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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 ON THE 2024 ACTION PLAN OF “IMPROVING QUALITY, INCREASING EFFICIENCY AND ENHANCING RETURNS”

China Communications Construction Company Limited (the “**Company**”) actively responds to the Shanghai Stock Exchange’s initiative on the “Improving Quality, Increasing Efficiency and Enhancing Returns” campaign, and has organized a special activity for “Improving Quality, Increasing Efficiency and Enhancing Returns”, so as to perfect a series of market value management measures for value creation, value transmission and value realization, striving to achieve the high-quality development of the Company, maximize shareholders’ value, and facilitate the high-quality development of the capital market. To this end, the Company has formulated the 2024 action plan of “Improving Quality, Increasing Efficiency and Enhancing Returns”.

I. FOCUS ON THE MAIN RESPONSIBILITY AND PRINCIPAL BUSINESS, AND ACCELERATE THE DEVELOPMENT OF NEW QUALITY PRODUCTION

(I) Keep Focusing on the Main Responsibility and Principal Business, and Significantly Improve the Modernization Level of the Industrial System

We will accelerate the transformation and upgrade of traditional industries, enhance the competitiveness of core business, consolidate and expand the leading edge, improve the influence and control of main business, and speed up the establishment of competitive advantages in high-end, intelligent, and green transformation of traditional industries. The Company will actively implement the national strategy of “strengthening the country through transportation”, and proactively march towards “innovation+”; dedicate all efforts to advancing the national strategy for building China into a strong maritime country, upgrading and optimizing the “rivers, lakes and seas” structure. The Company will focus on the construction of dual-use (for peacetime and emergencies) public infrastructure in ultra-large metropolitan areas, give full play to the front-end leading role of design around the construction of smart

cities and sponge cities, and pay attention to the infrastructure projects such as urban rapid transit corridors, bus station, logistics facilities, landscaping, environmental health and renovation of old residential areas, and the infrastructure projects such as water supply and drainage systems, underground pipe network and utility tunnels, and also take steps in infrastructure projects such as heat and gas supply, power communication, and dual-use (for peacetime and emergencies) projects. We will promote “overseas priority” in our development to make more contribution, and make every effort to advance the upgrade of “company internationalization”. The Company will focus on key countries and regions, provide forward-looking and systematic services for the high-quality Belt and Road cooperation. By utilizing the four leading international platform companies, the Company will collaborate with its subsidiaries to enhance their ability of “going out” and “bringing in” in terms of complete set of technologies, business models and management systems, in order to build a global three-dimensional industrial ecosystem, and to accelerate the transformation and upgrading from “business internationalization” to “company internationalization”.

(II) Accelerate the Development of New Quality Production, and Enlarge the Proportion of Revenue Generated from Strategic and Emerging Industries

We will accelerate the forward-looking layout in strategic and emerging industries and future industries, and continuously enlarge the proportion of revenue and added value from strategic and emerging industries.

Be the “mainstay” in implementing national strategies, and help build the economic pattern with “dual-circulation” development. We will actively contribute to major strategies including building China into a country with strong transportation network, a strong maritime power, and a country with strong strengths in manufacture and beautiful sceneries, striving to be the main force in facilitating the smooth flow of the domestic circulation and the vanguard in promoting both domestic and international dual circulation.

Be the “National Team” with technological self-reliance and self-improvement, and vigorously ignite the robust engine for high-quality growth. Significant advancements will be made in tackling key and core technologies. We will address the issue of scattered investments of the Company in research and development investments, and strive to build an edge over peers in the creation of high-end equipment and superior technologies in areas such as smart ports, smart highways, smart water management and smart cities, continuing to advance towards a world leading “sci-tech” enterprise.

Be a “pioneer” in the transformation towards a green and low-carbon enterprise, and carefully compose a fresh chapter on sustainable development. We will promote the green transformation and upgrades of the industry, integrate new technologies such as artificial intelligence, big data and 5G with industries, and foster the development of the green transformation field. We aim to achieve new breakthroughs in comprehensive watershed management, soil remediation, offshore wind energy and other fields.

(III) Enhance the Quality and Efficiency of Research and Development (R&D) Investment, and Promote Transformation of Scientific Achievements

We will implement special actions regarding R&D investment governance, strengthen the assessment of the intensity of R&D investment, and establish a stable mechanism for the growth of R&D investment, so as to ensure that the intensity of R&D investment is not lower than that of comparable listed peers in the market. We will focus on both increasing R&D intensity and improving R&D efficiency, and form a full-chain business management platform covering project approval, R&D process and outcome acceptance to achieve comprehensive management across all levels of the Group. We will optimize the structure of R&D investment to ensure investment in major breakthrough projects, “bottleneck” projects, strategic and emerging industries and future industries. Relying on the layout in strategic and emerging industries and future industries, we will enlarge the proportion of investment in fundamental research and cutting-edge technology research.

II. IMPROVE THE QUALITY OF OPERATIONS AND PROMOTE HIGH-QUALITY DEVELOPMENT

(I) Continuously Strengthen Fundamental Management and Deepen Cost and Expense Reduction

Taking the assessment indicator of “profit and five rates (一利五率)” as the core, the Company managed to allocate annual operational indicators quarterly, and strives to achieve a year-on-year improvement in quarterly, interim and annual indicators that outperforms the average of comparable listed peers in the market. With the integration of business and finance as the core, we will continuously improve profitability, reinforce cost management, enhance operational quality and efficiency, and strengthen debt repayment capacity, so as to effectively implement the high-quality development indicator system, and comprehensively promote the Company’s high-quality development.

(II) Take Multiple Measures to Solidify the Value of Assets and Comprehensively Promote Quality Improvement and Efficiency Enhancement

We deeply analyze the asset structure, liability structure, capital structure and profit structure, and carry out classification and assessment of assets. We will actively and steadily promote the realization of high-quality assets, and accelerate the revitalization and disposal of inefficient and ineffective assets as well as non-operating assets step by step in stages. We will devote greater effort to clean up the “non-major and non-advantaged business (兩非)” and reduce the “receivables and inventories (兩金)”, and timely clean up long-term equity investments and investments with share participation to promote the orderly withdrawal of inefficient and ineffective financial assets, and open up channels for the asset-to-capital transformation.

III. INCREASE INVESTOR RETURNS AND PROTECT LEGITIMATE RIGHTS AND INTERESTS OF INVESTORS

(I) Improve the Quality of Information Disclosure and Enhance the Company's Transparency

We will perform the obligation of information disclosure in accordance with laws and regulations, improve the information disclosure system, focus on investor needs, optimize the content of disclosure, and disclose information in a true, accurate, complete, timely and fair manner. We will incorporate the assessment and evaluation results of the information disclosure from the Shanghai Stock Exchange into the performance evaluation system for the Company, to promote the Company to value the quality of information disclosure and continuously improve the level of information disclosure.

(II) Strengthen the Investor Relations Management and Protect Legitimate Rights and Interests of Investors

We develop an annual investor communication work plan, actively enhance the depth and breadth of interaction with investors and analysts through general meetings, investor briefings, positive/reverse roadshows, analyst conferences, reception for visits, Q&As for investors and other methods, timely guide investor expectations, improve the efficiency of information dissemination and increase analyst coverage. We will hold at least 2 results briefings each year, at which the chairman, president, financial controller and other key management personnel as well as the independent director representatives of the Company will attend, to listen to the advice and suggestions from investors, report the latest performance of the Company, and look forward to the strategies for the future development.

(III) Increase Media Promotion Efforts to Enhance Both Market Value and Brand Reputation

We actively carry out news propaganda, use the linkage of multiple media platforms, and carry out thematic propaganda by actively releasing positive news, public speeches and other methods in conjunction with market value management influencing factors and current political focus. We actively explore the operation matters and the highlights of corporate development that are of high interest to the capital market, and release authentic and authoritative information in a timely manner through media platforms. We strengthen the maintenance of relationships with mainstream media in the capital market through daily communication, regular visits and other methods in order to provide security for the Company's publicity, promotion and response to public opinion. We establish a working mechanism for public opinion monitoring, analyzing, reporting, early warning, crisis responding and reputation repairing to maintain the corporate reputation and improve corporate's brand image.

(IV) Optimize the Dividend Policy and Attach Importance to Shareholder’s Investment Returns

We firmly foster a sense of rewarding shareholders and actively explore measures to enhance market value management capabilities through multiple cash dividends and increased shareholdings by the controlling shareholder. Since the listing in 2006, the Company has implemented cash dividends every year. As at the year of 2023, the accumulated amount of cash dividends has exceeded RMB50.674 billion (including tax), with the cash dividends (including tax) per 10 shares distributed to all shareholders increasing from RMB0.88 to RMB2.93, and the total annual cash dividends payment (including tax) increasing from RMB1.305 billion to RMB4.762 billion. From 2021 to 2023, the controlling shareholder increased its shareholding in the Company’s H shares by approximately 297 million shares in aggregate with its own funds.

In 2024, the Company steps up its efforts to study the intrinsic connection between cash dividends and share prices, and assess the impact of the cash dividends ratio and dividend yield on the market value management of the listed company. We will value the direct effect of the cash dividend ratio on investor expectations and coordinate financial resources to make reasonable planning and setting of the cash dividend ratio. We will study and formulate a stable, sustainable and predictable dividend policy, which will specify the dividend standards and clarify the decision-making process, so as to optimize the dividend plan, and explore the promotion of multiple dividends per year, dividends before the Spring Festival and other methods to optimize shareholder returns.

IV. INSIST ON STANDARDIZED OPERATIONS AND IMPROVE CORPORATE GOVERNANCE

(I) Strengthen and Improve the ESG System, Promote the Management and Improvement of Brand Image

We evaluate the impact of ESG system on the form of principal business and the business model of the Company, and solidify the foundation of ESG governance, prepare and publish the ESG report to enhance the Company’s general brand image, and also promote the preparation and release of high-quality ESG special reports of the Company, major projects and key countries, to achieve the “full coverage” of relevant special reports and disclosures. We take the lead in researching the overseas ESG topic for state-owned construction enterprises, further facilitating the improvement of overseas ESG performance of the state-owned construction enterprises, and enhancing the overseas rating of the Company in terms of ESG performance. We continuously develop the responsible brand of “CCCC’s Support on Dreams (中交助夢)”, demonstrate our corporate image, and enhance the brand influence and reputation of the Company.

(II) Enhance the Selection and Performance of Independent Directors, and Strengthen the Construction of the Talent Team

We optimize the qualifications required for being an independent director, broaden the sources of selection and appointment, strengthen the performance support of independent directors, promote their integrity and diligence in fulfilling their duties and better performance, arrange independent directors to participate in the research, demonstration and other steps of major and complex projects in advance. Besides, we establish and improve the system for the introduction, training and regular training of the capital market talents, to guide listed companies to select the excellent talents to act as board secretary and the key personnel for positions regarding securities affairs and capital operation that connect with the capital market, and form a professional team proficient in the operation rules of the capital market and the business of the listed company.

(III) Control the Operational Risks, Strengthen the Corporate Governance, and Stick to the Bottom Line of Compliance

We strengthen the compliance management and internal supervision, strictly comply with the supervisory policies of state-owned assets as well as the regulatory rules of securities. Focusing on connected transactions, fund transfer with related parties, horizontal competition, financial misrepresentation and other critical issues regarding the governance of listed companies, we improve the internal control system, strengthen the risk control, effectively bring the supervisory function of independent directors into play, enhance the capabilities in risk identification, analysis and management, and continuously strengthen its ability of integrity operation.

V. EXPLORE THE MARKET CAPITALIZATION MANAGEMENT, AND PROMOTE THE SUSTAINABLE DEVELOPMENT

(I) Enhance the Top-level Design of Market Capitalization Management

We thoroughly study the Certain Opinions of the State Council on Strengthening Regulation, Preventing Risks, and Promoting High-quality Development of the Capital Market (《國務院關於加強監管防範風險推動資本市場高質量發展的若干意見》), the Opinions on Strengthening the Supervision of Listed Companies (Trial) (《關於加強上市公司監管的意見(試行)》) issued by China Securities Regulatory Commission, and the spirit of the State-owned Assets Supervision and Administration Commission of the State Council regarding the inclusion of market capitalization management in the assessment of responsible persons of central enterprises, and timely carry out the research and formulate a work plan for market capitalization management, with an aim to improve operational quality and increase investors' returns.

(II) Explore the Establishment of the Assessment System of Market Capitalization Management

According to the requirements of the Meeting of Assessment and Distribution Work of State-owned Assets Supervision and Administration Commission (國資委考核分配工作會), we establish an assessment system of market capitalization management that emphasizes both process and results, balances incentives and constraints, and takes into account both intrinsic value and market performance. We objectively quantify and evaluate the performance of the holding listed company, intensify the management of financial indicators closely related to the listed company's market capitalization management such as net profit attributable to the parent company (growth rate), return on net assets and operating cash flow ratio, appropriately increase the weight of the assessment, set high-quality development indicators for the listed company, incorporate the results of information disclosure from the securities exchanges and performance in market capitalization into the assessment, and set assessment targets scientifically and reasonably.

The Company will continue to evaluate the specific measures of this action plan and timely fulfil its obligation of information disclosure. The future plans, development strategies and other forward-looking statements contained in this action plan do not constitute any substantive commitment of the Company to investors, who are advised to be mindful of investment risks.

By Order of the Board
China Communications Construction Company Limited
YU Jingjing
Company Secretary

Beijing, the PRC
22 July 2024

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

[#] *Independent non-executive directors*