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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)

ANNOUNCEMENT
THE FIRST GRANT OF RESTRICTED SHARES TO THE
PARTICIPANTS UNDER THE 2022 INCENTIVE SCHEME

The Board is pleased to announce that the conditions for the First Grant are satisfied and determined to grant a total of 98.55 million Restricted Shares to 662 Participants on 4 May 2023, at a price of RMB5.33 per A Share.

I. BACKGROUND

References are made to the announcement dated 15 December 2022 and the circular dated 4 April 2023 (the “**Circular**”) of the Company in relation to, among other things, the proposed adoption of the 2022 Incentive Scheme and the proposed issue and grant of the new A Shares under the 2022 Incentive Scheme pursuant to the specific mandate. Unless the context otherwise requires, the terms used herein shall have the same meanings as those defined in the Circular.

The 2022 Incentive Scheme and the relevant resolutions were considered and approved by the Shareholders at the EGM, the A Share Class Meeting and the H Share Class Meeting held on 27 April 2023. As 6 Participants were no longer within the scope of the Participants under the first grant due to changes in their positions and other reasons, the Board, pursuant to the authorization granted by the Shareholders at the EGM, the A Share Class Meeting and the H Share Class Meeting, adjusted the number of the

Participants under the first grant of the 2022 Incentive Scheme from 668 to 662 and the number of Restricted Shares under the first grant from 99.40 million to 98.55 million (the “**First Grant**”). Accordingly, the total number of Restricted Shares to be granted under the Incentive Scheme was adjusted from 117.00 million to 116.15 million and the number of Restricted Shares under the reserved grant remained unchanged.

Upon such adjustments, the total funds to be raised under the First Grant will be adjusted to RMB525,271,500, and the total funds to be raised under the reserved grant remain RMB93,808,000. The proposed use of proceeds set out in “III. OTHER RESOLUTIONS IN RELATION TO THE PROPOSED ADOPTION OF THE 2022 INCENTIVE SCHEME – (iii)” to the Circular remains unchanged. Save as mentioned above, the principal terms of the 2022 Incentive Scheme remain unchanged. The Board is pleased to announce that the conditions for the First Grant are satisfied and determined to grant a total of 98.55 million Restricted Shares to 662 Participants on 4 May 2023, at a price of RMB5.33 per A Share.

II. THE FIRST GRANT OF RESTRICTED SHARES TO THE PARTICIPANTS

(i) Details of the First Grant

Details of the First Grant are set out below:

Grant Date:	4 May 2023;
Total Restricted Shares to be granted:	98.55 million Restricted Shares;
Grant Price:	RMB5.33 per Restricted Share;
Market price on the Grant Date:	The closing price of the Company’s A Shares on 4 May 2023 was RMB12.74 per share;
Total number of Restricted Shares under the reserved grant:	17.60 million Restricted Shares.

The allocation of the Restricted Shares under the First Grant 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 date of this announcement		
ZHU Hongbiao		Chief financial officer	35	0.301%	0.003%		
YANG Zhichao		Vice president	35	0.301%	0.003%		
ZHOU Changjiang		Secretary to the Board	30	0.258%	0.003%		
Middle management personnel and core personnel (no more than 659)	Connected persons at the First Grant	YOU Ruikai (由瑞凱)	Director of a subsidiary	20	0.172%	0.002%	
		YOU Bin (游斌)	Director of a subsidiary	20	0.172%	0.002%	
		ZHANG Zhiming (張志明)	Director of a subsidiary	20	0.172%	0.002%	
		ZHANG Wensheng (張文勝)	Director of a subsidiary	15	0.129%	0.001%	
		PAN Zhongming (潘中明)	Supervisor of a subsidiary	15	0.129%	0.001%	
		LI Huiming (李惠明)	Director of a subsidiary	20	0.172%	0.002%	
		HAN Guoming (韓國明)	Director of a subsidiary	20	0.172%	0.002%	
		LI Yingjun (李英俊)	Director of a subsidiary	20	0.172%	0.002%	
		WU Song (吳松)	Director of a subsidiary	15	0.129%	0.001%	
		LIU Jianjun (劉建軍)	Supervisor of a subsidiary	15	0.129%	0.001%	
		CAI Fengxiang (蔡奉祥)	Director of a subsidiary	20	0.172%	0.002%	
		LIAO Jiajun (廖家軍)	Director of a subsidiary	20	0.172%	0.002%	
		ZHOU Taoyu (周桃玉)	Supervisor of a subsidiary	15	0.129%	0.001%	
		CHEN Shiyong (陳士勇)	Supervisor of a subsidiary	15	0.129%	0.001%	
		Sub-total			250	2.152%	0.021%
		Other middle management personnel and core personnel (no more than 645)			9,505	81.834%	0.809%
		Sub-total			9,755	83.986%	0.830%
Total of the First Grant (no more than 662)			9,855	84.847%	0.839%		
Reserved grant			1,760	15.153%	0.150%		
Total			11,615	100.000%	0.989%		

Notes:

1. 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 date of this announcement.
2. 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 this announcement.
3. 14 Participants under the First Grant are connected persons of the Company under Chapter 14A of the Hong Kong Listing Rules, and the grant of Restricted Shares to such Participants is a fully exempted connected transaction of the Company under the Hong Kong Listing Rules.
4. Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

(ii) Lock-up Period and unlocking arrangements

1. Lock-up Period of the First Grant

The Restricted Shares under the First Grant 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.

2. *Unlocking arrangements under the First Grant*

The unlocking schedule for the Restricted Shares under the First 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	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	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%
The third unlocking period for the First 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%

3. *Performance appraisal conditions*

(1) *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):

Unlocking Period	Performance appraisal targets
The First Unlocking Period for the Restricted Shares granted under the First Grant	<ul 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	<ul 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	<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.

(2) *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.

(3) *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.

(iii) Clawback mechanism

For details of the handling of changes in relation to the Company and the Participants under the First Grant, please refer to “Chapter XIII HANDLING OF CHANGES IN RELATION TO THE COMPANY AND THE PARTICIPANTS” in the Appendix I to the Circular.

III. IMPACT OF THE FIRST GRANT ON THE COMPANY’S FINANCIAL POSITION

In accordance with the Accounting Standards for Business Enterprise No. 11 – Share-based Payments (《企業會計準則第11號-股份支付》), 98.55 million Restricted Shares are granted to the Participants under the First Grant. Taking the difference between the closing price on the Grant Date and the Grant Price as the share-based payment expenses per Restricted Share, the total cost of the Restricted Shares under the First Grant amounts to RMB730.2555 million. Such cost shall be charged to recurring gain or loss. Details of the potential impacts of the Restricted Shares under the First Grant on the accounting cost for each period are shown in the table below:

Unit: RMB0’000

2023	2024	2025	2026	2027
17,647.84	26,471.76	18,195.53	8,702.21	2,008.20

The above figures do not constitute the final accounting cost. Other than the Grant Date, Grant Price and number of Restricted 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.

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

Beijing, the PRC
4 May 2023

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

[#] *Independent non-executive Directors*