668. The specific scope of the Participants includes the directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries). Among the above Participants, a director must be elected at a general meeting, and a senior management member must be appointed by the Board. All Participants should be appointed, employed or hired by the Company or any of the branch or subsidiary of the Company when they are granted with incentive interests.
2. None of the Participants of the Scheme shall be a person in charge of a central State-owned enterprise administrated by the Party Committee of SASAC, an independent Director, a supervisor, a Shareholder or actual controller individually or collectively holding more than 5% of the Shares and their respective spouse, parents or children. The Participants shall not participate in the share incentive schemes of two or more listed companies at the same time.
3. A person shall not be qualified as a Participant under the Incentive Scheme if such person:
 - (1) has been determined as an ineligible person by the SSE in the last 12 months;
 - (2) has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;
 - (3) has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
 - (4) is prohibited from being a director or senior management of a company under the Company Law;
 - (5) is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
 - (6) falls under any other circumstances as determined by the CSRC.

4. Participants of the reserved grant shall be determined within 12 months from the date on which the Scheme is considered and approved at the general meeting, the A Share class meeting and the H Share class meeting. Upon the proposal by the Board, the opinions of the independent Directors and the Supervisory Committee, the professional opinions of the lawyers and the issuance of legal opinions, the Company will disclose the relevant information of the Participants on the designated website in a timely and accurate manner as required. If the Participants are not determined for more than 12 months, the reserved interests shall lapse. The basis for determining the Participants of the reserved grant shall refer to the basis of the first grant.

III. VERIFICATION OF THE PARTICIPANTS

- (I) After the Scheme is considered and approved by the Board and prior to the general meeting, the A Share class meeting and the H Share class meeting held by the Company, the Company shall publish the list of the Participants internally for not less than 10 days.
- (II) The Company shall carry out self-investigations on the trading of shares and derivatives of the Company by insiders during the six months' period prior to the date of the announcement on the draft of the Scheme to examine whether there has been any insider trading. A person who possesses inside information and involves in trading the shares, shall not be a Participant, save as where such trading does not constitute insider trading pursuant to laws, administrative regulations and relevant judicial interpretations. A person who leaks inside information that leads to insider trading shall not be a Participant.
- (III) The Supervisory Committee shall review the list of the Participants and take sufficient consideration of the public opinions. The Company shall disclose the explanation of the Supervisory Committee regarding the review of the list of Participants and the status of announcement five days prior to the consideration of the Scheme at the general meeting, the A Share class meeting and H Share class meeting. Any adjustments to the list of the Participants made by the Board shall also be subject to verification by the Supervisory Committee of the Company.

CHAPTER V SOURCE, NUMBER AND DISTRIBUTION OF UNDERLYING SHARES INVOLVED IN THE SCHEME**I. SOURCE OF THE UNDERLYING SHARES**

The Restricted Shares are adopted in the Scheme as incentive instruments, and the source of the underlying shares is the ordinary A Shares to be issued to the Participants by the Company.

II. NUMBER OF THE UNDERLYING SHARES

A total number of up to 117 million Restricted Shares are proposed to be granted under the Scheme, representing 0.996% of the total issued ordinary A Shares of the Company (i.e. 11,747,235,425 ordinary A Shares) as at the date of the announcement on the draft of the Scheme. In particular, 99.40 million Restricted Shares will be granted under the first grant, representing 84.957% of the total Restricted Shares that are proposed to be granted under the grant and 0.846% of the total issued ordinary A Shares of the Company as at the date of the announcement on the draft of the Scheme; 17.60 million Restricted Shares will be granted under the reserved grant, representing 15.043% of the total Restricted Shares that are proposed to be granted under the grant and 0.150% of the total issued ordinary A Shares of the Company as at the date of the announcement on the draft of the Scheme.

Save for the Scheme, the Company has not adopted any other share schemes as at the Latest Practicable Date. The total number of underlying shares involved in all effective share incentive schemes of the Company (being up to 117 million Restricted Shares) shall not exceed 10% of the total issued ordinary A Shares of the Company as at the date of approval of the Scheme (i.e. approximately 1,174,723,543 A Shares), and the total number of restricted shares to be granted under all effective share incentive schemes to any one of the Participants under the Scheme shall not exceed 1% of the total issued ordinary A Shares of the Company.

Where any grant of Restricted Shares to a Director, chief executive of the Company or any of their associates would result in the ordinary A Shares issued and to be issued in respect of all shares granted to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the ordinary A Shares in issue, such further grant of Restricted Shares must be approved by the Shareholders at the general meeting.

III. THE ALLOCATION OF THE RESTRICTED SHARES TO BE GRANTED TO THE PARTICIPANTS

The allocation of the Restricted Shares proposed to be granted under the Scheme among the Participants is set out in the table below:

Name	Position	Number of Restricted Shares to be granted (0'000 shares)	Percentage of the total Restricted Shares to be granted	Percentage of the total issued ordinary A Shares of the Company as at the Latest Practicable Date	
ZHU Hongbiao	Chief financial officer	35	0.299%	0.003%	
YANG Zhichao	Vice president	35	0.299%	0.003%	
ZHOU Changjiang	Secretary to the Board	30	0.256%	0.003%	
Middle management personnel and core personnel (no more than 665)	YOU Ruikai (由瑞凱)	Director of a subsidiary	20	0.171%	0.002%
	YOU Bin (游斌)	Director of a subsidiary	20	0.171%	0.002%
	ZHANG Zhiming (張志明)	Director of a subsidiary	20	0.171%	0.002%
	ZHANG Wensheng (張文勝)	Director of a subsidiary	15	0.128%	0.001%
	PAN Zhongming (潘中明)	Supervisor of a subsidiary	15	0.128%	0.001%
	LI Huiming (李惠明)	Director of a subsidiary	20	0.171%	0.002%
	HAN Guoming (韓國明)	Director of a subsidiary	20	0.171%	0.002%
	LI Yingjun (李英俊)	Director of a subsidiary	20	0.171%	0.002%
	WU Song (吳松)	Director of a subsidiary	15	0.128%	0.001%
	LIU Jianjun (劉建軍)	Supervisor of a subsidiary	15	0.128%	0.001%
	CAI Fengxiang (蔡奉祥)	Director of a subsidiary	20	0.171%	0.002%
	LIAO Jiajun (廖家軍)	Director of a subsidiary	20	0.171%	0.002%
	ZHOU Taoyu (周桃玉)	Supervisor of a subsidiary	15	0.128%	0.001%
	CHEN Shiyong (陳士勇)	Supervisor of a subsidiary	15	0.128%	0.001%
	Sub-total		250	2.137%	0.021%
	Other middle management personnel and core personnel (no more than 651)		9,590	81.966%	0.817%
	Sub-total		9,840	84.103%	0.838%
Total of the first grant (no more than 668)		9,940	84.957%	0.846%	
Reserved grant		1,760	15.043%	0.150%	
Total		11,700	100.000%	0.996%	

Notes:

1. The Participants under the Scheme shall not be a participant in the share incentive schemes of two or more listed companies at the same time and shall not be a Shareholder or actual controller of the Company holding more than 5% of the Shares of the Company and their respective spouse, parents or children.
2. The number of the Company's shares to be granted under all effective share incentive schemes to any of the aforesaid Participants does not exceed 1% of the total share capital of the Company. The number of the Company's shares granted to any of the aforesaid Participants in the past 12 months does not exceed 1% of the total issued ordinary A Shares of the Company as at the date of approval of the Incentive Scheme. The total number of underlying shares involved in all effective share incentive schemes of the Company does not exceed 10% of the total issued ordinary A Shares of the Company as at the date of approval of the share incentive scheme.
3. The value of the incentive interests granted to the Directors and senior management shall be determined at no more than 40% of the total remuneration level (including the value of interests granted) at the time of grant, and the value of the interests granted to other Participants such as the core personnel in management, technology and business shall be determined reasonably by the Board. If relevant policies are adjusted within the term of the Scheme, the Board may revise this clause in accordance with the adjustments stipulated by relevant authorities.
4. The total number of the issued shares and shares to be issued for the incentive interests granted to any of the Participants in the past 12 months does not exceed 0.1% of the total issued ordinary A Shares of the Company as at the date of approval of the Incentive Scheme.

CHAPTER VI TIME SCHEDULE OF THE SCHEME**I. TERM OF THE SCHEME**

The Term of the Incentive Scheme shall commence from the completion date of registration of the Restricted Shares under the first grant and end on the date of all the Restricted Shares granted to the Participants having been unlocked or repurchased, the maximum period of which shall not exceed 72 months¹.

II. GRANT DATE OF THE SCHEME

The Grant Date shall be determined by the Board of the Company after the Scheme is submitted to the general meeting, the A Share and the H Share class meetings of the Company for approval. Within 60 days from the date on which the Scheme is approved by the general meeting, the A Share and the H Share class meetings of the Company and the conditions for the grant are satisfied, the Company will hold the Board meeting to grant the Participants and complete the registration, announcement and other relevant procedures in accordance with the relevant regulations. In the event the Company fails to complete the procedures mentioned above within such 60-day period, it shall terminate the implementation of the Scheme. The Restricted Shares which have not been granted shall lapse. The reserved portion shall be granted by the Board within 12 months after the Incentive Scheme is approved by the general meeting, the A Share and the H Share class meetings.

Note 1: Article 13 of the Administrative Measures: The term of an equity incentive scheme shall not exceed 10 years commencing from date of the first grant.

The Grant Date must be a trading day, and the Company shall not grant any Restricted Shares to the Participants during any of the following period:

- (I) The Restricted Shares may not be granted after the Company becomes aware of inside information until and including the trading day following the announcement of such information; in particular, the Restricted Shares may not be granted during the period commencing one month immediately before the earlier of:
 - 1. the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange under the Hong Kong Listing Rules) for approving any annual, interim, quarterly or any other interim results of the Company (whether or not required by the Hong Kong Listing Rules); and
 - 2. the deadline for the Company to announce annual or interim results under the Hong Kong Listing Rules, or quarterly or any other interim results (whether or not required by the Hong Kong Listing Rules), and ending on the date of the results announcement. No incentive interests may also be granted during any period of delay in publishing a results announcement by the Company;
- (II) within 10 days prior to the publication of estimated results and preliminary results of the Company;
- (III) the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the shares and derivatives of the Company or the date on which decision-making procedures commence and ending on the date of disclosure in accordance with laws;
- (IV) such other period as stipulated by the CSRC, the SSE and the Hong Kong Stock Exchange.

The aforementioned period shall not be included in the 60-day period. Where a Participant who is a Director or a member of the senior management of the Company reduces his/her shareholding in the Company within 6 months prior to the grant of the Restricted Shares, the grant of the Restricted Shares shall be postponed for 6 months from the date of the latest shareholding reduction in accordance with the short-term trading requirements under the Securities Law. Such postponement shall not be included in the abovementioned 60-day period.

If the relevant laws, administrative regulations, departmental regulations or normative documents change in the future, the new requirements shall prevail.

III. LOCK-UP PERIOD OF THE SCHEME

The Restricted Shares granted under the Scheme shall be unlocked in three batches, and the Lock-up Period of each batch is 24 months, 36 months and 48 months respectively from the completion date of registration of the corresponding grant. During the Lock-up Period, the Restricted Shares granted to the Participants under the Scheme shall be restricted for sale and shall not be transferred, used as security or for repayment of debts. The shares entitled by the Participants as a result of the capitalisation issue, bonus issue and sub-division of shares, etc. in connection with the granted Restricted Shares that have not yet been unlocked are simultaneously locked in accordance with the Scheme. Upon unlocking, the Company will handle the unlocking matters for the Participants who meet the unlocking conditions, and the Restricted Shares held by the Participants who do not meet the unlocking conditions will be repurchased by the Company.

IV. UNLOCKING ARRANGEMENTS UNDER OF THE SCHEME

The unlocking schedule for the Restricted Shares of the Scheme under the first grant and the reserved grant are set out below:

Unlocking arrangements	Unlocking schedule	Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted
The first unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 36-month period from the date of completion of registration of such grant	34%
The second unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 48-month period from the date of completion of registration of such grant	33%

Unlocking arrangements	Unlocking schedule	Percentage of the number of Restricted Shares to be unlocked to the number of the Restricted Shares granted
The third unlocking period for the first grant and the reserved grant	Commencing from the first trading day after expiry of the 48-month period from the date of completion of registration of the corresponding grant and ending on the last trading day of the 60-month period from the date of completion of registration of such grant	33%

V. SELLING RESTRICTIONS UNDER THE SCHEME

The selling restrictions under the Scheme shall be implemented in accordance with the Company Law, the Securities Law and the relevant laws, regulations, normative documents and the Articles of Association, the details of which are as follows:

1. Where a Participant is a Director and a member of the senior management of the Company, the number of shares that may be transferred by him/her each year during his/her term of office shall not exceed 25% of the total number of the shares of the Company held by him/her; and no transfer of the shares of the Company shall be made within six months from his/her departure from the Company.
2. Where a Participant is a Director and a member of the senior management of the Company, if he/she disposes of any shares of the Company held by him/her within 6 months after they were acquired or acquire any shares within 6 months after they were disposed of, the gains arising from the transactions shall belong to the Company, and the Board of the Company shall collect all such gains.
3. Participant who is a Director or a member of the senior management shall prolong the Lock-up Period of 20% of the aggregate Restricted Shares granted to him/her to the expiry of his/her term of office and the unlocking of the Restricted Shares is subject to his/her performance appraisal or the result of economic duty audit during such term.

Whether a Participant is a Director or a member of the senior management shall be determined based on the position such Participant holds at the time when he/she was granted the Restricted Shares under the Scheme; performance appraisal or economic duty audit of a Participant refers to those conducted during the term of office during the year when the Participants were granted the Restricted Shares under the Scheme.

4. If, during the term of the Scheme, there is any amendment to the requirements regarding transfer of Shares held by a Director and a member of the senior management of the Company under the Company Law, the Securities Law and relevant laws, regulations, normative documents and the Articles of Association, such provisions of the amended the Company Law, the Securities Law and relevant laws, regulations, normative documents and the Articles of Association shall apply to the shares of the Company transferred by the corresponding Participants.

CHAPTER VII GRANT PRICE OF RESTRICTED SHARES AND BASIS OF DETERMINATION THEREOF

I. GRANT PRICE UNDER THE FIRST GRANT

The Grant Price under the first grant shall be RMB5.33 per share, i.e. upon fulfilment of grant conditions, Participants are entitled to purchase the ordinary A Shares of the Company granted to the Participants by the Company at the price of RMB5.33 per Share.

II. BASIS FOR DETERMINING THE GRANT PRICE UNDER THE FIRST GRANT

According to the Administrative Measures¹, the Grant Price under the first grant shall not be less than the nominal value of the Shares, and shall not be lower than 60% of the fair market value. The fair market value shall be the higher of the following prices:

1. the average trading price of the Shares of the Company on the last trading day prior to the date of announcement of the Incentive Scheme;
2. any of the average trading prices of the Shares of the Company for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of the Incentive Scheme.

Based on the above pricing principles, the Grant Price under the first grant of the Restricted Shares under the Incentive Scheme of the Company shall be RMB5.33 per share.

Note 1: Article 23 of the Administrative Measures: The listed company, when granting restricted shares to participants, shall determine the grant price or the method for the determination of the grant price. The grant price shall be not less than the par value of the share, and, principally, not be lower than the higher of the following prices:

- (1) 50% of the average trading price of the share of the company on the last trading day prior to the date of announcement of the incentive scheme draft;
- (2) 50% of any of the average trading price of the share of the company for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of the incentive scheme draft.

III. BASIS FOR DETERMINING THE GRANT PRICE OF RESTRICTED SHARES UNDER THE RESERVED GRANT

The grant of the reserved Restricted Shares is subject to the consideration and passing of related resolutions by the Board and the disclosure of related information. The Grant Price of the reserved Restricted Shares shall not be less than the nominal value of the shares, and shall not be lower than 60% of the higher of the following prices:

1. the average trading price of the Shares of the Company on the last trading day prior to the date of announcement of Board resolutions on the grant of the reserved Restricted Shares;
2. any of the average trading prices of the Shares of the Company for the last 20 trading days, 60 trading days or 120 trading days prior to the date of announcement of Board resolutions on the grant of the reserved Restricted Shares.

CHAPTER VIII CONDITIONS OF GRANTING AND UNLOCKING RESTRICTED SHARES**I. CONDITIONS OF GRANT OF THE RESTRICTED SHARES**

The Company shall only grant Restricted Shares to the Participants in accordance with the Scheme upon satisfaction of all of the following conditions:

(I) None of the following events with respect to the Company has occurred:

1. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement of the Company for the latest accounting year;
2. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement of the Company for the latest accounting year;
3. the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
4. prohibition from implementation of a share incentive scheme by laws and regulations;
5. other circumstance as determined by the CSRC.

(II) None of the following events with respect to the Participant has occurred:

1. he or she has been determined as an ineligible person by the SSE in the last 12 months;
2. he or she has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;

3. he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
4. he or she is prohibited from being a director or senior management of a company under the Company Law;
5. he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
6. he or she falls under any other circumstances as determined by the CSRC.

(III) The Company is deemed to have achieved the performance target if all of the following conditions are satisfied:

1. the weighted average return on net assets for 2021 shall not be less than 7.5%, and not lower than 50 percentile of benchmarking enterprises or the industry average;
2. on the basis of the results for 2020, the growth rate of the net profit for 2021 shall not be less than 8%, and not lower than 50 percentile of benchmarking enterprises or the industry average;
3. the economic value added (EVA) performance targets set by SASAC in 2021.

If the Company fails to meet the conditions of the grant, no Restricted Share shall be granted according to the Scheme by the Company in the current period; if the Participants fail to meet the conditions of the grant, no Restricted Share shall be granted to Participants according to the Scheme by the Company in the current period.

II. UNLOCKING CONDITIONS FOR THE SCHEME

During the Unlocking Period, the Restricted Shares may only be unlocked by the Company in accordance with the Scheme upon satisfaction of all of the following conditions:

(I) None of the following events with respect to the Company has occurred:

1. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement of the Company for its most recent accounting year;
2. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement of the Company for its most recent accounting year;
3. the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;

4. prohibition from implementation of any share incentive scheme by laws and regulations;
5. other circumstance as determined by the CSRC.

(II) None of the following events with respect to the Participant has occurred:

1. he or she has been determined as an ineligible person by the SSE in the last 12 months;
2. he or she has been determined as an ineligible person by the CSRC or any of its delegated agencies in the last 12 months;
3. he or she has been imposed with administrative penalties or measures prohibiting access into the securities market by the CSRC or any of its delegated agencies due to material violation of laws and regulations in the last 12 months;
4. he or she is prohibited from being a director or senior management of a company under the Company Law;
5. he or she is prohibited from participating in any share incentive scheme of listed companies as required by laws and regulations;
6. he or she falls under any other circumstances as determined by the CSRC.

In case of occurrence of any of the circumstances as stipulated in paragraph (I) above to the Company, all the Restricted Shares that have been granted to the Participants but not yet unlocked under the Scheme shall be repurchased by the Company in accordance with regulations; in case of occurrence of any of the circumstances as stipulated in paragraph (II) above to a Participant, the Restricted Shares that have been granted to such Participant but not yet unlocked under the Scheme shall be repurchased by the Company in accordance with regulations.

(III) Achievement of the performance appraisal conditions of the Company

The Restricted Shares under the Scheme shall be appraised on performance and unlocked on an annual basis during the three accounting years (2023–2025) of the Unlocking Periods to achieve the performance appraisal targets, which shall be regarded as the Unlocking Conditions of the Participants.

1. The performance appraisal targets for unlocking the Restricted Shares to be granted under the first and the reserved grant under the Scheme is shown in the following table:

Unlocking Period	Performance appraisal targets
The First Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<ol style="list-style-type: none"> (1) on the basis of the results for 2021, the compound growth rate of the net profit for 2023 shall not be less than 8%, and not lower than 75 percentile of benchmarking enterprises or the industry average; (2) the weighted average returns on net assets for 2023 shall not be less than 7.7%, and not lower than 75 percentile of benchmarking enterprises or the industry average; (3) achieve the economic value added (EVA) performance targets of SASAC for 2023.
The Second Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<ol style="list-style-type: none"> (1) on the basis of the results for 2021, the compound growth rate of the net profit for 2024 shall not be less than 8.5%, and not lower than 75 percentile of benchmarking enterprises or the industry average; (2) the weighted average returns on net assets for 2024 shall not be less than 7.9%, and not lower than 75 percentile of benchmarking enterprises or the industry average; (3) achieve the economic value added (EVA) performance targets of SASAC for 2024.

Unlocking Period	Performance appraisal targets
The Third Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<p>(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2025 shall not be less than 9%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(2) the weighted average returns on net assets for 2025 shall not be less than 8.2%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(3) achieve the economic value added (EVA) performance targets of SASAC for 2025.</p>

Notes:

- ① “Net profit” represents the net profit in the consolidated statements announced in the annual financial statements of the Company;
- ② If the major asset restructuring as determined by a superior authority or strategic measures as debt-to-equity, increase in capital and shares, rights issue, issuance of preferred shares and perpetual bonds implemented by the Company in response to the call of national policies related to deleveraging and debt reduction may affect the relevant performance indicators and force majeure events encountered by the Company have significant influence on operating results, resulting in incomparability of relevant performance indicators, the Board of the Company is authorized to restore the actual value of the relevant performance indicators.
- In the event that the Company’s performance appraisal targets of Restricted Shares in certain Unlocking Period could not be achieved, all Participants’ current Restricted Shares shall not be unlocked and shall be repurchased and cancelled by the Company at the lower of the Grant Price and the market price (i.e. the average trading price of the Company’s underlying shares in one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) of such shares in accordance with the Scheme pursuant to the Article 26¹ of the Administrative Measures.
- ③ According to the Article 38 of the Guidelines, listed companies, being a state-owned enterprise (“SOE”), shall generally select EVA or improved EVA (經濟增加值改善值) as the performance appraisal target. EVA is a measure of a company’s financial performance based on the residual wealth calculated by deducting its cost of capital from its net operating profit, adjusted for taxes on a cash basis.

Note 1: Article 26 of the Administrative Measures: In any events stipulated in the Article 18 or Article 25 of the Administrative Measures occur, or in any events that an incentive scheme shall be terminated or the participants fail to meet the unlocking conditions, listed companies shall repurchase the unlocked restricted shares in accordance with the Company Law.

If any participant assumes individual liability as stated in the first clause under Article 18 of the Administrative Measures, or events stipulated in the second clause under Article 18 of the Administrative Measures occur, the repurchase price shall not be higher than the grant price; where any other events occur, the repurchase price shall not be higher than the sum of grant price plus the interest on bank deposits for the same period.

2. Selection of benchmark companies of unlocking appraisal

The Company falls within the “construction – civil engineering construction” industry under the industry classification by the CSRC. The above average performance of the “industry peers” refers to those of all A-share listed companies falling within the “construction – civil engineering construction” industry. The principal business of the Company is infrastructure construction, and 26 listed companies are selected by the Company as the benchmark companies based on the types of the business, the operating scale and other aspects. Details are listed as follows:

Stock Code	Stock Name	Stock Code	Stock Name
601868.SH	China Energy Engineering	601068.SH	China Aluminum International
601186.SH	China Railway Construction	002941.SZ	Xinjiang Communications Construction
601390.SH	China Railway	600820.SH	Shanghai Tunnel Engineering
601117.SH	China National Chemical Engineering	603316.SH	Chengbang Eco-Environment
601618.SH	China Metallurgical	603843.SH	Zhengping Road & Bridge
600170.SH	Shanghai Construction	605598.SH	Geoharbour
002051.SZ	China CAMC	603815.SH	Anhui Gourgen Traffic Construction
002307.SZ	Xinjiang Beixin Road & Bridge	002061.SZ	Zhejiang Communications Technology
002542.SZ	China Zhonghua Geotechnical Engineering	600072.SH	CSSC Science & Technology
002628.SZ	Chengdu Road & Bridge	0659.HK	NWS Holdings
600463.SH	Beijing Airport	1038.HK	CK Infrastructure Holdings

Note: The 26 benchmark companies are selected based on the following criteria: (1) the benchmark companies are listed on the Main Board of a PRC stock exchange (excluding stocks under special treatment, i.e. ST shares or *ST shares), categorized by the CSRC as “Construction – Civil Engineering Construction” and principally engaged in similar business (excluding companies principally engaged in gardening, greening, design or multiple businesses), especially those with operating revenue reached RMB100 billion or beyond, etc.; or (2) the benchmark companies are listed on the Hong Kong Stock Exchange, categorized by an industry research institution as “Construction and Decoration” and principally engaged in similar business as mentioned above (excluding overlapped A+H companies already selected above and their related companies) etc.

If the industry classification of the Company or the industry constituent stock of industry peers is adjusted by relevant institutions during the term of the Scheme, the Company shall adopt the latest updated industry classification information for the appraisal in the respective year. If there are any significant changes in principal business or extreme values or abnormal values with overly excessive operating performance variation in the samples of the industry peers or benchmark companies, the Board may remove or change the relevant samples according to the actual situations.¹

(IV) Achievement of the performance appraisal conditions at subsidiary level

According to the performance appraisal conditions for the subsidiaries established by the Company, the linkage coefficients of unlocking quota of the Participants in the subsidiaries with the results of performance appraisal of the subsidiaries they belong to are as follows:

Rank of appraisal	A	B	C	D
Appraisal coefficient for the subsidiary	100%	100%	80%	0

The actual unlocking amounts held by the Participants in the appraisal year of the subsidiary = appraisal coefficient for the subsidiary × the amounts of Restricted Shares that are planned to be unlocked in the appraisal year of the subsidiary.

(V) Achievement of the performance appraisal conditions of the Participants at individual level

The individual appraisal of the Participants shall be conducted annually in accordance with the Appraisal Management Measures for Implementation of the 2022 Restricted Share Incentive Scheme of China Communications Construction Company Limited, the percentage of unlocking of the Restricted Shares for the year shall be determined in accordance with individuals' performance evaluation results. The individuals' actual unlocking limit for the current year = individual appraisal coefficient × limit of shares planned to be unlocked by individuals in the current year. Details are as follows:

Rank of appraisal	A	B	C	D
Appraisal coefficient for individual ²	100%	100%	80%	0

If the Restricted Shares currently, held by the Participants, are unable to be wholly or partly unlocked as a result of the performance appraisal at the Company, subsidiary or individual level, such shares shall not be unlocked, or be deferred until the next Unlocking Period, and the Company shall repurchase those Restricted Shares at the lower of the Grant Price and the market price (i.e. the average trading price of the Company's underlying Shares in the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of the repurchase) of the shares during repurchasing.

Notes:

1. According to the Article 39 of the Guidelines, the Company shall not change the selected benchmark companies during the appraisal period after granting the Restricted Shares in principle. If there are any significant changes in operating performance resulting from delisting, significant changes in principal business, significant asset reorganization or other special reasons of a benchmark company, which makes such benchmark company less comparable, the Board will hold a meeting to consider whether such benchmark company shall be changed, and will disclose and illustrate such information in the relevant announcement.
2. According to the Appraisal Management Measures, A grade represents "outstanding", B grade represents "good", C grade represents "qualified" and D grade represents "unqualified".

In accordance with the principle of "incentive and constraint equivalence", (a) for employees evaluated as A grade and B grade, they have made great contributions to the Company's performance growth and therefore should be incentivized. As such, their unlocking ratio shall be 100%; (b) for employees evaluated as C grade, their performance is below average but basically competent. With reference to the market practice of the industry, the unlocking ratio for such Participants shall be lowered at 80%; and (c) for employees evaluated as D grade, they have not completed their work and therefore made no contributions to the Company's performance growth. Therefore, the unlocking ratio will be 0.

III. SCIENTIFICITY AND REASONABLENESS OF THE APPRAISAL INDICATORS

The appraisal indicators of the Incentive Scheme are categorised into three levels, i.e. company level, the subsidiary level and the individual level.

The Company has selected compound growth rate of net profit, the weighted average returns on net assets and EVA as the performance appraisal indicators at company level. The above indicators are the core financial indicators of the Company, reflecting the Company's ability of development, shareholders' return and creating value of the Company, respectively. After a reasonable forecast and taking into account the incentive effect of the Incentive Scheme, the Company has set reasonable performance appraisal targets for the Incentive Scheme. The setting of performance targets for the Incentive Scheme is challenging on the basis of ensuring the feasibility of the Incentive Scheme, and can realize the principle of "incentive and constraint equivalence". In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which comprehensively evaluates the performance of the Participants in an accurate and all-round manner. The Company will determine whether the Participants meet the Unlocking Conditions based on their performance appraisal results.

In conclusion, the appraisal system for the Incentive Scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Participants and can serve the appraisal goal of the Incentive Scheme.

**CHAPTER IX METHODS AND PROCEDURES FOR ADJUSTMENTS
OF THE RESTRICTED SHARES**

I. METHODS OF ADJUSTING THE NUMBER OF RESTRICTED SHARES

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation or other issues of the Company in the period from the date of the announcement on the Scheme to the completion of the registration of the Restricted Shares by the Participants, the number of the Restricted Shares shall be adjusted accordingly. The adjustment methods are as follows:

1. Capitalisation issue, bonus issue and sub-division of shares

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Restricted Shares before the adjustment; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares (i.e. the increase in the number of shares per share upon capitalisation issue, bonus issue and sub-division of shares); Q represents the adjusted number of the Restricted Shares.

2. Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Restricted Shares before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of the Restricted Shares.

3. Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); Q represents the adjusted number of the Restricted Shares.

4. Dividend distribution and new issue

Under the circumstances of dividend distribution or issue of new shares by the Company, no adjustment will be made to the number of the Restricted Shares.

II. METHODS OF ADJUSTING THE GRANT PRICE

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation, dividend distribution or other issues of the Company in the period from the date of the announcement on the Scheme to the completion of registration of the Restricted Shares by the Participants, the Grant Price shall be adjusted accordingly. The adjustment methods are as follows:

1. Capitalisation issue, bonus issue and sub-division of shares

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares; P represents the adjusted Grant Price.

2. Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

3. Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); P represents the adjusted Grant Price.

4. Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Grant Price before the adjustment; V represents the dividend per share; P represents the adjusted Grant Price. Upon adjustment of dividends, P shall still be greater than 1.

5. New issue

Under the circumstance of issue of new shares by the Company, no adjustment will be made to the Grant Price.

III. ADJUSTMENT PROCEDURES OF THE SCHEME

1. The general meeting of the Company shall authorize the Board to adjust the number of the Restricted Shares or the Grant Price for the reasons listed above. After adjusting the number of the Restricted Shares or the Grant Price in accordance with the above provisions, the Board shall make a timely announcement and notify the Participants.
2. If the number and Grant Price of and other terms under the Restricted Shares need to be adjusted for other reasons, such adjustments shall be re-submitted to the general meeting and the A Share and the H Share class meetings for consideration and approval after being considered by the Board.
3. The Company shall engage a lawyer to provide professional opinions to the Board as to whether the above adjustments comply with the provisions of relevant documents of the CSRC or relevant regulatory authorities, as well as the provisions under the Articles of Association and the Scheme.

CHAPTER X ACCOUNTING TREATMENT FOR THE RESTRICTED SHARES**I. ACCOUNTING TREATMENT FOR THE RESTRICTED SHARES**

In accordance with the requirements of the Accounting Standards for Business Enterprise No. 11 – Share-based Payments (《企業會計準則第11號 – 股份支付》), at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion status of the performance targets and other subsequent information, and recognise the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

1. Accounting treatment on the Grant Date: The share capital and capital reserve shall be recognized according to the granting of interests to the Participants by the Company.
2. Accounting treatment during the Lock-up Period: Pursuant to the requirements of the accounting standards, the services provided by the staff will be recognised as costs and the owners' equity or liabilities will also be recognised on each balance sheet date during the Lock-up Period.
3. Accounting treatment on the unlocking date: If the unlocking conditions are fulfilled, the Restricted Shares shall be unlocked; if all or part of the shares that have not been unlocked are repurchased by the Company, such shares will be dealt with pursuant to the accounting standards and relevant requirements.

II. DETERMINATION METHOD OF THE FAIR VALUE OF THE RESTRICTED SHARES

The fair value of the Restricted Shares shall be determined on the basis of the market price on the Grant Date and the subscription price of the Participants.

III. IMPACT OF THE SHARE-BASED PAYMENTS ON THE COMPANY'S OPERATING PERFORMANCE OF EACH PERIOD

The Company will grant 99.40 million Restricted Shares to the Participants under the first grant. Assuming that such shares will be granted on 1 March 2023 and the difference between the closing price on the Grant Date (assuming that the closing price on the Grant Date is the closing price on the day of the Board meeting for considering the Incentive Scheme) and the Grant Price will be taken as the fair value of the Restricted Shares, it is estimated that the total amortisation expense of the Restricted Shares will amount to RMB354.8580 million. Such amortisation expense shall be recognised in phases based on the unlocking proportions during the implementation of the share incentive scheme, and will be charged to recurring gain or loss. Details are shown in the table below:

2023	2024	2025	2026	2027
(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)	(RMB0'000)
10,719.67	12,863.60	7,836.45	3,578.15	487.93

Note: The above figures do not constitute the final accounting cost. Other than the Grant Date, Grant Price and number of shares to be granted, accounting cost also relates to the actual number of effective and lapsed entitlements. The final result of the above impact on the operating performance of the Company shall be subject to the annual auditor's report to be issued by the auditors. The accounting treatment of the reserved Restricted Shares is the same as the accounting treatment of the Restricted Shares of the Scheme under the first grant.

The total costs incurred from the Incentive Scheme will be charged to the recurring gains or losses. As estimated by the Company based on the current condition, without considering the stimulus effects of the Incentive Scheme on the performance of the Company, the amortization of the costs of the Scheme will have an impact on the net profit of each year during its term but the impact won't be significant. Taking into consideration the positive impact of the Incentive Scheme on the development of the Company, it will stimulate the enthusiasm of the management team, improve the operating efficiency, and reduce agency costs. It is expected that the performance improvement of the Company brought by the Incentive Scheme shall far exceed the increase in costs incurred by the Incentive Scheme.

CHAPTER XI PROCEDURES OF IMPLEMENTATION OF THE SCHEME

I. PROCEDURES FOR THE SCHEME TO BECOME EFFECTIVE

1. The Remuneration and Appraisal Committee of the Board shall be responsible for preparing the draft of the Restricted Share Incentive Scheme, and submitting it to the Board for consideration.

The Board shall pass a resolution on the Scheme in accordance with law. When the Scheme is being considered by the Board, any Director who is a Participant or related to any Participant shall abstain from voting.

2. The independent Directors and the Supervisory Committee shall provide opinions on matters as to whether the Scheme may benefit the Company's sustainable development, and whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole. The Company shall engage a law firm to issue legal opinion on the Incentive Scheme, and publish the legal opinion simultaneously with the draft of the Incentive Scheme. The Company will engage an independent financial adviser to provide professional opinions as to the feasibility of the Scheme, whether it is beneficial to the Company's sustainable development, whether there is any damage to the interests of the Company and its impact on the interests of the Shareholders.
3. Before convening the general meeting and the A Share and the H Share class meetings, the Company shall publish the name and position of the Participants internally via Company website or other channels for not less than 10 days. The Supervisory Committee shall review the list of the Participants under the share incentives and take sufficient consideration of public opinions. The Company shall disclose the explanation of the Supervisory Committee regarding the review of the list of Participants and the announcements of such list five days prior to the consideration of the Scheme at the general meeting and the A Share and the H Share class meetings.
4. The Company should carry out self-investigation on the trading of the Company's shares by insiders during the six months' period prior to the announcement of the draft of the share incentive scheme to examine whether there was any insider trading.
5. The Scheme shall be reviewed and approved by the State-owned Assets Supervision and Administration Commission of the State Council upon the approval and consent of China Communications Construction Group (Limited).
6. The Company shall issue notices on the convening of the general meeting and the A Share and the H Share class meetings.
7. When general meeting(s) and the A Share and the H Share class meetings are convened to consider the share incentive scheme, the independent Directors shall solicit proxy voting rights from all Shareholders regarding the Scheme. Content of the share incentive scheme as specified in Article 9 of the Administrative Measures shall be proposed and voted by the Shareholders, the holders of A Shares and the holders of H Shares, and be approved by more than 2/3 of the voting rights held by the attending Shareholders. Voting by Shareholders other than the Directors, supervisors, senior management of the Company and the Shareholders individually or collectively holding more than 5% of the Company's shares shall be separately counted and disclosed.

When the Scheme is being considered at the general meeting and the A Share and the H Share class meetings, any Shareholder who is a Participant or related to any Participant shall abstain from voting.

8. When the Scheme is considered and approved by the general meeting and the A Share and the H Share class meetings, and the grant conditions as specified in the Scheme are met, the Company shall grant the Restricted Shares to the Participants within the specified time. Upon authorization by the general meeting, the Board shall be responsible for the grant, unlocking and repurchase of Restricted Shares.

II. PROCEDURES FOR GRANT UNDER THE SCHEME

1. The Remuneration and Appraisal Committee of the Board is responsible for formulating the plan for granting Restricted Shares upon the approval of Incentive Scheme by the general meeting and the A Share and the H Share class meetings;
2. The Board shall consider and approve the plan for granting Restricted Shares proposed by the Remuneration and Appraisal Committee;
3. Before the Company grants interests to the Participants, the Board shall review and announce whether the conditions for such grant as set in the Scheme have been met.

The independent Directors and the Supervisory Committee shall give their clear opinions concurrently; the engaged law firm shall issue legal opinions as to whether the conditions for such grant have been met; and the independent financial adviser shall give its clear opinions concurrently;

4. The Supervisory Committee shall check whether the list of Participants who are granted with Restricted Shares is consistent with those as specified in the Restricted Share Incentive Scheme approved by the general meeting and the A Share and the H Share class meetings;
5. The Company shall sign agreements on the granting of Restricted Shares with the Participants in order to determine their respective rights and obligations, including the amount and period of payment for such shares by the Participants;
6. The Participants shall pay the consideration for subscribing the Restricted Shares into the account designated by the Company and have it verified and confirmed by a certified public accountant, otherwise such Participant shall be deemed as having waived his/her rights to subscribe for the granted Restricted Shares;
7. After the Scheme is considered and approved by the general meeting and the A Share and the H Share class meetings, the Company shall grant the Restricted Shares to the Participants and complete the announcement and registration within 60 days. The Board shall disclose the announcement on the relevant implementation in a timely manner after the completion of the registration of the granted Restricted Shares. If the Company fails to complete the abovementioned work within 60 days, the implementation of the Scheme shall be terminated, and the Board shall disclose the reasons for the failure in a timely manner and shall not consider the share incentive scheme again within three months (the period during which a listed company is not allowed to grant restricted shares according to the Administrative Measures shall not be counted in the above 60 days);

8. If a senior management personnel of the Company, as a Participant, has reduced his/her holdings of the Company's shares within six months before the grant of the Restricted Shares and there is no case of trading with insider information after verification, the Company may defer the grant of Restricted Shares to such senior management personnel to six months after the date of his/her last reduction transaction in accordance with the provisions of the Securities Law on short-term trading;
9. Before granting the Restricted Shares, the Company shall tender applications to the SSE to grant such Restricted Shares. Upon confirmation by the SSE, the Company shall apply to the relevant securities registration and clearing institution for registration and settlement matters;
10. After the registration of grant of the Restricted Shares is completed, the Company shall, go through the formalities in relation to the registration with the relevant administration for industry and commerce if the registration involves change in the registered capital of the Company.

III. PROCEDURES FOR UNLOCKING UNDER THE SCHEME

1. Prior to the Unlocking Date, the Company shall confirm whether the Participants have satisfied the Unlocking Conditions. The Board shall consider whether the Unlocking Conditions under the Scheme have been satisfied and the independent Directors and the Supervisory Committee shall give their relevant clear opinions. The engaged law firm shall issue legal opinions as to whether the Unlocking Conditions have been satisfied by the Participants. As to the Participants who have satisfied the Unlocking Conditions, the Company shall handle the unlocking of Restricted Shares for all Participants. Restricted Shares held by Participants who have not satisfied the Unlocking Conditions which shall be unlocked will be repurchased by the Company. The Company shall disclose the implementation thereof timely by way of announcement.
2. Participants may transfer their unlocked Restricted Shares whereas the transfer of the Restricted Shares held by Directors and senior management personnel of the Company shall comply with the requirements of the relevant laws, regulations and normative documents.
3. Before unlocking the Restricted Shares of Participants, the Company shall tender applications to the SSE to unlock such Restricted Shares. Upon confirmation by the SSE, the Company shall apply to the relevant securities registration and clearing institution for registration and settlement matters.

**CHAPTER XII RESPECTIVE RIGHTS AND OBLIGATIONS
OF THE COMPANY AND THE PARTICIPANTS**

I. RIGHTS AND OBLIGATIONS OF THE COMPANY

1. The Company shall have the right to construe and execute the Scheme and shall appraise the performance of the Participants based on the requirements under the Scheme. If the Participants fail to fulfill the Unlocking Conditions specified under the Scheme, the Company will repurchase the Restricted Shares, which have not been unlocked by the Participants, in accordance with the principles under the Scheme.
2. If the Participants breach their obligations of loyalty under the Company Law, the Articles of Association and others, or impair the interests and reputation of the Company due to breach of laws, violation of professional ethics, leak of confidential information of the Company, breach of duty or malfeasance, the Company shall repurchase the Restricted Shares that have not been unlocked; if the breach is serious, the Board shall have the right to recover all or part of gains derived from the unlocked Restricted Shares.
3. The Company shall not provide loans or financial assistance in any other forms, including guarantee for loans, to the Participants to obtain or unlock the relevant Restricted Shares under the Scheme.
4. The Company shall perform its reporting, information disclosure and other obligations under the Restricted Share Incentive Scheme in a timely manner in accordance with the relevant requirements.
5. The Company shall actively assist the Participants who have satisfied the Unlocking Conditions to unlock the Restricted Shares in accordance with the relevant requirements of the Scheme, the CSRC, the SSE and the Depository and Clearing Corporation. However, the Company shall not be responsible for any losses incurred by a Participant in the case that the Restricted Shares are not unlocked as the Participant so wishes by reasons relating to the CSRC, the SSE and the Depository and Clearing Corporation.
6. The Company shall withhold and pay the individual income tax and other taxes and fees payable by the Participants according to the relevant provisions of the national tax laws and regulations.
7. The Company's determination of the Participants of the Scheme does not mean that the Participants have the right to continue to serve the Company, nor does it constitute a commitment by the Company on staff employment duration. The employment relationship between the Company and the employees will remain in compliance with the labor contracts signed with the Participants.
8. Other relevant rights and obligations as stipulated by laws and regulations.

II. RIGHTS AND OBLIGATIONS OF THE PARTICIPANTS

1. The Participants shall comply with the requirements of their positions as expected by the Company, and shall work with diligence and responsibility, strictly observe professional conduct, and make contributions to the development of the Company.
2. The Participants shall comply with the selling restrictions under the Scheme in respect of the Restricted Shares being granted. The Restricted Shares granted to the Participants shall not be entitled to the disposal right to be transferred or used as guarantee or for repayment of debt before unlocking the Restricted Shares.
3. The funds shall be self-financed by the Participants.
4. Upon completion of registration of transfer by the Depository and Clearing Corporation, the Restricted Shares granted to the Participants shall enjoy the rights as those conferred on the Shares, including but not limited to the rights to dividends, rights to rights issue and voting rights conferred by such Shares. However, if, within the Lock-up Period, the Participants are entitled to Shares arising from bonus issue, conversion of capital reserve into share capital, rights issue to original Shareholders upon issuance of new Shares in connection with the Restricted Shares which have been granted to the Participants, such Shares shall not be disposed of in the secondary market or otherwise transferred and shall be subject to the same expiry date of the Lock-up Periods as that of the Restricted Shares.
5. Any gains obtained by the Participants under the Scheme are subject to individual income tax and other taxes and fees according to the national tax laws and regulations. The Participants agree that the Company shall withhold and pay the aforesaid individual income tax.
6. The Participants undertake that, where there are false representations or misleading statements contained in, or material omissions from the information disclosure documents of the Company and as a result of which the conditions of grant or arrangements for exercise of rights are not satisfied, the Participants concerned shall return to the Company all interests obtained from the Scheme from the date when it is confirmed that the relevant information disclosure documents of the Company contain false representations, misleading statements or material omissions.
7. Upon approval of the Scheme at the general meeting, the A Share and the H Share class meetings, the Company will sign an agreement on the granting of Restricted Shares with each Participant setting out the respective rights and obligations under the Scheme as well as other relevant matters.
8. When the Company pays cash dividends, the Participants are entitled to the cash dividends in respect of the granted Restricted Shares after being withheld and paid the individual income tax. If the Restricted Shares fail to be unlocked, the Company shall deduct the cash dividend attributable to the Participant in repurchasing and cancelling the Restricted Shares in accordance with the requirements of the Incentive Scheme and make corresponding accounting treatment.

9. The Restricted Shares will be ordinary A Shares after being unlocked, and therefore the Participants holding the unlocked Restricted Shares will be ordinary Shareholders who are entitled to participate in the distribution of surplus property of the Company upon liquidation of the Company in proportion of their shareholding in the total issued ordinary shares of the Company in accordance with the Articles of Association. In an event of liquidation of the Company, granted Restricted Shares but not yet unlocked will be repurchased and cancelled by the Company in accordance with the Scheme and relevant laws and regulations.
10. Other relevant rights and obligations as stipulated by laws and regulations.

CHAPTER XIII HANDLING OF CHANGES IN RELATION TO THE COMPANY AND THE PARTICIPANTS

I. THE COMPANY WILL TERMINATE THE SCHEME UPON OCCURRENCE OF ANY OF THE FOLLOWING EVENTS:

1. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the financial statement of the Company for its most recent accounting year;
2. a certified public accountant issues an auditors' report with adverse opinion or which indicates an inability to give an opinion with respect to the internal control of the financial statement of the Company for its most recent accounting year;
3. the Company fails to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
4. prohibition from implementation of any share incentive scheme by laws and regulations;
5. other circumstances under which the Incentive Scheme shall be terminated as determined by the CSRC.

When the Company terminates the Scheme under any of the above circumstances, the granted Restricted Shares but not yet unlocked shall be repurchased and cancelled by the Company at the lower of the Grant Price and the market price at the time of repurchase (i.e. the average trading price of the Company's underlying shares on one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) of such shares in accordance with the relevant provisions of the Scheme pursuant to the Article 26¹ of the Administrative Measures.

Note 1: Article 26 of the Administrative Measures: In any events stipulated in the Article 18 or Article 25 of the Administrative Measures occur, or in any events that an incentive scheme shall be terminated or the participants fail to meet the unlocking conditions, listed companies shall repurchase the unlocked restricted shares in accordance with the Company Law.

If any participant assumes individual liability as stated in the first clause under Article 18 of the Administrative Measures, or events stipulated in the second clause under Article 18 of the Administrative Measures occur, the repurchase price shall not be higher than the grant price; where any other events occur, the repurchase price shall not be higher than the sum of grant price plus the interest on bank deposits for the same period.

II. THE SCHEME SHALL REMAIN UNCHANGED AND THE COMPANY SHALL PROCEED TO IMPLEMENT THE SCHEME AS STIPULATED IN THE EVENT THAT ANY OF THE FOLLOWING EVENTS OCCURS TO THE COMPANY:

1. change in control of the Company;
2. merger or separation of the Company.

III. Where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions of grant or arrangements for unlocking the restrictions, the Restricted Shares that are not yet unlocked shall be repurchased by the Company on a uniform basis. In respect of the Restricted Shares granted to the Participants which have been unlocked, all the Participants shall return to the Company all entitlements granted. If the Participants, who are not liable for the abovementioned events, suffer loss as a result of returning the entitlements, they may claim for damages from the Company or responsible parties in accordance with the relevant arrangements under the Scheme.

The Board shall recover all the profits gained by the Participants in accordance with the preceding provisions and relevant arrangements under the Scheme.

IV. CHANGES TO THE INDIVIDUAL CIRCUMSTANCES OF THE PARTICIPANTS WITHIN THE TERM

- (I) If the Participants sever or terminate their labour relationship or employment relationship with the Company due to any of the following events, provided that the exercisable period limits and the performance appraisal conditions of the granted interests have been fulfilled in the year of such termination, the exercisable portion shall be exercised within a half-year period after the date of such termination, or else the interests will lapse after the half-year period. If the exercisable period limits and the performance appraisal conditions have not been fulfilled in the year of such termination, the interests shall cease to be exercisable in principle. The Restricted Shares which are not yet eligible to be unlocked shall not be unlocked and shall be repurchased by the Company at the Grant Price plus interest on fixed bank deposits in the same period.
1. the Participant is transferred from the Company and ceases to take office in the Company due to organizational arrangements, or becomes disqualified for the Scheme due to change of position;
 2. the Participant retires upon reaching the retirement age stipulated by law;
 3. the Participant is deceased (his/her legal successor shall unlock the restrictions as required, instead);
 4. the Participant loses the capacity for civil conducts;
 5. the Participant is removed or dismissed by the Company due to personal reasons other than incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.

- (II) When a Participant becomes an independent Director, a supervisor or a person who is prohibited from holding the Company's Restricted Shares, the Restricted Shares held by such Participant under the Scheme that are granted but are not yet unlocked shall be repurchased by the Company at the Grant Price plus the interests on fixed bank deposits in the same period.
- (III) All Restricted Shares held by a Participant that are still locked up shall be repurchased by the Company at a repurchase price equals to the lower of the Grant Price and the market price of shares (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) if any of the following circumstance occurs to such Participant:
1. such Participant proposes to terminate his/her unexpired labor contract (including employment contract and service contract) with the Company;
 2. such Participant opts not to renew his/her labor contract (including employment contract and service contract) with the Company when the contract expires;
 3. such Participant is dismissed by the Company due to incompetence to the position, disqualification in performance appraisal, negligence and other personal reasons.
- (IV) All Restricted Shares held by a Participant that are still locked up shall be repurchased by the Company at a repurchase price equals to the lower of the Grant Price and the market price of shares (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) if any of the following circumstance occurs to such Participant. At the same time, the Participant shall return to the Company the income brought by the Incentive Scheme.
1. the results of the economic responsibility audit and others show that his/her duties are not performed effectively or such Participant is in serious dereliction of duty or malfeasance;
 2. non-compliance with relevant laws and regulations of the state and the Articles of Association;
 3. during his/her term of office, the Participant is subject to disciplinary actions by virtue of illegal behaviours, including bribery, corruption, theft, leakage of the Company's business and technical secrets, damages to the Company's interests and reputation and resulting in material negative impact on the Company's image through related-party transactions;
 4. the Participant fails to perform or fails to properly perform his/her duties, resulting in substantial asset losses and other serious adverse consequences to the Company.
- (V) Other circumstances that are not specified shall be identified by the Board and the consequences shall be determined thereby.

V. RESOLUTION OF DISPUTES BETWEEN THE COMPANY AND THE PARTICIPANTS

Any dispute arising between the Company and the Participants shall be resolved in accordance with provisions of the Scheme and the agreements on the granting of Restricted Shares. Disputes not explicitly covered by the provisions shall be resolved by negotiation in accordance with the national laws on fair and reasonable principles. Where negotiation is unsuccessful, litigation may be instigated at a competent People's Court in the Company's place of domicile.

CHAPTER XIV PROCEDURES FOR AMENDMENTS TO AND TERMINATION OF THE SCHEME**I. PROCEDURES FOR AMENDMENTS TO THE SCHEME**

- (I) Any proposed amendment to the Scheme by the Company prior to consideration of the Scheme at a general meeting, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval of the Board.
- (II) Any proposed amendment to the Scheme by the Company after approval of the Scheme at a general meeting, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval at a general meeting, A Share class meeting and H Share class meeting (except for matters authorized by the general meeting to the Board), and such amendment shall not:
 - 1. result in the unlocking of restrictions in advance;
 - 2. reduce the Grant Price.

There are not any specific term of the Scheme that can be changed by the Directors without the approval of the Shareholders in general meeting after the Scheme is approved at the EGM, A Share Class Meeting and H Share Class Meeting.

- (III) The independent Directors and the Supervisory Committee shall give independent opinions on whether the amended scheme is beneficial for the sustainable development of the listed company or whether there is any notifiable damage to the interests of the listed company and the Shareholders as a whole.
- (IV) The law firm shall issue professional opinions on whether the amended scheme complies with the requirements of the Administrative Measures and relevant laws and regulations or whether there is any notifiable damage to the interests of the listed company and the Shareholders as a whole.

II. PROCEDURES FOR TERMINATION OF THE SCHEME

- (I) Any proposed termination of the Scheme by the Company prior to consideration of the Scheme at a general meeting, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval of the Board.

- (II) Any proposed termination of the Scheme by the Company after approval of the Scheme at a general meeting, A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval at a general meeting, A Share class meeting and H Share class meeting.
- (III) The law firm shall issue professional opinions on whether the termination of the Incentive Scheme complies with the requirements of the Administrative Measures and relevant laws and regulations or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.
- (IV) In case of termination of the Scheme, the Company shall repurchase the Restricted Shares that are still under locked-up and deal with such repurchased shares in accordance with the Company Law.
- (V) The Company shall lodge an application to the SSE prior to the repurchase of the Restricted Shares. Upon confirmation by the SSE, the securities registration and clearing institution will handle the registration and settlement matters.
- (VI) If the Company terminates the implementation of the Scheme, it shall not consider and disclose the draft of the share incentive scheme within three months from the date of announcement on the resolution thereof.

CHAPTER XV PRINCIPLES OF THE REPURCHASE OF RESTRICTED SHARES

I. METHODS FOR ADJUSTMENT OF REPURCHASE QUANTITY

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue, share consolidation or other issues of the Company upon completion of registration of the Restricted Shares granted to the Participants, the Company shall make adjustments to the repurchase quantity of the locked-up Restricted Shares accordingly. The adjustment methods are as follows:

1. Capitalisation issue, bonus issue and sub-division of shares

$Q = Q_0 \times (1 + n)$, where: Q_0 represents the number of the Restricted Shares before the adjustment; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares (i.e. the increase in the number of shares per share upon capitalisation issue, bonus issue or sub-division of shares); Q represents the adjusted number of the Restricted Shares.

2. Rights issue

$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$, where: Q_0 represents the number of the Restricted Shares before the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of the Restricted Shares.

3. Share consolidation

$Q = Q_0 \times n$, where: Q_0 represents the number of Restricted Shares before the adjustment; n represents consolidation ratio per share (i.e. the ratio based on which one share of the Company shall be consolidated into n shares); Q represents the adjusted number of the Restricted Shares.

4. Dividend distribution and new issue

Under the circumstances of dividend distribution or issue of new shares by the Company, no adjustment will be made to the number of the Restricted Shares.

II. METHODS FOR ADJUSTMENT TO THE REPURCHASE PRICE

If the Company repurchases the Restricted Shares under the requirements of the Incentive Scheme, unless otherwise agreed in the Incentive Scheme, the repurchase price represents the Grant Price, except that the repurchase price needs to be adjusted in accordance with the Incentive Scheme.

In the event of any capitalisation issue, bonus issue, sub-division of shares, rights issue or share consolidation, dividend distribution or other issues of the Company affecting the total amount of the Company's share capital or the Company's stock price upon completion of registration of the Restricted Shares granted to the Participants, the Company shall make adjustments to the repurchase price of the locked-up Restricted Shares accordingly. The adjustment methods are as follows:

1. Capitalisation issue, bonus issue and sub-division of shares

$P = P_0 \div (1 + n)$, where: P represents the repurchase price per Restricted Share after adjustment; P_0 represents the Grant Price per Restricted Share; n represents the ratio per share resulting from capitalisation issue, bonus issue and sub-division of shares (i.e. the increase in the number of shares per share upon capitalisation issue, bonus issue or sub-division of shares).

2. Rights issue

$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$, where: P_1 represents the closing price as at the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e. the number of shares to be issued under the rights issue to the total share capital of the Company prior to the rights issue).

3. Share consolidation

$P = P_0 \div n$, where: P represents the repurchase price per Restricted Share after adjustment; P_0 represents the Grant Price per Restricted Share; n represents consolidation ratio per share (i.e. the ratio based on which one share of the Company shall be consolidated into n shares).

4. Dividend distribution

$P = P_0 - V$, where: P_0 represents the repurchase price per Restricted Share before the adjustment; V represents the amount of dividends per share; P represents the repurchase price per Restricted Share after adjustment. Upon adjustment of dividends, P shall still be greater than 1.

5. New issue

Under the circumstance of issue of new shares by the Company, no adjustment will be made to the repurchase price of the Restricted Shares.

III. ADJUSTMENT PROCEDURES OF THE REPURCHASE PRICE AND REPURCHASE QUANTITY

- (I) The general meeting of the Company shall authorize the Board of the Company to adjust the repurchase price and repurchase quantity of the Restricted Shares for the reasons listed above. After adjusting the repurchase price and repurchase quantity in accordance with the above provisions, the Board shall make a timely announcement.
- (II) If the repurchase price and repurchase quantity of the Restricted Shares need to be adjusted for other reasons, it shall be decided by the Board and considered and approved by the general meeting, the A Share class meeting and the H Share class meeting.

IV. PROCEDURES OF REPURCHASE

- (I) The Company shall promptly convene a Board meeting to consider the plan on the repurchase of shares. The repurchase plan shall be submitted to the general meeting, the A Share class meeting and the H Share class meeting for approval when necessary, and an announcement shall be made in a timely manner.
- (II) When the Company carries out repurchases in accordance with the provisions of the Incentive Scheme, it shall deal with such repurchases in accordance with the Company Law.
- (III) When the Company carries out repurchases in accordance with the provisions of the Incentive Scheme, it shall apply to the SSE for handling the formalities relating to the Restricted Shares. Upon confirmation by the SSE, the Company shall timely complete the formalities with the securities registration and clearing company and make an announcement thereon.

CHAPTER XVI OTHER SIGNIFICANT EVENTS

- I. In case of any conflict between the relevant provisions of the Scheme and the relevant national laws, regulations, administrative rules and normative documents, the relevant provisions of the Scheme shall be implemented in accordance with the relevant national laws, regulations, administrative rules and normative documents. For any provisions not specified in the Scheme, such provisions shall be implemented in accordance with relevant national laws, regulations, administrative rules and normative documents.

- II. In the event that a Participant violates the Scheme, the Articles of Association or relevant national laws, regulations, administrative rules and normative documents and sells the shares granted under the Scheme, the returns shall be owned by the Company, which shall be executed by the Board of the Company.
- III. The Scheme shall not be implemented until it is considered and approved by the State-owned Assets Supervision and Administration Commission of the State Council, and is considered and approved at the general meeting, the A Share Class Meeting and the H Share Class Meeting.
- IV. The Board shall authorize the Remuneration and Appraisal Committee to formulate the Administrative Measures for the Scheme.
- V. The Board of the Company reserves the rights to interpret the Scheme.

China Communications Construction Company Limited

Board of Directors

16 December 2022

Note: The Management Measures was prepared in Chinese. In the event of any discrepancy between the Chinese version and the English translation, the Chinese version shall prevail.

MANAGEMENT MEASURES OF THE 2022 RESTRICTED SHARE INCENTIVE SCHEME OF CHINA COMMUNICATIONS CONSTRUCTION COMPANY LIMITED

CHAPTER I GENERAL PROVISIONS

Article 1 To ensure the smooth implementation of the Restricted Share Incentive Scheme (the “**Incentive Scheme**” or the “**Scheme**”) of China Communications Construction Company Limited (“**CCCC**” or the “**Company**”), and to specify, among other things, the administrative bodies and their responsibilities, implementation procedures and treatment of special circumstances of the Incentive Scheme, the Management Measures of the 2022 Restricted Share Incentive Scheme of China Communications Construction Company Limited (the “**Management Measures**”) is formulated in accordance with relevant laws, administrative regulations, departmental rules and normative documents issued by the State, the Articles of Association of CCCC and the relevant requirements of the Incentive Scheme, and in combination with the actual situation of the Company. The Management Measures shall come into effect after being considered and approved by the general meeting, the A Share Class Meeting and H Share Class Meeting of the Company.

Article 2 The Incentive Scheme is a medium- and long-term incentive scheme, under which A Shares of the Company will be granted and issued to certain directors, senior management, middle management and the core personnel of the Company (including its branches and holding subsidiaries) who have a direct impact on the Company’s operating results and future development as recognized by the Board. The Incentive Scheme proposed by the Remuneration and Appraisal Committee shall come into effect after being considered by the Board, going through the relevant procedures of the SASAC, and being considered and approved by the general meeting and the A Share Class Meeting and H Share Class Meeting of the Company.

Article 3 The Board shall conduct strict management based on the Incentive Scheme (the revised and effective version shall prevail, if any) considered and approved by the general meeting, the A Share Class Meeting and H Share Class Meeting, and in accordance with the principles of lawfulness, standardization, openness and transparency.

Article 4 The management of the Incentive Scheme includes the formulation and revision of the Incentive Scheme, the qualification examination of the Participants, the grant and unlocking of the Restricted Shares, and information disclosure, etc.

Article 5 Unless otherwise specified, the meanings of the terms involved in the Management Measures shall be the same as those in the Incentive Scheme.

CHAPTER II ADMINISTRATIVE BODIES AND THEIR RESPONSIBILITIES

Article 6 The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, amendments and termination of the Scheme. The general meeting may, within its powers and authority, authorize the Board to handle certain matters related to the Incentive Scheme.

Article 7 The Board shall act as the executive and administrative body for the Incentive Scheme. The Remuneration and Appraisal Committee shall be responsible for drafting and revising the Incentive Scheme, and submitting it to the Board for review. Upon consideration and approval by the Board, the Incentive Scheme shall be further submitted to the general meeting, the A Share Class Meeting and H Share Class Meeting of the Company for consideration and approval. The Board may handle matters relating to the Scheme within its scope of authority as delegated by the general meeting.

Article 8 The Supervisory Committee and the independent Directors shall act as the supervisory authority for the Scheme, and shall provide opinions on matters as to whether the Scheme is beneficial to the Company's sustainable development, and whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole. The Supervisory Committee shall supervise the implementation of the Scheme as to whether it is in compliance with the relevant laws, regulations, normative documents and operational rules of the SSE, and shall be responsible for reviewing the list of the Participants. The independent Directors shall solicit proxy voting rights from all Shareholders regarding the Scheme. In addition, the independent non-executive Directors are responsible for the prior approval of grants of the Restricted Shares to the Directors, chief executives or substantial Shareholders of the Company or their respective associates.

CHAPTER III PROCEDURES FOR THE SCHEME TO TAKE EFFECT

Article 9 The Remuneration and Appraisal Committee shall be responsible for drafting the Incentive Scheme, and submitting it to the Board for consideration.

Article 10 When the Board considers the Incentive Scheme, any Director who is also a Participant or is a related party to a Participant shall abstain from voting. The Board shall submit the Incentive Scheme to the general meeting and the A Share Class Meeting and H Share Class Meeting for consideration upon approval of the Incentive Scheme and fulfilment of the procedures of publicity and announcement; at the same time, the Board shall apply for authorization from the general meeting to be responsible for the grant, unlocking and repurchase of the Restricted Shares.

Article 11 The independent Directors and the Supervisory Committee shall provide opinions on matters as to whether the Incentive Scheme is beneficial to the Company's sustainable development, and whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.

Article 12 The independent Directors and the Supervisory Committee, if thought necessary, may suggest that the Company engage an independent financial adviser to provide professional opinions as to the feasibility of the Incentive Scheme, whether it is beneficial to the Company's sustainable development, whether there is any damage to the interests of the Company and its impact on the interests of the Shareholders.

Article 13 The Company shall engage a law firm to issue legal opinions on the Incentive Scheme.

Article 14 Upon completion of relevant procedures of the Incentive Scheme, the Company shall convene the general meeting, the A Share class meeting and H Share class meeting to consider and approve the Incentive Scheme and implement the Incentive Scheme accordingly. Before convening the general meeting, the Company shall publish the name and position of the Participants via Company website for not less than ten days. The Supervisory Committee shall review the list of the Participants under the share incentives and take sufficient consideration of public opinions. The Company shall disclose the explanation of the Supervisory Committee regarding the review of the list of Participants and the announcements of such list five days prior to the consideration of the Incentive Scheme at the general meeting.

Article 15 When a general meeting of the Company is convened to vote on the Incentive Scheme, the independent Directors shall solicit proxy voting rights from all Shareholders regarding the Incentive Scheme. Content of the share incentive scheme as specified in Article 9 of the Administrative Measures on Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》) (the “**Administrative Measures**”) shall be proposed and voted at a general meeting, the A Share Class Meeting and H Share Class Meeting, and be approved by more than 2/3 of the voting rights held by the attending Shareholders. Voting by the Shareholders other than the Directors, Supervisors, senior management and the Shareholders individually or collectively holding more than 5% of the Company’s shares shall be separately counted and disclosed.

When the Incentive Scheme is being considered at the general meeting, the A Share Class Meeting and H Share Class Meeting of the Company, any Shareholder who is also a Participant or a related party to any Participant shall abstain from voting.

Article 16 When the Incentive Scheme is considered and approved by the general meeting, the A Share Class Meeting and H Share Class Meeting of the Company, and the grant conditions as specified in the Incentive Scheme are met, the Company shall grant the Restricted Shares to the Participants within the specified time. Upon authorization by the general meeting, the Board shall be responsible for the grant, unlocking and repurchase of Restricted Shares.

Article 17 After the Incentive Scheme is considered and approved by the general meeting, the A Share Class Meeting and H Share Class Meeting, the Company shall sign agreements on the grant of Restricted Shares with the Participants in order to determine their respective rights and obligations, including the amount and period of payment for such shares by the Participants.

Article 18 Before the Company grants entitlements to the Participants, the Board shall review and announce whether the conditions for such grant as set in the Incentive Scheme have been met.

The independent Directors and the Supervisory Committee shall give their clear opinions concurrently. The engaged law firm shall issue legal opinions as to whether the conditions for such grant have been met.

The Supervisory Committee shall verify the list of Participants and issue its opinions.

Article 19 In the event of any discrepancy between the entitlements granted to a Participant and the arrangement under the Incentive Scheme, the independent Directors, the Supervisory Committee (where there are changes to the Participants) and the engaged law firm shall give their clear opinions concurrently.

Article 20 After the Incentive Scheme is considered and approved at the general meeting, the A Share Class Meeting and H Share Class Meeting, the Company shall complete the grant, registration and announcement in accordance with the Administrative Measures.

Article 21 If a senior management personnel of the Company, as a Participant, has reduced his/her holdings of the Company's shares within six months before the grant of the Restricted Shares, such grant shall be postponed for six months from the date of his/her last reduction transaction in accordance with the provisions of the Securities Law on short-term trading.

Article 22 Before granting the entitlements, the Company shall tender applications to the SSE to grant such entitlements. Upon confirmation by the SSE, the Company shall apply to the relevant securities registration and clearing institution for registration and settlement matters.

CHAPTER IV UNLOCKING OF THE RESTRICTED SHARES

Article 23 The Restricted Shares granted under the Incentive Scheme shall enter into 36 months' unlocking period after the expiration of 24 months from the date of completion of registration. The Remuneration and Appraisal Committee shall verify the fulfillment of unlocking conditions. If the unlocking conditions as stipulated in the Incentive Scheme are met, the Remuneration and Appraisal Committee shall determine the unlocking coefficient for each Participant according to their performance appraisal results, draw up an unlocking scheme and submit it to the Board for approval.

Article 24 The Board shall consider whether the unlocking conditions under the Incentive Scheme have been satisfied and the independent Directors and the Supervisory Committee shall give their relevant clear opinions. The engaged law firm shall issue legal opinions as to whether the unlocking conditions have been satisfied by the Participants.

Article 25 After the approval of the Board, as to the Participants who have satisfied the unlocking conditions, the Company shall handle the unlocking of Restricted Shares for all Participants. Restricted Shares held by Participants who have not satisfied the unlocking conditions which shall be unlocked will be repurchased by the Company and the repurchased shares shall be disposed of in accordance with the Company Law and other laws and regulations.

Article 26 Before unlocking the Restricted Shares of Participants, the Company shall tender applications to the SSE to unlock such Restricted Shares. Upon confirmation by the SSE, the Company shall apply to the relevant securities registration and clearing institution for registration and settlement matters.

CHAPTER V AMENDMENTS TO THE INCENTIVE SCHEME

Article 27 Any proposed amendment to the Incentive Scheme by the Company prior to consideration of the Incentive Scheme by the Shareholders at a general meeting, the A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval of the Board.

Article 28 Unless otherwise specified by the Incentive Scheme or authorized by the general meeting, any proposed amendment to the Incentive Scheme by the Company after approval of the Incentive Scheme by the Shareholders at a general meeting, the A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval at a general meeting, the A Share class meeting and H Share class meeting, provided that such amendment shall not:

- (I) result in the unlocking of restrictions in advance;
- (II) reduce the Grant Price.

Article 29 The independent Directors and the Supervisory Committee shall give clear opinions on whether the amended Scheme is beneficial for the sustainable development of the Company or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.

Article 30 The law firm shall issue professional opinions on whether the amended scheme complies with the requirements of relevant laws and regulations and the Incentive Scheme or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.

CHAPTER VI TERMINATION OF THE INCENTIVE SCHEME

Article 31 Any proposed termination of the Incentive Scheme by the Company prior to consideration of the Incentive Scheme by the Shareholders at a general meeting, the A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval of the Board.

Article 32 Any proposed termination of the Incentive Scheme by the Company after approval of the Incentive Scheme by the Shareholders at a general meeting, the A Share Class Meeting and H Share Class Meeting shall be subject to consideration and approval at a general meeting, the A Share class meeting and H Share class meeting.

Article 33 The law firm shall issue professional opinions on whether the termination of the Incentive Scheme complies with the requirements of the Administrative Measures and relevant laws and regulations or whether there is any notifiable damage to the interests of the Company and the Shareholders as a whole.

Article 34 In case of termination of the Incentive Scheme, the Company shall repurchase the Restricted Shares that are still under locked-up and deal with such repurchased shares in accordance with the Company Law.

Article 35 The Company shall tender an application to the SSE prior to the repurchase of the Restricted Shares. Upon confirmation by the SSE, the securities registration and clearing institution will handle the registration and settlement matters.

CHAPTER VII HANDLING OF SPECIAL CIRCUMSTANCES

Article 36 Handling of changes in relation to the Company

- (I) The Company will terminate the Scheme upon occurrence of any of the following events, and the granted Restricted Shares but not yet unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the lower of the Grant Price and the market price of the shares at the time of repurchase (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase):
1. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the financial statement of the Company for its most recent accounting year;
 2. issue of an auditors' report with adverse opinion or which indicates an inability to give an opinion by a certified public accountant with respect to the internal control of the financial statement of the Company for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
 4. prohibition from implementation of any share incentive scheme by laws and regulations;
 5. other circumstances under which the Incentive Scheme shall be terminated as determined by the CSRC.
- (II) The Scheme shall remain unchanged and the Company shall proceed to implement the Scheme as stipulated in the event that any of the following events occurs to the Company:
1. change in control of the Company;
 2. merger or separation of the Company.
- (III) Where false statements or misleading representations in or material omissions from the information disclosure documents of the Company result in non-compliance with conditions of grant or arrangements for unlocking the restrictions, the Restricted Shares that are not yet unlocked shall be repurchased and cancelled by the Company on a uniform basis. In respect of the Restricted Shares granted to the Participants which have been unlocked, all the Participants shall return to the Company all entitlements granted. If the Participants, who are not liable for the abovementioned events, suffer loss as a result of returning the entitlements, they may claim for damages from the Company or responsible parties in accordance with the relevant arrangements under the Scheme. The Board shall recover all the profits gained by the Participants in accordance with the preceding provisions and relevant arrangements under the Scheme.

Article 37 Handling of changes to the individual circumstances of the Participants

- (I) If the Participants sever or terminate their labour relationship or employment relationship with the Company due to any of the following events, provided that the exercisable period limits and the performance appraisal conditions of the granted interests have been fulfilled in the year of such termination, the exercisable portion shall be exercised within a half-year period after the date of such termination, or else the interests will lapse after the half-year period. If the exercisable period limits and the performance appraisal conditions have not been fulfilled in the year of such termination, the interests shall cease to be exercisable in principle. The Restricted Shares which are not yet eligible to be unlocked shall not be unlocked and shall be repurchased by the Company at the Grant Price plus interest on fixed bank deposits in the same period.
1. the Participant is transferred from the Company and ceases to take office in the Company due to organizational arrangements, or becomes disqualified for the Scheme due to change of position;
 2. the Participant retires upon reaching the retirement age stipulated by law;
 3. the Participant is deceased (his/her legal successor shall unlock the restrictions as required, instead);
 4. the Participant loses the capacity for civil conducts;
 5. the Participant is removed or dismissed by the Company due to personal reasons other than incompetence to the position, disqualification in performance appraisal, negligence, violation of laws and regulations, etc.
- (II) When a Participant becomes an independent Director, a supervisor or a person who is prohibited from holding the Company's Restricted Shares, the Restricted Shares held by such Participant under the Scheme that are granted but are not yet unlocked shall be repurchased by the Company at the Grant Price plus the interests on fixed bank deposits in the same period.
- (III) All Restricted Shares held by a Participant that are still locked up shall be repurchased by the Company at a repurchase price equals to the lower of the Grant Price and the market price of shares (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) if any of the following circumstance occurs to such Participant:
1. such Participant proposes to terminate his/her unexpired labor contract (including employment contract and service contract) with the Company;
 2. such Participant opts not to renew his/her labor contract (including employment contract and service contract) with the Company when the contract expires;
 3. such Participant is dismissed by the Company due to incompetence to the position, disqualification in performance appraisal, negligence and other personal reasons.

- (IV) All Restricted Shares held by a Participant that are still locked up shall be repurchased by the Company at a repurchase price equals to the lower of the Grant Price and the market price of shares (i.e. the average trading price of the Company's underlying shares on the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of such repurchase) if any of the following circumstance occurs to such Participant. At the same time, the Participant shall return to the Company the income brought by the Incentive Scheme.
1. the results of the economic responsibility audit and others show that his/her duties are not performed effectively or such Participant is in serious dereliction of duty or malfeasance.
 2. non-compliance with relevant laws and regulations of the state and the Articles of Association.
 3. during his/her term of office, the Participant is subject to disciplinary actions by virtue of illegal behaviours, including bribery, corruption, theft, leakage of the Company's business and technical secrets, damages to the Company's interests and reputation and resulting in material negative impact on the Company's image through related-party transactions.
 4. the Participant fails to perform or fails to properly perform his/her duties, resulting in substantial asset losses and other serious adverse consequences to the Company.
- (V) Other circumstances that are not specified shall be identified by the Board and the consequences shall be determined thereby.

CHAPTER VIII SUPPLEMENTAL PROVISIONS

Article 38 The Management Measures shall be formulated, interpreted and amended by the Board.

Article 39 The Management Measures shall come into effect from the date of consideration and approval by the general meeting, the A Share Class Meeting and H Share Class Meeting.

Note: The Appraisal Management Measures was prepared in Chinese. In the event of any discrepancy between the Chinese version and the English translation, the Chinese version shall prevail.

**THE APPRAISAL MANAGEMENT MEASURES FOR IMPLEMENTATION
OF THE 2022 RESTRICTED SHARE INCENTIVE SCHEME OF CHINA
COMMUNICATIONS CONSTRUCTION COMPANY LIMITED**

To ensure the smooth implementation of the 2022 Restricted Share Incentive Scheme (the “**Incentive Scheme**”) of China Communications Construction Company Limited (the “**Company**”), further refine the corporate governance structure of the Company, form a good balanced value distribution system, encourage the core personnel of the Company to carry out their work faithfully and diligently, ensure the steady improvement of the Company’s performance, and ensure the realization of the Company’s development strategy and operation goals, the Appraisal Management Measures are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures on Share Incentives of Listed Companies, the Trial Measures on Implementation of Share Incentive Schemes by State-Owned Listed Companies (Domestic) (《國有控股上市公司(境內)實施股權激勵試行辦法》), the Notice on Issues Concerning Regulating the Implementation of the Share Incentive Schemes by State-Owned Listed Companies (《關於規範國有控股上市公司實施股權激勵制度有關問題的通知》), the Guidelines for the Implementation of Share Incentive Schemes by the State-Owned Listed Companies (《中央企業控股上市公司實施股權激勵工作指引》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, administrative regulations, normative documents and the relevant requirements of the Articles of Association of China Communications Construction Company Limited as well as the actual situation of the Company.

I. APPRAISAL PURPOSE

The appraisal purpose is to further refine the corporate governance structure of the Company, establish and perfect the incentive and restraint mechanism of the Company, ensure the smooth implementation of the Incentive Scheme, and play the role of the Incentive Scheme to the greatest extent, thereby ensuring the realization of the Company’s development strategy and operation goals.

II. APPRAISAL PRINCIPLE

The appraisal of the Participants’ performance must be based on the principles of equality, openness and justice and in strict accordance with the Appraisal Management Measures, to align the share incentive scheme with the performance and contribution of Participants, improve the management performance, and maximize the benefits of the Company and all Shareholders.

III. SCOPE OF APPRAISAL

The Appraisal Management Measures are applicable to all Participants determined under the Incentive Scheme, including the directors, senior management, middle management and core personnel of the Company (including its branches and holding subsidiaries).

IV. APPRAISAL ORGANIZATION

- (I) The Remuneration and Appraisal Committee will assist the Board in organizing the appraisal on the Participants.
- (II) Under the guidance of the Remuneration and Appraisal Committee, the human resources department, the general office, the finance and capital department, the production and operation management department and other relevant departments shall be responsible for conducting the appraisal, keeping the appraisal results, and forming a performance appraisal report and submitting it to the Remuneration and Appraisal Committee.

V. PERFORMANCE APPRAISAL INDICATORS AND STANDARDS**(I) Performance Appraisal Conditions at Company Level*****1. Performance appraisal conditions for granting***

The Company is deemed to have achieved the performance target if all of the following conditions are satisfied: the weighted average return on net assets for 2021 shall not be less than 7.5%, and not lower than 50 percentile of benchmarking enterprises or the industry average; on the basis of the results for 2020, the growth rate of the net profit for 2021 shall not be less than 8%, and not lower than 50 percentile of benchmarking enterprises or the industry average; the economic value added (EVA) performance targets set by SASAC in 2021.

2. *Performance appraisal conditions for unlocking*

The Restricted Shares under the Incentive Scheme shall be appraised on performance on an annual basis during the three accounting years (2023–2025) of the Unlocking Periods to achieve the performance appraisal targets, which shall be regarded as the unlocking conditions of the Participants. The performance appraisal targets for unlocking the Restricted Shares to be granted under the first grant and the reserved grant under the Incentive Scheme is shown in the following table:

Unlocking Period	Performance appraisal targets
The First Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<ul style="list-style-type: none"> <li data-bbox="879 597 1390 815">(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2023 shall not be less than 8%, and not lower than 75 percentile of benchmarking enterprises or the industry average; <li data-bbox="879 859 1390 1038">(2) the weighted average returns on net assets for 2023 shall not be less than 7.7%, and not lower than 75 percentile of benchmarking enterprises or the industry average; <li data-bbox="879 1083 1390 1187">(3) achieve the economic value added (EVA) performance targets of SASAC for 2023.
The Second Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<ul style="list-style-type: none"> <li data-bbox="879 1217 1390 1434">(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2024 shall not be less than 8.5%, and not lower than 75 percentile of benchmarking enterprises or the industry average; <li data-bbox="879 1478 1390 1657">(2) the weighted average returns on net assets for 2024 shall not be less than 7.9%, and not lower than 75 percentile of benchmarking enterprises or the industry average; <li data-bbox="879 1702 1390 1806">(3) achieve the economic value added (EVA) performance targets of SASAC for 2024.

Unlocking Period	Performance appraisal targets
The Third Unlocking Period for the Restricted Shares granted under the First Grant and the Reserved Grant	<p>(1) on the basis of the results for 2021, the compound growth rate of the net profit for 2025 shall not be less than 9%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(2) the weighted average returns on net assets for 2025 shall not be less than 8.2%, and not lower than 75 percentile of benchmarking enterprises or the industry average;</p> <p>(3) achieve the economic value added (EVA) performance targets of SASAC for 2025.</p>

Notes:

- ① “Net profit” represents the net profit in the consolidated statements announced in the annual financial statements of the Company;
- ② If the major asset restructuring as determined by a superior authority or strategic measures as debt-to-equity, increase in capital and shares, rights issue, issuance of preferred shares and perpetual bonds implemented by the Company in response to the call of national policies related to deleveraging and debt reduction may affect the relevant performance indicators and force majeure events encountered by the Company have significant influence on operating results, resulting in incomparability of relevant performance indicators, the Board is authorized to restore the actual value of the relevant performance indicators.

(II) Performance Appraisal Conditions at Subsidiary Level

According to the performance appraisal conditions for the subsidiaries of the Company, the linkage coefficients of unlocking quota of the Participants in the subsidiaries with the results of performance appraisal of such subsidiaries are as follows:

Rank of appraisal	A	B	C	D
Appraisal coefficient for the subsidiary	100%	100%	80%	0

The actual unlocking amounts held by the Participants in the current year of the subsidiary = appraisal coefficient for the subsidiary × the amounts of Restricted Shares planned to be unlocked in the current year of the subsidiary.

(III) Performance Appraisal Conditions at Individual Level

The individual appraisal of the Participants shall be conducted annually in accordance with the Appraisal Management Measures, the percentage of unlocking of the Restricted Shares for the year shall be determined in accordance with individuals' performance evaluation results. The individuals' actual unlocking limit for the current year = individual appraisal coefficient × limit of shares planned to be unlocked by individuals in the current year. Details are as follows:

Rank of appraisal	A	B	C	D
Appraisal coefficient for individual	100%	100%	80%	0

If the Restricted Shares currently, held by the Participants, are unable to be wholly or partly unlocked as a result of the performance appraisal at the Company, subsidiary or individual level, such shares shall not be unlocked, or be deferred until the next unlocking period, and the Company shall repurchase those Restricted Shares at the lower of the Grant Price and the market price (i.e. the average trading price of the Company's underlying shares in the one trading day immediately preceding the date of the announcement of the Board resolution for consideration of the repurchase).

VI. APPRAISAL PERIOD AND FREQUENCY

- (I) Appraisal Period. The appraisal years for unlocking the Restricted Shares are 2023, 2024 and 2025, respectively.
- (II) Frequency of Appraisal. The appraisal shall be conducted once a year during the term of the Incentive Scheme in accordance with the annual appraisal arrangement, and the appraisal year at individual level and the company level shall be the same.

VII. APPRAISAL PROCEDURE

Under the guidance of the Remuneration and Appraisal Committee, the human resources department, the general office, the finance and capital department and the production and operation management department of the Company shall be responsible for conducting the appraisal, keeping the appraisal results, and forming a performance appraisal report and submitting it to the Remuneration and Appraisal Committee.

The Remuneration and Appraisal Committee shall determine the unlocking qualification and number of the Participants in accordance with the appraisal report.

VIII. FEEDBACK AND APPLICATION OF APPRAISAL RESULTS**(I) Feedback and Appeal of Appraisal Results**

1. The appraisees have the right to know their own appraisal results, and the Remuneration and Appraisal Committee shall notify the appraisees of the appraisal results within 5 working days after the appraisal is completed.
2. In the event that the appraisees have any objection to the appraisal results, they may file a complaint with the Remuneration and Appraisal Committee within 5 working days after receiving the notice of the appraisal results. The Remuneration and Appraisal Committee may review its appraisal results according to the actual situation, revise the appraisal results based on its review and inform the appraisees of the results.
3. The appraisal results serve as the basis for unlocking the Restricted Shares.

(II) Archiving of Appraisal Results

After the appraisal, the human resources department of the Company shall file and keep the appraisal results as confidential information for a period of no less than 5 years.

IX. SUPPLEMENTARY PROVISIONS

The Appraisal Management Measures shall be formulated, interpreted and amended by the Board, and shall become effective upon approval by the general meeting, A share and H share class meetings of the Company.

The Board of China Communications Construction Company Limited

16 December 2022

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2023 second extraordinary general meeting (the “EGM”) of China Communications Construction Company Limited (the “Company”) will be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC at 2:00 p.m. on Thursday, 27 April 2023 to consider and, if thought fit, to pass the following resolutions (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 4 April 2023):

Special Resolutions

1. To consider and approve the resolution on the proposed adoption of the 2022 Incentive Scheme and its summary.
2. To consider and approve the resolution on the proposed adoption of the Management Measures.
3. To consider and approve the resolution on the proposed adoption of the Appraisal Management Measures.
4. To consider and approve the resolution on the proposed authorization to the Board to handle the relevant matters related to the 2022 Incentive Scheme.

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

Beijing, the PRC
4 April 2023

As at the date of this notice, the directors of the Company are WANG Tongzhou, WANG Haihui, LIU Xiang, SUN Ziyu, MI Shuhua, LIU Hui[#], CHAN Wing Tak Kevin[#], WU Guangqi[#] and ZHOU Xiaowen[#].

[#] *Independent non-executive Director*

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

Notes:

1. CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE EGM

For purpose of ascertaining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 24 April 2023 to Thursday, 27 April 2023 (both days inclusive), during which time no share transfers will be registered. Instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 21 April 2023. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Thursday, 27 April 2023 are entitled to attend the EGM.

2. PROXY

Every Shareholder who has the right to attend and vote at the EGM is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the EGM.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for the holding of the EGM (i.e. before 2:00 p.m. on Wednesday, 26 April 2023). If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar. Return of a form of proxy will not preclude a Shareholder of the Company from attending in person and voting at the EGM if he so wishes.

If more than one proxy is appointed, such proxies shall only be entitled to vote by poll.

Shareholders or their proxies are required to produce their identification documents when attending the EGM.

3. OTHERS

The EGM is expected to last for around one hour. Shareholders and their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, proxies and other attendees are required to comply with the latest epidemic prevention policy requirements of the PRC government and take necessary precautionary measures.

NOTICE OF 2023 FIRST H SHARE CLASS MEETING



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)

NOTICE OF 2023 FIRST H SHARE CLASS MEETING

NOTICE IS HEREBY GIVEN that 2023 first H Share Class Meeting of China Communications Construction Company Limited (the “**Company**”) will be held at CCCC Building, 85 De Sheng Men Wai Street, Xicheng District, Beijing, the PRC immediately after the conclusion of the EGM and the A Share Class Meeting or any adjournment thereof on Thursday, 27 April 2023 to consider and, if thought fit, to pass the following resolutions (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 4 April 2023):

Special Resolutions

1. To consider and approve the resolution on the proposed adoption of the 2022 Incentive Scheme and its summary.
2. To consider and approve the resolution on the proposed adoption of the Management Measures.
3. To consider and approve the resolution on the proposed adoption of the Appraisal Management Measures.
4. To consider and approve the resolution on the proposed authorization to the Board to handle the relevant matters related to the 2022 Incentive Scheme.

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

Beijing, the PRC
4 April 2023

As at the date of this notice, the directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, SUN Ziyu, MI Shuhua, LIU Hui[#], CHAN Wing Tak Kevin[#], WU Guangqi[#] and ZHOU Xiaowen[#].

[#] *Independent non-executive Director*

NOTICE OF 2023 FIRST H SHARE CLASS MEETING

Notes:

1. CLOSURE OF REGISTER OF MEMBERS AND ELIGIBILITY FOR ATTENDING THE H SHARE CLASS MEETING

For purpose of ascertaining Shareholders' entitlement to attend and vote at the H Share Class Meeting, the register of members of the Company will be closed from Monday, 24 April 2023 to Thursday, 27 April 2023 (both days inclusive), during which time no share transfers will be registered. Instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 21 April 2023. Shareholders of the Company whose names appear on the register of members of the Company at the opening of business on Thursday, 27 April 2023 are entitled to attend the H Share Class Meeting.

2. PROXY

Every Shareholder who has the right to attend and vote at the H Share Class Meeting is entitled to appoint one or more proxies, whether or not they are members of the Company, to attend and vote on his behalf at the H Share Class Meeting.

A proxy shall be appointed by an instrument in writing. Such instrument shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a legal person, then the instrument shall be signed under a legal person's seal or signed by its director or an attorney duly authorised in writing. The instrument appointing the proxy shall be deposited at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 24 hours before the time appointed for the holding of the H Share Class Meeting (i.e. before 2:00 p.m. on Wednesday, 26 April 2023). If the instrument appointing the proxy is signed by a person authorised by the appointer, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Share registrar. Return of a form of proxy will not preclude a Shareholder of the Company from attending in person and voting at the H Share Class Meeting if he so wishes.

If more than one proxy is appointed, such proxies shall only be entitled to vote by poll.

Shareholders or their proxies are required to produce their identification documents when attending the H Share Class Meeting.

3. OTHERS

The H Share Class Meeting is expected to last for around one hour. Shareholders and their proxies attending the meeting shall be responsible for their own travelling and accommodation expenses.

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, Shareholders, proxies and other attendees are required to comply with the latest epidemic prevention policy requirements of the PRC government and take necessary precautionary measures.