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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**  
**CONNECTED TRANSACTION**  
**CAPITAL INCREASE IN CCCC LEASING**

The Board hereby announces that, in accordance with the resolution passed at the twenty-third meeting of the fifth session of the Board, on 28 August 2023, CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC, RB Investment and CCCC Leasing entered into the Capital Increase Agreement. Pursuant to the Capital Increase Agreement, CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC and RB Investment agreed to make a capital increase to CCCC Leasing in accordance with the terms and conditions of the Capital Increase Agreement, respectively.

As at the date of this announcement, CACC and ZPMC are subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 59.37% equity interests in the issued ordinary shares of the Company. CACC and ZPMC are thus connected persons of the Company under the Hong Kong Listing Rules. As such, the Capital Increase under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 0.1% but is less than 5%, the Capital Increase is subject to the announcement requirement but is exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

**BACKGROUND**

The Board hereby announces that, in accordance with the resolution passed at the twenty-third meeting of the fifth session of the Board, on 28 August 2023, CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC, RB Investment and CCCC Leasing entered into the Capital Increase Agreement. Pursuant to the Capital Increase Agreement, CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC and RB Investment agreed to make a capital increase to CCCC Leasing in accordance with the terms and conditions of the Capital Increase Agreement, respectively.

## Capital Increase Agreement

The principal terms of the Capital Increase Agreement are set out below:

**Date:** 28 August 2023

**Parties:**

- (1) CCCC Capital;
- (2) ZPMC;
- (3) Chuwa Bussan;
- (4) CCCI;
- (5) CACC;
- (6) RB Investment; and
- (7) CCCC Leasing.

**Subject matter:** Pursuant to the Capital Increase Agreement, CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC and RB Investment agreed to make a capital increase to CCCC Leasing in accordance with the following terms and conditions, respectively:

- (1) CCCC Capital shall make a capital increase of RMB2,033.7905 million, comprised of the capital contributions of RMB1,190.3105 million in cash, RMB765.3848 million by way of capitalisation of undistributed profits and RMB78.0952 million by way of capitalisation of the surplus reserve;
- (2) ZPMC shall make a capital contribution of RMB10.6493 million by way of capitalisation of the surplus reserve;
- (3) Chuwa Bussan shall make a capital increase of RMB191.7000 million, comprised of the capital contributions of RMB173.9511 million by way of capitalisation of undistributed profits and RMB17.7489 million by way of capitalisation of the surplus reserve;
- (4) CCCI shall make a capital increase of RMB127.8000 million, comprised of the capital contributions of RMB115.9674 million by way of capitalisation of undistributed profits and RMB11.8326 million by way of capitalisation of the surplus reserve;

- (5) CACC shall make a capital contribution of RMB394.1857 million in cash; and
- (6) RB Investment shall make a capital contribution of RMB860.0418 million in cash.

The following table sets out the shareholding structure of CCCC Leasing (1) as at the date of this announcement; and (2) immediately upon completion of the Capital Increase:

Shareholder	As at the date of this announcement		Immediately upon completion of the Capital Increase	
	Registered capital (RMB million)	Shareholding (%)	Registered capital (RMB million)	Shareholding (%)
CCCC Capital	3,762	66.00	5,618	62.42
ZPMC	513	9.00	524	5.82
Chuwa Bussan	855	15.00	1,031	11.45
CCCI	570	10.00	687	7.64
CACC	-	-	358	3.98
RB Investment	-	-	782	8.69
Total	<u>5,700</u>	<u>100.00</u>	<u>9,000</u>	<u>100.00</u>

**Basis of  
determination of  
the consideration:**

The amount of capital contributions under the Capital Increase Agreement was determined by the parties after arm's length negotiations with reference to the appraised value of total shareholders' equity of CCCC Leasing as at 31 December 2022 (the "**Valuation Benchmark Date**") as set out in the asset valuation report (the "**Asset Valuation Report**") prepared by China Tong Cheng Assets Appraisal Co., Ltd. (中通誠資產評估有限公司), an independent and qualified valuer (the "**Valuer**") using the income approach (i.e., RMB8,594.2653 million), and taking into account of various factors, including the actual business operation, major asset composition, demand for working capital and future development plans of CCCC Leasing.

In the Asset Valuation Report, the Valuer conducts the valuation of total shareholders' equity of CCCC Leasing using the income approach and market approach, and selects the income approach as the final valuation conclusion. The difference of the results between such two valuation approaches is shown in the table below:

*Unit: RMB million*

<b>Valuation Method</b>	<b>Carrying amount</b>	<b>Valuation amount</b>	<b>Appreciation amount</b>	<b>Appreciation rate</b>
Income approach	7,748.0837	8,594.2653	846.1817	10.92%
Market approach		8,349.3350	601.2513	7.76%
Difference		244.9303		

Based on the following factors, the Valuer considers that the conclusion of income approach is more reasonable:

- (1) CCCC Leasing is principally engaged in lease and factoring business, the major resources on whose operation relied include, apart from the fixed assets, working capital and other tangible resources, sales team, management team, client resources and other important intangible assets. The income approach is to appraise the enterprise value through capitalisation or discount of the expected revenue of the valuation target from the perspective of making judgment on the profitability of assets, and is able to comprehensively reflect the value of non-book assets such as company's brand and goodwill. The equity value in the eyes of rational investors is estimated based on the expected cash flow returns to investors in the future;
- (2) Based on the structure of CCCC Leasing's business and resources, the free cash flow to equity model under the discounted cash flow method was adopted by the Valuer. The main parameters of the forecast under the income approach are consistent with the situation inferred based on the valuation assumptions. There is sufficient and reasonable basis for the forecast of future incomes. The history, current situation and future of the industry segments and the market segments are rigorously analysed, and the forecast is in line with the law of the market. The valuation procedures are fully implemented with reasonable consideration on the impacts that may be caused by all relevant information for the period from the Valuation Benchmark Date to the date of the Asset Valuation Report (i.e., 8 August 2023) that the Valuer had obtained. Therefore, the valuation results under the income approach can well reflect the expected profitability and the value of shareholders' equity of CCCC Leasing; and

- (3) Market approach means an evaluation method that determines the value of the appraisee by comparing the appraisee with comparable listed companies or comparable transaction cases. Given the considerable number of comparable cases and the relatively open information in recent years, the transaction case comparison method was adopted by the Valuer with taking the price to book ratio (P/B) as the value ratio. Currently, among the domestic comparable transaction cases, there exists certain differences between CCCC Leasing and the comparable companies in terms of size, profitability, capabilities for future advancement, operation capability, risk-management capability and other aspects. In valuation process, there are usually significant subjective factors in differentiated adjustments, which caused certain effect on the valuation under the market approach. In addition, the multiplier indicators for calculation of comparable companies are usually affected by macroeconomics, market environment and other external factors, as a result of which, it directly affected the valuation amounts under the market approach.

The Board has discussed with the Valuer and reviewed the Asset Valuation Report. After comprehensively considering the valuation approaches adopted by the Valuer and the valuation assumptions as set out in the section headed “PROFIT FORECAST REGARDING VALUATION APPROACH” below, the Board is of the view that the valuation results of income approach are fair and reasonable.

**Payment:**

The amounts of capital contributions shall be paid by each of the parties as follows:

- (1) the capital contributions in cash of RMB1,190.3105 million and RMB394.1857 million shall be paid by CCCC Capital and CACC respectively to the account designated by CCCC Leasing in one lump sum within 30 working days upon the signing of the Capital Increase Agreement;
- (2) the capital contribution in cash of RMB860.0418 million shall be paid by RB investment in two tranches: (i) not less than 65% of the capital contribution (i.e., not less than RMB559.0272 million) shall be paid within 30 working days upon the signing of the Capital Increase Agreement; (ii) the remaining amount of not more than 35% of the capital contribution (i.e., not more than RMB301.0146 million) shall be paid within one year upon the completion of the first tranche of capital contribution;
- (3) CCCC Capital, ZPMC, Chuwa Bussan and CCCI shall complete the capital contribution by way of capitalisation of undistributed profits and/or capitalisation of the surplus reserve simultaneously when RB Investment makes the first tranche of capital contribution.

- Completion:** CCCC Leasing shall complete the change of the industrial and commercial registration procedures for the Capital Increase within 20 working days upon the completion of the first tranche of capital contribution by RB Investment and the completion of payment of capital contributions by other parties. The completion of the Capital Increase shall take place on the date of completion of the change of the industrial and commercial registration procedures (the “**Completion Date of Capital Increase**”).
- Profit or loss during the transition period:** Parties agree that the profit or loss recorded by CCCC Leasing during the period commencing from the Valuation Benchmark Date and ending on the Completion Date of Capital Increase shall be enjoyed or borne by the original shareholders prior to the Capital Increase, being CCCC Capital, ZPMC, Chuwa Bussan and CCCI.
- Conditions precedent:** The Capital Increase Agreement shall be concluded on the date of the signing of the Capital Increase Agreement upon the signing and sealing by all parties, and shall be effective after the respective completion of necessary approval procedures for the Capital Increase by all parties. The Company expects that the conditions precedent will be fulfilled by the end of September 2023.
- Others:** CACC intends to make a capital increase of RMB498 million to CCCC Leasing or its subsidiaries within two years upon the signing of the Capital Increase Agreement. The Company will perform its further disclosure obligations as and when appropriate in accordance with the requirements of the Hong Kong Listing Rules, if necessary.

## **PROFIT FORECAST REGARDING VALUATION APPROACH**

Since the income approach is adopted in the Asset Valuation Report of CCCC Leasing, the calculation of the valuation on equity interests of CCCC Leasing contained in such report is deemed as a profit forecast under Rule 14.61 of the Hong Kong Listing Rules. As such, the Company discloses details of the valuation in accordance with Rule 14.62 of the Hong Kong Listing Rules as follows:

Set out below are details of the principal assumptions (including commercial assumptions on which the profit forecast of the equity interest in CCCC Leasing is based):

### **(1) Basic Assumptions**

#### ***(i) Assumption of trading***

The assumption of trading is that all assets to be appraised are in trade, and the valuer performs the valuation by simulating market with conditions such as the transaction conditions of the assets to be appraised.

#### ***(ii) Assumption of open market***

The assumption of open market is that assets can be bought and sold freely in a fully competitive market, and their prices depend on the value judgments of independent buyers and sellers of assets under the supply conditions of a certain market. An open market is a fully competitive market with a large number of buyers and sellers. Buyers and sellers are equal in this market and both have opportunities and time in acquiring ample market information; and the transactions between them are made on a voluntary, rational, non-compulsory and unrestricted condition.

***(iii) Assumption of going concern***

The assumption of going concern is that the operating activities of an operating entity will continue and will not be suspended or terminated in the foreseeable future.

**(2) Specific Assumptions**

- (i) There are no material changes in the relevant prevailing state laws, regulations and policies as well as the macro economy of the state, and there are no material changes in the political, economic and social environments of regions where the parties to the transaction are located; there are no material adverse impacts arising from other unforeseeable factors or force majeure.
- (ii) It is assumed that the enterprise continues to operate in view of the actual situation of assets as at the Valuation Benchmark Date.
- (iii) It is assumed that the operators of CCCC Leasing exercise due diligence, and its management is competent in discharging its duties.
- (iv) It is assumed that CCCC Leasing is in full compliance with all relevant laws and regulations unless otherwise stated.
- (v) It is assumed that the accounting policies to be adopted by CCCC Leasing in the future are basically consistent with those adopted in the preparation of this report in material aspects.
- (vi) It is assumed that the business scope and mode of CCCC Leasing are consistent on the basis of the existing management approaches and level.
- (vii) It is assumed that the cash inflow of CCCC Leasing is the average inflow and the cash outflow is the average outflow after the Valuation Benchmark Date.
- (viii) It is assumed that the contracts signed by CCCC Leasing in the previous years and the current year are valid and can be executed.
- (ix) It is assumed that CCCC Leasing will continue to maintain its current competitive situation and market position in the market after the Valuation Benchmark Date.
- (x) There are no material changes in the relevant interest rates, exchange rates, taxation bases and tax rates, as well as government levies.
- (xi) It is assumed that the core management of CCCC Leasing will remain relatively stable and no material changes that affect the development and profit realization of CCCC Leasing will happen during the period of forecast.

(xii) It is assumed that all of CCCC Leasing's remaining net profit for the year after the allocation of statutory reserve and surplus reserve will be distributed to the shareholders.

(xiii) There are no other force majeure factors or unforeseeable factors that may give rise to material adverse impacts on CCCC Leasing.

Ernst & Young, the auditor of the Company, has reviewed the arithmetical accuracy of the calculation of relevant forecast under the income approach, which do not involve the adoption of accounting policies and the reasonableness of assumptions. The Board confirms that the profit forecast for the equity interests of CCCC Leasing in the Asset Valuation Report was made after due and careful enquiry. Letters issued by Ernst & Young and the Board are set out in Appendix I and Appendix II to this announcement, respectively.

The following is the qualification of the expert who has given an opinion or advice which is contained in this announcement:

<b>Name</b>	<b>Qualification</b>	<b>Date of conclusion or opinion</b>
Ernst & Young	Certified Public Accountants	28 August 2023

As at the date of this announcement, as far as the Directors are aware, the aforesaid expert was not beneficially interested in the share capital of any member of the Group nor did it has any right (whether legally enforceable or not) to subscribe for or to nominate others to subscribe for any shares, convertible securities, warrants, options or derivative securities which carry voting rights in any member of the Group.

As at the date of this announcement, the aforesaid expert has given and has not withdrawn its consent to the issue of this announcement with the inclusion herein of its letter and reference to its name and letter, where applicable, in the form and context in which it appears.

## **INFORMATION ABOUT CCCC LEASING**

CCCC Leasing was incorporated in the PRC on 8 May 2014. It is principally engaged in finance lease services in relation to infrastructure, engineering equipment, ships and other assets, and relevant consulting services, guarantee and factoring business.



According to the unaudited consolidated financial statements of CCCC Leasing prepared in accordance with China Accounting Standards for Business Enterprises, as at 30 June 2023, the total assets and net assets of CCCC Leasing amounted to approximately RMB66,754.0301 million and RMB10,865.4955 million, respectively. The table below sets out the audited net profit/(loss) attributable to CCCC Leasing (before and after taxes and extraordinary items) for the two financial years ended 31 December 2022:

	<b>For the year ended 31 December 2021 <i>RMB million</i></b>	<b>For the year ended 31 December 2022 <i>RMB million</i></b>
Net profit/(loss) before tax and extraordinary items	1,002.6519	1,400.1077
Net profit/(loss) after tax and extraordinary items	748.6528	1,057.3402

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Capital Increase is beneficial to the enhancement of the core competitiveness of CCCC Leasing, the effective support of its expansion of new businesses, the achievement of the healthy and sustainable growth, and better serving of the development of the Company's main business, so as to help realize the interests of the Company and its Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE TRANSACTION**

As at the date of this announcement, CCCC Leasing is owned as to 91% by the Company through its subsidiaries CCCC Capital, Chuwa Bussan and CCCI, and as to 9% by ZPMC. Upon completion of the Capital Increase, CCCC Leasing will be owned as to 90.2% by the Company through its subsidiaries CCCC Capital, Chuwa Bussan, CCCI and RB Investment. CCCC Leasing will continue to be a subsidiary of the Company, the financial results of which will continue to be consolidated into the financial statements of the Company.

It is expected that the Company will not record any gains or losses from the Capital Increase, which will have no effects on the statement of profit of the Company.

Proceeds from the Capital Increase will be used for the business operation and development of CCCC Leasing.

## **CONFIRMATION FROM DIRECTORS**

Mr. WANG Tongzhou, Mr. WANG Haihuai, Mr. LIU Xiang and Mr. MI Shuhua, being the Directors of the Company, are also the directors or senior management of CCCG, and therefore are deemed to have material interests in the transaction under the Capital Increase Agreement, and have abstained from voting on the relevant Board resolution. Save for the above Directors, none of the other Directors of the Company has or is deemed to have a material interest in the abovementioned connected transaction.

The Directors (including the independent non-executive Directors), having made all reasonable and due enquiries, are of the opinion that the terms of the Capital Increase Agreement are fair and reasonable and on normal commercial terms, and the Capital Increase thereunder, although not conducted in the ordinary and usual course of business of the Company, is in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS OF HONG KONG LISTING RULES**

As at the date of this announcement, CACC and ZPMC are subsidiaries of CCCG, the controlling Shareholder of the Company which holds approximately 59.37% equity interests in the issued ordinary shares of the Company. CACC and ZPMC are thus connected persons of the Company under the Hong Kong Listing Rules. As such, the Capital Increase under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

As the highest applicable percentage ratio in respect of the Capital Increase exceeds 0.1% but is less than 5%, the Capital Increase is subject to the announcement requirement but is exempted from the independent Shareholders' approval requirement under the Hong Kong Listing Rules.

## **GENERAL INFORMATION**

### **(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, 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) CCC Capital**

CCC Capital is a wholly-owned subsidiary of the Company incorporated in the PRC, and is principally engaged in corporate headquarters management, investment management, investment and assets management, investment consulting, consulting and planning services, and technology development, technology consulting, technology transfer, technology services.

### **(3) Chuwa Bussan**

Chuwa Bussan is a non-wholly-owned subsidiary of the Company incorporated in Japan, and is principally engaged in the sales, import and export business of equipment, machinery, ships, materials and relevant components thereof which are necessary for port construction and other construction business. As at the date of this announcement, the Company holds approximately 99.94% equity interest in Chuwa Bussan.

### **(4) CCCI**

CCCI is a wholly-owned subsidiary of the Company incorporated in Hong Kong, and is the primary overseas investment and financing platform for the Company, including multinational mergers and acquisitions, post-acquisition management and infrastructure-related investment. CCCI places great interests in the North American, European and Australian markets as strategic investments to the Group's globalisation plan.

**(5) RB Investment**

RB Investment is a wholly-owned subsidiary of the Company incorporated in Hong Kong and is principally engaged in project investment.

**(6) CCCG**

CCCG is a state-owned enterprise established under the laws of the PRC and the controlling Shareholder of the Company holding approximately 59.37% equity interests in the issued ordinary shares of the Company as at the date of this announcement. CCCG is primarily engaged in real estate development and property management, shipbuilding, ship chartering and maintenance, ocean engineering, technical consultation services for ships and corollary equipment of harbours, import and export business, investment in and management of transportation industry, and other businesses.

**(7) CACC**

CACC is a company incorporated in the PRC with limited liability and a non-wholly-owned subsidiary of CCCG. It is primarily engaged in the overall planning, pre-feasibility study, survey, design, project management, construction general contracting, investment, development, construction, operation and maintenance of the infrastructure of domestic and international airport and airport area as well as the investment, development, construction, operation, maintenance services and asset management of airport area related industries. As at the date of this announcement, CACC is owned as to 49% by CCCG, while its remaining equity interests is held by the independent third parties of the Company, among which (i) 31.48% equity interests is held by Capital Airports Holdings Co., Ltd.\* (首都機場集團有限公司), a wholly-owned subsidiary of the Civil Aviation Administration of China\* (中國民用航空局); (ii) 7.45% equity interests is held by Shanghai Huadong Civil Aviation Airport Construction Co., Ltd.\* (上海華東民航機場建設有限責任公司), which is owned by the Air Traffic Management Bureau of China Civil Aviation Administration (East China)\* (中國民用航空華東地區空中交通管理局) and the Department Services Centre of CAAC East China Regional Administration\* (中國民用航空華東地區管理局機關服務中心) as to 70% and 30%, respectively; (iii) 8.33% equity interests is held by Civil Aviation Guangdong Air Traffic Control Service Centre\* (民航廣東空管服務中心); and (iv) 3.74% equity interests is held by Civil Aviation Chengdu Electronic Technology Co., Ltd.\* (民航成都電子技術有限責任公司), a wholly-owned subsidiary of Air Traffic Management Bureau of China Civil Aviation Administration\* (中國民用航空總局空中交通管理局).

**(8) ZPMC**

ZPMC is a joint stock company incorporated in the PRC with limited liability (the A shares of which are listed on the Shanghai Stock Exchange under stock code 600320 and the B shares of which are listed on the Shanghai Stock Exchange under stock code 900947), and a subsidiary of CCCG as at the date of this announcement. ZPMC is principally engaged in design, manufacturing, installation and contracting of large port handling system and equipment, marine heavy equipment, engineering machinery, engineering vessel and large metal structures.

## DEFINITIONS

In this announcement, unless the content otherwise requires, the following expressions have the following meanings:

“Board”	the board of directors of the Company
“CACC”	China Airport Construction Group Company Limited* (中國民航機場建設集團有限公司), a non-wholly-owned subsidiary of CCCG as at the date of this announcement
“Capital Increase”	the capital increase in CCCC Leasing by CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC and RB Investment contemplated under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement entered into among CCCC Capital, ZPMC, Chuwa Bussan, CCCI, CACC, RB Investment and CCCC Leasing on the Capital Increase in CCCC Leasing on 28 August 2023
“CCCC Capital”	CCCC Capital Holdings Limited* (中交資本控股有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“CCCC Leasing”	CCCC Financial Leasing Co., Ltd.* (中交融資租賃有限公司), a non-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
“CCCI”	CCCC International Holding Limited (中交國際(香港)控股有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“Chuwa Bussan”	Chuwa Bussan Company Limited* (中和物產株式會社), a non-wholly-owned subsidiary of the Company as at the date of this announcement

“Company”	China Communications Construction Company Limited, a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on The Stock Exchange of Hong Kong Limited under stock code 1800 and the A shares of which are listed on the Shanghai Stock Exchange under stock code 601800
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
“RB Investment”	RB Industrial Park Investment & Development (Hong Kong) Limited * (中路(香港)園區投資發展有限公司), a wholly-owned subsidiary of the Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“ZPMC”	Shanghai Zhenhua Heavy Industries Co., Ltd. (上海振華重工(集團)股份有限公司), a company incorporated in the PRC on 14 February 1992, the A shares of which are listed on the Shanghai Stock Exchange under stock code 600320 and the B shares of which are listed on the Shanghai Stock Exchange under stock code 900947, and a non-wholly-owned subsidiary of CCCG as at the date of this announcement
“%”	percent

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

Beijing, the PRC  
28 August 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#.*

\* *For identification purpose only*

# *Independent non-executive Director*

## **APPENDIX I – LETTER FROM ERNST & YOUNG**

The following is the text of the letter dated 28 August 2023 prepared by Ernst & Young, Certified Public Accountants, for the purpose of inclusion in this announcement.

To the Directors of China Communications Construction Company Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the “**Forecast**”) on which the valuation report dated 8 August 2023 prepared by China Tong Cheng Asset Appraisal Co., Ltd. (“**中通誠資產評估有限公司**”) in respect of CCCC Financial Leasing Co., Ltd. (“**中交融資租賃有限公司**”) (the “**Target**”) as at 31 December 2022 is based. The valuation is set out in the announcement of China Communications Construction Company Limited (the “**Company**”) dated 28 August 2023 (the “**Announcement**”) in connection with the capital contribution to the Target. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

### **Directors’ responsibilities**

The directors of the Company (the “**Directors**”) are solely responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the “**Assumptions**”), the completeness, reasonableness and validity of which are the sole responsibility of the Directors. The Assumptions are set out in the section headed “PROFIT FORECAST REGARDING VALUATION APPROACH” of the Announcement.

### **Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“**HKSQM**”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountants' responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.

## **Opinion**

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

**Ernst & Young**

*Certified Public Accountants*

Hong Kong

28 August 2023

## APPENDIX II – LETTER FROM THE BOARD

The following is the text of letter dated 28 August 2023 prepared by the Board for the purpose of inclusion in this announcement.

To: The Stock Exchange of Hong Kong Limited  
Listing Division  
12/F, Two Exchange Square,  
8 Connaught Place, Central,  
Hong Kong

Dear Sir/Madam,

Company: China Communications Construction Company Limited (the “**Company**”)

Re: Profit Forecast – Letter of Confirmation under Rule 14.62(3) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”)

Reference is made to the announcement of the Company dated 28 August 2023 mentioning the valuation report of CCCC Financial Leasing Co., Ltd.\* (中交融資租賃有限公司) dated 8 August 2023 (the “**Valuation Report**”) prepared by China Tong Cheng Assets Appraisals Co., Ltd. (the “**Valuer**”) using the income approach.

The Board of the Company has reviewed the bases and assumptions of the valuation and discussed the same with the Valuer and Ernst & Young, the auditor of the Company (the “**Auditor**”). The Board of the Company also considered the Letter of Confirmation issued by the Auditor on 28 August 2023 in relation to the calculations of the profit forecast in the Valuation Report.

In accordance with Rule 14.62(3) of the Hong Kong Listing Rules, the Board of the Company confirmed that the profit forecast used in the aforementioned Valuation Report has been made after due and careful enquiry.

**China Communications Construction Company Limited**  
*Board of Directors*

28 August 2023