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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)**

**UPDATES ON THE PROPOSED SPIN-OFF AND LISTING OF SUBSIDIARIES:**  
**(1) PROPOSED ASSETS REORGANIZATION; AND**  
**(2) PROPOSED SPIN-OFF**

**PROPOSED ASSETS REORGANIZATION**

On 11 May 2022, the Company entered into the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares with China Urban-Rural and Qilianshan in respect of the Proposed Assets Reorganization, pursuant to which, the Company shall dispose of the 100% equity interests of CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute, and China Urban-Rural shall dispose of the 100% equity interests of Southwest Institute, Northeast Institute and Energy Institute (i.e. the Swapped-out Assets) for all the assets and liabilities of Qilianshan (i.e. the Swapped-in Assets), and Qilianshan shall pay the deficiency part between the Swapped-out Assets and the Swapped-in Assets to the Company and China Urban-Rural by issuing the Consideration Shares. The aforesaid transactions are inter-conditional upon each other and will take effect concurrently.

It is expected that upon completion of the Proposed Assets Reorganization, the Swapped-out Assets will become the subsidiaries of Qilianshan, and the Company will become the controlling shareholder of Qilianshan.

The disposal of the Swapped-out Assets by the Company to Qilianshan under the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares constitutes a disposal by the Company under Chapter 14 of the Hong Kong Listing Rules. At the same time, the acquisition of the Swapped-in Assets and the subscription of the Consideration Shares by the Company constitutes an acquisition by the Company under Chapter 14 of the Hong Kong Listing Rules. As the consideration of the Swapped-in Assets and the Swapped-out Assets and other details under the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares are subject to further determination and the formal transaction agreement to be entered into, if the Proposed Assets Reorganization proceeds, it may or may not fall within one of the transaction categories under Rule 14.06 of the Hong Kong Listing Rules.

As at the date of this announcement, China Urban-Rural is a wholly-owned subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 58.70% interests in the issued ordinary Shares of the Company. China Urban-Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As China Urban-Rural is a party to the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares, the Proposed Assets Reorganization constitutes a connected transaction of the Company. The Company will comply with relevant requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules, including but not limited to the reporting, announcement and independent Shareholders' approval requirements (as the case may be) after the details of the Proposed Assets Reorganization are determined.

### **PROPOSED SPIN-OFF**

The Proposed Assets Reorganization by the Company pursuant to the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares constitutes a spin-off under the applicable provisions of the Practice Note 15 of the Hong Kong Listing Rules. The Company will submit an application for the spin-off to the Hong Kong Stock Exchange in due course and will make further announcement(s) on the progress of such application in due course.

**The consideration and other core transaction terms of the Proposed Assets Reorganization are subject to further negotiation between the parties thereto. In addition, the Proposed Assets Reorganization and the Proposed Spin-off are subject to, among other things, the approval, endorsement or consent of the relevant domestic and overseas regulatory authorities, including the SASAC, the CSRC, the Hong Kong Stock Exchange and the State Administration for Market Regulation. Accordingly, the Proposed Assets Reorganization and the Proposed Spin-off may or may not proceed. The Company will fulfill further disclosure obligations in accordance with the requirements under the Hong Kong Listing Rules in due course. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company in accordance with Part XIVA of the SFO (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Hong Kong Listing Rules.

Reference is made to the announcement of the Company dated 25 April 2022 in relation to the indicative announcement in relation to the proposed spin-off and listing of subsidiaries and the entering into of the agreement of intent. On 25 April 2022, the Company entered into the Agreement of Intent on Significant Asset Reorganization with Qilianshan and China Urban-Rural, pursuant to which the Company plans to dispose of the 100% equity interest of CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute while China Urban-Rural plans to dispose of the 100% equity interest of Southwest Institute, Northeast Institute and Energy Institute for all the assets and liabilities of Qilianshan. Qilianshan will pay the deficiency part of consideration to the Company and China Urban-Rural by issuing shares.

### **PROPOSED ASSETS REORGANIZATION**

On 11 May 2022, the Company entered into the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares with China Urban-Rural and Qilianshan in respect of the Proposed Assets Reorganization. The major terms of the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares are set out as below:

**Date** 11 May 2022

**Parties**

- (1) the Company;
- (2) China Urban-Rural; and
- (3) Qilianshan

**Subject matter**

The Company shall dispose of the 100% equity interests of CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute, and China Urban-Rural shall dispose of the 100% equity interests of Southwest Institute, Northeast Institute and Energy Institute (i.e. the Swapped-out Assets) for all the assets and liabilities of Qilianshan (i.e. the Swapped-in Assets), and Qilianshan shall pay the deficiency part between the consideration for the Swapped-out Assets and the Swapped-in Assets to the Company and China Urban-Rural by issuing the Consideration Shares.

The aforesaid transactions are inter-conditional upon each other and will take effect concurrently. If any of these transactions has not obtained the required approval (including but not limited to the approval of the competent internal approval authorities of the relevant parties and the approval of the relevant government departments), the rest of the transactions will not proceed.

**Consideration**

As at the date of this announcement, the audit and valuation of the Swapped-out Assets and the Swapped-in Assets have not been completed. The consideration of the Swapped-out Assets and the Swapped-in Assets shall be determined by entering into a supplementary agreement by the parties after arm's length negotiations with reference to the valuation report issued by an asset evaluation agency and filed with and confirmed by the competent authorities of state-owned assets. The Company will make further announcement in due course.

**Consideration Shares**

Qilianshan will issue the Consideration Shares to the Company and China Urban-Rural at an issue price of RMB10.62 per Consideration Share to pay the deficiency part between the consideration for the Swapped-out Assets and the Swapped-in Assets. The Consideration Shares are intended to be listed on the Shanghai Stock Exchange.

(1) Issue price and pricing basis

According to the Administrative Measures on Significant Assets Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》), the issue price of Consideration Shares to be issued by Qilianshan for the purchase of the Swapped-out Assets shall not be less than 90% of the market reference price. The market reference price is one of the average trading prices of the shares of Qilianshan in the 20 trading days, 60 trading days or 120 trading days prior to the pricing benchmark date (i.e. the date of the announcement of the first board resolution of Qilianshan to consider the relevant proposal of the Proposed Assets Reorganization), which are RMB10.71 per share, RMB10.68 per share and RMB10.52 per share respectively. After arm's length negotiation, the parties agreed that the issue price of the Consideration Shares will be RMB10.62 per share, which is not less than 90% of the average trading prices of the shares of Qilianshan in the 20 trading days, 60 trading days or 120 trading days prior to the pricing benchmark date and not less than the audited net assets per share attributable to shareholders of the listed company for the latest period (i.e. as at 31 December 2021) of Qilianshan (i.e. RMB10.62 per share).

During the period from the pricing benchmark date to the issuance date of the Consideration Shares, in the event of ex-right or ex-dividend events such as distribution of dividend, bonus issue, rights issue or capitalization of capital reserves by Qilianshan, the issue price of the Consideration Shares shall be adjusted according to the following formula with the calculation results rounded up to the nearest cent:

Distribution of share dividends or capitalization of capital reserves/surplus reserves:  $P_1 = P_0 / (1 + n)$ ;

Rights issue:  $P_1 = (P_0 + A \times k) / (1 + k)$ ;

Where the two events above occur concurrently:  
 $P_1 = (P_0 + A \times k) / (1 + n + k)$ ;

Distribution of cash dividend:  $P_1 = P_0 - D$ ;

Where the three events above occur concurrently:  $P_1 = (P_0 - D + A \times k) / (1 + n + k)$ .

Wherein:  $P_0$  represents the effective issue price before adjustment;  $n$  represents the ratio of bonus issue or capitalization issue;  $k$  represents the ratio of the rights issue;  $A$  represents the price of the rights issue;  $D$  represents the cash dividend payable per share; and  $P_1$  represents the effective issue price after adjustment.

According to the announcement on annual profit distribution plan for 2021 of Qilianshan, as approved by its 2021 annual general meeting, Qilianshan will pay a cash dividend of RMB4.50 (including tax) for every 10 shares to all shareholders. Upon completion of the distribution, the aforesaid issue price will be adjusted accordingly.

(2) Number of shares to be issued

The number of Consideration Shares to be issued by Qilianshan to the Company and China Urban-Rural to pay the deficiency part between the consideration for the Swapped-out Assets and the Swapped-in Assets shall be calculated in accordance with the following formula:

Number of Consideration Shares to be issued = (consideration for the Swapped-out Assets – consideration for the Swapped-in Assets)  $\div$  issue price

The number of Consideration Shares shall be rounded to the nearest integral, and Qilianshan shall not be required to pay for any fraction of less than one Consideration Share. The final number of Consideration Shares to be issued is subject to the number approved by the CSRC.

(3) Lock-up period

The Company and China Urban-Rural shall not transfer the Consideration Shares acquired by them in any manner within 36 months from the date of listing of the Consideration Shares. If the closing price of Qilianshan's shares for 20 consecutive trading days within 6 months after the completion of the Proposed Assets Reorganization is lower than the issue price of the Consideration Shares, or if the closing price as at the end of the 6-month period after the completion of the Proposed Assets Reorganization is lower than the issue price of the Consideration Shares, the lock-up period of the Consideration Shares subscribed for by the Company and China Urban-Rural will be automatically extended by 6 months on top of the abovementioned lock-up period. However, transfers under the permission of applicable laws, regulations and rules are not subject to this restriction.

The shares of Qilianshan already held by CNBM, the controlling shareholder of Qilianshan, and QBM, the party acting in concert with it, prior to the transaction shall not be transferred within 36 months from the date of listing of the Consideration Shares. However, transfers under the permission of applicable laws, regulations and rules are not subject to this restriction.

After the completion of the Proposed Assets Reorganization, the shares as a result of Qilianshan's bonus issue and capitalization issue entitled by the Company and China Urban-Rural due to the Proposed Assets Reorganization shall also be subject to the abovementioned lock-up period. The shares entitled by CNBM, the controlling shareholder of Qilianshan, and QBM, the party acting in concert with it, as a result of Qilianshan's bonus issue and capitalization issue by virtue of holding Qilianshan's shares prior to the Proposed Assets Reorganization shall also be subject to the abovementioned lock-up period.

After the expiration of the aforesaid lock-up period, the transfer of the Consideration Shares subscribed for by the Company and China Urban-Rural and the shares of Qilianshan already held by CNBM, the controlling shareholder of Qilianshan, and QBM, the party acting in concert with it, prior to the Proposed Assets Reorganization shall be carried out in accordance with the relevant requirements of the CSRC and the Shanghai Stock Exchange.

(4) Accumulated undistributed profit

Upon completion of the issue of Consideration Shares, the undistributed profit of Qilianshan shown in its financial statements (if any) will be shared between the existing and new shareholders of Qilianshan after the completion of the issue of Consideration Shares.

**Profit and loss in the transitional period**

The entitlement to or assumption of the profit or loss in the transitional period will be determined by a supplemental agreement to be entered into by the parties after the valuation methods for the Swapped-in Assets and the Swapped-out Assets are determined.

**Completion**

- (1) Qilianshan shall transfer the Swapped-in Assets as at the Valuation Benchmark Date to its newly established or designated wholly-owned subsidiary (other than such wholly-owned subsidiary) (the “**Swapped-in Assets Vesting Entity**”) by way of transfer, assignment, capital increase or other legal means. The completion date for the Swapped-in Assets shall be the date of completion of industrial and commercial registration of the transfer of 100% equity interests in the Swapped-in Assets Vesting Entity to the Company and China Urban-Rural. The completion date for the Swapped-out Assets shall be the date of completion of industrial and commercial registration of the transfer of 100% equity interests in CCCC Highway Institute, CCCC First Highway Institute, CCCC Second Highway Institute, Southwest Institute, Northeast Institute and Energy Institute to Qilianshan.



Each party shall use its best endeavors to cooperate with other parties to sign all the documents required for the transfer of the Swapped-out Assets and the Swapped-in Assets Vesting Entity to the other parties in accordance with the constitutional documents of the Swapped-out Assets and the Swapped-in Assets Vesting Entity and relevant legal provisions (as the case may be) within 60 working days from the effective date of the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares, and to complete the industrial and commercial change registration procedures as soon as possible within a reasonable period of time.

- (2) The completion date for the Consideration Shares shall be the date on which Qilianshan issues the Consideration Shares to the Company and China Urban-Rural and registers the Consideration Shares under the Company and China Urban-Rural.

Each party shall complete the relevant procedures for the issue of the Consideration Shares within 60 working days after the completion of the transfer of the Swapped-out Assets to Qilianshan, including but not limited to relevant procedures for the issuance, registration and listing of the Consideration Shares with the Shanghai Stock Exchange and the share registrar and the reporting and filing with the CSRC and its agencies.

### **Condition precedent**

The Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares is concluded on the date it is signed and sealed by the parties thereto and becomes effective on the date when all of the following conditions are fulfilled or satisfied:

- (1) The personnel resettlement involved in the Proposed Assets Reorganization has been considered and approved by the employee representative meeting of Qilianshan;
- (2) The Proposed Assets Reorganization has been approved by the board of directors and general meeting of Qilianshan;

- (3) The general offer obligation of the Company and China Urban-Rural as a result of the Proposed Assets Reorganization has been waived by the general meeting of Qilianshan;
- (4) The Proposed Assets Reorganization has been approved by the Board and the general meeting of the Company;
- (5) The Proposed Assets Reorganization has been approved by the competent decision-making authorities of China Urban-Rural;
- (6) The Proposed Assets Reorganization has been approved by the SASAC;
- (7) The spin-off and listing by the Company has been approved by the Hong Kong Stock Exchange;
- (8) The clearance from the Anti-Monopoly Bureau of the State Administration for Market Regulation for review on centralization of undertakings under the Proposed Assets Reorganization has been obtained;
- (9) The Proposed Assets Reorganization has been approved by the CSRC.

As at the date of this announcement, the Proposed Assets Reorganization has been approved by the board of directors of Qilianshan and the Company respectively. Save for the abovementioned, no other conditions have been fulfilled.

**Subsequent  
arrangements**

In accordance with the market conditions and the requirements of the operation and management of the Swapped-in Assets, on the same date, the Company, China Urban-Rural and Tianshan Cement entered into a trusteeship intention agreement, pursuant to which the Company and China Urban-Rural agreed to entrust Tianshan Cement with the operation and management of the Swapped-in Assets Vesting Entity and the Swapped-in Assets upon completion of the Proposed Assets Reorganization. As at the date of this announcement, the Company has not entered into any specific agreement in relation to the above subsequent arrangement. The Company will fulfil further disclosure obligations in accordance with the requirements under the Hong Kong Listing Rules in due course if necessary.

## **PROPOSED SPIN-OFF**

The Proposed Assets Reorganization by the Company pursuant to the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares constitutes a spin-off under the applicable provisions of the Practice Note 15 of the Hong Kong Listing Rules.

The Company will submit an application for the spin-off to the Hong Kong Stock Exchange in due course and will make further announcement(s) on the progress of such application in due course.

## **FINANCIAL EFFECTS OF THE PROPOSED ASSETS REORGANIZATION AND PROPOSED SPIN-OFF**

It is expected that upon completion of the Proposed Assets Reorganization, the Swapped-out Assets will become the subsidiaries of Qilianshan, and the Company will become the controlling shareholder of Qilianshan.

The Company expects that upon completion of the Proposed Assets Reorganization, the Company's equity interests in CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute will be reduced and the net profit of CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute attributable to the Company in proportion to shareholding may be diluted. However, through the Proposed Assets Reorganization, Southwest Institute, Northeast Institute and Energy Institute held by China Urban-Rural will also be injected into Qilianshan and therefore the financial position and profitability of CCCC Highway Institute, CCCC First Highway Institute, CCCC Second Highway Institute, Southwest Institute, Northeast Institute and Energy Institute will all be reflected in the consolidated financial statements of the Company.

As the direct holding of 100% equity interests in CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute by the Company will effectively be swapped to certain equity interests in Qilianshan, no sale proceeds will be received by the Company in respect of the disposal of equity interests in CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute. The Proposed Assets Reorganization will not cause any significant effect on the profit or loss of the Company.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ASSETS REORGANIZATION AND THE PROPOSED SPIN-OFF**

The Directors believe that the Proposed Assets Reorganization and the Proposed Spin-off will provide the Company with good opportunities for its future development and deliver the following benefits to the Company:

**(1) It is conducive to promoting the design sector to focus on the principal business and further improve the core competitiveness of the design business**

The Company's wholly-owned subsidiaries, being CCCC Highway Institute, CCCC First Highway Institute, CCCC Second Highway Institute, and the wholly-owned subsidiaries of China Urban-Rural, being the Southwest Institute, Northeast Institute and Energy Institute, are mainly engaged in engineering survey, design consulting, and supervision and testing services, mainly focusing on transportation and municipal fields. They are world leading and domestic top road, bridge, tunnel and municipal design enterprises that have significant competitive advantages in related business fields. The Swapped-out Assets are mainly responsible for providing comprehensive technical solutions for transportation and municipal engineering. Their businesses cover highways, bridges, tunnels and facilities along the lines and municipal field. They provide the owners with relevant services including assessment, planning, feasibility study, survey, design, supervision, consultation and project management.

Through the Proposed Assets Reorganization and the Proposed Spin-off, the establishment of a professional listing platform of CCCC design consulting can promote the focus on principal business, strengthen the overall planning and leadership of the design consulting business, give play to the leading role of design consulting in the industry chain, and focus on the deeper and stronger development of the design field, improve the planning and design consulting capabilities in terms of the front end of the business chain and the high end of the value chain of the big transportation and the big city, and improve the profit margin level and technical strength of the design sector. At the same time, through follow-up equity financing to enhance capital strength, design assets with strategic value can be acquired to achieve leapfrogging development.

The Proposed Spin-off will further enhance the Company's asset quality and risk prevention capabilities, and promote the Company's sustainable and healthy long-term development.

**(2) It is conducive to the implementation of market-oriented reforms such as equity incentives by the design sector, fully releasing the valuation potential of the design sector and maximizing the interests of all Shareholders**

The design sector is knowledge-intensive, innovation-driven, and talent-resources-intensive. Taking the spin-off, restructuring and listing of the design sector as an opportunity, firstly, it can optimize the distribution mechanism, increase the sharing of incremental value creation, and enhance the enthusiasm of the team; secondly, we can explore to give full play to the power of talents, and closely integrate enterprise development with the interests of management and core employees through the form of stock option incentive such as management incentive and employee stock ownership; thirdly, it can further promote the reform of mixed ownership in the design sector, introduce external strategic shareholders, and implement global mergers and acquisitions.

The Proposed Assets Reorganization and the Proposed Spin-off is beneficial to the reasonable estimation of the Company's different businesses in the capital market. The market value of the design sector will be at the leading level of listed companies in the domestic A-share design industry, so that the Company's high-quality asset value can be fully reflected in the capital market, thereby improving the Company's overall market value and maximizing the interests of all shareholders.

**(3) Implementing the pilot reform of state-owned capital investment companies and building a model of cooperation among central enterprises**

The Company is the world's largest port design and construction company, the world's largest road and bridge design and construction company, and the world's largest offshore oil drilling platform design company; it is also the largest international contractor and highway investor in China. CCCG is a global provider of integrated infrastructure services, with businesses covering various areas including infrastructure investment, design, construction and operation, equipment manufacturing, real estate, integrated urban development and ecological protection. CNBM Group ranks first in the world in seven business areas, including cement, commercial concrete, gypsum board, glass fiber, wind power blades and technical services for cement and glass engineering, and is the leader in China's building materials industry in "going global" and participating in the "Belt and Road" construction. Its international market share of cement and glass engineering has reached 65%.

The infrastructure industry in which the Company and CCCG are engaged in and the building materials industry in which CNBM Group are engaged in are closely related to each other, with strong industry synergies and business synergies. As the Company, CCCG and CNBM Group are all pilot state-owned capital investment companies, the transactions will facilitate long-term cooperation among the central enterprise groups in more areas and serve as a model for strong alliances among central enterprises.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

The disposal of the Swapped-out Assets by the Company to Qilianshan under the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares constitutes a disposal by the Company under Chapter 14 of the Hong Kong Listing Rules. At the same time, the acquisition of the Swapped-in Assets and the subscription of the Consideration Shares by the Company constitutes an acquisition by the Company under Chapter 14 of the Hong Kong Listing Rules. As the consideration of the Swapped-in Assets and the Swapped-out Assets and other details under the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares are subject to further determination and the formal transaction agreement to be entered into, if the Proposed Assets Reorganization proceeds, it may or may not fall within one of the transaction categories under Rule 14.06 of the Hong Kong Listing Rules.

As at the date of this announcement, China Urban-Rural is a wholly-owned subsidiary of CCCG, the controlling Shareholder of the Company which holds approximately 58.70% interests in the issued ordinary Shares of the Company. China Urban-Rural is thus a connected person of the Company under the Hong Kong Listing Rules. As China Urban-Rural is a party to the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares, the Proposed Assets Reorganization constitutes a connected transaction of the Company. The Company will comply with relevant requirements under Chapter 14 and Chapter 14A of the Hong Kong Listing Rules, including but not limited to the reporting, announcement and independent Shareholders' approval requirements (as the case may be) after the details of the Proposed Assets Reorganization are determined.

## **GENERAL INFORMATION**

### **1. Information on the Swapped-In assets**

The Swapped-in Assets are all the assets and liabilities of Qilianshan as of the Valuation Benchmark Date as set out in the audit report and the valuation report to be issued by the auditing agency and the evaluation agency, respectively. Qilianshan is a joint stock limited company incorporated and validly existing under the laws of the PRC, whose A shares are listed on the main board of the Shanghai Stock Exchange (stock code: 600720), which is directly owned as to approximately 14.93% by CNBM, and indirectly owned as to approximately 11.80% by CNBM through its subsidiary, QBM. The principal business of Qilianshan involves the production and sales of cement, commercial clinker, commercial concrete and aggregate. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, Qilianshan and its ultimate beneficial owners are the third parties independent of the Company and its connected persons.

According to the audited consolidated financial statements of Qilianshan prepared in accordance with China Accounting Standards for Business Enterprises, as at 31 December 2021, the total assets and net assets of Qilianshan amounted to RMB11,590.8119 million and RMB9,046.7612 million, respectively. The followings set forth the net profit/(loss) attributable to Qilianshan (before and after taxes and extraordinary items) for the two financial years ended 31 December 2020 and 2021:

	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2021</b> <i>RMB'0,000</i>
Net profit/(loss) after taxes and extraordinary items	154,858.45	102,796.27
Net profit/(loss) before taxes and extraordinary items	182,661.94	121,377.77

## **2. Information on the Swapped-Out Assets**

CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute are the wholly-owned subsidiaries of the Company incorporated in the PRC, principally engaged in the survey, design, supervision and consultation of highways, bridges and municipal engineering projects.

Southwest Institute, Northeast Institute and Energy Institute are the wholly-owned subsidiaries of China Urban-Rural incorporated in the PRC, among which, Southwest Institute and Northeast Institute principally engages in the survey, design, supervision and consultation of municipal engineering projects, while Energy Institute principally engages in the survey, design and consultation of municipal engineering projects.

Set out below is the unaudited key financial information of CCCC Highway Institute, CCCC First Highway Institute, CCCC Second Highway Institute, Southwest Institute, Northeast Institute and Energy Institute prepared in accordance with China Accounting Standards for Business Enterprises:

	Total assets as at 31 December 2021	Net assets as at 31 December 2021	Net profit/ (loss) before taxes and extraordinary items for the year ended 31 December 2020	Net profit/ (loss) after taxes and extraordinary items for the year ended 31 December 2020	Net profit/ (loss) before taxes and extraordinary items for the year ended 31 December 2021	Net profit/ (loss) after taxes and extraordinary items for the year ended 31 December 2021
						<i>RMB'0,000</i>
CCCC Highway Institute	599,930.79	350,341.26	58,876.91	48,632.77	62,918.31	52,531.50
CCCC First Highway Institute	785,813.07	456,340.95	63,878.93	54,609.32	67,806.30	56,904.67
CCCC Second Highway Institute	656,045.18	407,256.56	55,767.36	46,720.21	65,986.28	55,735.41
Southwest Institute	246,971.74	124,419.65	14,501.71	12,301.00	40,608.23	33,511.97
Northeast Institute	291,539.66	48,183.87	11,498.77	9,743.38	8,741.66	7,325.42
Energy Institute	17,413.34	14,301.06	1,045.37	925.50	932.18	801.53



### **3. General Information of Other Parties**

#### **(1) *The Company***

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

#### **(2) *China Urban-Rural***

China Urban-Rural is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of CCCG. It is mainly engaged in investment, development, management and operation of infrastructure projects such as municipal engineering, energy services, water affairs, ecological restoration, environmental protection, energy saving and environmental protection industries, gardening and landscaping, smart cities, information technology, tourism and health care.

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 58.70% interests in the issued ordinary shares of the Company as at the date of this announcement. CCCG is primarily engaged in the businesses of infrastructure construction, real estate, infrastructure design, dredging and heavy machinery manufacturing.

### **(3) Tianshan Cement**

Tianshan Cement is a joint stock limited company established and validly existing under the laws of the PRC, whose A shares are listed on the main board of Shenzhen Stock Exchange (stock code: 000877), which is owned as to approximately 84.52% by CNBM, without any other shareholder holding more than 2.50% of the equity interests of Tianshan Cement. The principal business of Tianshan Cement involves the production and sales of cement, clinker, commercial concrete and aggregate. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, Tianshan Cement and its ultimate beneficial owners are the third parties independent of the Company and its connected persons.

**The consideration and other core transaction terms of the Proposed Assets Reorganization are subject to further negotiation between the parties thereto. In addition, the Proposed Assets Reorganization and the Proposed Spin-off are subject to, among other things, the approval, endorsement or consent of the relevant domestic and overseas regulatory authorities, including the SASAC, the CSRC, the Hong Kong Stock Exchange and the State Administration for Market Regulation. Accordingly, the Proposed Assets Reorganization and the Proposed Spin-off may or may not proceed. The Company will fulfill further disclosure obligations in accordance with the requirements under the Hong Kong Listing Rules in due course. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

### **DEFINITIONS**

In this announcement, 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 Shanghai Stock Exchange under the stock code 601800 and traded in Renminbi
“Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares”	the agreement on assets swap and acquisition of assets by issuance of shares entered into by the Company, China Urban-Rural and Qilianshan on 11 May 2022 in relation to the Proposed Assets Reorganization
“Board”	the board of directors of the Company

“CCCC First Highway Institute”	CCCC First Highway Consultants Co., Ltd.* (中交第一公路勘察設計研究院有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“CCCC Highway Institute”	CCCC Highway Consultants Co., Ltd.* (中交公路規劃設計院有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“CCCC Second Highway Institute”	CCCC Second Highway Consultants Co., Ltd.* (中交第二公路勘察設計研究院有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“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 as at the date of this announcement
“China Urban-Rural”	China Urban and Rural Holding Group Co., Ltd.* (中國城鄉控股集團有限公司), a wholly-owned subsidiary of CCCG as at the date of this announcement
“CNBM”	China National Building Material Co., Ltd.* (中國建材股份有限公司), 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 3323 and the controlling shareholder of Qilianshan as at the date of this announcement
“CNBM Group”	China National Building Material Group Co., Ltd.* (中國建材集團有限公司), a company incorporated in the PRC with limited liability and the controlling shareholder of CNBM as at the date of this announcement
“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 Main Board of the Hong Kong Stock Exchange under the stock code 1800 and the A Shares of which are listed on the Main Board of the Shanghai Stock Exchange under the stock code 601800
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules

“Consideration Shares”	the new A share(s) of par value of RMB1.00 each in the share capital of Qilianshan to be issued to the Company and China Urban-Rural to pay the consideration payable by Qilianshan under the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Energy Institute”	CCCC Urban Energy Research and Design Institute Co. Ltd.* (中交城市能源研究設計院有限公司), a wholly-owned subsidiary of China Urban-Rural as at the date of this announcement
“H Share(s)”	overseas-listed foreign invested share(s) in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange under the stock code 1800 and traded in Hong Kong dollars
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Northeast Institute”	China Northeast Municipal Engineering Design & Research Institute Co., Ltd.* (中國市政工程東北設計研究總院有限公司), a wholly-owned subsidiary of China Urban-Rural as at the date of this announcement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Assets Reorganization”	the Company disposes of the 100% equity interests of CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute, and China Urban-Rural disposes of the 100% equity interests of Southwest Institute, Northeast Institute and Energy Institute for all the assets and liabilities of Qilianshan; while Qilianshan will pay the deficiency part of consideration to the Company and China Urban-Rural by issuing the Consideration Shares

“Proposed Spin-off”	the Company transfers its 100% equity interests in CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute to Qilianshan in exchange for the newly issued Consideration Shares by Qilianshan pursuant to the Agreement on Assets Swap and Acquisition of Assets by Issuance of Shares
“Qilianshan”	Gansu Qilianshan Cement Group Co., Ltd.* (甘肅祁連山水泥集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the A shares of which are listed on the Main Board of Shanghai Stock Exchange under the stock code 600720
“QBM”	Gansu Qilianshan Building Material Co., Ltd.* (甘肅祁連山建材控股有限公司), a company incorporated in the PRC with limited liability and a subsidiary of CNBM, the controlling shareholder of Qilianshan as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervisor and Administration Commission of the State Council
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Hong Kong Laws) (as amended, supplemented or otherwise modified from time to time)
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	the shareholder(s) of the Company
“Southwest Institute”	Southwest Municipal Engineering Design and Research Institute of China * (中國市政工程西南設計研究總院有限公司), a wholly-owned subsidiary of China Urban-Rural as at the date of this announcement
“Swapped-in Assets”	all the assets and liabilities of Qilianshan listed in the audit report and valuation report issued by the audit agency and evaluation agency of the Proposed Assets Reorganization as at the date of Valuation Benchmark Date

“Swapped-out Assets”	the 100% equity interests of CCCC Highway Institute, CCCC First Highway Institute and CCCC Second Highway Institute held by the Company, and the 100% equity interests of Southwest Institute, Northeast Institute and Energy Institute held by China Urban-Rural
“Tianshan Cement”	Xinjiang Tianshan Cement Co., Ltd.* (新疆天山水泥股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the A shares of which are listed on the Main Board of Shenzhen Stock Exchange under the stock code 000877
“Valuation Benchmark Date”	30 April 2022
“%”	per cent

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

Beijing, the PRC  
11 May 2022

*As at the date of this announcement, the directors of the Company are WANG Tongzhou, WANG Haihuai, LIU Xiang, SUN Ziyu, MI Shuhua, LIU Hui<sup>#</sup>, CHAN Wing Tak Kevin<sup>#</sup>, WU Guangqi<sup>#</sup> and ZHOU Xiaowen<sup>#</sup>.*

<sup>#</sup> *Independent non-executive Director of the Company*

<sup>\*</sup> *For identification purpose only*